Audit Report on Financial Statements issued by an Independent Auditor

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

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

Ernst & Young, S.L.
C/ Raimundo Fernández Villaverde, 65
28003 Madrid

Tel: 902 365 456
Fax: 915 727 238
ey.com

AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

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

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

Report on the financial statements

Opinion

We have audited the financial statements of Fomento de Construcciones y Contratas, S.A. (the Company), which comprise the balance sheet as at December 31, 2024, the income statement, the statement of changes in net equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at December 31, 2024 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

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 financial statements* section of our report.

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

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

Key audit matters

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

Measurement of investments in Group companies and associates

Description	At 31 December 2024, the Company recognised under "Long-term investments in Group companies and associates" investments in group companies and associates and loans granted to group companies and associates amounting to 2,429,945 thousand euros and 402,082 thousand euros, respectively, and under "Short-term investments in Group companies and associates", mainly loans with group companies and associates amounting to 18,858 thousand euros. Company management assesses, at least at the end of each reporting period, whether there are indications of impairment and writes down these investments whenever there is objective evidence that the carrying amount of the investment is no longer recoverable, recognising an impairment loss for the amount of the difference between carrying amount and recoverable amount. Since the determination of the recoverable amount of these investments requires Company management to make estimates using significant judgement, and because of the significance of the amounts involved, we determined this to be a key audit matter. Disclosures on the measurement standards applied to determine impairment losses on investments in group companies and associates are provided in Notes 4.e and 4.m to the accompanying financial statements.
Our response	In relation to this matter, our audit procedures included: ► Understanding the process designed by Company management to determine whether there are indications of impairment and to determine the recoverable amount of the investments in group companies and associates. ► Evaluating the analysis by Company management of indications of impairment of investments in group companies and associates as well as the reasonableness of the assumptions considered and the information used to determine the recoverable amounts of the investments. ► Reviewing the disclosures made in the notes to the financial statements and assessing whether they are in conformity with the applicable financial reporting framework.

Recoverability of deferred tax assets

Description	As explained in Note 16 to the accompanying financial statements, the Company recognised deferred tax assets at 31 December 2024 amounting to 98,968 thousand euros, related mainly to the carry forward of unused tax losses. According to the accounting policy described in Note 4.g to the accompanying financial statements, the Company recognises deferred tax assets corresponding to temporary differences, negative tax bases pending compensation or deductions pending application for which it is likely that the Tax Group will have future taxable profits that make it possible to recover these assets.

The assessment made to determine the recoverable amount of these assets requires Company management to make complex judgements regarding the estimates of the future taxable profit based on financial projections and business plans of the tax group of which the Company is the head, 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 Company and the rest of the companies comprising the Tax Group and the significance of the amounts involved, we determined this to be a key audit matter.

Our response

In relation to this matter, our audit procedures included:

- Understanding the process designed by Company management to assess the recoverability of deferred tax assets.
- Assessing the reasonableness of the key assumptions used by Company 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 Tax Group based on budgets, business performance and historical experience.
- Assessing, with the involvement of our tax specialists, the key assumptions made by Company management regarding applicable tax laws.
- Assessing the sensitivity of the results to reasonably possible changes in those assumptions.
- Reviewing the disclosures made in the notes to the financial statements and assessing whether they are in conformity with the applicable financial reporting framework.

Partial spin by Fomento de Construcciones y Contratas, S.A.

Description

On November 7, 2024, the Company transferred to its former investee, Inmocemento, S.A., two economic units consisting of the entire shares of FCYC, S.A. owned by the company, which represented 80.03% of its share capital, as well as all of the shares of Cementos Portland Valderrivas, S.A., likewise owned by the company, which represented 99.028% of share capital. The spin-off was carried out by universal succession and resulted in the derecognition of 1,596,641 thousand euros from "Non-current investments in group companies and associates" on the balance sheet at January 1, 2024.

In accordance with accounting policy described in Note 2 to the accompanying financial statements, the Company derecognized the carrying amount of the spun-off assets and liabilities reflected at the beginning of the year in which the spin-off transaction took place, with a balancing entry in equity since the spin-off is considered a group company transaction.

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 measurement standards applied and the related disclosures are provided in Notes 2 and 9, to the accompanying financial statements.

Our response

Our audit procedures related to this matter included:

- Understanding management's process for evaluating the impact of the spin-off and how it was recognized 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 financial statements.
- Reviewing the disclosures made in the notes to the financial statements and assessing whether they are in conformity with the applicable financial reporting framework

Other information: management report

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

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

a. Checking only that the 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 management report with the financial statements, based on the knowledge of the entity obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the 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 management report is consistent with that provided in the 2024 financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the directors and the Audit and Control Committee for the financial statements

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

Shape the future
with confidence

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

We also provide the Audit and Control Committee of the 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 of the Company, we determine those matters that were of most significance in the audit of the 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 file of the European single electronic format (ESEF) of Fomento de Construcciones y Contratas, S.A. for the 2024 financial year, consisting of an XHTML file containing the financial statements for the year, which will form part of the annual financial report.

The directors of Fomento de Construcciones y Contratas, S.A. are responsible for submitting the annual financial report for the 2024 financial year, in accordance with the formatting 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 management report.

Our responsibility consists of examining the digital file prepared by the directors of the 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 financial statements included in the aforementioned digital file correspond in their entirety to those of the financial statements that we have audited, and whether the financial statements and the aforementioned file have been formatted, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital file examined corresponds in its entirety to the audited financial statements, which are presented, in all material respects, in accordance with the ESEF Regulation.

Additional report to the Audit and Control Committee

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

Term of engagement

The ordinary general shareholders' meeting held on June 14, 2023 appointed us as auditors 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.

Financial Statements and Management Report

2024

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

Financial Statements

BALANCE SHEET AT YEAR-END 2024
(in thousands of euros)

ASSETS	31/12/2024		31/12/2023	
NON-CURRENT ASSETS		**2,963,579**		**3,883,749**
Intangible assets (Note 5)		**4,372**		**4,366**
Property, plant and equipment (Note 6)		**22,574**		**23,953**
Land and buildings	11,637		11,672	
Other property, plant and equipment	10,937		12,281	
Non-current investments in group companies and associates (Notes 9.a and 19.b)		**2,832,027**		**3,717,258**
Equity instruments	2,429,945		3,296,179	
Loans to companies	402,082		421,079	
Non-current financial investments (Note 8.a)		**5,638**		**20,360**
Deferred tax assets (Note 16)		**98,968**		**117,812**
CURRENT ASSETS		**268,772**		**640,279**
Trade and other receivables		**119,280**		**63,083**
Trade receivables for sales and services (Note 18)	2,498		2,615	
Clients, group companies and associates (Note 19.b)	18,379		12,047	
Receivables from the public administrations (Note 16.a)	97,997		48,004	
Other receivables	406		417	
Current investments in group companies and associates (Notes 9.b and 19.b)		**18,858**		**409,471**
Current financial investments (Note 8.b)		**5,436**		**1,198**
Cash and cash equivalents (Note 10)		**125,198**		**166,527**
TOTAL ASSETS		**3,232,351**		**4,524,028**

Notes 1 to 22 and the attached annexes I to III form an integral part of the financial statements and, together with these, make up the annual accounts for 2024.

BALANCE SHEET AT YEAR-END 2024
(in thousands of euros)

EQUITY AND LIABILITIES	31/12/2024		31/12/2023	
EQUITY (Note 11)		**1,825,903**		**3,207,375**
Shareholders' equity		**1,825,903**		**3,207,375**
Capital		**454,878**		**436,107**
Share premium		**1,673,477**		**1,673,477**
Reserves		**753,367**		**2,348,223**
Shares and equity interests		**(277)**		**(410)**
Prior years' losses		**(1,250,023)**		**(2,392,774)**
Profit/(loss) for the business year		**194,481**		**1,142,752**
NON-CURRENT LIABILITIES		**860,660**		**927,220**
Non-current provisions (Note 12.a)		**53,810**		**120,371**
Non-current payables (Note 13)		**1**		**1**
Non-current payables to Group companies and associates (Note 9.c)		**806,479**		**806,479**
Deferred tax liabilities (Note 16)		**370**		**369**
CURRENT LIABILITIES		**545,788**		**389,433**
Current provisions (Note 12.b)		**19,040**		**1,883**
Current payables (Note 13)		**103**		**73**
Bank borrowings	10		73	
Other financial liabilities	93		–	
Current payables to Group companies and associates (Notes 9.d and 19.b)		**498,765**		**362,650**
Trade and other payables		**27,880**		**24,827**
Suppliers	1,236		977	
Suppliers, Group companies and associates (Note 19.b)	1,804		2,090	
Other payables to public administrations (Note 16.a.2)	2,049		1,022	
Other payables	22,791		20,738	
TOTAL EQUITY AND LIABILITIES		**3,232,351**		**4,524,028**

Notes 1 to 22 and the attached annexes I to III form an integral part of the financial statements and, together with these, make up the annual accounts for 2024.

INCOME STATEMENTS CORRESPONDING TO THE BUSINESS YEAR ENDED 31 DECEMBER 2024

(in thousands of euros)

	31/12/2024	31/12/2023
CONTINUING OPERATIONS		
Revenue (Note 18)	**114,596**	**95,270**
Trade receivables for sales and services	63,517	61,237
Income from interests in Group companies and associates (Note 19.a)	27,216	14,286
Financial income from marketable securities and other financial instruments in Group companies and associates (Notes 18 and 19.a)	23,863	19,747
Other operating income	**43,500**	**38,865**
Staff expenses (Note 18)	**(25,066)**	**(24,354)**
Other operating expenses (Note 18)	**(66,166)**	**(56,249)**
Depreciation and amortisation (Notes 5 and 6)	**(4,266)**	**(5,585)**
Provision surpluses (Note 12)	**50,809**	**639**
OPERATING PROFIT/(LOSS)	**113,407**	**48,586**
Financial income	**2,499**	**3,457**
From shareholdings in equity instruments in third parties	-	-
From marketable securities and other financial instruments of third parties	2,499	3,457
Finance cost	**(37,457)**	**(47,485)**
Payables to Group companies and associates (Note 19.a)	(36,755)	(38,039)
On payables to third parties	(702)	(9,446)
Change in fair value of financial instruments	**33,738**	**436**
Exchange differences	**(12)**	**91**
Impairment losses and gains/(losses) on disposal of financial instruments (Note 9)	**96,367**	**1,151,511**
FINANCIAL PROFIT/(LOSS)	**95,135**	**1,108,010**
PROFIT/(LOSS) BEFORE TAX	**208,542**	**1,156,596**
INCOME TAX (Note 16)	**(14,061)**	**(13,844)**
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**194,481**	**1,142,752**
PROFIT/(LOSS) FOR THE YEAR	**194,481**	**1,142,752**

Notes 1 to 22 and the attached annexes I to III form an integral part of the financial statements and, together with these, make up the annual accounts for 2024.

STATEMENT OF CHANGES IN NET EQUITY FOR BUSINESS YEAR ENDED 31 DECEMBER 2024

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE
(in thousands of euros)

	31/12/2024	31/12/2023
Profit/(loss) as per income statement	**194,481**	**1,142,752**
Income and expenses recognised directly in equity	**-**	**436**
Write-offs to statement of profit and loss	**-**	**(436)**
TOTAL RECOGNISED INCOME AND EXPENSE	**194,481**	**1,142,752**

Notes 1 to 22 and the attached annexes I to III form an integral part of the financial statements and, together with these, make up the annual accounts for 2024.

B) STATEMENT OF CHANGES IN EQUITY
(in thousands of euros)

	Share capital (Notes 3 and 11.a)	Share premium (Note 11.b)	Reserves (Notes 3 and 11.c)	Own shares (Note 11.d)	Prior years' losses	Profit/(loss) for the year (Note 3)	Equity
Equity at 31 December 2022	**438,345**	**1,673,477**	**2,619,098**	**(27,264)**	**(2,392,774)**	**45,867**	**2,356,749**
Total recognised income and expenditure	**-**	**-**	**-**	**-**	**-**	**1,142,752**	**1,142,752**
Transactions with partners or owners	**(2,238)**	**-**	**(316,742)**	**26,854**	**-**	**-**	**(292,126)**
Capital increases	22,698	-	(22,810)	-	-	-	(112)
Capital reductions	(24,936)	-	(274,480)	298,588	-	-	(828)
Distribution of dividends	-	-	(19,452)	-	-	-	(19,452)
Transactions with shares or equity interests (net)	-	-	-	(271,734)	-	-	(271,734)
Other changes in net equity	**-**	**-**	**45,867**	**-**	**-**	**(45,867)**	**-**
Equity at 31 December 2023	**436,107**	**1,673,477**	**2,348,223**	**(410)**	**(2,392,774)**	**1,142,752**	**3,207,375**
Total recognised income and expenditure	**-**	**-**	**-**	**-**	**-**	**194,481**	**194,481**
Transactions with partners or owners	**18,771**	**-**	**(1,594,856)**	**133**	**-**	**-**	**(1,575,952)**
Capital increases	18,771	-	(18,875)	-	-	-	(104)
Distribution of dividends	-	-	(24,912)	-	-	-	(24,912)
Increase (reduction) in equity resulting from a business combination	-	-	(1,551,069)	-	-	-	(1,551,069)
Transactions with shares or equity interests (net)	-	-	-	133	-	-	133
Other changes in net equity	**-**	**-**	**-**	**-**	**1,142,752**	**(1,142,752)**	**-**
Equity at 31 December 2024	**454,878**	**1,673,477**	**753,367**	**(277)**	**(1,250,022)**	**194,481**	**1,825,903**

Notes 1 to 22 and the attached annexes I to III form an integral part of the financial statements and, together with these, make up the financial statements for the 2024 business year. In particular, Note 11 "Equity" contains further details on this statement.

CASH FLOW STATEMENT FOR THE BUSINESS YEAR ENDING ON 31 DECEMBER 2024

(in thousands of euros)

	31/12/2024		31/12/2023	
Profit for the year before tax		**208,542**		**1,156,596**
Adjustments to profit/(loss)		**(190,403)**		**(1,139,476)**
Depreciation and amortisation (Notes 5 and 6)	4,266		5,585	
Impairment loss allowances (Note 9)	(96,345)		(263,225)	
Changes in provisions (Note 12)	(48,451)		(3,026)	
Gains from cancellations and disposal of financial instruments (Note 9.a)	(4)		(888,279)	
Financial income	(53,578)		(37,489)	
Financial expenses	37,457		47,485	
Exchange differences	12		(91)	
Change in fair value of financial instruments	(33,760)		(436)	
Changes in working capital		**(3,532)**		**8,428**
Trade and other receivables	(6,025)		19,600	
Trade and other payables	2,493		(11,225)	
Miscellaneous current assets and liabilities	-		53	
Other cash flows from operating activities		**(10,175)**		**(7,444)**
Interest paid	(37,569)		(48,324)	
Interest and dividend collections	55,773		11,523	
Corporation tax refunded/(paid) (Note 16.h)	(28,379)		29,357	
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		**4,432**		**18,104**
Payments on investments		**(651,631)**		**(377,672)**
Group companies and associates (Note 9)	(648,214)		(375,165)	
Intangible fixed and non-current asset, property, plant and equipment and other assets (Notes 5 and 6)	(3,417)		(2,507)	
Proceeds from divestments		**522,140**		**1,055,972**
Group companies and associates (Note 9)	477,314		1,053,522	
Intangible fixed and non-current asset, property, plant and equipment and other assets (Notes 5, 6 and 18)	44,826		2,450	
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES		**(129,491)**		**678,300**
Proceeds and (payments) from equity instruments (Note 11)		**(104)**		**(272,676)**
Proceeds from (payments on) financial liabilities (Note 13)		**109,421**		**(247,625)**
Issuance of:				
Debt instruments and other marketable securities	-		226,030	
Payables to Group companies and associates	150,470		32,224	
Repayment and amortisation of:				
Debt instruments and other marketable securities	-		(249,230)	
Bank borrowings	-		(154,564)	
Payables to Group companies and associates	(41,049)		(102,056)	
Other payables	-		(29)	
Dividend payments (Note 11)		**(24,912)**		**(19,452)**
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES		**84,405**		**(539,753)**
Effect of changes in exchange rates		**(675)**		**(707)**
NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS		**(41,329)**		**155,944**
Cash and cash equivalents at the start of the period		**166,527**		**10,583**
Cash and cash equivalents at the end of the period		**125,198**		**166,527**

Notes 1 to 22 and the attached annexes I to III form an integral part of the financial statements and, together with these, make up the annual accounts for 2024.

NOTES TO THE FINANCIAL STATEMENTS AT 2024 YEAR-END

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1. COMPANY ACTIVITY

Fomento de Construcciones y Contratas, S.A. is the parent company of the FCC Group, which comprises a wide range of both Spanish and international subsidiaries and associates.

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 in the name of the reporting entity	No changes have occurred this year

FCC The Group operates in the following business areas:

- **Environmental Services.** Services related to urban sanitation, industrial waste treatment, green area conservation, including both the construction and operation of treatment plants and the energy recovery of waste.
- **Integrated Water Management.** Services relating to the integrated 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.
- **Construction.** Specialising in infrastructure, building and related sectors: 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) 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.** Operation of quarries and mineral sites, the manufacturing of cement, limestone, plaster and derivate pre-manufactured products and the production of concrete.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

The financial statements have been drawn up from the accounting records of Fomento de Construcciones y Contratas, S.A. and the temporary joint ventures in which it participates, so they present fairly the equity, the financial position, the results of the Company and the cash flows for the year.

The regulatory framework applicable to the Company is established in:

- The Spanish Commercial Code and other commercial legislation.
- General Accounting Plan and its sector adaptations.
- The mandatory rules approved by the Spanish Institute of Accounting and Auditing in order to implement the General Accounting Plan and its supplementary rules.
- All other applicable Spanish accounting legislation.

These financial statements, which have been prepared by the Company's Board of Directors, will be submitted for approval at the Annual Shareholders' Meeting, and they are expected to be approved without any modification. The 2023 financial statements were approved by the shareholders at the General Shareholders Meeting held on 27 June 2024.

On 10 April 2024, Fomento de Construcciones y Contratas, S.A. incorporated, as sole shareholder, the company Inmocemento, S.A., in order to contribute, through a partial financial spin-off, the Company's entire stake in the Real Estate activities (represented by the stake held in FCyC, S.A.) and Cementos activities (represented by the stake in Cementos Portland Valderrivas, S.A.). On 27 June 2024, at its General Shareholders' Meeting, Fomento de Construcciones y Contratas, S.A. approved the proposed spin-off, which was approved on the same date by the Sole Director of Inmocemento, S.A.

According to the partial spin-off, the deed of which was signed on 7 November 2024 and filed with the Barcelona Companies Register on 7 November 2024, in accordance with Article 60 of Royal Legislative Decree 5/2023, the shareholders of Fomento de Construcciones, S.A. were allotted, to coincide with the partial financial spin-off, a number of shares issued by Inmocemento, S.A. identical to the number of shares they held in the spun-off company, Fomento de Construcciones y Contratas, S.A., through the capital increase that Inmocemento, S.A. carried out as part of the aforementioned spin-off (Note 11). In this regard, Inmocemento, S.A. reduced its share capital to zero, both prior to and simultaneously with the aforementioned capital increase.

The accounting treatment applied to the aforementioned partial financial spin-off was as set out in the Spanish General Chart of Accounts for transactions between group companies, specifically as regards spin-offs. In accordance with applicable regulations, the transaction was been recognised with accounting effects from 1 January 2024, such that the assets spun off, i.e. the stakes in FCyC, S.A. and Cementos Portland Valderrivas, S.A., have been derecognised at their carrying amount at 1 January 2024, reversing any accounting entries corresponding to movements that took place between 1 January 2024 and the date of completion of the spin-off.

The value at which the spun-off assets, i.e. the stakes in FCyC, S.A. and Cementos Portland Valderrivas, S.A., were derecognised came to EUR 1,596,641 thousand (Note 9), with a corresponding reduction in reserves for the same amount (Note 11).

The financial statements are expressed in thousands of euros.

Joint ventures and similar entities

The balance sheets, income statements, statements of changes in equity and cash flow statements of the joint ventures in which the company participates were incorporated by the proportional consolidation method, based on the shareholding of each joint venture.

The joint ventures were included through adjustments to unify the accounting period and the valuation methods, together with the reconciliations and reclassifications required and the appropriate eliminations, both of the asset and liability balances and of the reciprocal revenue and expenses. In the notes to the financial statements, the corresponding amounts are broken down when they are large.

The balance sheet and income statement include the balance sheet aggregates at the shareholding in the joint ventures shown below:

	2024	2023
Revenue	65	75
Operating profit/(loss)	17	15
Non-current assets	18	20
Current assets	323	502
Non-current liabilities	2	3
Current liabilities	319	499

The joint ventures and percentage holdings are listed in Appendix II.

Grouping of epigraphs

Certain balance sheet, income statement and cash flow statement epigraphs have been grouped together so that they may be more easily understood; in any event, all significant information is broken down separately in the corresponding notes to the financial statements.

Going concern

At 31 December 2024, the Company had a negative working capital of EUR 277,016 thousand, mainly as a result of current debts with its subsidiaries amounting to EUR 498,765 thousand. Despite this, the directors of Fomento de Construcciones y Contratas, S.A. have drawn up these accounts on a going concern basis, as there are no doubts as to the ability of the group of companies, of which the Company is the parent, to continue to generate revenues from its operations (consolidated operating income of EUR 725,411 thousand and cash position of EUR 1,849,617 thousand). It also has the capacity to finance itself in response to prevailing working capital requirements, as it has a programme to issue commercial paper (ECP) of up to EUR 600,000 thousand, of which nothing had been drawn as at 31 December (Note 13.a). It can also draw on credit facilities arranged with banks of up to EUR 175,000 thousand, all of which were fully available as of 31 December (Note 13.b).

Consolidated financial statements

Fomento de Construcciones y Contratas, S.A. is the parent of a group of companies that make up FCC Group, so its directors are required to draw up separate consolidated financial statements. These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS-EU), as set forth in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 and all enacting provisions and interpretations. The 2024 consolidated financial statements of the FCC Group, which have been prepared by its directors, will likewise be submitted for approval at the General Shareholders’ Meeting. Meanwhile, the consolidated financial statements for the year 2023, as drawn up on 27 February 2024, were approved at the General Shareholders’ Meeting held on 27 June 2024 and filed with the Companies Registry of Barcelona.

The main figures of the consolidated annual accounts of Fomento de Construcciones y Contratas, S.A. prepared in accordance with International Financial Reporting Standards (EU-IFRS) are the following:

	2024	2023
Total assets	14,235,959	16,719,652
Equity attributable to the Parent	2,732,716	4,447,476
Revenue	9,071,416	8,217,292
Profit attributable to the Parent	429,865	589,060

Restatements

No restatements were made in the current financial statements.

3. DISTRIBUTION OF PROFIT/LOSS

The Board of Directors of Fomento de Construcciones y Contratas, S.A. decided to make the mandatory allocation of profit to the legal reserve in the amount of 3,307 thousand euros, allocating the remaining profit for 2024 of 191,174 thousand euros to retained earnings. Accordingly, it was not proposed to distribute or apply this profit to any other account.

In 2023, the Company posted a profit of 1,142,752 thousand euros, which was used to offset losses from previous years. Following the preparation of these financial statements, the ordinary General Shareholders' Meeting approved the distribution of a scrip dividend with an impact on voluntary reserves of 43,787 thousand euros (Note 11).

4. RECOGNITION AND MEASUREMENT STANDARDS

The main recognition and measurement bases used by the company in the preparation of the 2024 financial statements, in accordance with the Spanish General Chart of Accounts, were as follows:

a) Intangible assets

a.1) Concession arrangements

Concession arrangements are recognised pursuant to Order EHA/3362/2010, approving the rules for adapting the Spanish General Chart of Accounts to public infrastructure concessionary companies.

The Company has assets classified as concession agreements corresponding to assets from contracts operated jointly through temporary joint ventures, all of which are intangible assets under the intangible asset model, given that the demand risk is assumed by the concessionary company and this company does not have an unconditional entitlement to receive anything from the granting authority.

a.2) Other intangible assets

The remaining intangible assets, basically software applications, are recognised at their acquisition or production cost And, subsequently, at cost less any accumulated amortisation and any accumulated impairment losses. At year-end, no signs of losses in value were identified in any of the company's intangible fixed and non-current assets relating to this heading.

Maintenance costs are recorded in the statement of profit and loss for the year they are accrued.

Generally, intangible assets are amortised over their useful lives on a straight-line basis.

b) Property, plant and equipment

Items of property, plant and equipment are measured initially at acquisition or production cost when the company has performed in-house work on its non-current assets, and are subsequently carried net of accumulated depreciation and any impairment losses. Upkeep and maintenance costs relating to property, plant and equipment are taken to the statement of profit and loss in the business year in which they are incurred. However, improvement expenses leading to increased capacity or efficiency or to a lengthening of the useful life of the assets are capitalised.

For property, plant and equipment that necessarily takes a period of more than twelve months to get ready for their intended use, the capitalised costs include such borrowing costs as might have been incurred before the assets are ready for their intended use and which have been charged by the supplier or relate to loans or other specific-purpose or general purpose borrowings directly attributable to the acquisition or manufacturing of the assets.

The company's in-house work on property, plant and equipment is recorded at the accumulated cost resulting from external costs, in-house costs determined on the basis of the in-house consumption of materials, direct labour costs and general manufacturing overheads.

The Company depreciates essentially all of its property, plant and equipment on a straight-line basis, using annual rates based on the years of estimated useful life of the assets, as follows:

	Years of estimated useful life
Buildings and other constructions	25 – 50
Technical installations and machinery	5 – 15
Other installations, tools and furniture	8 – 12
Other property, plant and equipment	4 – 10

c) Impairment of intangible assets and property, plant and equipment

All of the company's intangible assets and property, plant and equipment have a finite useful life and it therefore performs impairment tests to estimate the possible existence of losses that cause their recoverable amount to fall below their carrying amount.

Recoverable amount is determined as the greater of fair value less costs to sell and value in use. In order to calculate the recoverable amount of assets subject to impairment tests, the current value of the net cash flows originating from the associated cash-generating units (CGUs) is estimated, and a pre-tax discount rate is used to discount cash flows; this discount rate includes the current market assessments of the time value of money and the risks specific to each cash-generating unit.

Where an impairment loss on the assets is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, up to the limit of the carrying amount that would have been determined had no impairment loss been recognised in prior business years. The reversal of an impairment loss is recognised as income in the income statement.

d) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards incidental to ownership of the leased asset to the lessee. Other leases are classified as operating leases. All leases contracted by the Company are classified as operating leases.

When the company acts as lessee, it recognises the expenses from operating leases in profit or loss in the business year in which they accrue.

When the company acts as lessor, revenue and expenses from operating leases are recognised in profit or loss in the year in which they accrue. The acquisition cost of the leased asset is presented in the balance sheet in accordance with the nature of the asset, increased by the amount of the investments arising from the directly attributable lease arrangements, which are expensed over the term of these arrangements, using the same method as applied for recognition of lease income.

Any collection or payment that may arise when an operating lease is concluded is treated as a collection or prepayment that is allocated to profit or loss over the leasing term as the benefits of the leased asset are transferred or received.

e) Financial instruments

e.1) Financial assets

Classification

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

1. Financial assets at amortised cost. In general, the following fall into this category:
    - Credits for commercial operations: financial assets originating from the sale of goods and the provision of services from the company's ordinary business subject to deferred payment.
    - Credits for non-commercial operations: financial assets which, not being equity instruments or derivatives, do not originate from trade operations and whose collections are of a determined or determinable amount, deriving from loan or credit operations granted by the company.

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

However, loans for commercial operations maturing in no more than one year and that do not have an explicit contractual interest rate, as well as loans to personnel, dividends receivable and disbursements required on equity instruments, the amount of which is expected to be received in the short term, are measured at their nominal value when the effect of not updating the cash flows is not significant.

For subsequent measurement, the amortised cost method is used. Accrued interest is recorded in the profit and loss statement (financial income), applying the effective interest rate method.

2. Financial assets at fair value through changes in equity: investments in equity instruments are included, provided that they are not held for trading or should be valued at cost.

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

   The subsequent measurement is at fair value, without deducting the transaction costs that could be incurred in its sale. Changes that occur in the fair value are recognised directly in equity, until the financial asset is removed from the balance sheet or is impaired, whereupon the amount thus recognised is allocated to the profit and loss statement.

3. Financial assets at cost: includes investments in Group, associated and jointly controlled companies. Group companies are considered to be those over which the company has control, while associated companies are companies over which the company exercises a significant influence. Jointly controlled companies include companies over which joint control is exercised with one or more partners through an agreement.

   Investments in this category are initially measured at cost, which is the fair value of the consideration given. The subsequent measurement is also at cost less the accumulated amount of the valuation corrections for impairment. These adjustments are calculated as the difference between their book value and the recoverable amount, understood as the greater of their fair value minus selling costs and the present value of the future cash flows resulting from the investment. Unless better evidence of the recoverable amount is available, the estimated loss for impairment is calculated based on the investee’s equity, consolidated where appropriate, corrected for any unrealised gains at the measurement date, including any goodwill.

At least at the end of each reporting period, the company books the related impairment loss allowances for financial assets that are not carried at fair value when there is objective evidence of impairment if this value is lower than its carrying amount, in which case, the impairment is recognised in the income statement. In particular, the company calculates impairment loss allowances for trade and other receivables by carrying out a case-by-case analysis of the insolvency risk of each receivable.

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

e.2) Financial liabilities

All financial liabilities held by the Company are classified in the category of financial liabilities at amortised cost.

Financial liabilities are those payables and accounts payable that the Company has and that have resulted from the purchase of goods and services as a result of the Company's trade transactions, or those that, without having a commercial origin, cannot be considered as financial instruments.

Financial liabilities classified in this category are initially measured at their fair value which, unless there is evidence to the contrary, is assumed to be the transaction price, which is equivalent to the fair value of the consideration given, adjusted by the transaction costs that are directly attributable.

Accounts payable are initially measured at the fair value of the consideration received. These financial liabilities are subsequently measured at amortised cost.

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 twelve months from the balance sheet date are classified as current liabilities and those maturing within more than twelve months as non-current liabilities.

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

e.3) Equity instruments

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

Own shares acquired by the company during the business year are recognised at the value of the consideration paid and are deducted directly from 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 income statement.

f) Foreign currency transactions

The Company's functional currency is the euro. As a result, transactions in currencies other than the Euro are deemed to be foreign currency transactions and are recorded at the exchange rates prevailing at the transaction dates.

At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated to euros at the closing exchange rate. Profits or losses are directly recorded in the income statement in the business year in which occur.

g) Corporation tax

The expense for corporation tax is calculated on the basis of profit before tax, increased or decreased, as appropriate, by the permanent differences between taxable profit and accounting profit. The corresponding tax rate based on the applicable legislation 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 and taxable profit for corporation tax purposes, together with the differences between the carrying amounts of assets and liabilities recognised in the 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 business years in which they will foreseeably be reversed, without performing financial discounting at any time.

The Company recognises deferred tax assets corresponding to temporary differences, negative tax bases pending compensation or deductions pending application for which it is likely that the Tax Group will have future taxable profits that make it possible to recover these assets. To calculate the value of deferred tax assets, the Directors estimate the amounts and dates on which future taxable profits will be obtained and the reversal period for temporary differences.

h) Revenue and expenses

Income and expenses are allocated on an accrual basis, i.e. when the actual flow of goods and services they represent takes place, regardless of when the resulting monetary or financial flow occurs. Revenue is measured at the fair value of the consideration received, less discounts and tax.

The main income recognised by the Company corresponds to income from subsidiaries, both from the provision of services and dividends and financial income. As a result of the publication in 2009 by the ICAC of a consultation relating to the accounting recognition of income from holding companies, "Income from investments in Group companies and associates" and "Finance income from marketable securities and other financial instruments of Group companies and associates" are recognised under "Revenue" in the accompanying income statement.

Interest received on financial assets is recognised using the effective interest method, while dividends are recognised when the shareholder's right to receive payment has been established. In any case, interest and dividends on financial assets accrued subsequent to acquisition are recorded as income in the income statement.

In keeping with the accounting principle of prudence, the company only recognises realised income at year-end, whereas foreseeable contingencies and losses, including possible losses, are booked as soon as they become known, through the posting of the appropriate provisions.

i) Cash and cash equivalents

Cash and other liquid equivalent assets include cash on hand and demand deposits with credit institutions. Other highly liquid short-term investments are also included under this concept as long as they are easily convertible into cash and are subject to an insignificant risk of changes in value. For these purposes, investments with maturities of less than three months from the date of acquisition are included.

j) Provisions and contingencies

The company recognises provisions on the liability side of the accompanying balance sheet for present obligations arising from past events for which the company considers it probable that there will be an outflow of funds to settle them on maturity.

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 are classified as current or non-current in the accompanying 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 average cycle of the activity giving rise to the provision.

Contingent liabilities resulting from possible obligations that might arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the company are not recognised in the financial statements, as the probability that such obligation will have to be met is remote.

k) Capital assets of an environmental nature

Environmental assets are assets that are used on a lasting basis in the Company's activities, the main purpose of which is to minimise environmental impact and to protect and improve the environment, including the reduction or elimination of future pollution.

The Company, due to its nature and activity, (Note 1) does not have a significant environmental impact.

l) Pension and similar obligations

The Company has arranged pension plans to complement the public pensions available under the social security system, in compliance with the collective bargaining agreement for the construction sector. Under the Consolidated Pension Plans and Pension Funds Law, in those specific cases in which similar obligations exist, the company outsources its commitments to its employees in this area.

Contributions made by the company are recognised under "Staff expenses" in the income statement. No significant amounts were recognised during the period.

m) Use of estimates

In the preparation of these financial statements, estimates were made by the company's directors to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The recoverability of deferred tax assets (Notes 4.g and 16).
- The recoverability of investments in Group companies and associates, and loans and receivables with these, as well as financial assets with third parties (Notes 4.e, 8 and 9).
- The measurement of possible impairment losses on certain assets (Notes 4.c, 5 and 6).
- The useful life of property, plant and equipment and intangible assets (Notes 4.a and 4.b).
- The calculation of certain provisions (Notes 4.j and 12).

Although these estimates were drawn up on the basis of the best information available as at 31 December 2024, future events may require adjustments in coming years, where appropriate to be made in advance.

n) Related party transactions

The Company carries out all transactions with related parties at arm's length.

The Spanish General Chart of Accounts (Plan General Contable) defines group companies as both those in which there is a relationship of subordination or control within the meaning of Article 42 of the Commercial Code, and those belonging to the same coordination group, i.e. all companies controlled by any means by one or more natural or legal persons, acting jointly, or under a single management structure by virtue of an agreement or clause in the articles of association. Therefore, all transactions carried out between Fomento de Construcciones y Contratas, S.A. and the companies belonging to the FCC Group and Inmocemento, S.A. and the companies in which the Inmocemento Group holds stakes are considered transactions with group companies. All transactions carried out with companies in which the controlling shareholder holds stakes are likewise considered to be transactions with group companies.

Note 19 "Related party transactions and balances" to these financial statements details the main transactions with the company's significant shareholders, its directors and senior executives, and between Group companies or entities.

o) Cash flow statement

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

- Cash flows: cash entries and withdrawals and their equivalents.
- Cash flows from operating activities: payments and collections from the company's principal revenue-producing activities and other activities that are not classified as investing or financing activities.

- Cash flows used in investing activities: payments and collections resulting from purchases and divestments of non-current assets.
- Cash flows from financing activities: payments and collections from the placement and settlement of financial liabilities, equity instruments and dividends.

5. Intangible fixed assets

Changes in this heading in the accompanying balance sheet in the 2024 and 2023 business years were as follows:

	Concession agreements	Software applications	Other intangible fixed and non-current assets	Accumulated amortisation	Impairment	Total
Balance at 31.12.22	**53**	**54,645**	**13**	**(49,215)**	**(7)**	**5,489**
Receipts or endowments	-	1,139	-	(2,254)	-	(1,115)
Derecognitions, disposals or reductions	-	-	(10)	2	-	(8)
Balance at 31.12.23	**53**	**55,784**	**3**	**(51,467)**	**(7)**	**4,366**
Receipts or endowments	-	1,337	-	(1,331)	-	6
Derecognitions, disposals or reductions	-	-	-	-	-	-
Balance at 31.12.24	**53**	**57,121**	**3**	**(52,798)**	**(7)**	**4,372**

The balance for “Software applications” relates mainly to implementation, development and improvement costs for the corporate information system, and costs related to information technology infrastructure.

Details of the fixed and non-currents assets and of the related accumulated amortisation as of 31 December 2024 and 2023 are as follows:

	Cost	Accumulated amortisation	Impairment	Net
2024				
Concession agreements	53	(29)	(7)	17
Software applications	57,121	(52,766)	-	4,355
Other intangible fixed and non-current assets	3	(3)	-	-
	57,177	**(52,798)**	**(7)**	**4,372**
2023				
Concession agreements	53	(28)	(7)	18
Software applications	55,784	(51,436)	-	4,348
Other intangible fixed and non-current assets	3	(3)	-	-
	55,840	**(51,467)**	**(7)**	**4,366**

With regard to net intangible assets, only 17 thousand euros (19 thousand euros at 31 December 2023) relate to assets arising from arrangements operated jointly through joint ventures.

All intangible assets at year-end were used in production processes; however, some such intangible assets, basically software applications, had been fully amortised, in the amount of 50,111 thousand euros (47,815 thousand euros at 31 December 2023). The amount corresponding to joint ventures was insignificant.

At 31 December 2024, the company did not own any significant intangible assets pledged as security or purchase commitments of a significant amount.

6. PROPERTY, PLANT AND EQUIPMENT

Changes in this heading in the accompanying balance sheet in the 2024 and 2023 business years were as follows:

		Other property, plant and equipment				
	Land and buildings	Plant and other items of property, plant and equipment	Advances and PP&E under construction	Accumulated amortisation	Impairment	Total
Balance at 31.12.22	**17,843**	**37,558**	**-**	**(23,551)**	**(5,088)**	**26,762**
Receipts or endowments	-	437	84	(3,330)	-	(2,809)
Derecognitions, disposals or reductions	-	-	-	-	-	-
Balance at 31.12.23	**17,843**	**37,995**	**84**	**(26,881)**	**(5,088)**	**23,953**
Receipts or endowments	-	669	929	(2,935)	-	(1,337)
Transfers		1,012	(1,012)	-	-	-
Derecognitions, disposals or reductions	-	(117)	-	75	-	(42)
Balance at 31.12.24	**17,843**	**39,559**	**1**	**(29,741)**	**(5,088)**	**22,574**

The detail of property, plant and equipment and of the related accumulated depreciation at 31 December 2024 and 2023 is as follows:

	Cost	Accumulated amortisation	Impairment	Net
2024				
Land and buildings	17,843	(1,118)	(5,088)	11,637
Plant and other items of property, plant and equipment	39,559	(28,623)	-	10,936
Advances and PP&E under construction	1	-	-	1
	57,403	**(29,741)**	**(5,088)**	**22,574**
2023				
Land and buildings	17,843	(1,083)	(5,088)	11,672
Plant and other items of property, plant and equipment	37,995	(25,798)	-	12,197
Advances and PP&E under construction	84	-	-	84
	55,922	**(26,881)**	**(5,088)**	**23,953**

The company owns buildings, whose value separated from the net depreciation of said buildings and the value of land, at year-end, was as follows:

	2024	2023
Land	10,500	10,500
Buildings	1,137	1,172
	11,637	**11,672**

At the end of 2024 and 2023, there were no significant assets from contracts operated jointly through joint ventures.

In the 2024 and 2023 business years, the company had not capitalised any finance costs under "Property, plant and equipment". It did not have any significant commitments to acquire property, plant and equipment. It also has no assets subject to significant ownership restrictions.

Most of the items of property, plant and equipment, at the closing date, are used in the various production processes. Part of said property, plant and equipment, however is fully depreciated, amounting to 12,451 thousand euros (6,229 thousand euros at 31 December 2023).

The Company takes out insurance policies to cover the possible risks to which its property, plant and equipment are subject. At year-end, all items of property, plant and equipment had been fully insured against these risks.

7. LEASES

As explained in Note 4.d, all the leases contracted by the Company are classified as operating leases.

The amount recognised in 2024 for operating lease expenses totalled 10,852 thousand euros (10,623 thousand euros at 31 December 2023) (Note 18).

Noteworthy among the operating lease arrangements signed by Fomento de Construcciones y Contratas, S.A., due to their size, were those relating to FCC Group's corporate headquarters:

- Office building in Las Tablas, Madrid.

  On 19 November 2010, the owner and the Company signed a lease agreement on this building, with the rental arrangement beginning, once the building had been completed, on 23 November 2012. This arrangement has an 18-year term, extendable at the company's discretion by two periods of five years each, with annual rent adjusted annually in line with the CPI.

  On 21 September 2018, a non-extinguishing modifying Addendum to the original agreement was signed with the new owner, "Las Tablas 40 Madrid, S.L.U.". The modified terms and conditions mainly lead to a 5.6% reduction in rent and the possibility of sub-letting to third parties without the consent of the owner, provided that certain requirements are met.

- Office buildings at Federico Salmón 13, Madrid and Balmes 36, Barcelona.

On 29 December 2011, the owners of these buildings and Fomento de Construcciones y Contratas, S.A. had signed two lease agreements for them, for a minimum committed period of 30 years, extendable, at the company's discretion, by two periods of five years each, with initial annual rent adjustable in line with the CPI. These buildings were transferred by the company to their current owner through a sale and leaseback arrangement. The owners, in turn, granted a purchase option to Fomento de Construcciones y Contratas, S.A., which can only be exercised at the end of the lease period, at fair value or at the amount of the sale adjusted by the CPI, if this is higher.

On 1 June 2016, the company ceded its contractual position to Fedemes, S.L., wholly owned by it, which signed sub-lease agreements with the FCC Group companies that occupied the buildings, including Fomento de Construcciones y Contratas, S.A., with the same duration conditions as the original arrangement as indicated previously.

At year-end, there were non-cancellable future payment commitments amounting to 97,426 thousand euros (106,297 thousand euros in 2023). Details, by maturity, of the non-cancellable future minimum payments at 31 December 2024 and 2023 were as follows:

	2024	2023
Up to one year	10,944	10,852
Between one and five years	42,849	42,449
More than five years	43,634	52,996
	97,427	**106,297**

As the lessor, when it is the holder of the lease arrangements, the company invoices FCC Group investees based on the use they make of such arrangements, recognising such revenue as operating income.

8. NON-CURRENT AND CURRENT FINANCIAL INVESTMENTS

a) Non-current financial investments

The balance for “Non-current financial investments” at 2024 and 2023 year-end is as follows:

	Equity instruments	Loans to third parties	Other financial assets	Total
2024				
Financial assets at amortised cost	-	1,854	3,783	5,637
Financial assets at fair value changes in net worth	1	-	-	1
	1	**1,854**	**3,783**	**5,638**
2023				
Financial assets at amortised cost	-	1,488	18,871	20,359
Financial assets at fair value with changes in equity	1	-	-	1
	1	**1,488**	**18,871**	**20,360**

Financial assets at amortised cost

The detail by maturity of this category of financial assets is as follows:

	2026	2027	2028	2029	2030 and beyond	Total
Financial assets at amortised cost	-	-	-	-	5,638	5,638

On 31 July 2024 a Termination Agreement was signed for the purchase and sale of shares in Global Vía Infraestructuras, S.A., whereby the most significant amount under this heading, namely the escrow deposit of 15,088 thousand (31 December 2023: 15,088 thousand euros), related to the sale of Global Vía Infraestructuras, S.A. completed in 2016, was released (Note 18). This heading also includes guarantees and deposits for legal or contractual obligations in the course of the Company's activities.

Financial assets at fair value through changes in equity

The entire amount relates to a residual stake held in the company Aguas Industriales de Tarragona, S.A.

b) Current financial investments

The balance of "Current financial assets" at 2024 and 2023 year-ends is as follows:

	Other financial assets
2024	
Financial assets at amortised cost	1,205
Financial assets at fair value changes in the income statement	4,231
	5,436
2023	
Financial assets at amortised cost	1,198
Financial assets at fair value with changes in profit or loss	-
	1,198

The balance of the heading "Financial assets at fair value through profit or loss" in 2024 includes the amount receivable for an adjustment made to the sale price of FCC Aqualia, S.A., completed in 2018 and amounting to 4,231 thousand euros (Notes 17 and 18), in addition to guarantees and deposits covering legal or contractual obligations. In 2023, this related to bonds and deposits to cover legal or contractual obligations.

9. INVESTMENTS AND PAYABLES TO GROUP AND ASSOCIATED COMPANIES

a) Non-current investments in Group companies and associates

Non-current investments in group companies and associates at 31 December 2024 and 2023 breaks down as follows:

	Cost	Accumulated impairment	Total
2024			
Equity instruments in Group companies	2,705,689	(280,111)	2,425,578
Equity instruments in associates	4,367	-	4,367
Loans to Group companies	402,082	-	402,082
	3,112,138	**(280,111)**	**2,832,027**
2023			
Equity instruments in Group companies	4,029,284	(737,472)	3,291,812
Equity instruments in associates	4,367	-	4,367
Loans to Group companies	421,079	-	421,079
	4,454,730	**(737,472)**	**3,717,258**

Details of changes in these epigraphs is as follows:

	Equity instruments of Group companies	Equity instruments of associates	Loans to Group companies	Loans to associates	Impairment	Total
Balance at 31.12.22	**4,060,089**	**4,367**	**444,049**	**-**	**(1,090,240)**	**3,418,265**
Receipts or endowments	107,030	-	22,030	-	(1,316)	127,744
Disposals and reversals	(182,835)	-	-	-	354,084	171,249
Transfers	45,000	-	(45,000)	-	-	-
Balance at 31.12.23	**4,029,284**	**4,367**	**421,079**	**-**	**(737,472)**	**3,717,258**
Receipts or endowments	494,898	-	113,971	-	-	608,869
Disposals and reversals	-	-	-	-	96,344	96,344
Inmocemento spin-off	(1,957,658)	-	-	-	361,017	(1,596,641)
Transfers	139,165	-	(132,969)	-	-	6,196
Balance at 31.12.24	**2,705,689**	**4,367**	**402,082**	**-**	**(280,111)**	**2,832,027**

Equity instruments in Group companies

In 2024, the main changes under “Additions or allowances” were as follows:

- Partial financial spin-off of Fomento de Construcciones y Contratas S.A. Prior to the demerger (Note 2), there are two events to take into account in 2024:
    - Capital increase with a cash contribution from FCyC S.A. in the amount of 160,063 thousand euros.
    - Acquisition of stakes in Cementos Portland Valderrivas, S.A. from third parties for an amount of 81 thousands of euros.

With these movements, the total amount of the portfolio of FCyC, S.A. stood at 937,823 thousand euros, while the portfolio of Cementos Portland Valderrivas, S.A. came to 1,019,835 thousand euros, with accumulated impairment in the case of the latter company of 361,017 thousand euros.

Therefore, the total outflow due to the partial financial spin-off of Fomento de Construcciones y Contratas, S.A. in favour of Inmocemento, S.A. (Note 2) amounts to 1,596,641 thousand euros, as shown under the line “Inmocemento spin-off”.

- Transactions related to FCC Concesiones de Infraestructuras, S.L.U. arising from the restructuring of concessional interests within the FCC Group:
  - Acquisition of the stake held by FCC Construction, S.A. worth 169,881 thousands of euros and arising from the subsequent capital increases in 2024 by FCC Concesiones de Infraestructuras, S.L.U. in which FCC Construction, S.A. contributed its own concession assets.
  - Cash capital increase of 101,165 thousand euros at the company FCC Concesiones de Infraestructuras, S.L.U.
  - Acquisition of Tranvía de Parla, S.A. for 18,000 thousand euros and subsequent contribution of the company under the capital increase at FCC Concesiones de Infraestructuras, S.L.U.

The following activity took place under the heading “Transfers” in 2024:

- Capital increase through the capitalisation of the loan granted to FCC Concesiones de Infraestructuras S.L.U. on 18 May 2021 and amounting to 35,043 thousand euros.
- Capital increase through the capitalisation of the loan granted to FCC Concesiones de Infraestructuras S.L.U. on 8 February 2024 and amounting to 2,022 thousand euros.
- Capital increase through the capitalisation of the loan granted to FCC Concesiones de Infraestructuras S.L.U. on 16 October 2024 and amounting to 102,100 thousand euros.

Meanwhile, the main movements in 2023 were as follows:

- Sale of a 24.99% stake in FCC Servicios Medioambientales Holding, S.A., worth 75,211 thousands of euros, to the CPP Investments fund for 965,000 thousand euros, generating a profit, net of expenses inherent to the operation, of 888,279 thousand euros (Notes 13 and 15.d)

- Operations related to FCC Concesiones e Infraestructuras, S.L.U. derived from the reorganization of concessional interests in the FCC Group.
  - Acquisition of the stake held by FCC Construction, S.A. worth 89,789 thousands of euros and originating from the subsequent capital increases in 2023 by FCC Concesiones de Infraestructuras, S.L.U. in which FCC Construction, S.A. has contributed its own concession assets.

- Contribution from the company FCC Versia, S.A.U. to the capital increase of FCC Concesiones e Infraestructuras, S.L.U. The portfolio was worth 12,972 thousand euros and resulted in the divestment in FCC Versia, S.A.U. and, in exchange, the recognition of an investment in FCC Concesiones e Infraestructuras, S.L.U. for the same amount. Additionally, and prior to the aforementioned contribution, several operations took place at FCC Versia, S.A.U.
    - Capitalisation of the equity loan granted to this Company for 45,000 thousand euros, with total impairment of 28,640 thousand euros.
    - Distribution of a dividend of 5,116 thousand euros and considered as a return of contributions.
    - Write-off of the entire portfolio valued at 12,972 thousand euros, net (gross investment of 102,508 thousand euros and accumulated impairment of 89,536 thousand euros).
- Cash capital increase at the company FCC Concesiones de Infraestructuras, S.L.U. for a total of 3,672 thousand euros.
- Capital increase via non-monetary contribution at FCC Concesiones de Infraestructuras, S.L.U. of the 17.80% stake held in Port Torredembarra, S.A., for a total of 516 thousand euros (Note 8.a).

The breakdown, by company, of the “Investments in Group companies and associates” headings for 2024 and 2023 is presented in Annexes I and III, respectively, indicating the following details for each company in which direct stakes are held: name, registered office, activity, share of capital directly or indirectly owned, amount of equity (capital, reserves and others), profit or loss, dividends received and whether or not the company is listed on the stock market, together with its carrying amount.

Non-current loans to Group companies

The most significant balances are as follows:

	2024	2023
FCC Servicios Medio Ambiente Holding, S.A.	389,224	379,731
FCC Concesiones de Infraestructuras, S.L.U.	-	31,548
FCC Construcción, S.A.	9,141	8,565
FCC Medio Ambiente, S.A.	3,655	1,173
Other	62	62
GROSS TOTAL	**402,082**	**421,079**

The balance at 31 December 2024 is mainly composed of:

- Subordinated loans granted to FCC Servicios Medio Ambiente Holding, S.A. for a total of 345,203 thousand euros, with a final maturity date on 2034, without partial repayments and at a fixed interest rate of 2.5% per year that will be capitalised. Any amount, whether interest or principal, to be collected by the lender will be subordinated to the full repayment of the bonds issued by the borrower. At year-end, the final balance, including capitalised interest, was 389,224 thousand euros. Interest accrued in the current year amounts to 9,493 thousand euros (9,216 thousand euros at 31 December 2023).

The most significant movement in 2024 is the capitalisation of the loan granted to FCC Concesiones de Infraestructuras S.A.U. for 35,043 thousand euros, as mentioned earlier in this note to the consolidated financial statements under "Equity instruments of Group companies".

There is no impairment for this item.

Impairment

The following significant changes took place in 2024:

- Reversal of the impairment of the investment in FCC Construcción, S.A. for the sum of 96,337 thousand euros, mainly on account of the improvement in the ordinary results of its activity.

The following significant changes took place in 2023:

- Reversal of the impairment associated with the stake in Cementos Portland Valderrivas, S.A. worth 81,800 thousand euros, mainly due to the improvement of the ordinary results of its activity.
- Reversal of the impairment of the investment in FCC Construcción, S.A. amounting to 181,019 thousand euros, mainly on account of the improvement in the ordinary results of its activity.
- Reversal of the impairment of the stake in FCC Versia, S.A.U. for the entirety (89,536 thousand euros) as a consequence of the process of contribution of this company to FCC Concesiones e Infraestructuras, S.L. and commented on in this same note of the Report within the heading of "Equity instruments of Group companies".

b) Current investments in Group companies and associates

This section includes mainly the loans and other non-trade credits granted to Group companies and associates, among others, in line with certain specific cash situations, as well as other temporary financial assets, measured at the lower of cost or market value, increased by interest earned at a market rate. It also includes the balances generated by tax effects with the subsidiary companies in the tax consolidation group, as well as outstanding dividends.

The most significant balances in this regard were as follows:

	2024	2023
FCC Servicios Medio Ambiente Holding S.A.	11,457	25,237
FCC Medio Ambiente, S.A.	3,137	-
FCC Environmental Services Florida, LLC	2,029	17,519
FCyC, S.A.	22	227,481
Realia Business, S.A.	-	99,894
Cementos Portland Valderrivas, S.A.	-	12,558
FCC Aqualia, S.A.	-	12,485
Other	2,213	14,297
	18,858	**409,471**

In 2024, highlights included the collection of the loans granted to FCyC, S.A., as follows:

- 39,933 thousand euros outstanding in relation to the loan granted in the amount of 126,500 thousand euros in 2022 and accruing interest for the year of 898 thousand euros.
- 178,804 thousand euros outstanding in relation to the loan granted for the same amount in 2023 and which accrued interest in the year of 5,560 thousand euros.
- 92,575 thousand euros outstanding in relation to the loan granted in the year for the same amount for the purchase of 10.26% of the stake in Realia held by the investment fund Polygon, which accrued interest in the year of 988 thousand euros.

The loans granted to Realia Business, S.A. in 2021 and amounting to 120,000 thousand euros, of which 65,000 thousand euros remained outstanding, and in 2023 and amounting 40,000 thousand euros, of which 34,000 thousand euros had been drawn down and which remained outstanding, were transferred to FCyC, S.A., which repaid the outstanding debt in full. These receivables accrued interest in the year amounting to 3,444 thousand euros.

All these repayments were made prior to the partial financial spin-off of Fomento de Construcciones y Contratas, S.A. in favour of Inmocemento, S.A. (Note 2).

In 2023, highlights included the loan granted to FCyC, S.A. for an amount of 178,804 thousand, maturing in one year and with the interest rate referenced to Euribor plus a spread, with the possibility of partial repayment. The loan was mainly aimed at purchasing the 12.19% stake in Realia and 5.934% stake in Metrovacesa, which directly or indirectly control Control Empresarial de Capitales, S.A, de C.V. With regard to the loan granted to this company in 2022 for a total amount of 126,500 thousand euros, it should be noted that, at the end of financial year 2023, the outstanding balance of this loan was 39,933 thousand euros (31 December 2022: 118,208 thousand euros). This loan has an annual maturity and interest rate tied to Euribor plus a spread, with the possibility of partial repayments. The interest accrued for these loans during this year was 3,843 thousand euros (31 December 2022: 1,530 thousand euros).

Also during 2023, an additional loan was granted to Realia Business, S.A. for an amount of 40,000 thousand euros, of which 34,000 thousand euros had been drawn at year-end. The loan has a one-year maturity, with the interest rate referenced to Euribor plus a spread, with optional partial repayments. Regarding the loan granted to this company in 2021 for a total amount of 120,000 thousands of euros, it should be noted that, at the end of financial year 2023, the outstanding balance of this loan is 65,000 thousands of euros (70,000 thousands of euros as of 31 December 2022). On December 21, 2023, an addendum to the main contract has been signed, by which the original contract is extended for one year under the same conditions as the main contract. The interest accrued for these loans during this year was 3,759 thousand euros (31 December 2022: 1,124 thousand euros).

In addition, the increase in the balance with FCC Aqualia, S.A. is due to the distribution of the dividends, which were pending to be paid as of 31 December 2023.

c) Non-current payables to Group companies and associates

The balance at 31 December 2024 (same as at 31 December 2023) corresponds in its entirety to the loan that FCC Aqualia, S.A. has granted to the Company, in accordance with the following conditions:

- Loan amount: 806,479 thousand euros.
- Maturity: 28 September 2048.
- Interest periods: annual periods, except the final period which will end on 28 September 2048.
- Interest rate: 3.55%.
- Payment of annual interest when the borrower and its subsidiary companies, excluding the FCC Aqualia subgroup, hold "available cash" at 30 September which is not less than the amount of the accrued interest. Any unpaid matured interest will be capitalised and accrue interest, as regulated in article 317 of the Code of Commerce.
- Collateral: the guarantees mentioned in Note 17 continued to be granted.

The aforementioned loan has accrued interest of 29,107 thousand euros in the business year (29,028 thousand euros at 31 December 2023).

d) Current payables to Group companies and associates

Payables to Group and associated companies include loans received by the Company which are remunerated at market prices, as well as the balances generated by the tax effect with the subsidiary companies of the tax consolidation group. The most significant balances on the liabilities side of the accompanying balance sheet are as follows:

	2024	2023
Asesoría Financiera y de Gestión, S.A.U.	379,899	235,781
FCC Construcción, S.A.	73,736	46,534
Fedemes, S.L.U.	23,052	22,605
FCC Environmental Services Florida, LLC	3	15,184
FCC Environmental Services Texas, LLC	4,441	11,783
Cementos Portland Valderrivas, S.A.	4,160	6,495
FCyC, S.A.	3,606	4,548
Other	9,868	19,720
	498,765	**362,650**

The most significant amount in both years was the amount corresponding to Asesoría Financiera y de Gestión, S.A. for the sum of 379,899 thousand euros (235,781 thousand euros as at 31 December 2023). In 2015, cash pooling contracts were signed between the aforementioned company and FCC Group companies, including the Parent Fomento de Construcciones y Contratas, S.A., whereby financial movements are channelled through said subsidiary.

10. CASH AND CASH EQUIVALENTS

The composition of this heading as of December 31 is as follows:

	2024	2023
Cash	123,598	166,527
Cash	22	34
Demand current accounts	123,576	166,493
Cash equivalents	1,600	-
NET TOTAL	**125,198**	**166,527**

Current accounts earn the usual market interest rate for this type of account.

Almost all of the amounts in this heading have no availability restrictions.

11. EQUITY

The General Shareholders' Meeting held on 27 June 2024 approved the partial proposed financial spin-off signed on 16 May 2024 by all the members of the Board of Directors of Fomento de Construcciones y Contratas, S.A. and the Sole Administrator of Inmocemento, S.A.U., in favour of the latter, whereby two economic units were transferred en bloc to the latter company, without being extinguished. The first of these economic units consisted of all the shares of FCyC, S.A. owned by Fomento de Construcciones y Contratas, S.A., representing 80.03% of the share capital of FCyC, S.A., while the second consisted of all the shares of Cementos Portland Valderrivas, S.A. owned by Fomento de Construcciones y Contratas, S.A. and representing 99.028% of the share capital of Cementos Portland Valderrivas, S.A. The Beneficiary Company acquired both units by universal succession, encompassing all the assets, liabilities, rights, obligations and other items attaching to the spun-off assets. This partial financial spin-off took place on 7 November 2024, with a charge to unrestricted reserves of 1,596,641 thousand euros (Note 2).

Moreover, the ordinary General Shareholders' Meeting held on 27 June 2024 resolved, among other matters, to distribute a scrip dividend by issuing new ordinary shares with a par value of 1 euro each, without a share premium, of the same class and series as the shares already in circulation, with a charge to reserves. This resolution also included an offer by the company to acquire the free allocation rights at a guaranteed price.

>At its meeting on 27 June 2024, following the General Shareholders' Meeting, the Board of Directors resolved to execute the scrip dividend distribution resolution adopted by the Shareholders' Meeting, the most significant characteristics of which are described below:

- Maximum value of the scrip dividend: 283,469,476.05 euros, equivalent to 0.65 euros per share.
- Shareholders received the corresponding allocation rights and could choose between three options: receiving the new shares released, transferring their rights in the market or selling their rights to the company for the guaranteed price of 0.65 euros per share.

- The number of free allotment rights required to receive a new share was set at 23. Shareholders who chose this option also received a compensatory cash dividend of 1.176 euros for each new bonus share received, to make this financially equivalent to transferring their rights to the company.
- At the end of the trading period of the free-of-charge allocation rights on 17 July 2024, holders of 431,693,015 (98.99%) rights opted to receive new shares, while shareholders holding 4,368,945 rights opted to accept the Company's offer to acquire their rights at a guaranteed price. Accordingly, the final number of 1 euro bonus shares issued was 18,771,215 shares, corresponding to 4.30% of the capital stock prior to the increase, resulting in a cash outflow for the compensatory dividend, as well as for the rights acquired by the Company of 24,912 thousand euros.
- On 23 July 2024, the public deed to increase the Company's paid-up capital with a charge to voluntary reserves was registered at the Barcelona Mercantile Registry.

The following table shows the effect of distribution of the scrip dividend on the equity of Fomento de Construcciones y Contratas, S.A., in both financial years:

	2024	2023
Capital stock increase	18,771	22,698
Share capital	**18,771**	**22,698**
Capital stock increase	(18,771)	(22,698)
Costs, net of tax	(104)	(112)
Acquisition rights at guaranteed price	(2,840)	(1,783)
Compensatory dividend	(22,072)	(17,669)
Voluntary reserves	**(43,787)**	**(42,262)**
Change in equity	**(25,016)**	**(19,564)**

The ordinary General Shareholders' Meeting held on 14 June 2023 passed the following resolutions, among others:

1. <u>Reduction of share capital through the redemption of treasury stock</u>

   Reduction of the share capital of Fomento de Construcciones y Contratas, S.A. for a maximum nominal amount of 3,725,383.00 euros, through the cancellation 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.

2. Distribution of a scrip dividend

   Implemented through the issuance of new common shares with a nominal value of 1 euro each, with no issue premium, of the same class and series as those in circulation, charged to reserves. This resolution also included an offer by the company to acquire the free allocation rights at a guaranteed price.

   >At its meeting on 28 June 2023, following the General Shareholders' Meeting, the Board of Directors resolved to execute the scrip dividend distribution resolution adopted by the Shareholders' Meeting, the most significant characteristics of which are described below:

   - Maximum value of the scrip dividend: 219,172,491.50 euros, equivalent to 0.50 euros per share.
   - Shareholders received the corresponding allocation rights and could choose between three options: receiving the new shares released, transferring their rights in the market or selling their rights to the company for the guaranteed price of 0.50 euros per share.
   - The number of free allotment rights required to receive a new share was set at 19. Shareholders who chose this option also received a compensatory cash dividend of 0.78 euros for each new bonus share received, to make this financially equivalent to transferring their rights to the company.
   - At the end of the trading period of the free-of-charge allocation rights on 17 July 2023, holders of 431,257,401 (99.18%) rights opted to receive new shares, while shareholders holding 3,566,498 rights opted to accept the Company's offer to acquire their rights at a guaranteed price. Accordingly, the final number of 1 euro bonus shares issued was 22,697,739 shares, corresponding to 5.22% of the capital stock prior to the increase, resulting in a cash outflow for the compensatory dividend, as well as for the rights acquired by the Company of 19,452 thousand euros.
   - On 25 July 2023, the public deed to increase the Company's paid-up capital with a charge to voluntary reserves was registered at the Barcelona Mercantile Registry.

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

1. Reduction of share capital through the redemption of treasury stock

   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.

2. Reduction of share capital through the redemption of treasury stock acquired within the framework of a public takeover bid.

   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 32,027,600.00 euros, under the terms agreed at the Extraordinary General Shareholders' Meeting. 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.

a) Capital

The capital of Fomento de Construcciones y Contratas, S,A. at 31 December 2024 comprises 454,878,132 ordinary shares represented through book entries with a par 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%, according to the information provided, the company Control Empresarial de Capitales, S.A. de C.V., which belongs to the Slim family, directly and indirectly holds 69.607% at the date of authorisation for issue of these accounts. 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 11.916% holding. Finally, the company Nueva Samede Inversiones 2016, S.L.U. has a direct holding of 3.182% of the capital. Esther Koplowitz Romero de Juseu also holds 157,671 direct shares in Fomento de Construcciones y Contratas, S.A.

b) Share premium

The Spanish Limited Liability Companies Law, as amended, expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to its use for other purposes.

c) Reserves

The breakdown for this heading for the 2024 and 2023 business years is as follows:

	2024	2023
Legal reserve	87,669	87,669
Other reserves	665,698	2,260,554
	753,367	**2,348,223**

The partial financial spin-off of Fomento de Construcciones y Contratas, S.A. to Inmocemento, S.A. (Note 2) led to an outflow of voluntary reserves amounting to 1,596,641 thousand euros.

In accordance with the Spanish Corporate Enterprises Act, as amended, 10% of the net profit for each financial 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 capital stock and provided there are no sufficient available reserves, the legal reserve may only be used to offset losses.

At 31 December 2024 the legal reserve was not fully covered and therefore the amount necessary to reach 20% of the capital will be set aside when distributing 2024 earnings (Note 3). At 31 December 2023, the legal reserve was fully posted.

Noteworthy under “Other reserves” were restricted reserves amounting to 12,110 thousand euros, equivalent to the nominal value of the own shares redeemed which, pursuant to article 335.c of the Spanish Limited Liability Companies Law, is restricted, except with the same requirements as for the capital reduction.

d) Own shares

Movements in the “Own shares” heading in the 2024 and 2023 financial years were as follows:

Balance at 31 December 2022	**(27,264)**
Sales	-
Depreciation	298,588
Acquisitions	(271,734)

Balance at 31 December 2023	**(410)**
Sales	-
Other changes	133
Acquisitions	-
Balance at 31 December 2024	**(277)**

Details of own shares at 31 December 2024 and 2023 were as follows:

2024		2023	
Number of shares	**Amount**	**Number of shares**	**Amount**
46,910	(277)	44,957	(410)

At 31 December 2024, the company's treasury shares represented 0.01% of the capital stock (0.01% at 31 December 2023).

12. NON-CURRENT AND CURRENT PROVISIONS

a) Non-current provisions:

The changes in the financial year were as follows:

	Liabilities and contingencies	Contractual and legal guarantees and obligations	Self-insurance reserve	Total
Balance at 31.12.22	**77,334**	**19,223**	**14,339**	**110,896**
Provisions	3,594	-	98	3,692
Applications/reversals	(3,868)	-	(87)	(3,955)
Transfers	-	-	9,738	9,738
Balance at 31.12.23	**77,060**	**19,223**	**24,088**	**120,371**
Provisions	2,236	-	118	2,354
Applications/reversals	(53,045)	(19,223)	(72)	(72,340)
Transfers	369	-	3,056	3,425
Balance at 31.12.24	**26,620**	**-**	**27,190**	**53,810**

Provision for liabilities and contingencies

This item includes the risks arising for the company in the performance of its activities that are not included in other categories. In relation to 2024, the decline is due to the revaluation of risks by the directors.

Provisions for guarantees and contractual and legal obligations

This heading includes the provisions to cover the expenses arising from contractual and legal obligations of a non-environmental nature. Practically the entire balance related to the financial commitments granted to the buyers of the company Globalvia Infraestructuras, S.A., formalized in fiscal year 2016 (Note 8.a). This provision was reversed in 2024 following the agreement to terminate the sale of Globalvía Infraestructuras, S.A. entered into with the original purchasers, whereby the escrow account was released (Note 8.a) and an agreement was reached on the differences regarding various aspects relating to the “Excluded Companies” and “Excluded Companies Amounts” (i.e. companies excluded from the scope of the sale), and the economic benefits arising therefrom, respectively.

Self-insurance reserves

This heading includes provisions to cover actions as the insurer itself. During the audit conducted in financial year 2023 by the General Audit Office of the Social Security regarding how self-insurance arrangements were being managed in previous years, it is suggested that the self-insurance reserve of all the companies of the FCC Group with this arrangement be registered in the parent company. Therefore, at the end of this year, the wholly-owned subsidiaries FCC Construction, S.A. and FCC Medio Ambiente, S.A. have transferred the entire balance of the aforementioned reserve to Fomento de Construcciones y Contratas, S.A. for a total amount of 3,027 million euros (December 2023: 9,738 million euros), as shown in the “Transfers” line of the accompanying table.

b) Current provisions:

The balance shown under this heading mainly reflects the best estimate of the cash outflow arising from indemnity clauses granted to non-controlling shareholders of the Company’s stakes in subsidiaries, by virtue of the clauses signed in the sale contracts of previous years.

Other information

In relation to the liquidation of the Alpine Group, two favourable rulings for FCC was handed down in 2024 in connection with the two outstanding bankruptcy proceedings facing the Alpine Group, with costs imposed on the bankruptcy administrators (in total about 8 million euros); these rulings were appealed by the claimants.

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.

On the reporting date, the administrators recognised liabilities of approximately EUR 1,669 million in AB and EUR 550 million in AH as part of the corresponding receivership 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 FFC 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 Asesoria Financiera y de Gestión, S.A.U. This judgment was appealed by the bankruptcy administrator and the appeal was contested by Asesoria Financiera y de Gestión, S.A.U. 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 succeeds, with a firm ruling on an indemnity duty, the FCC Group's subsidiary liability could arise in a remote case.

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 provisions have been set aside, as the Group believes that they represent contingent liabilities.

13. NON-CURRENT AND CURRENT DEBTS

The balance of "Non-current payables" and "Current payables" was as follows:

	Non-current	Current
2024		
Bank borrowings	-	10
Other financial liabilities	1	93
	1	**103**
2023		
Bank borrowings	-	73
Other financial liabilities	1	-
	1	**73**

In 2023, and following the sale of 24.99% of the subsidiary FCC Medio Ambiente Servicios Holding, S.A. and the corresponding cash inflows (965,000 thousands of euros), all current debt held by the Company was settled, meaning that only the interest on the interim disbursements made in December and non-current bonds (Notes 9.a and 15.d) remain.

All the financial liabilities reflected in the table above are classified within the category of financial liabilities at amortised cost.

a) Bonds and other current marketable securities

Fomento de Construcciones y Contratas, S.A has been running a registered Euro Commercial Paper Programme (ECP) since November 2018 on the Irish stock exchange (Euronext Dublin) for a maximum amount of 600 million euros as at December 2024, at a fixed interest rate and with a maximum maturity of one year, which allows issuance with maturities of between 1 and 364 days from the date of issue, in order to meet general financial needs.

No issues were outstanding at 31 December 2024 and 2023.

b) Current bank borrowings

At 31 December 2024 and 2023, there were no current bank borrowings.

However, neither did the company use the financing facilities in the form of bilateral credit facilities with a maximum limit of 175,000 thousand euros with a number of financial institutions at 31 December 2024. They have annual maturity and interest rates referenced to Euribor plus a market spread.

14. TRADE PAYABLES

In relation to the Spanish Accounting and Audit Institute (ICAC) Resolution dated 29 January 2016, enacted in compliance with the Second Final Provision of Law 31/2014, of 3 December, which amends the Third Additional Provision of Law 15/2010, of 5 July, stipulating measures to combat late payment in commercial transactions, the following table provides information on the average payment period to suppliers for commercial transactions arranged since the date of 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	54	58
Ratio of paid operations/transactions	51	58
Ratio of operations/transactions pending payment	89	56

	Amount	Amount
Total payments outstanding	5,934	5,828
Total payments made	71,608	66,559
Total payments made in a period less than the maximum established in the late-payment regulations	50,517	30,562
Ratio (%)	71%	46%
Total number of invoices paid during the period	6,632	6,334
Number of invoices paid in a period less than the maximum established in the late-payment regulations	4,405	3,115
Ratio (%)	66%	49%

15.INFORMATION ON THE NATURE AND RISK OF FINANCIAL INSTRUMENTS

The concept of financial risk refers to changes in the financial instruments arranged by Fomento de Construcciones y Contratas, S.A., as a result of political, market and other factors and their impact on the financial statements. The risk management philosophy of the company and of FCC Group is consistent with their business strategy, and seeks to achieve maximum efficiency and solvency at all times. To this end, strict financial risk management and control criteria have been established, consisting of 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 company's activities and the transactions through which it carries on its business, it is currently exposed to the following financial risks:

a) Capital risk

To manage capital, the main objective of the company and of FCC 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 essential base considered by the FCC Group to be capital is recognised under "Equity" in the balance sheet. Given the sector in which they operate, the company and the Group are 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 subsidiary companies 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) Foreign currency risk

A noteworthy consequence of FCC 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 company and the Group mainly operate is the euro, they also hold 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.

FCC Group's general policy is to mitigate the adverse effect on its financial statements of exposure to foreign currencies 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 statement of financial position and the income statement.

c) Interest rate risk

Fomento de Construcciones y Contratas, S.A. and the FCC Group are exposed to the risk derived from variations in interest rates because their financial policy aims to guarantee that their current financial assets and debt are partially linked to variable interest rates. The benchmark interest rate for debt arranged with credit entities in euros is mainly the Euribor.

Any increase in interest rates could give rise to an increase in 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 company and of FCC 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.

The table below summarises the effect on the Company's income statement of increases in the interest rate curve with regard to gross debt:

	+25 bp	+50 bp	+70 bp	+100 bp
Impact on profit or loss	1,036	2,072	3,108	4,145

d) Solvency risk

Below is a table in which you can see the evolution of the net financial debt that appears in the attached balance sheet.

	2024	2023
Bank borrowings (Note 13)	10	73
Financial payables to Group and associated companies (Notes 9.c and 9.d)	1,227,558	1,112,632
Financial loans with Group and associated companies (Note 9.b)	(9,372)	(404,987)
Other current financial assets (Note 8.b)	(5,436)	(1,198)
Cash and cash equivalents (Note 10)	(125,198)	(166,527)
	1,087,562	**539,993**

The increase in net financial debt is due, firstly, to the reduction in financial loans with group companies following the collection of these loans with FCyC, S.A. and Realia Business, S.A. (Note 9.b) and the conversion of other loans into capital at FCC Concesiones de Infraestructuras, S.L.U, in addition to the cash contributions under the capital increases (Note 9.a) at the same company, as well as the increase in financial debts with group companies and associates due to cash pooling arrangements (Note 9).

e) Liquidity risk

Fomento de Construcciones y Contratas, S.A. and its group of companies carry out their operations in sectors that require a high level of financing, having to date obtained adequate financing to carry out their operations. However, the company cannot guarantee that these circumstances relating to obtaining financing will continue in the future.

The ability of the Company and the FCC Group to obtain financing depends on many factors, many of which are beyond their control.

Historically, the FCC 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 FCC Group's capacity to renew its financing. Accordingly, the FCC Group cannot guarantee its ability to renew its financing on economically attractive terms. The inability to renew such loans or to ensure financing under acceptable terms may have a negative impact on the liquidity of Fomento de Construcciones y Contratas, S.A. and its Group companies, and on its ability to meet its 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 more unfavourable on a case-by-case basis. The Group is also present in several markets, which facilitates the obtainment of credit facilities and the mitigation of liquidity risk.

At 31 December 2024, the Company had a negative working capital of EUR 277,016 thousand, mainly as a result of current debts with its subsidiaries amounting to EUR 498,765 thousand. Despite this, the directors of Fomento de Construcciones y Contratas, S.A. have drawn up these accounts on a going concern basis, as there are no doubts as to the ability of the group of companies, of which the Company is the parent, to continue to generate revenues from its operations (consolidated operating income of EUR 725,411 thousand and cash position of EUR 1,849,617 thousand). It also has the capacity to finance itself in response to prevailing working capital requirements, as it has a programme to issue commercial paper (ECP) of up to EUR 600,000 thousand, of which nothing had been drawn as at 31 December (Note 13.a). It can also draw on credit facilities arranged with banks of up to EUR 175,000 thousand, all of which were fully available as of 31 December (Note 13.b).

f) Concentration risk

The risk arising from the concentration of lending transactions with common characteristics is distributed as follows:

- Funding sources: in order to diversify this risk, the company and FCC Group work with a large number of Spanish and foreign financial entities to obtain funds.
- Markets/geography (domestic, foreign): The FCC 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 company uses various financial products, such as loans, credit facilities, commercial paper, syndicated loans, assignments and discounting.

FCC 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 business year.

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 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 company and FCC 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 insolvency. 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 managing committees.

With regard to credit ratings, the Company and the FCC Group apply its best judgement to impair financial assets on which it expects to incur credit losses over their entire lives. 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.

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 identified in the Group's ability to obtain financing.

The invasion has had a limited impact on the Company and its Group, meaning that the individual and 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 performance of the activities carried out by the FCC Group may be impacted by adverse weather conditions, such as floods or other natural disasters and in some cases, by the decrease in temperature that may hinder, or even prevent in extreme cases, the performance of their activities, such as the case of intense frosts in the Construction business.

The Company and its Group of companies take all the appropriate measures to adapt to the effects of climate change and mitigate its possible effects on their activity and fixed assets, as shown in the corresponding environmental provisions, committing to the decarbonisation of the activities it carries out, for which it uses the most efficient technologies in the fight against climate change and by the very nature of some of the activities it carries out, it promotes the circular economy. In order to attain these objectives, specific policies are implemented in the activities carried out:

- 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. It also relies on 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 Inmocemento 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 FCC 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 foregoing, these individual financial statements were prepared under the going concern principle, since there are no doubts regarding the continuity of the Company and its group of companies.

16. DEFERRED TAXES AND TAX POSITION

In accordance with case 18/89, Fomento de Construcciones y Contratas, S.A., as the parent company, files consolidated corporate income tax returns, including all the Group companies that comply with the requirements of the tax legislation. It should be noted that those companies subject to the partial financial spin-off of Fomento de Construcciones y Contratas, S.A. and that were included in the aforementioned Tax Group left that group with effect from 1 January 2024.

a) Balances with public administrations and deferred taxes

a.1) Tax receivables

	2024	2023
Non-current		
Deferred tax assets	98,968	117,812
	98,968	**117,812**
Current		
Current tax assets	97,715	47,738
Other receivables from the public administrations	282	266
	97,997	**48,004**

The breakdown of the "Deferred tax assets" heading is as follows:

	2024	2023
Tax loss carryforwards and activated deductions (Note 16.e)	88,844	95,674
Negative income obtained in a foreign PE	5,191	4,958
Non-deductible provisions	2,525	14,770
Other	2,408	2,410
	98,968	**117,812**

The management of Fomento de Construcciones y Contratas, S.A., the parent of the Tax Group 18/89, has assessed the recoverability of deferred tax assets by estimating future tax bases relating to the aforementioned Group, concluding that no doubts exist with respect to their recovery.

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 carryforwards 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 carryforwards 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 Fomento de Construcciones y Contratas, S.A. will be able to substantially absorb the tax loss carryforwards recognised in the balance sheet over an estimated period of 10 years.

Estimated accounting profit for the year for the tax group headed up by Fomento de Construcciones y Contratas, S.A. is based on the planning drawn up by the Group for the 2025 to 2027 period. Revenue growth of 3.5% in 2025, 1.6% in 2026 and 0.6% in 2027 has been considered. The projected EBITDA margin is 10.4% in 2025, 11.4% in 2026 and 11.3% in 2027. In the subsequent periods, an organic growth rate of 2% is projected at the pre-tax result level.

The balance of "Current tax assets" is largely due to the balance generated by corporate income tax for financial year 2023, as well as the estimate for 2024.

a.2) Accounts payable

	2024	2023
Non-current		
Deferred tax liabilities	370	369
	370	**369**
Current		
Other payables to public administrations:		
Withholdings	421	402
VAT and other indirect taxes	1,168	182
Social Security bodies	460	438
	2,049	**1,022**

a.3) Changes in deferred tax assets and liabilities

Movements in deferred tax assets and liabilities in the 2024 and 2023 business years were as follows:

	Deferred tax assets	Deferred tax liabilities
Taxable temporary differences		
Balance at 31.12.22	**135,072**	**407**
Arising in the year (Note 16.b)	-	-
Arising in prior years (Note 16.b)	(1,885)	-
Activation of tax credits (Note 16.a)	-	-
Other adjustments	(15,375)	(38)
Balance at 31.12.23	**117,812**	**369**
Arising in the year (Note 16.b)	255	-
Arising in prior years (Note 16.b)	(12,246)	-
Other adjustments	(6,853)	1
Total balance at 31.12.24	**98,968**	**370**

The “Other adjustments” heading mainly includes the positive or negative differences between tax estimates made at the end of the year and the subsequent settlement of the tax at the time of payment, as well as the adjustment of tax credits arising from the tax inspection (Note 16.f). In relation to 2023, this is largely due to the impact on the reassessment of the future deductibility of certain provisions.

b) Reconciliation of accounting profit and taxable income

The reconciliation between accounting profit and taxable profit for corporation tax purposes is as follows:

	2024			2023		
Accounting profit/(loss) for the financial year before tax			**208,542**			**1,156,596**
	Additions	Reductions		Additions	Reductions	
Permanent differences	2,278	(154,272)	**(151,994)**	1,502	(1,122,420)	**(1,120,919)**
Adjusted accounting profit/(loss)			**56,548**			**35,677**
Temporary differences (Note 16.a)			**(47,963)**			**(7,542)**
- Arising in the year	1,020		1,020	-	-	-
- Originating from previous years		(48,983)	(48,983)	-	(7,542)	(7,542)
Income and expenses recognised directly in equity			**(139)**			**(1,255)**
Tax base (taxable profit/(loss)			**8,446**			**26,880**

Looking at the above table, the following is worth note:

- The permanent differences corresponding to both years have their origin basically in:
  - Impairment on investments of the Tax Group 18/89 and at the remaining investees (Note 9).
  - The exemption to avoid the double taxation of dividends. Corporate Income Tax Law 27/2014, of 27 November, eliminated the tax credit for the double taxation of dividends, substituting it with the aforementioned exemption.
  - The price adjustment arising from the agreement to terminate the Global Vía Infraestructuras, S.A. share sale and purchase agreement, due to the price adjustment for the "Excluded Companies" and the "Excluded Companies Amount" (Note 18).

- Temporary differences for 2024 arise from the reversal of provisions (Note 12). With respect to 2023, they relate mainly to the deductibility in the year of financial expenses that were not deductible in previous years and were capitalised in 2022 (Note 16.a).

c) Reconciliation of accounting profit to the corporation tax expense.

The reconciliation of accounting profit to the corporation tax expense was as follows:

	2024	2023
Adjusted accounting profit/(loss)	56,548	35,677
Corporate income tax charge	(14,137)	(8,919)
Activation of tax credits (Note 16.a)	-	-
Other adjustments	76	(4,925)
Corporation tax expense/(income)	**(14,061)**	**(13,844)**

d) Breakdown of the corporation tax expense

The breakdown of Corporate Income Tax expense was as follows:

	2024	2023
Current tax	1,921	8,693
Deferred tax (Note 16.a)	(15,982)	(22,537)
Total tax (expense)/income	**(14,061)**	**(13,844)**

e) Tax loss carryforwards and unused tax credits

At year-end, the company had tax loss carryforwards from prior years pending offset amounting to 301,940 thousand euros, as a member of Tax Group 18/89, detailed as follows, by year:

	Amount
2013	164,655
2014	44,908
2016	48,480
2019	16,855
2020	8,709
2022	18,334
Total	**301,940**

The company also has unused tax credits pending application from previous years amounting to 13,359 thousand euros. The breakdown is as follows:

Deductions	Amount	Period for use
R+D+I Activities	7,736	18 years
Reinvestment	4,688	15 years
Creation of employment	749	15 years
Other	186	—
	13,359	

The Company has capitalised all the tax bases pending compensation and deductions pending application (Note 16.a).

f) Financial years pending verification and inspection actions

Fomento de Construcciones y Contratas, S.A. has all the financial years not yet statute-barred open for review by the tax authorities for the taxes applicable to them.

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 10,233 thousand euros (4,290 thousand euros at the Company) have been adjusted, mainly in respect of related-party transactions and expenses considered to be non-deductible. Fomento de Construcciones y Contratas, 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 629 thousand euros for various reasons (408 thousand euros at the Company).

The accounting impact of the aforementioned inspections, being a event after the reporting period that shows conditions existing at year-end, has been recorded in these financial statements in accordance with prevailing accounting regulations.

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 FCC 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 authorities made a payment for a total amount of 111 million euros (instalment and interest) to Fomento de Construcciones y Contratas, Parent of the FCC Group. The company has settled this tax debt but has also filed an economic-administrative appeal against it, which is pending resolution. The legal advisors of Fomento de Construcciones y Contratas, S.A. consider it likely that the amounts already paid in this recovery procedure will be returned. Within the framework of this procedure, the Tax Administration recognised a negative tax base in favour of the FCC Group, which generated in previous years a tax credit capitalised in the amount of 63.2 million euros (49 million euros at the Company).

In relation to the rest of the business years and taxes open for review, as a result of the criteria that the tax authorities may adopt in the interpretation of the tax regulations, the outcome of the inspections currently under way, or those that may be performed in the future for the years open for review, could generate contingent tax liabilities whose amount cannot currently be quantified objectively. However, Group management considers that the liabilities resulting from this situation would not have a significant effect on the Group's equity.

g) Other tax information

The following table includes the details of the "Corporation tax refunded/(paid)" heading in the statement of cash flows for the 2024 and 2023 business years:

	2024	2023
Corporate income tax (CIT) from previous years	4,222	55,954
Prepayments	(97,821)	(71,607)
Collections from/payments to Group companies for prior years' corporation tax charge and corporation tax prepayments in the year	66,299	46,146
Withholdings and other	(1,079)	(1,136)
	(28,379)	**29,357**

h) Pillar Two Project

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 is 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 at the FCC Group level would be 0.5 million euros.

17.GUARANTEE COMMITMENTS TO THIRD PARTIES AND OTHER CONTINGENT LIABILITIES

As of 31 December 2024, Fomento de Construcciones y Contratas, S.A. has issued guarantees with credit institutions for an amount of 14,402 thousands of euros (31 December 2023: 20,135 thousand euros), of which 11,487 thousand euros (31 December 2023: 12,788 thousand euros) relates to deposited guarantees to secure obligations assumed with Group companies, mainly companies operating in the Environment and Concessions segments. The rest correspond to guarantees in procedures with the Public Administrations in the countries in which the Company operates. In both cases, the decrease seen during the year can be attributed to the transfer of guarantees to companies for the aforementioned activity.

Fomento de Construcciones y Contratas, S.A. has also appeared as the respondent in some lawsuits. However, the company's directors consider that the resulting liabilities would not have a material effect on the company's equity.

The possible financial effects of the main contingent liabilities derived from the bankruptcy of the Alpine subgroup would be the cash outflows indicated in the respective lawsuits described in Note 12 of this report, a risk not considered likely.

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., 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 FCC 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. For all these reasons, we classify it as possible that economic impacts could arise for the aforementioned companies, as a result of the aforementioned procedure, although we do not have the necessary information that allows us to establish a quantification of them.

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 9.a) 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 Company has estimated the amount of its likely obligations in this regard and has recognised, where appropriate, the corresponding provision (Note 12).

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 Company 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 (Notes 9 and 18). 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 of the aforementioned shares are pledged as collateral for certain obligations of the Group towards FCC Aqualia, mainly for the repayment of the loan that the latter has granted to Fomento de Construcciones y Contratas, S.A. for the amount of 806,479 thousand euros as of 31 December. At the date of authorisation for issue of these financial statements, the Group believes that there is no risk that these guarantees will be enforced.

The company is involved in other lawsuits and legal procedures aside from those already described that it considers will not generate significant cash outflows.

The company’s stake in joint operations managed through joint ventures, joint ownership, participation accounts and other similar arrangements means that participants share joint and several liability for the activities performed.

It should be noted that the Company has not obtained any significant assets as a result of the guarantees enforced in its favour or released.

18. REVENUE AND EXPENSES

In addition to sales and services, revenue includes dividends and accrued interest arising from finance extended to investees (Note 4.h).

The "Trade receivables for sales and services" heading mainly includes billings for management support services provided by Fomento de Construcciones y Contratas, S.A. to other Group companies.

Details of "Staff expenses" are shown below:

	2024	2023
Wages and salaries	20,384	19,656
Labour costs	4,682	4,698
	25,066	**24,354**

The detail of "Other operating expenses" is as follows:

	2024	2023
External services related to information technologies	24,161	20,063
Leases	10,852	10,623
Royalties	11,731	9,947
Independent professional services	5,936	3,431
Insurance premiums	936	544
Repairs and preservation	443	393
Supplies and procurements	366	268
Banking and similar services	175	110
Other services	11,566	10,870
	66,166	**56,249**

"Finance income from marketable securities and other financial instruments at Group companies and associates" includes the accrued interest arising from the financing granted to Group companies (Note 9), notably including:

	2024	2023
FCC Servicios Medio Ambiente Holding, S.A.	9,493	9,216
FCyC, S.A.	8,801	3,843
Realia Business, S.A.	2,504	3,759
FCC Concesiones e Infraestructuras, S.L.U.	2,377	2,489
Other	688	440
	23,863	**19,747**

In 2024, the "Changes in the fair value of financial instruments" heading included income amounting to 26,780 thousand euros under the agreement to terminate the Global Vía Infraestructuras, S.A. share sale and purchase agreement; 26,780 thousand euros from 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 17).

19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

a) Transactions with related parties

Details of transactions with related parties in 2024 and 2023 are as follows:

	(wholly owned) Group Companies	Joint ventures	Associates	Total
2024				
Trade receivables for sales and services	63,389	-	-	63,389
Other operating income	43,234	138	-	43,372
Receipt of services	26,400	-	-	26,400
Dividends	25,754	-	1,463	27,217
Finance cost	36,755	-	-	36,755
Financial income	23,863	-	-	23,863
2023				
Trade receivables for sales and services	60,915	-	-	60,915
Other operating income	38,347	181	-	38,528
Receipt of services	24,579	-	-	24,579
Dividends	12,485	-	1,801	14,286
Finance cost	38,039	-	-	38,039
Financial income	19,746	-	1	19,747

b) Balances with related parties

The detail of the balances with related parties at year-end was as follows:

	(wholly owned) Group Companies	Joint ventures	Associates	Total
2024				
Current investments (Note 9)	18,858	-	-	18,858
Non-current investments (Note 9)	2,827,660	-	4,367	2,832,027
Current payables (Note 9)	498,765	-	-	498,765
Non-current payables (Note 9)	806,479	-	-	806,479
Trade receivables	18,379	-	-	18,379
Trade payables	1,804	-	-	1,804
2023				
Current investments (Note 9)	409,471	-	-	409,471
Non-current investments (Note 9)	3,712,891	-	4,367	3,717,258
Current payables (Note 9)	362,650	-	-	362,650
Non-current payables (Note 9)	806,479	-	-	806,479
Trade receivables	11,995	-	52	12,047
Trade payables	2,090	-	-	2,090

The details of trade receivables from and trade payables to Group companies and associates are as follows:

	2024		2023	
Company	**Receivables**	**Payable**	**Receivables**	**Payable**
FCC Medio Ambiente, S.A.	5,857	834	1,959	344
FCC Construcción, S.A.	4,620	11	3,054	-
FCC Aqualia, S.A.	3,595	89	3,585	130
Hidrotec Tecnología del Agua, S.L.U.	2,499	-	1,429	3
FCC Environmental Services (USA) Llc.	-	-	456	-
FCC Environmental Services Florida Llc.	18	228	430	964
Other	1,790	642	1,134	649
	18,379	**1,804**	**12,047**	**2,090**

c) Transactions with directors of the Company and senior executives of the Group

The directors of Fomento de Construcciones y Contratas, S.A. accrued the following amounts at the company, in thousands of euros:

	2024	2023
Fixed remuneration	761	735
Other payments	1,040	1,245
	1,801	**1,980**

The senior executives listed below, who are not members of the Board of Directors, received total remuneration of 2,307 thousand euros (2,180 thousand euros in the 2023 financial years).

2024	
Marcos Bada Gutiérrez	Head of Internal Audit
Felipe B. García Pérez	General Secretary
Miguel Ángel Martínez Parra	Managing Director of Administration and Finance
Santiago Lafuente Pérez - Lucas	CEO of Aqualia
Iñigo Sanz Pérez	CEO of FCC Servicios Medio Ambiente

2023	
Marcos Bada Gutiérrez	General manager of Internal Audit
Felipe B. García Pérez	General Secretary
Miguel Ángel Martínez Parra	Managing Director of Administration and Finance
Félix Parra Mediavilla	Managing Director of FCC Aqualia
Jaime Rocha Font	CEO of Cementos Portland Valderrivas

Under Article 38.5 of the Articles of Association, the Company has taken out a third-party liability insurance policy covering directors and executives. This is a collective policy covering all the Group's executives, with a premium of 1,265 thousand euros being paid in 2024.

The company 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 business year amounted to 5 thousand euros.

Except as indicated in the preceding paragraphs, no other remuneration, advance payments, loans or guarantees were granted to the Board of Directors, nor were any obligations assumed in terms of pensions and life insurance policies by current and former members of the Board of 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 company 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.

d) Situations of conflicts of interest

No direct or indirect conflicts of interest arose in respect of the company's activities, under the applicable regulations (Article 229 of the Spanish Limited Liability Companies Law), without prejudice to the company's transactions with its related parties set forth in these notes to the financial statements or, where appropriate, agreements related to remuneration matters or appointments. 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.

e) Transactions with related parties

During the business year, a number of transactions took place 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 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
	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	Grupo FCC Environment (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	-
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.U.	-	50
FCC Industrial e Infraestructuras Energéticas S.A.U.	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 Delfín, S.A.	1	-
	Hormigones Reinares, 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.	Asesoria 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
Planigesa, 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
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
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 Inmocemento Group. Therefore, the transactions between companies of the FCC Group and companies of the Inmocemento 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.

In 2024, the following transactions were carried out with related parties:

- Agreement for the provision of services between Fomento de Construcciones y Contratas, S.A. and Vilafulder Corporate Group, S.L.U. for a total annual amount of 368 thousand euros.
- Service agreement between Realia Business, S.A. and Gerardo Kuri Kaufmann, amounting to 190 thousand euros.
- Agreement for the provision of services between FCyC, S.A. and Gerardo Kuri Kaufmann amounting to 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 Fomento de Construcciones y Contratas, S.A. to FCyC, S.A. of the two loans held by Fomento de Construcciones y Contratas, S.A. vis-à-vis Realia Business, S.A., amounting to 100,680 thousand euros.
- Financing granted by Fomento de Construcciones y Contratas, 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 Fomento de Construcciones y Contratas, S.A. 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., Planigesa, S.A. and Jezzine Uno S.L.U., of offices at Torre Realia in Madrid.
- Corporate services agreement between Fomento de Construcciones y Contratas, S.A. and Inmocemento, 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 Inmocemento 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.

Furthermore, other transactions are carried out under market conditions, mainly telephone and internet access services, with parties related to the majority shareholder for a non-significant amount.

f) Mechanisms established to detect, determine and resolve possible conflicts of interests between the parent and/or its Group and its directors, executives or significant shareholders

FCC Group has established specific mechanisms to 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 Board of Directors' Rules.

20. ENVIRONMENTAL INFORMATION

As indicated in Note 1 to these financial statements, Fomento de Construcciones y Contratas, S.A. is the parent of FCC Group, which carries out diverse activities that, due to their characteristics, specifically focus on controlling environmental impact. These aspects are described in detail in the "Corporate Social Responsibility" document published annually by the Group through various channels, including the www.fcc.es website. Readers are advised to refer to this information as the best representation of this Note.

21. OTHER INFORMATION

a) Personnel

The average number of people employed by the company in the 2024 and 2023 business years was as follows:

	2024	2023
Directors and managers	55	55
Supervisors	39	38
Technicians	141	142
Clerical Staff	48	45
Sundry trades	3	3
	286	**283**

The table below details the average number of people with a disability of 33% or more in 2024 and 2023, pursuant to Royal Decree 602/2016, of 2 December, which introduced new disclosure requirements for companies' financial statements:

	2024	2023
Technicians	2	2
Clerical Staff	3	2
Sundry trades	2	2
	7	**6**

The numbers of employees, directors and senior managers at the company as at 31 December 2024 and 2023, broken down by gender, were as follows:

2024	Men	Women	Total
Directors	7	4	11
Senior executives	5	-	5
Directors and managers	32	17	49
Supervisors	23	16	39
Technicians	69	74	143
Clerical Staff	18	31	49
Sundry trades	2	1	3
	156	**143**	**299**

2023	Men	Women	Total
Directors	7	4	11
Senior executives	5	-	5
Directors and managers	34	15	49
Supervisors	22	14	36
Technicians	72	74	146
Clerical Staff	16	31	47
Sundry trades	2	1	3
	158	**139**	**297**

The average number of employees, directors and senior executives of the company, distributed by men and women, was as shown below in the 2024 and 2023 financial years:

	2024	2023
Men	155	156
Women	141	137
	296	**293**

b) Remuneration to auditors

The fees accrued for financial years 2024 and 2023 for audit and other assurance services and other professional services provided to the company by the principal auditor, Ernst & Young S.L., and other participating auditors and their related entities are shown in the table below:

	2024			2023		
	Principal auditor	Other auditors	Total	Principal auditor	Other auditors	Total
Audit services	317	-	317	385	-	385
Other assurance services	25	**152**	177	23	-	23
Total audit and related services	**342**	**152**	**494**	**408**	**0**	**408**
Tax advisory services	-	10	10	-	42	42
Other services	-	891	891	-	786	786
Total professional services	**-**	**901**	**901**	**-**	**828**	**828**
TOTAL	**342**	**1,053**	**1,395**	**408**	**828**	**1,236**

22. SUBSEQUENT EVENTS

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 16).

GROUP COMPANIES at 31 December 2024

ANNEX I/1

Company	Carrying amount		Stake (%)	Dividends	Capital	Reserves	Other net equity line items	2024 profit/loss	
	Assets	Impairment						Operating	Continuing operations
Asesoría Financiera y de Gestión, S.A.U. Federico Salmón, 13 – Madrid – Holding company	14,010	—	100	—	6,842	25,354	—	320	5,495
Egypt Environment Services SAE El Cairo – Egipto – Urban sanitation	7,760	7,734	direct 97.00 indirect 3.00	—	8,000	(1,934)	(6,046)	764	498
FCC Aqualia, S.A. Federico Salmón, 13 – Madrid – Water management	91,115	—	direct 41.00 indirect 10.00	18,430	145,000	516,798	22,550	124,948	42,152
FCC Concesiones de Infraestructuras, S.L.U. Avenida Camino de Santiago, 40 – Madrid – Concessions	580,798	—	100	—	98,634	489,038	—	1,738	2,662
FCC Construction, S.A. Balmes, 36 – Barcelona – Construction	1,752,075	272,377	100	—	220,000	889,535	—	43,357	98,932
FCC LDF Limited 3, Sidings Court, White Rose Way, Doncaster United Kingdom – Real estate	58		100		58	—	—	—	—
FCC Servicios Medioambiente Holding, S.A. Federico Salmón,13 – Madrid – Environmental services	225,753	—	75.01	—	10,000	251,270	—	50,621	905
FCC TopCo S.à.r.l 48, Boulevard Grande-Duchesse Charlotte, Luxembourg – Holding company	22,263	—	100	7,324	50	17,806	—	(41)	7,374
Fedemes, S.L.U. Federico Salmón, 13 – Madrid – Real Estate	11,782	—	100	—	10,301	16,216	—	1,122	1,013
T O T A L	**2,705,614**	**280,111**		**25,754**					

GROUP COMPANIES at 31 December 2023

ANNEX I/2

Company	Carrying amount		Stake (%)	Dividends received	Capital	Reserves	Other net equity line items	2023 profit/loss	
	Assets	Impairment						Operating	Continuing operations
Asesoría Financiera y de Gestión, S.A.U. Federico Salmón, 13 – Madrid – Holding company	14,010	__	100	__	6,842	18,240	__	344	7,114
Cementos Portland Valderrivas, S.A. Dormilatería, 72 – Pamplona – Cement	1,019,754	361,017	99.51	__	233,955	206,376	692	89,284	56,919
Egypt Environment Services SAE Cairo – Egypt – Urban sanitation	7,760	7,734	direct 97.00 indirect 3.00	__	8,000	(1,785)	(6,069)	(193)	(150)
FCC Aqualia, S.A. Federico Salmón, 13 – Madrid – Water management	91,115	__	direct 41.00 indirect 10.00	12,485	145,000	508,930	8,330	137,218	49,472
FCC Concesiones de Infraestructuras, S.L.U. Avenida Camino de Santiago, 40 – Madrid – Concessions	107,011	__	100	__	21,401	29,052	__	5,631	4,684
FCC Construcción, S.A. Balmes, 36 – Barcelona – Construction	1,752,075	368,714	100	__	220,000	611,639	__	56,495	275,572
FCC Servicios Medioambiente Holding, S.A. Federico Salmón,13 – Madrid – Environmental services	225,753	__	75.01	__	10,000	240,926	__	44,031	10,344
FCC TopCo S.à.r.l 48, Boulevard Grande-Duchesse Charlotte Luxembourg – Holding company	22,263	7	100	__	50	22,247	__	(36)	(41)
FCyC, S.A. Paseo de la Castellana, 216 – Madrid – Real estate	777,761	__	80.03	__	55,745	920,434	__	14,792	88,053
Fedemes, S.L.U. Federico Salmón, 13 – Madrid – Real Estate	11,782	__	100	__	10,301	15,549	__	715	666
TOTAL	**4,029,284**	**737,472**		**12,485**					

ANNEX II

JOINT VENTURES

	Holding %
ALCANTARILLADO MADRID LOTE D	0.01
AQUALIA-FCC-VIGO	0.01
CENTRO DEPORTIVO GRANADILLA DE ABONA	1.00
LOTE 4 CULEBRO A	1.00
MANCOMUNIDAD DE ORBIGO	1.00
REDONDELA	0.01

ASSOCIATES AND JOINTLY CONTROLLED ENTITIES at 31 December 2024

ANNEX III/1

Company	Book value		Holding %	Dividends received	Capital	Reserves	Other net equity line items	2024 profit/loss	
	Assets	Impairment						Operating	Continuing operations
Suministros de Agua de Queretaro S.A. de C.V. Santiago de Queretaro (Méjico) – Water Management	4,367	—	direct 24.00 indirect 2.00	1,463	18,196	32,188	(9,647)	11,967	9,366
TOTAL	**4,367**	**—**		**1,463**					

ASSOCIATES AND JOINTLY CONTROLLED ENTITIES at 31 December 2023

Company	Book value		Stake (%)	Dividends received	Capital	Reserves	Other net equity line items	2023 profit/loss	
	Assets	Impairment						Operating	Continuing operations
Suministros de Agua de Queretaro S.A. de C.V. Santiago de Queretaro (Méjico) – Water Management	4,367	—	direct 24.00 indirect 2.00	1,801	18,196	29,527	(2,427)	12,623	8,854
TOTAL	**4,367**	**—**		**1,801**					

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

Financial Statements and Management Report

MANAGEMENT REPORT

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

CONTENTS	PAGE

1. STATUS OF THE ENTITY

Fomento de Construcciones y Contratas, S.A. is the Parent of the FCC Group and holds direct or indirect ownership of the interests in the Group's businesses and areas of activity. Therefore, to provide information on the economic, financial, social and environmental events that occurred during the year and place them in their proper context, the FCC Group's Consolidated Management Report, which includes the consolidated Statement of Non-Financial Information, is reproduced below. The company's non-financial information can be found in the aforementioned report.

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 Inmocemento 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 (Ille-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 plant 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 m^3/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 FFC 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 Experess Rail On-Corridor in Ontario (Canada), Scarborough Subway Extention (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 m^2 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, Andrésy, Chanteloup les Vignes, Conflans-Sainte Honorine, Ecquevilly 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 30.2% 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

(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*
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%**
EBIT margin	*8.0%*	*8.8%*	*-0.8 p.p*
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.

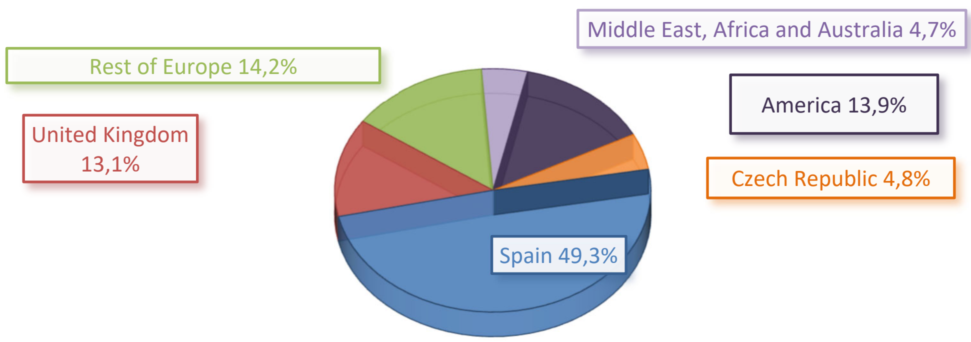
Revenue in America dropped slightly by 0.4% to €1,261.7 million, on account of the impact of the termination of a relevant railway contract in Mexico at the Construction unit, which was partially offset by new contracts on which work began in the US and Canada in the same unit. At the Water unit, revenue 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.

% revenue by geographical area



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:

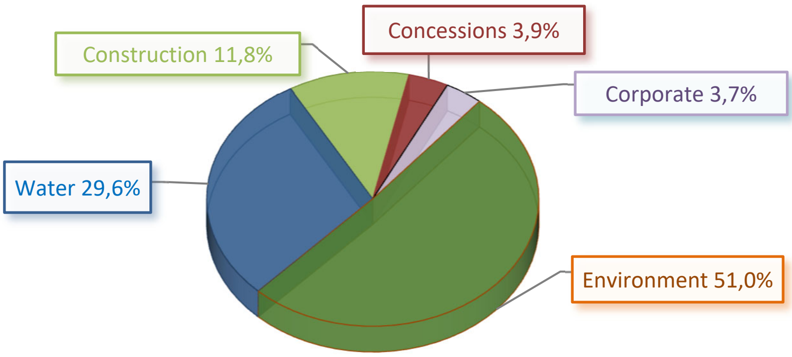
At Environment, earnings were up 13.1% to €731.6 million. This is attributable to the increase in contribution across all geographies and activities, strengthened by the acquisitions made in the United Kingdom, France and the United States. This effect has only been tempered by the impact of lower energy 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

(million euros)	*Dec. 24*	*Dec. 23*	*Chg. (€M)*
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.

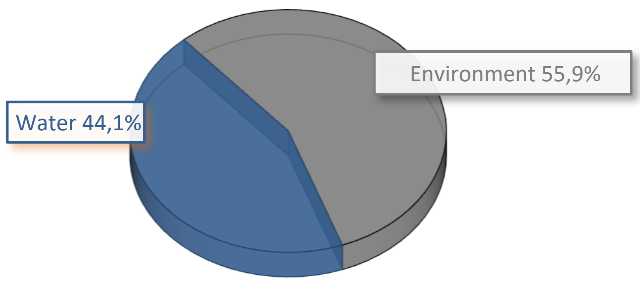
2.1.5.6. Financial debt

(million euros)	*Dic. 24*	*Dic. 23*	*Var. (M€)*
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)**
Net financial debt with recourse	*(1,061.5)*	*(901.7)*	*(159.8)*
Net financial debt without recourse	*4,051.9*	*4,001.8*	*50.1*

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 entirely, 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 bondin 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

(million euros)	*Dec. 24*	*Dec. 23*	*Chg. (%)*
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).

6.1.6.2. 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:

(million euros)	*Dec. 24*	*Dec. 23*	*Chg. (€M)*
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 tan €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

(million euros)	*Dec. 24*	*Dec. 23*	*Chg. (%)*
Turnover	4,346.3	3,853.2	12.8%
Waste collection and street cleaning	*2,122.9*	*1,938.6*	*9.5%*
Waste processing	*1,441.3*	*1,142.6*	*26.1%*
Other services	*782.1*	*772.0*	*1.3%*
EBITDA	731.6	646.7	13.1%
EBITDA margin	16.8%	16.8%	*0.0 p.p*
EBIT	243.4	334.1	-27.1%
EBIT margin	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

(million euros)	***Dec. 24***	***Dec. 23***	***Chg. (%)***
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.

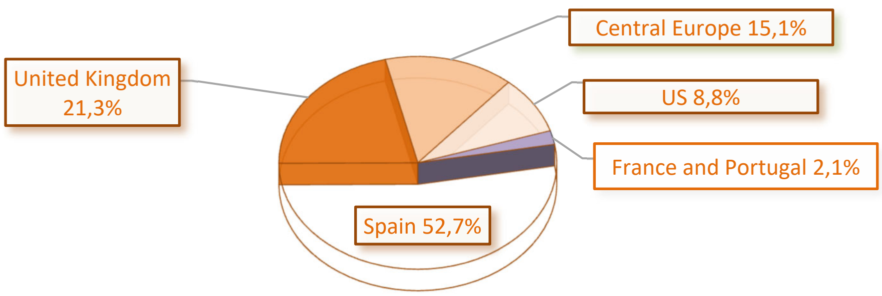
In the United Kingdom, revenues grew by 18.6% to €923.6 million, driven by the consolidation of UK Urbaser and the increase in recycling activity, which have offset the decrease in the collection of the landfill tax. Recovery activity remained at similar levels to the previous year.

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

(million euros)	*Dec. 24*	*Dec. 23*	*Chg. (%)*
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 acquisitionin 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

(million euros)	***Dec. 24***	***Dec. 23***	***Chg. (€M)***
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

(million euros)	*Dec. 24*	*Dec. 24*	*Chg. (%)*
Turnover	1,674.7	1,487.4	12.6%
Cycle Management and Services	*1,540.0*	*1,343.7*	14.6%
Technology and Networks	*134.7*	*143.7*	-6.3%
EBITDA	425.4	384.3	10.7%
EBITDA margin	25.4%	25.8%	*-0.4 p.p*
EBIT	242.2	216.3	12.0%
EBIT margin	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			
(million euros)	*Dec. 24*	*Dec. 23*	*Chg. (%)*
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.

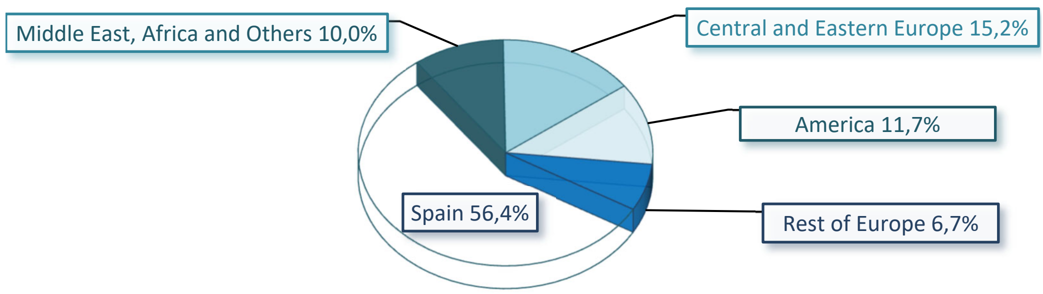
In Central and Eastern Europe, sales increased by 9.5% to €254.8 million, largely on account of the significant increase in tariffs in the integrated cycle management in the Czech Republic and Georgia, despite the unfavourable exchange rate performance of the Czech crown and the Georgian lari during 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 no 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

(million euros)	*Dec. 24*	*Dec. 23*	*Chg. (€M)*
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.

(million euros)	***Dec. 24***	***Dec. 23***	***Chg. (%)***
Turnover	2,991.3	2,823.1	6.0%
EBITDA	169.7	169.4	0.2%
EBITDA margin	*5.7%*	*6.0%*	*-0.3 p.p*
EBIT	123.3	118.4	4.1%
EBIT margin	*4.1%*	*4.2%*	*-0.1 p.p*

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

(million euros)	***Dec. 24***	***Dec. 23***	***Chg. (%)***
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%**

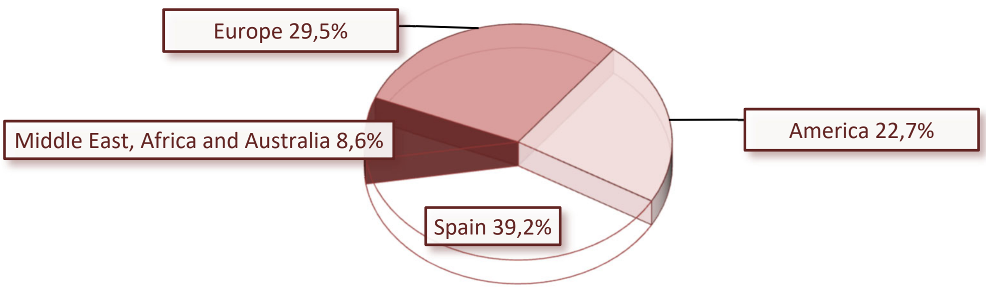
In terms of geographical areas, turnover in Spain increased by 5.7%, to €1,171.1 million, with good progress in all work in progress, particularly railways, such as the high-speed project in Totana, and the start-up of new works, notably solar facilities in Guillena (Seville), which offset the reduction 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

(million euros)	*Dec. 24*	*Dec. 23*	*Chg. (%)*
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			
(million euros)	***Dec. 24***	***Dec. 23***	***Chg. (%)***
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

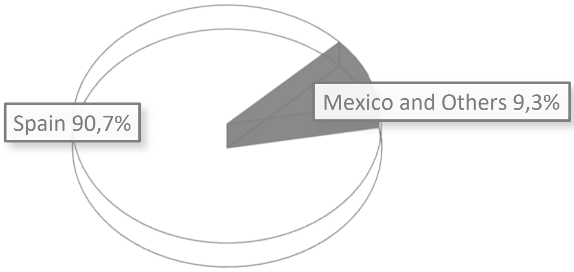
(million euros)	***Dec. 24***	***Dec. 23***	***Chg. (%)***
Turnover	77.8	61.6	26.3%
EBITDA	55.4	45.7	21.2%
EBITDA margin	*71.2%*	*74.2%*	*-3.0 p.p*
EBIT	79.3	95.0	-16.5%
EBIT margin	*101.9%*	*154.2%*	*-52.3 p.p*

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			
(million euros)	***Dec. 24***	***Dec. 23***	***Chg. (%)***
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.

2.2. Business performance. Environment

The information relating to the FCC Group's environmental policy is set out in greater detail in Notes 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:

		2024		
AREAS	SPAIN	ABROAD	TOTAL	%s/Total
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.

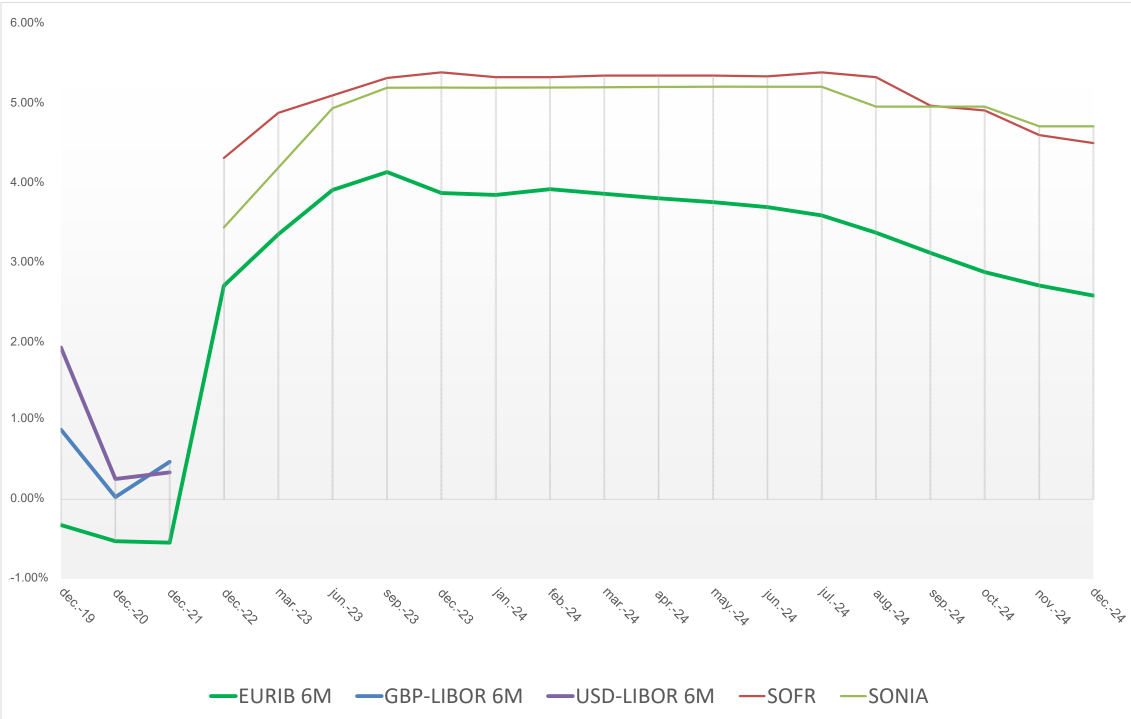
In November 2018, FCC, S.A. registered a 300 million euros promissory notes programme, which was subsequently expanded to 600 million euros in March 2019. Since then, new funding facilities were also arranged in the form of credit facilities. In 2020, FCC Servicios Medioambiente Holding, S.A. registered 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 Caltanisetta 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 Chincha 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.

- **ZEPPELIN 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.

- **0ACCIDNTES**: 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
Change in the period	*(14.5%)*	*69.1%*
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 non-current funds (non-current liabilities and 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 honour its current obligations.

NET CASH WITH RECOURSE

It is defined as cash and other equivalent liquid assets, plus current 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**
Self-constructed assets	*68.8*	*86.4*
Other operating income	*324.3*	*231.1*
Changes in finished goods and work in progress inventories	*0.5*	*2.8*
Procurements	*-3,735.6*	*-3,341.9*
Staff costs	*-2,703.1*	*-2,403.5*
Other operating expenses	*-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
Amortisation of fixed and non-current assets and allocation of grants for non-financial and other assets	*-635.4*	*-556.1*
Non-financial and other capital grants taken to income (*)	*-9.2*	*-9.5*
Other operating income/(losses)	-65.3	6.3
Impairment and gains/(losses) on disposal of fixed assets	*15.0*	*5.9*
Other gains/(losses)	*-89.5*	*-9.1*
Non-financial and other capital grants taken to income (*)	*9.2*	*9.5*
Net operating profit (EBIT)	**725.4**	**725.9**
EBIT margin	8.0%	8.8%
Financial income	-182.1	-118.7
Financial income	*82.0*	*77.8*
Finance expenses	*-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
Income tax	-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**
Consolidated profit/(loss) for the year	*567.6*	*742.2*
Non-controlling interests	-137.7	-153.1
Profit/(loss) attributable to non-controlling interests	*-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**
Inventory	423.7	1,234.3
Trade and other receivables	3,194.2	2,957.4
Trade and other receivables	*3,124.0*	*2,886.5*
Other current assets	*70.2*	*70.9*
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
Non-current financial liabilities	*5,224.6*	*4,817.0*
Other non-current financial assets not included in financial debt (*)	*-453.7*	*-456.0*
Other non-current financial liabilities	453.7	456.0
Other non-current financial assets not included in financial debt (*)	*453.7*	*456.0*
Deferred tax liabilities and other non-current liabilities	417.7	439.5
Deferred tax liabilities	*256.4*	*289.6*
Other non-current liabilities	*161.2*	*149.9*
Non-current liabilities	**6,971.1**	**6,713.8**
Current provisions	275.1	159.6
Current financial debt	325.7	604.1
Current financial liabilities	*526.9*	*926.8*
Other current financial assets not included in financial debt (*)	*-201.2*	*-322.7*
Other current financial liabilities	201.2	322.7
Other current financial assets not included in financial debt (*)	*201.2*	*322.7*
Trade and other payables	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 "Non-current/current 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**
Profit/(loss) before tax from continuing operations	*584.6*	*632.1*
Amortisation and depreciation	*644.6*	*565.6*
Impairment and gains/(losses) on disposal of fixed assets	*-15.0*	*-5.9*
Other adjustments to profit/(loss) (net) (*)	*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
Dividend collections	*28.9*	*50.5*
Other collections/(payments) from operating activities	*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
Issuance/(amortisation) of equity instruments	*-0.1*	*-0.2*
(Acquisition)/disposal of own shares	-	*693.0*
Dividends paid and payments on equity instruments	*-121.8*	*-58.3*
Other collections/(payments) from financing activities	*-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

The Non-Financial Information Statement (NFIS) is available on the issuer's website.

https://www.fcc.es/informes-de-sostenibilidad1

This information is part of the Management Report, includes the information required for said statement and is subject to the same approval, deposit and publication criteria as the Management Report.