

INDEPENDENT AUDIT REPORT OF THE ANNUAL CONSOLIDATED FINANCIAL ACCOUNTS ISSUED BY AN INDEPENDENT AUDITOR

To the shareholders of Andino Inversiones Global, S.A:

Annual consolidated accounts report

Opinion

We have audited Andino Inversiones Global, S.A. (the Parent company) and its subsidiaries (the Group), including the Group's balance sheets for the period of January 1st 2023 to December 31st 2023, the income account, the Group's profit and loss account, statements of changes in net Equity, cash flows statement and the Group's memoir (all of these, consolidated and corresponding to the period beforehand stated.

In our opinion, the consolidated accounts express in all the relevant aspects, the current status of the Group's Equity, financial position and cash flows – all of these, consolidated. These statements are in accordance with the IFRS-EU and the further dispositions of the rules and regulations that apply in Spain.

Opinion basis:

We have carried out our audit in accordance with the regulatory standards governing the auditing activity of accounts in force in Spain. Our responsibilities under these standards are described further in the Auditor's Responsibilities section regarding the audit of the consolidated annual accounts in our report.

We are independent of the Group in accordance with the ethical requirements, including those of independence, applicable to our audit of the consolidated annual accounts in Spain, as required by the regulatory standards governing the auditing activity of accounts. In this regard, we have not provided services other than auditing accounts, nor have there been situations or circumstances that, in accordance with the provisions of the aforementioned regulatory standards, have affected the necessary independence in a way that has been compromised.

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

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, in our professional judgment, have been considered the most significant risks of material misstatement in our audit of the annual accounts for the current period. These risks have been addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion on them, we do not express a separate opinion on these risks.

Impairment of intangible assets

As indicated in note 12 of the consolidated report, as of December 31, 2023, the Group presents, within the intangible assets heading, costs derived from the construction of airport works or improvements of additional works of the infrastructure required to provide airport services amounting to 8,060 thousand euros.

These non-financial assets with a defined useful life are subject to impairment tests when there are indications of impairment. Therefore, the Company reviews the carrying amount of these assets to determine if they exceed their recoverable amount, which is the higher of their value in use and their fair value.

The Company considers the following assumptions to determine their recoverable amount:

- Projection of sales turnover from regulated and non-regulated segments according to the expected growth in passenger traffic.
- Annual adjustment of airport fees.

- Projection of operating and maintenance costs, and
- Discount rate

We consider this matter as one of the most relevant aspects of the audit due to the significant amount of the balance and the judgment the Company applies in determining the recoverable amount.

Our audit approach to address the matter included, among others, the following:

- We met with the Group's Management and gained an understanding of the entire process of disbursements for improvements and conservation of the works required in the concession contract.
- We conducted a review of the recoverable amount calculation based on the provisions of IAS 36 Impairment of Assets; we determined the reasonableness of the indicators used in this calculation.
- With the help of our specialists, we assessed the applied methodology, the formulas used, their mathematical consistency, and the reasonableness of the key assumptions used in the model for calculating the recoverable value of the intangible assets.

Recoverability of investments

As stated in the 8th note of the consolidated annual memoir, the Group maintains certain investments and accounts receivable related to the ventures of Sociedad Aeroportuaria Kintur Wasi S.A. and Proyecta & Construye S.A. for a total amount of 10.273 million euros (as of December 31st 2023).

The investment's objective was to manage the construction and operation of the concession for the new Chinchero-Cusco International Airport, signed with the Peruvian Government through the subsidiary Proyecta & Construye S.A. This concession was unilaterally rescinded by the Peruvian Ministry of Transportation and Communications (MTC). In response to this rescission, the Group filed for arbitration against the Peruvian State, which has been resolved in favor of Group's interests. The complexity of the case, the amounts related to the investment in the Kuntur Wasi Project, and the level of uncertainty generated by the case lead us to consider the recoverability of these amounts as a more relevant aspect in our audit.

Our approach to addressing this audit matter includes the following procedures:

- We met with the Group's Management and gained an understanding of the entire process related to the Kuntur Wasi Project.
- We met with the predecessor auditors to review the initial balances related to this Project and the audit procedures they used to review this significant matter.
- We reviewed the consistency in the application of the investment recognition policy.
- We requested the contracts and related documents.
- We sent a confirmation letter to the legal advisors responsible for handling the case against the Peruvian State.
- We received a response from the legal advisors, and with the support of our legal specialists, we determined the consistency in the received response.
- Based on IFRS 9, we assessed the impairment of receivables from the Peruvian state.

Determination of value regarding the account receivable with the Republic of Peru

At the end of 2023, the subsidiary Aeropuertos Andinos del Perú S.A. maintains an account receivable from the Ministry of Transportation and Communications (MTC) of Peru for a value of 1.804 thousand euros corresponding to a portion of additional works performed in the initial phase of several airports awarded through a concession contract signed with the Peruvian State.

The Peruvian State partially rejected the payment for these items, in response to which subsidiary

Aeropuertos Andinos del Perú S.A. escalated the case to an Arbitration Tribunal, which issued its resolution stating that subsidiary Aeropuertos Andinos del Perú S.A. has the right to claim the collection of the 39 files and that the Peruvian State is obliged to pay the value corresponding to the claimed files when the concession contract ends. In line with this resolution, the Group Management considers that there is a reasonable probability of collecting these amounts, so no provision has been recorded.

We consider this matter as one of the most relevant in the audit due to the significant judgment applied by Management to estimate the probability of collecting these amounts.

Our Audit approach regarding this matter includes:

- We met with the Group's Management and gain an understanding of the entire legal process that led to the Arbitration Tribunal's resolution.
- We reviewed all resolutions related to this matter and met with the Group's Legal Advisory to obtain a conclusion regarding its accounting treatment.
- We obtained a response from the external legal advisor with their opinion on the probability of collection from the Peruvian State.

Emphasis of matter

We draw your attention to note 3.1 of the accompanying consolidated financial statements, which states that, as mentioned in the previous section, 2023 is the first year in which consolidated financial statements are prepared, it is not necessary to include comparative information for the previous year. Our opinion has not been modified in relation to this matter.

Other information: Consolidated Management Report

The other information exclusively comprises the consolidated Management Report for the financial year 2023, the elaboration of which is the responsibility of the directors of the parent company and is not an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated Management Report. Our responsibility regarding the consolidated management report, in accordance with the regulatory requirements of the auditing profession, consists of:

- a) To verify solely that the consolidated non-financial information statement has been provided in the manner prescribed by the applicable regulations and, if not, to report on it.
- b) To assess and report on the consistency of the remaining information included in the consolidated Management Report with the consolidated financial statements, based on the knowledge of the Group obtained in conducting the audit of said accounts, as well as to assess and report on whether the content and presentation of this part of the consolidated management report comply with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are obliged to report on them.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above is provided in the manner prescribed by the applicable regulations and that the remaining information contained in the consolidated management report is consistent with the consolidated financial statements for the financial year 2023. Additionally, its content and presentation comply with the applicable regulations.

Responsibility of the administrators in relation to the consolidated financial statements.

The directors of the parent company are responsible for preparing the attached consolidated financial statements in such a way that they present a true and fair view of the consolidated assets, financial position, and results of the Group, in accordance with IFRS-EU and other provisions of the regulatory framework for financial reporting applicable to the Group in Spain. They are also responsible for the internal control they consider necessary to enable the preparation of consolidated financial statements free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the parent company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as appropriate, matters related to going concern and using the going concern accounting principle unless the said directors intend to liquidate the Group or cease its operations, or there is no other realistic alternative.

Responsibilities of the auditor in relation to the audit of the consolidated financial statements:

Our objectives are to obtain reasonable assurance that the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an audit report containing our honest, independent opinion.

Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with the regulatory standards of auditing activities in Spain will always detect a material misstatement when one exists. Misstatements may arise from fraud or error and are considered material if, individually or in aggregate, they can reasonably be expected to influence the economic decisions that users make based on the consolidated financial statements.

As part of an audit conducted in accordance with the regulatory standards of auditing activities in Spain, we apply our professional judgment and maintain an attitude of professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and apply audit procedures to respond to such risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than in the case of a material misstatement due to error, as fraud may involve collusion, forgery, deliberate omissions, intentionally misleading representations, or circumvention of internal control.
- Obtain an understanding of the relevant internal control for the audit in order to design audit procedures that are appropriate under the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We assess whether the accounting policies applied are appropriate and the reasonableness of accounting estimates and the corresponding information disclosed by the management of the parent company.
- We conclude on whether the management of the parent company's use of the going concern accounting principle is appropriate and, based on the audit evidence obtained, we conclude on whether there is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to draw attention in our audit report to the corresponding disclosures in the consolidated financial statements or, if such disclosures are inadequate, to express a modified opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to be a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosed information, and determine whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- We gather sufficient and appropriate evidence concerning the financial information of the entities or business activities within the group to provide an opinion on the consolidated financial statements. We are accountable for directing, supervising, and conducting the audit of the Group. Our opinion is our sole responsibility.

We communicated with management from the parent company regarding, among other matters, the planned scope and timing of the audit, significant audit findings, as well as any significant deficiencies in internal control that we identify during the audit process.

Among the significant risks communicated to the management of the parent company, we determine

those that have been of the greatest significance in the audit of the consolidated financial statements for the current period and are consequently considered the most significant risks.

We describe these risks in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter.

ANDINO INVERSIONES GLOBAL, S.A. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AT DECEMBER 31, 2023

ANDINO INVERSIONES GLOBAL, S.A. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AT DECEMBER 31, 2023

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S/ = Peruvian Sol
US\$ = United States dollar
MXN = Mexican Peso
EUR = Euros
COP = Colombian Peso

ANDINO INVERSIONES GLOBAL, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in thousands of euros)

At December 31, 2023

	Note	2023 EUR000		Note	2023 EUR000
Current assets			Current liabilities		
Cash and cash equivalents	5	6.983	Financial debt	15	13.528
Other financial assets	6	13.786	Trade payables and other	13	39.239
Trade receivables and other,	7	25.132	Provisions	14	<u>5.905</u>
Inventories, net		602	Total current liabilities		58.672
Taxes recoverable		5.824			
Prepaid expenses		<u>1.398</u>	Non-current liabilities		
Total current assets		<u>53.725</u>	Financial debt	15	53.747
			Trade payables and other	13	15.571
Non-current assets			Deferred income tax liabilities	16	<u>60.697</u>
Trade receivables and other, net	7	24.350	Total non-current liabilities		<u>130.015</u>
Investments in joint ventures and associates	8	10.277	Total liabilities		<u>188.687</u>
Property, plant and equipment	9	61.641			
Investment properties	10	209.325	Equity	16	
Right-of-use assets, net	11	3.571	Share capital		20.583
Intangibles, net	12	15.740	Premium on share issuance		366
Goodwill		577	Other equity reserves		86.712
Deferred income tax asset	16	<u>6.174</u>	Retained earnings		<u>(5.075)</u>
Total non-current assets		<u>331.655</u>	Net equity attributable to net controlling interest,		102.586
			Share of non controlling interests		<u>94.107</u>
			Total equities		<u>196.693</u>
Total assets		<u><u>385.380</u></u>	Total liabilities and equity		<u><u>385.380</u></u>

The accompanying notes from page 9 to 67 are an integral part of the consolidated financial statements.

ANDINO INVERSIONES GLOBAL, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME

(Expressed in thousands of euros)

At December 31, 2023

	Note	2023
		EUR000
Service rendered	18	60.741
Cost of services	19	(44.975)
Impairment losses of financial	7	<u>(5)</u>
Gross profit		15.761
Operating income (expenses)		
Administrative expenses	20	(14.903)
Selling expenses	21	(2.142)
Fair value expense of investment properties	10	(4.918)
Other income	23	2.996
Other expenses	23	<u>(2.016)</u>
		<u>(20.983)</u>
Operating losses		(5.222)
Other income (expenses), net		
Share in profit or loss of joint ventures and associates	8	581
Financial income	24	1.692
Financial expenses	24	(4.959)
Exchange gains and losses, net		<u>(95)</u>
Losses before income tax		(8.003)
Income tax		<u>(1.305)</u>
Net loss for the period		<u>(9.308)</u>
Attributable to:		
Controlling interest		(4.841)
Non-controlling interests		<u>(4.467)</u>
		<u>(9.308)</u>
Weighted average number of outstanding shares (in thousands)	29	19.910
Net loss per share attributable to non-controlling interests (EUR) in discontinued operations	29	(0,2432)

The accompanying notes from page 9 to 67 are an integral part of the consolidated financial statements.

ANDINO INVERSIONES GLOBAL, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Expressed in thousands of euros)

At December 31, 2023

	<u>Note</u>	<u>2023</u>
		<u>EUR000</u>
Net loss for the year		(9.308)
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Effect of translation of presentation currency		<u>(2.294)</u>
		<u>(2.294)</u>
Other comprehensive income don't to be reclassified to profit or loss in subsequent periods		
Revaluation of property, plant and equipment		<u>(571)</u>
		<u>(571)</u>
Total comprehensive income for the period		<u><u>(12.173)</u></u>
Attributable to:		
Shareholders of controlling interest		(5.097)
Non-controlling interest		<u>(7.076)</u>
		<u><u>(12.173)</u></u>

The accompanying notes from page 9 to 67 are an integral part of the consolidated financial statements.

ANDINO INVERSIONES GLOBAL, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY O
(Expressed in thousands of euros)
At December 31, 2023

	Attributable to controlling interest							Non-controlling interest EUR000	Total equity EUR000
	Share capital	Premium on share issue	Othe equity reserves	Retained earnings	Total				
	EUR000	EUR000	EUR000	EUR000	EUR000				
Balances at January 1, 2023	60	-	-	(54)	6	-	-	6	
Non-cash capital contribution	Note 17	19.620	-	86.788	-	106.408	101.183	207.591	
Cash capital contribution	Note 17	903	366	-	-	1.269	-	1.269	
Loss for the period				(5.021)	(5.021)		(4.287)	(9.308)	
Other comprehensive income									
Revaluation of property, plant and equipment	Note 9	-	-	(297)	-	(297)	(274)	(571)	
Effect of presentation currency conversion		-	-	221	-	221	(2.515)	(2.294)	
Total comprehensive income for the period		-	-	(76)	-	(76)	(2.789)	(2.865)	
Balances at December 1, 2023		<u>20.583</u>	<u>366</u>	<u>86.712</u>	<u>(5.075)</u>	<u>102.586</u>	<u>94.107</u>	<u>196.693</u>	

The accompanying notes from page 9 to 67 are an integral part of the consolidated financial statements.

ANDINO INVERSIONES GLOBAL, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in thousands of euros)

At December 31, 2023

	<u>Note</u>	<u>For the period from December 31 2023</u> EUR000
Operating Activities		
Loss for the period		(9.308)
Adjustments to net profit or loss:		
Change in cash and cash equivalents		
Interest on borrowings of lease liabilities		214
Interest on borrowings from related parties and third parties		4.219
Interest on loans to related parties and third parties		(729)
Interest expense		
Depreciation and amortization		4.542
Disposal of fixed assets, right-of-use assets and intangibles, net of income		
Recovery of doubtful collection items		(306)
Provision for doubtful collection		5
Losses attributable to joint control businesses	8	(229)
Translation effect		10.449
Income tax		1.023
Other		(176)
(Increase) decrease in assets:		
Receivables from third parties and related parties		(8.257)
Inventories		214
Taxes recoverable		168
Prepaid expenses		66
Increase (decrease) in liabilities:		
Trade payables and other		2.352
Other:		
Payment of interest on lease liabilities		(315)
Payment of interest on borrowings		(728)
Net cash and cash equivalents provided by operating activities		<u><u>3.039</u></u>

The accompanying notes from page 9 to 67 are an integral part of the consolidated financial statements.

ANDINO INVERSIONES GLOBAL, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in thousands of euros)

At December 31, 2023

	Note	For the period from December 31 2023 EUR000
Net cash and cash equivalents provided by operating activities		2.581
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing activities		
Collections of loans to third parties		(1.999)
Bank certificates		(694)
Payment for purchases of property, plant and equipment		(2.093)
Payment for purchases of investment properties		(2.529)
Payment for purchases of intangibles		(687)
Contributions to joint control businesses and associates	8	(302)
Net cash and cash equivalents applied from investing Activities		(8.304)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in borrowings		27.737
Borrowings received from third parties		140
Payment of borrowings		(23.340)
Payment for lease liabilities		(624)
Payments for borrowings received from third parties and related parties		(2.295)
Net cash and cash equivalents from financing activities provided by financing Activities		1.618
Net decrease in cash and cash equivalents or the period		(3.647)
Balance of cash and cash equivalents at beginning of year		10.630
Balance of cash and cash equivalents at end of period		6.983
MAJOR NON-CASH FLOW TRANSACTIONS		
Revaluation of property, plant and equipment		571
Fair value of investment properties		4.918

The accompanying notes from page 9 to 67 are an integral part of the consolidated financial statements.

ANDINO INVERSIONES GLOBAL, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of euros)

At December 31, 2023

1 BACKGROUND AND BUSINESS ACTIVITY

1.1 Background -

Andino Inversiones Global, S.A. (hereinafter “the Company”) was incorporated on February 2, 2022, with the legal name Andino Investment Holding S.L.

The legal place of business of the Company is at Calle Caracas, 19, 2, Derecha, 28010, Madrid, Madrid, Spain.

The Company and its subsidiaries are henceforth called “the Group”.

On May 19, 2023, the Company decided to increase capital with non-monetary contributions of 19,620 thousand euros by issuing and putting into circulation 19.620 thousand shares with a par value of 1 euro each, representing 52,01% of the capital stock of Andino Investment Holding S.A.A. for a total of 106.698 thousand euros.

On January 16, 2024, Andino Inversiones Global, S.A. joined Euronext Access + Paris, and began trading on this important institution that connects regulated stock exchanges in Belgium, France, Ireland, Italy, the Netherlands, Norway and Portugal. Its 20,582,313 shares were admitted to trading at a reference price of 3.21 euros per share, equivalent to a market capitalization of around 66 million euros.

1.2 Business activity -

The Group is a conglomerate of companies operating mainly in the foreign trade sector, offering infrastructure and airport services, real estate logistics, financial logistics, and other services nationwide with operations in Peru and Mexico (Note 2).

Airport infrastructure services

The Company provides services, such as ground aircraft support, cargo storage terminal, and fixed- base operations, among other services. In addition, it engages in the exploitation of the rights granted by the Concession Agreement for the design, construction, improvement, conservation and exploitation of the Peruvian Second Group of Airports signed with the Peruvian Government.

Real estate logistics

Engaging in real estate development projects in general, construction industry projects, property purchase and sale and lease, as well as managing those projects.

Logistic services

Customs agent and shipping logistics services, freight forwarding, loading and unloading cargo, and any other related services.

Financial services

Goods warehousing under simple and complex warrants, factoring, leasing and financing to parties operating in this sector.

Investment management and other services

Consulting services comprising advisory, technical assistance, implementation, management, investment in low-risk financial instruments; investing, holding, acquisition and disposal of shares and equity interest in other entities; management and any other investment related services.

1.3 Management plans -

At December 31, 2023 the Group reported a negative working capital balance of 4.947 thousand euros.

The Group expects to continue improving results of operations in the future by:

- i) Growing operations of the airport logistics service of its subsidiary Servicios Aeroportuarios Andinos S.A. which has increased the number of customers on an ongoing basis and has become a trademark in this industry. In addition to the organic growth in Peru it is expected that in the framework of its internationalization process, operations in Mexico and Spain may contribute to this purpose.
- ii) The growth of the logistic service subsidiaries, Infinia Operador Logístico S.A. and Cosmos Agencia Marítima S.A.C., in line with the positive prospects for the foreign trade industry as a whole.
- iii) The growth of its portfolio of customers loans granted by its financial service subsidiaries led Andino Capital Holding SGFI S.A.
- iv) Implementing real estate logistics projects in its subsidiaries Operadora Portuaria S.A. and Inmobiliaria Terrano S.A. Finally, the Company evaluates, on an ongoing basis, its own investments and those investments held with its other subsidiaries, which enable it to generate sufficient profitability and liquidity to meet its obligations.

1.4 Concession Agreement -

On September 7, 2010, a joint operation comprising the Company and Corporación América Airports S.A. was awarded with a concession involving projects for the second set of Peruvian province airports (Concurso de Proyectos Integrales para la Concesión del Segundo Grupo de Aeropuertos de Provincia de la República del Perú) approved by the governmental public infrastructure and utilities investment committee (PROINVERSION) by means of Supreme Decree 001-2011- MTC published on January 3, 2011

On January 5, 2011, the Peruvian Government via the Ministry of Transport and Communications (hereinafter MTC) and subsidiary Aeropuertos Andinos del Perú S.A. (hereinafter "AAP") signed a Concession Agreement for the second set of Peruvian Province airports (hereinafter the "Concession Agreement")

Under the Concession Agreement, the MTC grants AAP a concession for the design, construction, improvement, maintenance and exploitation of a total of 6 airports in the provinces of Peru (hereinafter "the Airports") as itemized below:

- International airport "Alfredo Rodríguez Ballón" in Arequipa (Arequipa Airport).
- Airport "Coronel FAP Alfredo Mendivil" in Ayacucho (Ayacucho Airport).
- International airport "Inca Manco Capac" in Juliaca (Juliaca Airport).
- International airport "Padre Aldamiz" in Puerto Maldonado (Puerto Maldonado Airport).
- International airport "Coronel FAP Carlos Ciriani Santa Rosa" in Tacna (Tacna Airport).
- Andahuaylas Airport (*).

(*) This airport has not been surrendered to AAP by the Grantor due to difficulty with possessors of the land intended for the airport..

Major terms of the Concession Agreement are as follows:

a) Effective period -

The effective period of the Concession is 25 years from the signing date of the Concession Agreement. AAP has, at its discretion, the right to request the extension of the concession term by means of one or more extensions. The MTC may extend the term of the concession with the prior favorable opinion of the Peruvian regulator Organismo Supervisor de la Inversión en Infraestructura de Transporte de Uso Público (hereinafter "OSITRAN"). The maximum term of the concession, taking into consideration all extension, may not exceed the maximum term contemplated by the applicable laws (60 years from the date of execution of the Concession Agreement).

b) Subscribed and paid-in capital -

As established in the Concession Agreement, by the end of the second year of the Concession, AAP met the requirement to report subscribed and paid-in capital of US\$6,1 million. In compliance with local tax and corporate laws, AAP's share capital is stated in Peruvian soles

c) Regulated rates -

AAP shall charge the airport rates and access fees that are detailed in the Concession Agreement or otherwise the rates set by OSITRAN. AAP will be able to charge the rates and fees in U.S. dollars, or equivalent in Peruvian soles, at the selling exchange rates prevailing at the date the service is provided. Airport rates will not be changed before the third year of concession. From the fourth year on, AAP will be allowed to charge the rates set by the entity holding the concession for the first set of Peruvian province airports. Under the Concession Agreement, rates can be readjusted using a rate adjustment formula set out in Clause Ninth to the Concession Agreement. Any amendment to rates should be reported to OSITRAN

d) Guarantees given to the grantor -

AAP engaged to provide the Grantor with the guarantees set under the Concession Agreement, which will be released upon partial or full completion of the Concession Agreement.

At December 31, 2023, AAP has established a performance bond via Banco de Crédito del Peru S.A.A. of US\$4,500 thousand (equivalent to 3.816 thousand euros) and US\$1,051 thousand (equivalent to 891 thousand euros), respectively in favor to the Grantor, with maturity on February 2, 2024 and March 14, 2024, respectively to secure the value the eventual termination of the Concession Agreement in the event it is rescinded due to the Concession Operator's irregular acts, as stipulated in clause tenth to the Concession Agreement. Also, other guarantees have been established with Banco de Crédito del Peru for US\$240 thousand (equivalent to 204 thousand euros) intended to secure the acquisition of equipment, as required under the Concession Agreement with maturity on February 22, 2024.

e) Concession termination -

The concession will be terminated upon occurrence fo the following events or circumstances:

1. Expiration of the concession effective period;
2. Mutual agreement of the parties;
3. AAP's failure to comply with the terms of the Concession Agreement, clause 15.3;
4. Grantor's failure to comply with the terms of the Concession Agreement, clause 15.4;
5. Unilateral decision of the Grantor as contemplated in the Concession Agreement, clause 15.5;
6. Force majeure or act of God.

2 INFORMATION ON THE GROUP SHAREHOLDING STRUCTURE

a) At December 31, 2023, the Group's consolidated financial statements include the following subsidiaries (The figures in its unconsolidated financial statements are submitted in accordance with IFRS and before eliminations, reclassifications and adjustments for consolidation purposes).

<u>Legal name</u>	<u>Core activity</u>	<u>Country of incorporation and head office</u>	<u>Interest</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Neto Equity</u>	<u>Patrimonio Neto</u>	<u>Net profit</u>	<u>Net profit</u>
			<u>(direct and indirect)</u>						
			<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>
			<u>%</u>	<u>EUR000</u>	<u>EUR000</u>	<u>EUR000</u>	<u>EU000</u>	<u>EUR000</u>	<u>EU000</u>
			<u>Controlling interest</u>				<u>Non-controlling interest</u>	<u>Controlling interest</u>	<u>Non-controlling interest</u>
Airport infrastructure services:									
Airport Services Andinos S.A.	Airport Services	Peru	52,01	25.672	21.721	3.951	3.646	148	137
Airport Services Andinos Ecuador S.A.	Airport Services	Ecuador	52,01	1	8	(7)	(6)	(2)	(2)
Aeropuertos Andinos del Peru S.A.	Airport Services	Peru	52,01	19.216	14.224	4.992	4.606	(1.029)	(949)
Airport Services Andino Global S.L.	Airport Services	Spain	52,01	3.869	4.195	(326)	(301)	(260)	(240)
Airport Services Andinos México S.A. de C.V.	Airport Services	Mexico	52,01	1.701	4.184	(2.483)	(2.291)	(2.005)	(1.850)
Airport Services Andinos Colombia S.A.S.	Airport Services	Colombia	52,01	12	44	(32)	(30)	(20)	(18)
Real-estate logistics:									
Operadora Portuaria S.A.	Real Estate Investments	Peru	52,01	88.523	32.104	56.419	52.058	(1.559)	(1.475)
Inmobiliaria Terrano S.A.	Real Estate Investments	Peru	52,01	53.403	24.057	29.346	27.078	315	291
Inversiones Portuarias S.A.	Investments	Peru	52,01	15.625	9.857	5.768	5.322	(865)	(798)
Logistics Services:									
Cosmos Agencia Maritima S.A.C.	Maritime agent cargo, loading and unloading	Peru	52,01	8.487	5.081	3.406	3.143	240	221
Infinia Operador Logístico S.A.	Customs agent	Peru	52,01	6.764	5.132	1.632	1.506	(106)	(98)
Multitlog S.A.	Selling, rental and conditioning of containers	Peru	52,01	1.760	1.160	600	554	(167)	(154)

Financial services:

Almacenes Financieros S.A.	General Warehousing	Peru	52,01	9.437	834	8.603	7.938	236	218
Andino Capital Holding Sociedad Gestora de Fondos de Inversión S.A.	Financial investments	Peru	52,01	7.102	2.071	5.031	4.642	42	39
Andino Factoring S.A.C.	Financial investments	Peru	52,01	141	72	69	64	13	12
Andino Leasing S.A.	Leasing	Peru	52,01	4.090	4.081	9	8	(16)	(15)
Andino Capital Servicer Sociedad Gestora de Fondos de Inversión S.A.	Financial investments	Peru	52,01	168	131	37	34	24	22

Investment Management and other services

Andino Investment Holding S.A.A.	Holding	Peru	52,01	44.996	4.077	40.919	37.756	236	218
Andino Investment Holding International Inc.	Investments	Peru	52,01	1.290	597	693	639	(42)	(39)
VLM Rio Lindo S.A.C.	Investments	Peru	52,01	12.464	1.756	10.708	9.880	(71)	(66)

The percentage of interest held in the companies is the same as the percentage of voting rights.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of the consolidated financial statements are detailed below. These policies have been consistently applied to all the years submitted, unless otherwise indicated.

3.1 Basis of preparation and presentation -

The accompanying consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) at December 31, 2023, and with other provisions of the applicable regulatory framework.

The consolidated financial statements arise from the accounting records of Andino Inversiones Global S.A. and its investees (including AIG subsidiaries, joint agreements and associates), whose accounting criteria have been standardized with those of the parent company in order to submit the consolidated financial statements by applying consistent valuation standards.

The Euro is the Group's presentation currency. The amounts included in the accompanying consolidated financial statements are expressed in thousands of Euros, unless otherwise indicated, and can be rounded off.

Perimeter of consolidation

Fiscal year 2023 is the first year in which the Group prepares consolidated financial statements since in May 2023 control over Grupo Andino was obtained by a non-cash contribution (Note 1.1).. In addition, there have been no changes to the perimeter in fiscal year 2023.

Comparative information

Given that, as mentioned in the previous section, 2023 is the first year in which consolidated financial statements are prepared because on May 19, 2023 a non-cash contribution was made by the shareholders of Andino Investment Holding S.A.A. in favor of Andino Inversiones Global S.A., which accounted for 51.33% interest and by means of a transaction on the stock exchange, it acquired 0.68% interest of Andino Investment Holding S.A.A.'s shareholding, obtaining in that month a total shareholding of 52.01% and control over said company, which was the parent company of a conglomerate of companies operating primarily in the foreign trade sector and providing airport and maritime infrastructure, real estate logistics, logistics services and financial services, therefore, it is not necessary to include comparative information for the previous year for each of the items in the consolidated statement of financial information, the consolidated income statement, the consolidated statement of changes in equity and the consolidated statement of cash flow, except for detailing the opening balances in the breakdowns of the consolidated statement of financial position in these notes to the consolidated financial statements.

3.2 Changes in accounting policies and disclosures -

3.2.1 New standards issued with mandatory future application -

The standards issued by the IASB that will be mandatory for future years are shown below:

Pending adoption by the European Union	Date of first-time application
Amendments IAS 7 and IFRS 7 – Supplier finance arrangements	January 1, 2024
Amendments to IAS 21 - Lack of exchangeability	January 1, 2025
IFRS 18 – Presentation and disclosure in Financial Statements	January 1, 2027

Adopted by the European Union	Date of 1st application
Amendments to IFRS 16 - Lease liability in a sale and leaseback	January 1, 2024

Amendments to IAS 1 - Classification of liabilities as current or non-current	January 1, 2024
Amendments to IAS 1 - Non-current liabilities with covenants	January 1, 2024

Adopted for adoption in the European Union	Date of first-time adoption
Amendments to IAS 1 – Disclosure of accounting policies	January 1, 2023
Amendments to IAS 8 – Definition of accounting estimates	January 1, 2023
Amendments to IAS 12 – Global Tax Reform -Pillar 2 Model	January 1, 2023
Amendments to IAS 12 – Deferred income tax from assets and liabilities arising from a single transaction.	January 1, 2023
Amendment to IFRS 17: Insurance contracts: initial adoption of IFRS 17 and IFRS 9- Comparative information.	January 1, 2023
IFRS 17: Insurance contracts, including amendments to IFRS NIIF 17.	January 1, 2023

The adoption of the aforementioned amendments and interpretations effective January 1, 2023 did not have a significant impact on the Group's consolidated financial statements for the current year

The Group is currently evaluating the potential impacts that these amendments may have on its consolidated financial statements, although , at te reporting date, no significant impact is expected, beyond the new information breakdown requirements introduced by some of these changes.

3.3 Consolidation of financial statements -

Subsidiaries -

Subsidiaries are the entities over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to variable returns from its relationship with the entity and is able to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which their control is transferred to the Group. They are no longer consolidated from the date control ceases.

The Group applies the purchase method of accounting to recognize business combinations. The cost of acquiring a subsidiary is determined based on the fair value of the transferred assets, the liabilities assumed, and the equity instruments issued by the acquiree.

The acquisition cost also includes the fair value of any assets or liabilities arising from an agreement establishing contingent payments. The identifiable assets acquired, contingent liabilities and liabilities assumed in a business combination are initially measured at their fair values at the date of acquisition.

The Group recognizes the non-controlling interest in the acquiree on an acquisition-by- acquisition basis, either at fair value or in proportion to the recognized carrying amounts of the net identifiable asset of the acquiree.

Acquisition-related costs are recorded as expense as they are incurred.

The consolidated financial statements include the assets, liabilities, profit or loss, and cash flows of the Company and its subsidiaries. To consolidate subsidiaries, receivable and payable balances, income and expenses are eliminated from transactions between Group companies. Profits or losses resulting from transactions between Group companies that are recognized under any item in assets or liabilities are also removed. The accounting policies of the subsidiaries have been modified to ensure consistency with the policies adopted by the Group.

3.4 Seasonal operations -

No seasonal operations have been identified that are relevant to the preparation of the consolidated financial statements of the Company and its subsidiaries.

3.5 Foreign currency translation -

Functional and presentation currency -

The items included in the consolidated financial statements of each of the Group's entities are expressed in the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are determined in Peruvian soles (functional currency), and are presented in thousands of Euros, which is the Group's presentation currency.

Transactions and balances -

Foreign currency transactions are initially recorded in the entity's functional currency using the exchange rates effective at the date of the transaction.

Monetary assets and liabilities denominated in foreign currency are subsequently translated into the functional currency using exchange rates effective at the year-end date.

Exchange gains or losses resulting from the settlement of said transactions and the translation of monetary assets and liabilities in foreign currency at the exchange rates at the date of the consolidated statement of financial position are recognized within "Exchange difference, net" in the consolidated statement of comprehensive income. Non-monetary assets and liabilities determined in foreign currency are translated into the functional currency at the exchange rate at the date of the transaction.

At December 31, 2023 the financial statements of all the Group's subsidiaries are prepared in Peruvian soles, which corresponds to their functional currency except for Servicios Aeroportuarios Andinos de México, S.A. de C.V., which uses Mexican pesos (functional currency), Servicios Aeroportuarios Andino Global S.L., which uses Euros (functional currency), Servicios Aeroportuarios Andinos Colombia S.A.S., which uses Colombian pesos (functional currency), and Andino Investment Holding International Inc. and Servicios Aeroportuarios Andinos S.A. Ecuador, which use U.S. dollars (functional currency), and all are presented in Peruvian soles to ensure consistency with the Group's presentation currency.

The financial statements of the Company and the subsidiaries, whose functional currency is different from the Group's functional currency, are translated into the Group's functional currency (Peruvian sol) in accordance with the following methodology established in IAS 21, "The effects of changes in foreign exchange rates":

- (i) The balances of assets, liabilities and equity have been translated using the closing exchange rates at the date of each consolidated statement of financial position. The difference resulting from translating the opening balances into the presentation currency at a different exchange rate than the one of the year-end is presented as a movement of each of the items to which it corresponds.
- (ii) Income and expenses of each item in the consolidated statement of comprehensive income have been translated using the average exchange rates that are similar to those prevailing at the date of origin of those transactions.
- (iii) Exchange differences resulting from translating into the presentation currency are recognized as a separate component in the consolidated statement of other comprehensive income within "Effect of translation into presentation currency".

The translation of the consolidated financial statements to the presentation currency was made in accordance with the following methodology established in IAS 21, "The effects of changes in foreign exchange rates":

- (i) The balances of assets, liabilities and equity have been translated using the closing exchange rates at the date of each consolidated statement of financial position. The difference resulting from translating the opening balances into the presentation currency at a different exchange rate than the one of the year-end is presented as a movement of each of the items to which it corresponds.
- (ii) Income and expenses of each item in the consolidated statement of income and consolidated

statement of comprehensive income have been translated using the average exchange rates that are similar to those prevailing at the date of origin of those transactions.

- (iii) Exchange differences resulting from translating into the presentation currency are recognized as a separate component in net equity within "Other equity reserves".

3.6 Cash and cash equivalent -

The item on cash and cash equivalents presented in the consolidated statement of financial position includes all balances held with financial institutions.

For reporting purposes on the consolidated statement of cash flows, cash and cash equivalents include bank checking account balances and highly liquid term deposits and investments with an original maturity of three months or less.

3.7 Financial assets -

- i) Classification -

The Group classifies its financial assets into the following categories:

- Measured at fair value (either through profit or loss or other comprehensive income), and
- Measured at amortized cost.

The classification depends on the business model the Group uses to manage its financial assets and on the contractual terms that impact cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss or other comprehensive income.

The Group reclassifies its debt instruments if its business model for managing these assets changes.

- ii) Recognition and write-offs -

Regular purchases and sales of financial assets are recognized at the date of negotiation, i.e. the date on which the Group undertakes to purchase or sell the asset. Financial assets are written off when the rights to receive cash flows from investments expire or are transferred and the Group has substantially transferred all risks and rewards arising from its ownership.

- iii) Measurement -

At initial recognition, the Group measures a financial asset at its fair value plus, for financial assets that are not carried at fair value through profit or loss, transaction costs that are directly attributable to the purchase of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recognized in profit or loss.

Debt Instruments -

The subsequent measurement of debt instruments depends on the business model that the Group has established for asset management, as well as on the characteristics of the cash flows deriving from the asset.

There are three possible categories with which the Group classifies debt instruments, which are: (i) amortized cost, (ii) fair value through other comprehensive income (FVOCI) and (iii) fair value through profit or loss (FVTPL).

At December 31, 2023 the Group classifies its financial assets into:

- Amortized cost: applicable to assets managed under a business model to collect the contractual cash flows, provided that these cash flows represent only payments of principal and interest. The

interest generated by these financial assets is recognized as financial income using the effective interest method. Any gain or loss arising from the write-off of this type of financial asset is recognized in the consolidated statement of income and presented within "Other income (expenses)"; any resulting exchange gains or losses are presented within "Exchange difference, net". Impairment losses are presented in a separate item in the consolidated statement of income.

Debt instruments classified at amortized cost are included in the following items of the consolidated statement of financial position: "cash and cash equivalents" and "trade receivables and other receivables, net".

- Fair value through profit or loss (FVTPL): assets that do not qualify for using the amortized cost or FVOCI are measured at fair value through profit or loss. Changes in the fair value of debt instruments in this category are recognized as profit or loss in the statement of income and presented net within "Other income" and "Other expenses" in the period in which the change occurs.

Debt instruments classified at fair value through profit or loss are included within "Other financial assets" in the consolidated statement of financial position.

iv) Impairment of financial assets -

The Group evaluates, prospectively, the expected credit losses (ECL) associated with the debt instruments measured at amortized cost. The methodology used to determine impairment depends on whether a credit risk of an asset has increased significantly.

The ECL is recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk from initial recognition, the ECL is recognized for losses resulting from events of default that are possible within the next 12 months ("12-month ECL"). For credit exposures for which there has been a significant increase in credit risk from initial recognition, the ECL is recognized for losses resulting from events of default that are possible during the remaining life of the exposure, regardless of the timing of default ("Lifetime ECL").

For trade receivables, the Group applies a simplified approach in calculating the ECL. Therefore, the Group does not monitor changes in credit risk, instead, it recognizes a provision for expected credit losses based on the lifetime ECL along the life of the financial instrument on each reporting date. The Group has established a provision matrix based on historical loss experience, adjusted for expected factors that are specific to debtors and the economic environment.

3.8 Financial Liabilities -

Classification, recognition and measurement -

Financial liabilities are classified, as appropriate, as follows: (i) financial liabilities at fair value through profit or loss and (ii) financial liabilities at amortized cost. The Group determines the classification of its financial liabilities at the date of initial recognition.

At December 31, 2023 the Group only maintains financial liabilities classified in the category of financial liabilities at amortized cost and are included in the following items of the consolidated statement of financial position: "Trade payables and other payables" and "Borrowings".

All financial liabilities are initially recognized at their fair value and, when the time value of money is relevant, are subsequently valued at their amortized cost under the effective interest rate method. The amortized cost incorporates costs directly attributable to the transaction.

3.9 Offsetting of financial assets and liabilities -

Financial assets and liabilities are offset so that the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

3.10 Fair value of financial instruments -

At each closing date of the reporting period, the fair value of financial instruments traded on active markets is determined by reference to prices quoted on the market, or prices quoted by market agents (purchase price for long positions and sales price for short positions), without deducting transaction costs.

For financial instruments not traded in active markets, fair value is determined using appropriate valuation techniques. Such techniques may include the use of recent market transactions between knowledgeable willing parties acting under conditions of mutual independence, reference to the fair values of other financial instruments that are essentially similar, the analysis of discounted cash flows and other valuation models.

3.11 Inventories -

- Spare parts and supplies -

They are valued at the lowest of cost under the weighted average method or at their replacement cost. The cost of these items includes non-refundable freight and applicable taxes. The provision for the devaluation of these items is estimated based on specific analyzes on their turnover carried out by Management. If the carrying amount of the inventories is identified as exceeding its replacement value, the difference is charged to profit or loss for the year in which this situation is determined.

- Containers -

They are valued at the lower of cost of transformation or their net carrying amount. Inventories are valued under the weighted average cost method incorporating the costs incurred in the processing. The net realized value is the selling price estimated in the normal course of operations, less the estimated costs to complete their production and the costs necessary to put the containers on sale and commercialize them. The reductions in the carrying amount of these inventories to their net realized value constitute a provision for impairment of inventories charged to profits or loss for the year in which such reductions occur.

3.12 Investments in joint ventures and associates -

A joint venture is a type of joint agreement whereby parties that have joint control of the agreement are entitled to the net assets of the joint venture. These parties are called joint venture participants. Joint control is the distribution of control contractually decided for a joint agreement, and it exists only when decisions on the relevant activities of the agreement require the unanimous consent of the parties sharing control.

An associate is an entity over which an investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee without the power to control or jointly control those policies.

This method has been applied for investments in joint ventures and associates, considering as such those in which the Group's direct or indirect shareholding is between 20% and 50% or in which, even without reaching these percentages, the Group has a significant influence in the management.

Under the equity method, interest in joint ventures and associates is initially recognized at cost. The carrying amount of the investment is adjusted thereafter to recognize changes in the Group's share of the net assets of the joint venture and the associate since the date of acquisition.

The consolidated statement of income reflects the Group's share in the profit or loss of the joint venture and associate. Any changes in the statement of income of the joint venture and associate are presented as part of the Group's consolidated statement of income. In addition, if there were changes directly recognized in the equity of the joint venture and associate, the Group would recognize its share of any of these changes, as appropriate, in the consolidated statements of changes in equity. Profits or losses not transferred to third parties from transactions between the Group, the joint venture and the associate are eliminated to the extent of the Group's share in the joint venture.

The financial statements of the joint venture and associate are prepared for the same reporting period as that of the Group. If necessary, appropriate adjustments are made to ensure that its accounting policies conform to the Group's accounting policies. Once the equity method is applied, the Group determines whether it is necessary to recognize an impairment loss of the investment that the Group has in the joint venture and associate. At each reporting closing date, the Group determines whether there is objective

evidence of whether the investment in the joint venture and associate is impaired. In the event of such evidence, the Group calculates the impairment amount as the difference between the recoverable amount of the joint venture and associate and their respective carrying amounts, and then, it recognizes the gain or loss within "Share of joint venture and associate" in the consolidated statement of income.

The methodology used by the Group in estimating the recoverable amount of assets is the value in use calculated based on the current value of future cash flows expected to be derived from the joint venture and associate.

3.13 Leases -

The Group as a lease holder evaluates whether an agreement contains a lease at its inception and recognizes a right-of-use asset and a lease liability, with respect to all leases, except short-term lease agreements (12 months or less) and low-value assets; for the latter, the Group recognizes rent payments as an operating expense under the straight-line method over the lease term, unless another method is more representative for the consumption pattern of economic benefits expected from the leased assets.

Lease agreements are recognized as a liability with its corresponding right-of-use asset on the date the leased asset is available for use by the Group.

The right-of-use asset is amortized under the straight-line method during the shortest period between the asset useful life and the lease term.

The lease liability is initially measured at the present value of rent payments not paid on the start date, discounted by the rate implied in the agreement, or otherwise, under the borrowing incremental rate.

The lease liability and the right-of-use asset are presented in the consolidated statement of financial position within "Borrowings" and "Right-of-use assets, net", respectively.

The lease liability is subsequently measured with the increase in carrying amount to reflect accrued interest (using the effective interest method), reducing the carrying amount to reflect the rent payments made.

The right-of-use asset depreciates over the shortest period between the lease period and the useful life of the underlying asset.

3.14 Property, plant and equipment, net -

Property, plant and equipment are reported at the cost, except land and buildings, net of accumulated depreciation and/or accumulated impairment losses, if any.

Land and buildings are shown at its fair value determined on the basis of appraisements by independent experts. The carrying amount of these assets is reviewed on an ongoing basis to ensure that it does not differ significantly from its fair value at each closing date, at least every three years. Increases in the carrying amount of land, net of its tax effect, by effect of its revaluation to fair value are credited to the excess revaluation account in equity. An impairment loss associated with a non-revalued asset will be recognized in profit or loss of the reporting period. However, an impairment loss of a revalued asset will be recognized in the statement of other comprehensive income, as long as the impairment does not exceed the amount of the revaluation surplus for that asset. This impairment loss for a revalued asset reduces the revaluation surplus for that asset.

The initial cost of an asset includes its purchase price or manufacturing cost, including non-reimbursable purchase duties and taxes, and any costs necessary to put the asset in operating conditions as anticipated by Management. The purchase price or construction cost comprises the total amount paid and the fair value of any other consideration given in acquiring the asset. Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when future economic benefits associated with the asset are likely to be generated for the Group and the cost of these assets can be reasonably measured.

Where significant parts of property, plant and equipment need to be replaced, the Group recognizes such parts as individual assets with specific useful lives and depreciates them. In addition, when a major inspection is made, its cost is recognized in the carrying amount of property, plant and equipment as a replacement if the recognition criteria are met. All other routine maintenance and repair costs are recognized in profit or loss, as incurred.

Items of work in progress include disbursements for the construction of assets, accrued during the construction stage, and when completed and in use, it is classified to the appropriate asset category and its depreciation begins.

Costs of work in progress under the concession agreement -

Costs of work in progress of the concession agreement are related to the assets of the concession and are expressed at cost. Such costs include costs directly related to the specific airport construction agreement and costs attributable to the contracting activity in general and those that can be attributed to the agreement. Costs that are directly related to a specific agreement include: labor costs at the construction site (including construction supervision), costs of materials used in construction, depreciation costs of equipment used in the agreement, design and technical assistance costs that are directly related to the agreement, among others, which are accumulated within works in progress until the approval by OSITRAN, which is when the receivable from the Peruvian Government is recognized.

The construction works are performed by a related party or third parties under the supervision and responsibility of Aeropuertos Andinos del Peru S.A.

Depreciation -

Straight-line method -

Items of land and work in progress are not depreciated. Depreciation of other assets is calculated using the straight-line method based on the estimated useful life of the asset. Estimated useful lives are as follows:

<u>Years</u>	
Buildings, constructions and others	From 10 to 72
Machinery and equipment	From 3 to 30
Vehicles	From 5 to 10
Furniture and fixtures	10
Other equipment	From 3 to 10

Residual values, useful lives, and depreciation methods of property, plant and equipment are reviewed at the end of each year and are adjusted prospectively, if applicable.

Derecognition of assets -

An item from property, plant and equipment is derecognized at the time of disposal or when no economic benefits are expected from its subsequent use or disposal. Any gain or loss arising from the derecognition of the fixed asset (calculated as the difference between the proceeds from sale and its carrying amount) is included in the consolidated statement of income in the year in which the asset is derecognized.

3.15 Intangible assets, net -

An asset is recognized as intangible if its future economic benefits are likely to flow to the Group and its cost can be reliably measured. Intangible assets acquired separately are initially measured at cost. The cost of intangible assets acquired in business combinations is their fair value at the date of acquisition. After initial recognition, intangible assets are carried at cost less accumulated depreciation and, if applicable, any accumulated impairment losses.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net proceeds from the sale and the carrying amount of the asset and are recognized in the consolidated statement of income when the asset is derecognized.

The Group's intangible assets are:

Software, licenses and other intangible assets -

Software, licenses and other intangible assets are presented at cost and include disbursements directly related to the acquisition or implementation of the specific intangible asset, and its corresponding cost. These costs are amortized on their estimated useful life of between 5 and 11 years.

Brands and customer list -

Brands and customer list are recognized at fair value at the date of acquisition. These costs are amortized based on their estimated useful life between 5 and 15 years.

Public structure concessions -

The Concession Agreement is within the scope of IFRIC 12 "Service Concession Arrangements". This interpretation requires investments in public service infrastructure to be accounted for not as fixed assets by the Grantor but rather as a financial asset, an intangible asset or a combination of both, as appropriate.

The Group considers that IFRIC 12 is applicable due to the following:

- The Peruvian Government (the Grantor) regulates the services to be provided by Aeropuertos Andinos del Peru S.A., by setting the method for the determination of rate and control of completion of work.
- The Peruvian Government (the Grantor) keeps control over a significant residual portion of the concession assets because these assets are expected to be returned to Grantor at the end of the concession agreement at their carrying amount.

Management has determined that the IFRIC 12 model applicable to the Group activities is the financial asset model for the unconditional contractual right to cash or other financial asset in return for its services, which means that the risk of demand would be taken by the public sector entity, as well as an intangible asset when the Operator ("concesionario") receives a contractual right to charge the users of the public services to be provided, therefore, the risk of demand is taken by the Operator.

Amortization is determined under the straight-line method by the Group.

3.16 Goodwill and bargain purchase -

3.16.1 Goodwill -

Goodwill is initially measured at cost. Goodwill arises from the acquisition of subsidiaries and represents the excess amount paid for the purchase over the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

After initial recognition, goodwill is measured at cost less any accumulated impairment loss.

For the purposes of impairment testing, the goodwill of a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, which are expected to benefit from the synergies of the business combination. The goodwill is supervised at the operational segment level. Impairment tests of goodwill are performed on an annual basis or more frequently when events or changes occur in circumstances indicating a potential impairment.

The carrying amount of the CGU, which contains goodwill, is compared to its recoverable amount, which is the greatest between its value in use and its fair value less selling expenses. Any impairment is recognized as an expense, and subsequent reversal is not possible.

At December 31, 2023 this item comprises:

	<u>2023</u> <u>EUR000</u>
Nautilus S.A.	563
Andino Factoring S.A.C.	11
Servicios Aeroportuarios Andino Global S.L.	<u>3</u>
	<u>577</u>

The movement in goodwill of the companies consolidated by integration of the Group during 2023 were as follows:

	<u>Jan.01.2023</u>	<u>Non-cash contribution</u>	<u>Conversion effect</u>	<u>Dec. 31.2023</u>
	<u>EUR000</u>	<u>EUR000</u>	<u>EUR000</u>	<u>EUR000</u>
Nautilus S.A.	-	586	(23)	563
Andino Factoring S.A.C.	-	11	-	11
Servicios Aeroportuarios Andino Global S.L.	-	3	-	3
	<u>-</u>	<u>600</u>	<u>(23)</u>	<u>577</u>

3.16.2 Bargain purchase -

Bargain purchase is recognized directly to profit or loss for the period and reflects the excess of fair value of net assets over their paid consideration.

If initial recognition of a business combination has not been completed at the end of the accounting period in which the business combination occurred, the Company and its subsidiaries will disclose in its consolidated financial statements the provisional amounts of those items which accounting has not been completed. During the measurement period, the Company and its subsidiaries will adjust the provisional amounts recognized at the date of acquisition, on a retrospective basis, to reflect the new information obtained about the facts and circumstances that existed at the date of acquisition, and which, if had been known, would have affected the measurement of the amounts recognized at that date. The measurement period will end as soon as the Company and its subsidiaries receive the information they were looking for about the facts and circumstances that existed at the date of acquisition or arrive at the conclusion that no more information can be obtained. However, the measurement period shall not exceed one year from the date of acquisition.

3.17 Investment properties, net -

Investment properties comprise land and buildings held by the Group in order to obtain returns from rents and appreciation in their carrying amount. Investment properties also include properties that are under construction or development for use as investment properties.

Investment properties are initially recorded at cost, including transaction costs, taxes and legal fees. They are subsequently measured at their fair value. The fair value of investment properties is determined at the closing of the reporting period and is based, if available, on market prices, adjusted if applicable, by any difference in the nature, location and condition of each specific asset.

Valuations are made annually by independent appraisers, with experience in valuating assets in the same location and category of the properties subject to valuation.

Changes in fair value are recognized within "Other expenses, net" in the consolidated statement of income. Investment properties are derecognized when sold. If an investment property is occupied by the Group, it is reclassified to "Property, plant and equipment" according to its nature. In the event that the use of an investment property changes, upon the beginning of a real estate

development with a sales vision, not continuing with the generation of rent or value appreciation, the property is transferred to "Inventories". The cost attributed for accounting purposes as inventories is represented by the fair value at the date of the change of use. Items of work in progress represent projects under construction and are recorded at cost, including construction costs and other direct costs.

3.18 Impairment of non-financial assets -

Assets subject to depreciation and amortization are subject to impairment testing when there are events or circumstances indicating that their carrying amount may not be recovered, except for the intangible asset arising from the Concession Agreement, on which the Group conducts impairment testing on an annual basis. Impairment losses correspond to the amount in which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of the assets corresponds to the higher amount between the net amount to be obtained from the sale or its value in use. For the purposes of impairment testing, assets are grouped at the smallest levels at which identifiable cash flows (cash-generating units) are generated.

If the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recognized with credit to the asset value. Impairment losses are recognized in the consolidated statement of comprehensive income, and are reversed if there has been any change in the assumptions used to determine the recoverable amount of the assets, only to the extent that the carrying amount of the asset, net of depreciation and amortization, do not exceed the fair value that would have been determined if no impairment loss had been recognized. At December 31, 2023 the Group has not identified events or circumstances indicating that its non-financial assets may be at risk of impairment.

3.19 Provisions -

Provisions are recognized when the Group has a legal or constructive present obligation as a result of past events. It is more than likely that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. The reversal of the discount over time causes the increase in the obligation that is recognized charged to the consolidated statement of income as financial expenses.

3.20 Contingencies -

By their nature, contingencies will only be resolved whether one or more future events occur or not. The determination of contingencies inherently involves the exercise of judgment and the calculation of estimates of the results of future events.

Contingent liabilities are not recognized in the financial statements; they are only disclosed in notes to the financial statements, unless the possibility of an outflow of resources is remote.

Contingent assets are not recognized in the financial statements and are only disclosed when an inflow of economic benefits is probable.

3.21 Employees' benefits -

The benefits to the Group's employees substantially comprise the subsidiaries domiciled in Peru, which are detailed below:

Statutory bonuses -

The Group recognizes the expense for statutory bonuses and its corresponding liability on an accrual basis and calculates such expense in accordance with the current legal provisions in Peru. The annual expense for statutory bonuses comprises two remunerations paid in July and December.

Employees' severance indemnities -

Employees' severance indemnities of the Group's personnel correspond to their indemnity rights calculated in accordance with current legislation and which must be credited in May and November each year to the bank accounts designated by the workers.

Employees' severance indemnities equal half salary effective at the date of bank deposit and are recorded on an accrual basis. The Group has no additional payment obligations once it makes annual deposits of the funds to which the worker is entitled.

Vacation leave -

Annual vacation leave to which personnel is entitled is recognized on an accrual basis. The provision for the estimated annual vacation leave of personnel resulting from services provided by employees is recognized at the date of the financial statement.

Workers' profit sharing -

The Company and its subsidiaries recognize a liability and an expense for workers' profit sharing under applicable laws and regulations. The percentage of worker's profit sharing is 8% and 5% on the taxable amount determined by each company under Peruvian income tax legislation.

3.22 Income tax -

Income tax expense includes current income tax and deferred income tax. In accordance with current legislation, the determination of income tax on a consolidated basis is not permitted.

Tax is recognized in the consolidated statement of income, except when is related to items recognized in the consolidated statement of comprehensive income or directly in equity, in which case, the tax is also recognized in the consolidated statement of comprehensive income or directly in equity, respectively.

Current income tax expense is calculated based on tax legislation enacted at the date of the consolidated statements of financial position. Management periodically evaluates the position assumed in tax returns with respect to situations in which tax laws are subject to interpretation. The Group, where applicable, makes provisions on the amounts it expects to pay to tax authorities. Additionally, it makes monthly on-account payments of income tax that is shown in the consolidated statement of financial position as a tax credit when at the end of the period it is not fully offset by the resulting annual income taxes payable to the tax authorities.

Deferred income tax is determined using the liability method, on the temporary differences that arise from the tax bases of assets and liabilities and their respective values shown in the financial statements. Deferred income tax is determined using tax rates (and legislation) that have been enacted at the date of the consolidated statement of financial position and is expected to apply when deferred income tax asset is made or the deferred liability income tax is paid.

Deferred income tax assets are recognized to the extent in which it is likely that future tax profits will be available against which temporary differences can be used.

Asset and liability income tax balances are offset if there is a legal right to offset the current income tax and provided that deferred taxes are related to the same entity and the same tax authorities.

3.23 Share capital -

Common shares are classified as equity.

3.24 Revenue recognition -

Revenue obtained by the Company and its subsidiaries mainly comprises services rendered and goods sold, net of discounts, returns and sales taxes that are transferred to customers over time and at a point in time when goods are delivered. The Company and its subsidiaries have concluded that they act as a Principal in their sales agreements since they control goods or services before they are transferred to the customers.

Services rendered – For this revenue, there is a contractual obligation based on which a variety of services are rendered by the Company and its subsidiaries. In this case, revenue is recognized over time as the service is being completed, the rewards are transferred to the customer, and no other performance obligations remains to be met.

Sales of goods – For this revenue, there is a contractual obligation based on which goods are sold and delivered, as applicable. In this case, revenue is recognized at the point in time when control over the assets is transferred to the customer, that is, when goods are delivered.

IFRS 15 sets forth a 5-step model for revenue recognition to be applied in recognizing revenue from contracts with customers, as follows:

- Identify the contract.
- Identify separate performance obligations.
- Determine the transaction price.
- Allocate transaction price to performance obligations.
- Recognize revenue when (as) each performance obligation is satisfied.
- The accounting principles contained in IFRS 15 provide a more structured approach to measure and recognize revenue.

Also, the other aspects that are relevant to the Company and its subsidiaries for the determination of the sales price, and whether in certain cases, there are other performance obligations that need to be separated derived from the service rendered or goods sold. In this regard, the most relevant aspect applicable to the Company and its subsidiaries under IFRS 15 are:

- *Airport Infrastructure Services*

They correspond to air freight services, ramp services, fixed-base operator services, Unified Fee for Airport use (TUUA by its acronym in Spanish), landing and take-off access fees, and the hauling containers and packages from the airport to Group warehouses and vice versa. In addition, the Group provides comprehensive import and export services within its warehouses, including opening and inspection of cargo, among others.

Revenue from cargo and hauling services and from comprehensive services provided to the importer and exporter is recognized over time as the service is being completed.

- *Logistic Services*

- *Other Services*

They correspond to agency services provided to shipping lines, which consist of the necessary arrangement for the vessels can be moored in Peruvian ports, preparing the documentation requested by the port authorities, direct attention to the ship, among others; in addition, stowage and unloading, including the loading and unloading services of all types of containers and loose packages from ships to the port and vice versa; other services include towing, pilotage, boat services and maritime operations.

Revenue from maritime services is recognized at the time the service is provided at a point in time.

- *Storage services*

Storage revenue arises from financial storage cash inflows, simple and customs storage services, surveillance services and other services.

Revenue is recognized when the risks are transferred and there are no performance obligations pending to be met that could affect the customer's acceptance of the service. Revenue is recognized in the accounting period in which services are provided.

- *Sales of goods (panels and containers)*

Revenue from ordinary activities from sales of goods is recognized when all performance obligations at the time of delivery of the goods are met at a point in time.

- *Real-Estate Logistics*

Revenue from services is recognized over time when the lease begins.

- Financial Services

Interest income is recorded using the effective interest rate method. Interest earned is included in the income line of the consolidated statement of comprehensive income.

- *Interest income*

Interest income is recorded using the effective interest rate method. Interest earned is included in the financial income line of the consolidated statement of comprehensive income.

- *Dividend income*

Dividend income is recognized in the consolidated statement of comprehensive income when reported at a point in time.

3.25 Recognition of costs and expenses -

The cost of selling goods and services is recognized simultaneously with the revenue recognition from the sale of the goods or the service rendered, regardless of when they are paid.

Borrowing costs include interest and other costs incurred in connection with the execution of the respective loan agreements and are recognized as financial expenses in the period in which they are incurred.

Other operating costs and expenses are recognized as they are accrued, regardless of when they are paid, and are recorded in the periods in which they relate.

Expenses in customer compensations, claims, and other claims are recognized when they are accrued and are recorded in the period in which they are incurred.

3.26 Segment reporting -

The segment reporting is consistent with the information presented by Management to the Board of Directors for the Group's operating decision-making. The chief operating decision maker, responsible for allocating resources and evaluating the performance of operating segments, is the Board of Directors.

The Group controls its operating segments in: i) airport infrastructure and services, ii) real estate logistics, iii) logistics services, iv) financial services and v) investment management and other services, and for that purpose, segment assets are reconciled to total assets.

3.27 Earnings (losses) per share -

The basic and diluted earnings (losses) per share have been calculated based on the weighted average number of outstanding common shares (net of own-issued shares) at the date of the consolidated statement of financial position. At December 31, 2023 the Group has no financial instruments with a diluting effect, therefore, the basic and diluted earnings per share are the same (Note 25).

3.28 Subsequent events -

Subsequent events to the year-end that provide additional information about the Group's financial position and that are related to facts or events stated and reported at the date of the consolidated statement of financial position (adjusting events) are included in the consolidated financial statements. Significant subsequent events that are not adjusting events are disclosed in notes to the consolidated financial statements.

Statements of cash flows

The consolidated statement of cash flows has been prepared using the indirect method, and the following expressions are used with the meaning indicated below:

- Operating activities: comprising the Group's ordinary revenue-generating activities, as well as other activities that cannot be classified as investment or financing activities.
- Investing activities: comprising acquisition, disposal or other similar activities of long-lived assets and other investments not included in cash and cash equivalents.
- Financing activities: comprising activities that give rise to changes in the size and composition of net equity and liabilities that are not considered operating activities.

Capital management

The Group manages capital at the corporate level with the purpose of ensuring financial stability and obtaining adequate financing for its investments as a way to optimize the cost of capital, in order to maximize the creation of shareholder value while keeping adequate levels of solvency .

The Group considers the level of consolidated gearing or leverage, defined as the resulting from dividing consolidated net financial liabilities by consolidated net assets (understood as the sum of net financial debt and consolidated shareholders' equity), as an indicator for monitoring the Group's financial position and capital management.

The gearing ratio, calculated as the ratio of net financial liabilities to shareholders' equity, at December 31, 2023, was determined to be as follows:

	Nota	<u>2023</u> EUR000
Borrowings (a)	15	67.275
Cash and cash equivalents (b)	5	6.983
Net financial debt (a) –(b)		60.292
Equity		196.693
Gearing ratio		23,46%

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances.

a) Accounting estimates and judgments -

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are shown below:

- Evaluating the recovery of receivables from the Peruvian Government for additional work in progress (Note 3.7)
- Evaluating the recovery of intangible assets under the Concession Agreement (Note 3.15)
- Provisions (Note 3.19).
- Contingencies (Note 3.20).
- Current and deferred income tax (Note 3.22).
- Fair value of investment properties (Note 3.17 and 9).
- Estimating impairment of investments in joint ventures and associates (Note 3.12).
- Calculation of the implicit interest on leases (Note 3.13)

5 CASH AND CASH EQUIVALENTS

At December 31, 2023 this item comprises:

	<u>2023</u> <u>EUR000</u>
Checking accounts	4.629
Term deposits	<u>2.354</u>
	<u>6.983</u>

At December 31, 2023 checking accounts are held with local and foreign financial institutions, are denominated in Peruvian soles, U.S. dollars, Euros and Mexican pesos, are cash in hand, accrue interest at market rates and are not subject to levies.

Cash and cash equivalents are classified at the amortized cost.

6 OTHER FINANCIAL ASSETS

At December 31, 2023 this item comprises:

	<u>2023</u> <u>EUR000</u>
Security investment (i)	8.438
Bonds (ii)	4.629
Escrow account (iii)	1.829
Others	<u>181</u>
	<u>13.786</u>

- (i) Comprising the investment made in the Gapif Investment Fund with an interest of 8.87%.
- (ii) Comprising the investment made for the acquisition of bonds for US\$3,944 thousand (equivalent to EUR3,338 thousand); this investment accrues interest at an annual interest rate of 4%, which is collected on a quarterly basis. Bonds are measured at amortized cost.
- (iii) Comprising the Escrow account established at Banco Santander Peru; this account guarantees the private public offering for the acquisition of shares of Andino Investment Holding S.A.A.

The carrying amounts of financial assets in each category are as follow:

December 31, 2023	Amortized cost	FVtPL	Total
Financial assets			
Bonds	3,338	-	3,338
Investment in Fondo Gapif Note 25	-	8,438	8,438
Time deposits	1,829	-	1,829
Other	181	-	181
Other short-term financial assets	5,348	8,438	13,786

7 TRADE RECEIVABLES AND OTHER RECEIVABLES, NET

At December 31, 2023 this item comprises:

	<u>2023</u> <u>EUR000</u>
Trade receivables:	
Third parties (i)	16.664
Related parties (Note 24)	<u>861</u>
	<u>17.525</u>
Other receivables:	
Receivables for the Concession Agreements (ii)	14.209
Loans to third parties (iii)	8.296
Restricted fund (iv)	5.104
Related parties (Note 24)	3.007
Customs refundable (v)	1.874
Taxes to be recovered	1.337
Claims to third parties	501
Guarantees receivable	199
Loans to personnel	154
Others	<u>93</u>
	<u>34.774</u>
	52.299
Less - Provision for doubtful accounts (vi)	<u>(2.817)</u>
	49.482
Classification by maturity:	
Current	25.132
Non-current	<u>24.350</u>
	<u>49.482</u>

- (i) Trade receivables from third parties are denominated in Mexican pesos, Peruvian soles and U.S. dollars, have current maturities, and are not interest-bearing.
- (ii) Comprising: a) receivables from the Peruvian Government related to the equipment for jet way services and construction of the Arequipa Airport new terminal and firefighter equipment in Ayacucho; as well as environmental liability remediation and pavement rehabilitation, and supplemental work for the remaining period, which were approved by OSITRAN. These receivables have maturities between 2024 and 2028. During 2023 and 2022, additions mostly consist of corrective maintenance activities: i) airfield depth patching at the Juliaca Airport, ii) maintenance to rescue vehicle at the Puerto Maldonado Airport and iii) perimeter fence at Tacna Airport, b) implementing environmental liability remediation programs, c) equipment plans for the remaining period, d) corrective maintenance activities, e) studies for the construction of the new passenger terminal at Arequipa Airport, and f) optimization of the passenger terminal at the Juliaca Airport.

It corresponds to additional work expenses for variations in measurements, quantities, and prices, generated during the execution of mandatory works in the initial period, which the Company's Management has estimated at an approximate value of EUR6.112 thousand (equivalent to US\$8.264 thousand).

The situation of the total number of files is as follows:

- a) 23 files for US\$2,216 thousand (equivalent to 9,700 thousand soles) have been accepted and approved by the MTC.
- b) 9 files are at various stages of claim against OSITRAN and all corresponding entities for their respective approval and subsequent payment.
- c) 39 files for EUR1,804 thousand (equivalent to 7,899 thousand soles) were rejected by the Peruvian State through the MTC. In response, on November 19, 2019, the Company filed

an arbitration claim against the Peruvian State through the MTC for the rejected files, which was resolved on March 23, 2023, where the Arbitration Tribunal declared the payment request as unfounded but left open the possibility to request payment for the claimed concepts. The parties appealed the arbitration award along with some additional definitions and issued their resolution on May 13, 2022, which, among several conclusions, confirmed that the 39 rejected files are rights of the Company and can be collected at the end of the Contract.

- (iii) As of December 31, 2023 this balance reflects loans given by subsidiaries Inversiones Portuarias S.A., Andino Leasing S.A. and Andino Capital Holding Sociedad Gestora de Fondos de Inversión S.A., to third parties; they accrue interest at effective interest rates from 12.00%.
- (iv) At December 31, 2023 this balance mainly reflects the money collaterals of: a) Operadora Portuaria S.A. and Inmobiliaria Terrano S.A., for US\$1.026 thousand (equivalent to EUR870 thousand) and US\$1.157 thousand (equivalent to EUR981 thousand), respectively, held with Banco de Crédito del Peru S.A. to secure debts arising from the Issuance of the First Securitization Bond Program with maturity in February 2034, and, b) Aeropuertos Andinos del Peru S.A., for US\$500 thousand (equivalent to EUR424 thousand) held with Citibank del Peru S.A. to secure debts with Volcom Capital Deuda Privada Peru Fondo de Inversión, with maturity in December 2029, and for US\$2.905 thousand (equivalent to EUR2.464 thousand) held with Banco de Crédito del Peru S.A. to secure the Concession Agreement.
- (v) At December 31, 2023 this balance primarily reflects the expenses incurred by subsidiary Infinia Operador Logístico S.A. on behalf of its customers and are refunded by them.

The movement of the provision for expected credit loss for doubtful accounts is as follows:

	<u>2023</u> <u>EUR000</u>
Opening balance	2.997
Provision for the year	5
Exchange difference	(33)
Recovery	(306)
Adjustment	<u>154</u>
Final balance	<u>2.817</u>

Group Management considers that the provision for expected credit loss is reasonable at December 31, 2023.

The aging analysis of trade receivables and other receivables at December 31, 2023 is as follows:

	<u>December 31, 2023</u>		
	<u>Not</u>	<u>impaired</u>	<u>impaired</u>
	<u>EUR000</u>	<u>EUR000</u>	<u>Total</u>
	<u>EUR000</u>	<u>EUR000</u>	<u>EUR000</u>
Not past due -	45.095	-	45.095
Past due – Up to 1 month	1.716	-	1.716
From 1 to 3 months	941	-	941
From 3 to 6 months	758	-	758
More than 6 months	<u>3.789</u>	<u>2.817</u>	<u>972</u>
Total	<u>52.299</u>	<u>2.817</u>	<u>49.482</u>

At December 31, 2023 this item comprises:

	Country of incorporation and headquarters of the Company	2023	
		%	EUR000
Joint venture:			
Sociedad Aeroportuaria Kuntur Wasi S.A. (i)			
	Peru	50	8.958
Kubo ADS S.A. (ii)			
	Peru	50	308
Proyecta y Construye S.A. (iii)			
	Peru	50	-
Corporandino S.A. (iv)			
	Peru	50	-
Associate:			
Cadari, S.A. de C.V. (v)			
	Mexico	40	1.011
			<u>10.277</u>

Impairment tests of non-financial assets -

In accordance with the Group's policies and procedures, investments in joint ventures and associates are tested annually at the end of the period, to determine whether there are indicators of impairment. If there are such indicators, a formal estimate of the recoverable amount is made.

At December 31, 2023 the Group concluded that there is no need to record an additional impairment to expenses because of its participation in the results of the joint venture and associate recognized in the consolidated statement of income, except for the investment in Sociedad Aeroportuaria Kuntur Wasi and Proyecta & Construye, whose recoverability cannot be determined reliably, see paragraphs (ii) and (iii) below.

(i) Sociedad Aeroportuario Kuntur Wasi S.A. ("Kuntur Wasi") -

On June 11, 2014, the subsidiary Andino Investment Holding S.A.A. and Corporación América S.A. set up a joint venture, through Sociedad Aeroportuaria Kuntur Wasi S.A., with a contribution of S/23,125 thousand each, which will engage in constructing and generating the concession of the new Chinchero-Cusco international airport entered into with the Peruvian Government.

The engineering works were mostly carried out by its related party Proyecta & Construye S.A. (P&C by its acronym in Spanish); agreement that was formalized by the Engineering Supply and Construction agreement (EPC by its acronym in Spanish), a lump sum contract.

Kuntur Wasi (Concessionaire) obtained the approval of the Peruvian Government (Grantor) for the definitive engineering study (EDI by its acronym in Spanish), the archaeological monitoring plan, and the environmental impact assessment by the Peruvian Government.

On February 2, 2017, by means of Ministry Resolution No.041-2017 MTC/01, the Peruvian Ministry of Transport and Communications (MTC by its acronym in Spanish) approved Addendum No.1 to the concession agreement to modify certain operational and technical aspects of the concession agreement, which led the Peruvian Government to disapprove, in November 2016 (by means of Official Letter No.4601-2106-MTC/25), the Permitted Guaranteed Debt (financial closure) presented by the concessionaire, which claimed that the terms of the debt would be detrimental for the Grantor.

The purpose of such Addendum No. 1 was to provide a solution to the financial closure to mitigate the risk at the beginning of the works execution stage in the Chinchero project.

On February 27, 2017, Official Letter No. 0813-2017 MTC/25 from the MTC requested the temporary suspension of the obligations contained in the Concession Agreement and Addendum No. 1, in line with the recommendation made by the Office of the Comptroller General of the Republic of Peru.

On March 2, 2017, an Agreement between the MTC and the Concessionaire was entered, accepting by

mutual agreement the temporary suspension of the Chinchero project until the recommendations made by the Office of the Comptroller General of the Republic of Peru were resolved.

On May 22, 2017, the MTC decided to terminate the Concession Agreement and Addendum No. 1. By means of a Notarized letter issued on 13 July 2017, the Peruvian Government notified Kuntur Wasi of the decision to resolve the concession agreement unilaterally and irrevocably. In this regard, on 18 July 2017, Kuntur Wasi requested the MTC to initiate the period of direct treaty to arrive at a friendly settlement of the dispute between Kuntur Wasi and the MTC regarding the expiry invoked by MTC.

Under the concession agreement, in the event that the Government decides unilaterally to terminate the concession agreement, the Grantor shall pay the Concessionaire the Performance Bond amounting to US\$8,868 thousand, release the guarantee given by the Concessionaire for the same amount, and to pay the Concessionaire any overhead incurred up to the date of the concession expiration. Such expenses must be duly supported and acknowledged by OSITRAN.

On September 13, 2017, the stage of direct dealings of the controversy over MTC decision to determine the concession agreement unilaterally and unjustifiably before the Coordination and Response System for International Investment Disputes (SICRESI by its acronym in Spanish) started. On January 18, 2018, the Special Commission representing the Government in International Disputes issued an official letter ending the period of direct treaty they had been holding.

On June 21, 2018, the subsidiary Andino Investment Holding S.A.A. and Corporación América S.A. ("plaintiffs") filed an arbitration request against the Republic of Peru ("Peru"), with an international arbitration center called "Centro Internacional de Arreglo de Diferencias Relativas a Inversiones" (CIADI). Such filing was recorded by CIADI on July 27, 2018.

At 2021 year-end, evidence hearings had already taken to the CIADI court from September 2021 to November 2021, and therefore, after the last hearing held on November 16, 2021, the matter is ready for an arbitration decision.

On August 11, 2023, the Arbitration Court issued its decision on its jurisdiction, responsibility and others, and concluded that: i) the Arbitration Court has jurisdiction to decide regarding the claims of Sociedad Aeroportuaria Kuntur Wasi S.A. and Corporación América, ii) Peru terminated the Concession Agreement illegitimately since there was no a justifying reason and iii) the contract termination by Sociedad Aeroportuaria Kuntur Wasi S.A. on February 7, 2018 was valid and correct under the Concession Agreement.

At December 31, 2023 the Group holds an investment in Kuntur Wasi for EUR8,958 thousand (equivalent to S/39,216 thousand); equivalent to a 50% interest; and receivables for EUR765 thousand (equivalent to S/3,351 thousand) (Note 24).

Management and its legal advisors consider that this investment and the receivable is recoverable, and they are only expecting the completion of the legal actions by which Aeroportuaria Kuntur Wasi S.A. is involved to recover from the Peruvian Government the expenses incurred in engineering work and disbursements made under the Concession Agreement related to the New Chinchero International Airport - Cusco.

(ii) Kubo ADS S.A. ("Kubo") -

It was incorporated on April 20, 2012; it is engaged in providing services of management, promotion and exploitation of commercial and advertising spaces, in parking lots, shops and shopping centers through the leasing of spaces at the following airports:

- "Alfredo Rodríguez Bailón" International Airport in Arequipa.
- "Crl. F.A.P. Alfredo Mendivil" Airport in Ayacucho.
- "Inca Manco Capac" International Airport in Juliaca.
- "Padre Aldarniz" International Airport in Puerto Maldonado.
- "Crl. F.A.P. Carlos Ciriani Santa Rosa" International Airport in Tacna.

Kubo subleases to third parties the spaces on which its related company Aeropuertos Andinos del Peru S.A. has the right of use for the concession agreements that it holds with the Peruvian Government. During 2018, Kubo stopped operating and transferred the agreements held with its customers to Aeropuertos Andinos

del Peru S.A. to manage such agreements directly.

(iii) Proyecta y Construye S.A. ("P&C") -

It was incorporated on March 30, 2011 to provide services related to the construction and engineering works for the Group's companies.

At December 31, 2023 the Group holds receivables for EUR550 thousand (equivalent to S/2,409 thousand) (Note 24).

As a result of the termination of the Concession Agreement for the New Chinchero International Airport - Cusco entered into by the Peruvian Government (see subparagraph ii), the EPC, a lump sum contract entered into by and between Kuntur Wasi and P&C was terminated under the provisions of clause 18.4 of the EPC.

Management and its legal advisors consider that this investment and the receivable is recoverable, and the Group is expecting to recover the receivable with its related party Sociedad Aeroportuaria Kuntur Wasi S.A. (see subparagraph i).

(iv) Corpoandino S.A. -

It was incorporated on October 20, 2018 with a capital of EUR251 (50% of the subsidiary Andino Investment Holding S.A.A., equivalent to S/1,000) and is engaged in the incorporation, formation and acquisition of shares or partnership interest.

On December 27, 2018, Aeropuertos Andinos del Peru S.A. approved the spin-off of an equity block in favor of Corpoandino S.A. for 34,008,000 shares at S/1 each share, with the spin-off the receivables of Proyecta & Construye S.A and Sociedad Aeroportuaria Kuntur Wasi S.A. were transferred. At the time of the spin-off both companies were fully provisioned.

(v) Cadari S.A. de C.V. -

On March 23, 2022, the subsidiary Airport Services Andino Global S.L. acquired 40% of the share capital of Cadari S.A. de C.V., an entity based in Ciudad de Mexico, and engaged providing services of handling, warehousing, passenger documentation service, ramp handling and other corporate activities.

The Group's share of the net loss of its joint ventures at December 31, 2023 is as follows:

	<u>2023</u>
	EUR000
Corpoandino S.A.	(57)
Sociedad Aeroportuaria Kuntur Wasi S.A.	(360)
Proyecta y Construye S.A.	230
Cadari S.A. de C.V.	420
Kubo ADS S.A.	(4)
	<u>229</u>

The movement of investments at December 31, 2023 is as follows:

	<u>2023</u>
	EUR000
Opening balance at May 1	9.751
Capital contribution	302
Result attributable to interest in joint venture	229
Translation effect	(5)
Final balance	<u>10.277</u>

The summary information on the financial statements in the joint venture before consolidation adjustments

under IFRS is shown below:

	Proyecta & Construye S.A.	Kubo ADS S.A.	Sociedad Aeroportuaria Kuntur Wasi S.A.	Corporación Andino S.A.	Cadari, S.A. de C.V.
	EUR000	EUR000	EUR000	EUR000	EUR000
December 31, 2023					
Current asset (a)	932	29	-	-	4,598
Non-current asset	19,956	878	48,905	-	12,126
Total assets	20,888	907	48,905	-	16,724
Current liability (c)	20,566	-	42	-	1,161
Non-current liability (b)	385	291	30,939	600	12,392
Total liabilities	20,951	291	30,981	600	13,553
Total equity	(63)	616	17,924	(600)	3,171

	Proyecta & Construye S.A.	Kubo ADS S.A.	Sociedad Aeroportuaria Kuntur Wasi S.A.	Corporación Andino S.A.	Cadari, S.A. de C.V.
	EUR000	EUR000	EUR000	EUR000	EUR000
a) Cash and cash equivalents	-	28	-	-	2
b) Including non-current financial liabilities (excluding suppliers, other receivables and provisions)	(385)	-	-	-	-
c) Including current financial liabilities (excluding suppliers, other receivables and provisions)	-	-	-	-	-

	Proyecta & Construye S.A.	Kubo ADS S.A.	Sociedad Aeroportuaria Kuntur Wasi S.A.	Corporación Andino S.A.	Cadari, S.A. de C.V.
	EUR000	EUR000	EUR000	EUR000	EUR000
2023					
Revenue from ordinary activities	-	-	-	-	5,524
Total comprehensive income for the year	554	9	699	-	1,642
Depreciation and amortization	23	-	1	-	458
Income tax expense	-	-	-	-	-

The Group does not have any additional commitment in respect to these companies.

9 PROPERTY, PLANT AND EQUIPMENT, NET

a) The composition and movement of property, plant and equipment are presented below:

	Land EUR000	Buildings and constructio ns EUR000	Machinery and equipmen t EUR000	Vehicles EUR000	Furniture and fixtures S/000	Other equipme nt S/000	Work in progres s (i) S/000	Total S/000
Cost								
Balances at May 1, 2023	27.481	21.132	19.928	328	499	2.563	8.436	80.367
Additions (b)	-	303	455	79	13	251	992	2.093
Revaluation	(221)	(350)	-	-	-	-	-	(571)
Withdrawals and sales	-	(1)	(1.562)	(28)	(1)	(46)	(390)	(2.028)
Reclassification to right-of-use assets	-	-	-	-	-	-	(1)	(1)
Reclassification to investment properties (d)	-	(25)	-	-	-	-	-	(25)
Transfers	-	117	291	-	-	28	(436)	-
Reclassification and/or adjustments	(519)	-	7	-	-	2	78	(432)
Translation effect	(1.034)	(813)	(742)	(14)	(20)	(106)	(331)	(3.060)
Balances at December 31, 2023	25.707	20.363	18.377	365	419	2.692	8.348	76.343
Accumulated depreciation –								
Balances at May 1, 2023	-	2.180	7.746	176	323	1.539	-	11.964
Additions (e)	-	1.138	1.211	88	24	205	1	2.667
Withdrawals and sales	-	-	(1.335)	(20)	-	(29)	-	(1.384)
Reclassification and/or adjustments	-	-	75	-	-	-	3	78
Translation effect	-	(117)	(296)	(9)	(13)	(62)	(2)	(499)
Balances at December 31, 2023	-	3.201	7.401	235	334	1.653	2	12.826
Impairment:								
Balances at May 1, 2023	-	(109)	(1.841)	-	-	-	-	(1.950)
Additions (h)	-	-	-	-	-	-	-	-
Translation effect	-	4	70	-	-	-	-	74
Balances at December 31, 2023	-	(105)	(1.771)	-	-	-	-	(8.211)
Net carrying amount at December 31, 2023	25.707	17.057	9.205	130	157	1.039	8.346	61.641
Net carrying amount at May 1, 2023	27.481	18.843	10.341	152	176	1.024	8.436	66.453

- b) Additions at December 31, 2023 mainly comprise fairings and improvements to the vessels and boats of the subsidiary Cosmos Agencia Marítima S.A.C.
- c) This reclassification involves real-estate properties that were previously leased to related parties and that were later vacated by Group companies and are expected to be leased to third parties. These properties are mostly owned by subsidiary Inmobiliaria Terrano S.A.
- d) Depreciation at December 31, 2023 has been distributed as follows:

2023
EUR000

Costs for service (Note 17)	2.109
Administrative expenses (Note 18)	558
	2.667

- e) At December 31, 2023 the Group holds loans for US\$54,273 thousand (equivalent to EUR46,029 thousand), which are secured with real estate properties (Note 13).
- f) At December 31, 2023 the Group maintains its principal assets insured, in accordance with the policies established by Management. Management considers that its insurance policy is consistent with international practice in the industry and the risk of eventual losses from claims considered in the insurance policy is reasonable considering the type of assets owned by the Group.
- g) In accordance with the Group's policies and procedures, each asset or cash-generating unit (CGU) is evaluated annually at the end of the period to determine whether there are indicators of impairment. If there are such indicators, a formal estimate of the recoverable amount is made.

At December 31, 2023 the Group concluded that there are no indicators of impairment in its logistics, maritime and infrastructure units, and therefore, no formal estimate of the recoverable amount was made, except for the Panel plant of subsidiary Multilog S.A. which is impaired by EUR1,876 thousand (equivalent to S/8,211 thousand); as a result of a valuation of its assets due to the halt of operations in 2017. At December 31, 2023 the panel plant is in operation.

- h) Land, buildings and constructions are reported at its fair value determined on the basis of appraisals performed by independent experts, which is permanently reviewed to ensure that it does not differ significantly from its carrying amount at each year-end at least every three years. The Group's assets are valued by independent appraisers every three years in compliance with the Group's policy.

The breakdown of the Group's land, buildings and constructions is as follows

	Cost	Reclassification and/or adjust	Sales	Higher carrying amount from revaluation	Conversion effect	Carrying amount
	EUR000	EUR000	EUR000	EUR000	EUR000	EUR000
Location of land						
Callao -Lima Hub	50	(125)	(221)	22,036	(843)	20,897
Callao -Almacenes	2,005	(157)	-	(88)	(67)	1,693
Ventanilla	169	(323)	-	2,907	(105)	2,648
Offices	118	8	-	362	(19)	469
Total land	2,342	(597)	(221)	25,217	(1,034)	25,707
Constructions	20,242	-	-	934	(813)	20,363

- i) As of December 31st, the total expenses in work in progress items was 992 thousand euros.

10 INVESTMENT PROPERTIES

The movement of investment properties for the years ended December 31, 2023 is as follows:

	Land EUR000	Buildings and construct ions EUR000	Other equipm ent EUR000	Work in progres s EUR000	Total EUR000
Cost					
Balances at May 1, 2023	207.083	9.011	52	3.612	912.425
Additions	114	(3)	-	2.418	2.529
Reclassification to property, plant and equipment	-	28	-	-	28
Changes in fair value (Note 27)	(4.477)	(441)	-	-	(4.918)
Transfers	324	5.107	-	(5.122)	309
Conversion effect	(7.831)	(479)	(2)	(69)	(8.381)
Balances at December 31, 2023	<u>195.213</u>	<u>13.223</u>	<u>50</u>	<u>839</u>	<u>209.325</u>

Additions at December 31, 2023 mainly consists of the expansion work of the entire container warehouse of subsidiary Operadora Portuaria S.A.

The net balance of the change in fair value for 2023 by EUR4,918 thousand (equivalent to S/20,916 thousand) corresponds to the updating of the value of the properties determined, based on technical appraisals by independent experts. The carrying amount of these assets is reviewed on an ongoing basis to ensure that it does not differ significantly from its fair value at each closure, at least every year.

Revenues and expenses derived from rents from investment properties are disclosed in Note 32 in the Logistics Real Estate segment.

The collections from investment properties of the subsidiaries Inmobiliaria Terrano S.A. and Operadora Portuaria S.A. are assigned to a trust as a result of compliance with the conditions of the bond issue (Note 15.a).

11 RIGHT-OF-USE ASSETS, NET

The right-of-use assets correspond to the leases of spaces for the use of administrative and operational offices located in Peru and Mexico, equipment lease agreement; as well as the agreement entered into by subsidiary Inmobiliaria Terrano S.A. with Lima Airport Partners S.R.L. for the use of the GSE Road area (direct route of approximately 9,590 m2 in and out to and from the Airport) for a term of 12 years.

As well as, i) lease agreements for the acquisition of vehicles, machinery and equipment and property and, ii) lease agreements under the rental contracts of administrative and operating offices in Miraflores and Callao.

The movement of right-of-use assets for the year ended December 31, 2023 is as follows:

	Buildings	Vehicles	Machinery and equipment	IT Equipments	Total
Gross carrying amount					
Balances at May 1, 2023	5.531	709	583	27	6.850
Additions	31	-	-	36	67
Translation effect	(224)	(24)	(1)	(1)	(250)
Balance at December 31, 2023	5.338	685	582	62	6.667
Amortization					
Balances at May 1, 2023	(1.536)	(62)	(550)	-	(2.148)

Additions	(850)	(55)	(32)	(11)	(948)
Balance at December 31, 2023	(2.386)	(117)	(582)	(11)	(3.096)
Carrying amount at December 31, 2023	2.952	568	-	51	3.571

At December 31, 2023 the depreciation of right-of-use assets for the year has been distributed as follows in the consolidated statement of comprehensive income:

	<u>2023</u>
	<u>EUR000</u>
Costs for service (Note 17)	883
Administrative expenses (Note 18)	<u>65</u>
	<u>948</u>

The Group has leased the warehouse for ramp storage and maintenance, administrative offices, vessels, cargo vehicles and automobiles, and some computer equipment. Except for short-term leases and low-value underlying assets, each lease is recorded in the statement of financial position as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets on a separate item in the statement of financial position (Note 11).

Each lease generally imposes a restriction in use by which, unless there is a contractual right for the Group to sublease the asset to a third party, the right-to-use asset can only be used by the Group. Leases are non-cancellable or can only be canceled if a substantive termination fee is incurred. Some lease agreements contain the option to purchase the underlying leased asset directly at the end of the agreement, or to extend the lease agreement for a new term. The Group cannot sell or pledge the underlying leased assets as collateral. In the case of leases of warehouses and administrative offices, the Group must keep these properties in good condition and return them in their original condition at the end of the lease agreement. In addition, the Group must insure said assets and incur maintenance expenses for said elements according to lease agreements.

The following table describes the nature of the Group's financial leasing activities by type of right-of-use asset recognized on the statement of financial position:

Right-of-use asset	No. of right-of-use asset	Remaining time range until maturity	Average remaining lease term	No. of leases with extension options	No. of lease purchase option	No. of variable lease payments based on an index	No. of lease termination option
Building and warehouses	15	3-15 years	5 years	14	1	-	-
Vehicles	7	3-4 years	3 years	5	2	-	-
Machinery and equipment	2	5 years	3 years	-	1	-	-
IT Equipments	3	3 years	2 years	-	-	-	-

Lease liabilities are secured by the related underlying assets. The future minimum lease payments at December 31, 2023 were as follows:

Minimum lease payments by maturity							
	1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
At December 31, 2023							
Lease fees	1,430	1,478	1,315	1,087	807	1,032	7,149
Financing expenses	(380)	(323)	(244)	(150)	(87)	(116)	(1,300)
Net present value	1,050	1,155	1,071	937	720	916	5,849

Lease payments not recognized as liabilities

The Group has opted not to recognize a short-term lease liability (leases with an expected term of 12 months or less) or for leases of low-value assets. Payments made under these lease agreements are charged to profit and loss on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are charged to profit or loss as incurred.

The expense corresponding to payments that are not included in the valuation of the financial lease liability is as follows:

	Dec-31-23
Short-term leases	178
Leases of low-value assets	740
	918

There are no variable lease payments that are charged to profit or loss.

At December 31, 2023 the Group has not committed to conducting leases that had not yet begun.

Total cash outflows for leases for the year ended December 31, 2023:

	EUR000
Capital	624
Interest	315
Total lease payments	939

12 INTANGIBLE ASSETS, NET

The movement of intangible assets for the year ending December 31, 2023 is as follows:

	Concession agreement (a) EUR000	Brands (b) EUR000	Customer relations hips (c) EUR000	Software and other intangible assets (d) EUR000	Total EUR000
Cost					
Balances at May 1, 2023	12.046	2.280	4.142	5.295	23.763
Additions	-	-	-	687	687
Disposals and/or write-offs	-	-	-	(232)	(232)
Translation effect	(462)	(87)	(159)	(544)	(1.252)
Balances at December 31, 2023	11.584	2.193	3.983	5.206	22.966
Amortization					
Balances at May 1, 2023	3.986	-	507	2.062	6.555
Additions	420	-	279	228	927
Disposals	-	-	-	24	24
Translation effect	(165)	-	(28)	(87)	(280)
Balances at December 31, 2023	4.406	-	786	2.314	7.226
Net carrying amount at December 31, 2023	7.178	2.193	3.197	2.892	15.740
Net carrying amount at May 1, 2023	8.060	2.280	3.635	3.233	17.208

- a) Comprising disbursements related to costs incurred for the construction of mandatory works for the initial period of S/57,242 thousand (equivalent to EUR13,075 thousand) that are related to construction work performed by Milestones 11, 12 and 13 under the concession awarded by Aeropuertos Andinos del Peru (see Note 1.4) and definitive engineering studies and assessment work for the remaining period (topography researches, airport profile, among others) of S/7,535 thousand (equivalent to EUR1,721 thousand). Management considers that this investment will be recovered when the operation airports begin operations.
- b) In addition, corrective maintenance activities were incurred on mandatory works at the Airports for S/2,620 thousand (equivalent to EUR598 thousand), but they did not meet the required guidelines to be presented to OSITRAN for their reimbursement and for which Management considers that this investment will be recovered in the form of operating revenue.

At December 31, 2023, when evaluating the revenue projections, the amounts to be requested by the Company from the Peruvian Government has not been considered for the reimbursement of the financial economic balance of the concession, nor the reimbursement mechanism to be used by the Peruvian Government to recognize the higher costs incurred due to the new safety protocols incorporated as a result of COVID-19 pandemic, nor the reimbursement since the Juliaca Airport was not operating for 109 days at the beginning of 2023.

Management considers that intangible assets will be recovered in the remaining period of the concession agreement.

The useful life of the concession contract is 25 years; at December 31, 2023, 12 years remain to be amortized.

Impairment test

At December 31, 2023 Management has determined whether said intangible asset will be appropriately recovered during the course of operations, using cash flow projections based on the financial budgets approved by Management, and the discount rate corresponding to their risk. The cash flows that are then projected have a specified period and use a growth rate similar to the long-term average growth rate used in the industry in which it operates.

Based on this analysis, the Company confirmed that the values accumulated as intangible assets under the concession agreement will be fully recovered from future operations during the remaining period of the concession period considering the following key assumptions:

- Discount rate -

Future cash flows have been adjusted for the specific risk assigned to the related assets and have been discounted at an after-tax rate of 8.78% percent per year.

- Revenue –

Regulated revenue: revenue from national TUUAs, airport services and regulated rentals are projected according to the expected growth of passenger flow at each airport, and the annual adjustment of airport rates (Factor = 50% CPI US + 50% CPI Peru).

Unregulated revenue: the largest projected revenue comprises (free and paid) parking, commercial rentals, advertising, parking lots, VIP rooms and other recently approved revenue.

- Costs -

Cost and expenses: the fixed portion is projected based on inflation at 2.5% for the 2025 to 2035 period, while the variable portion is projected based on sales growth (historical average).

- Collections –

Mainly comprising the collection recovery of costs related to work in progress under the concession

agreement.

Sensitivity analysis

Any reasonably possible and material change in the key assumptions explained above may result in an impairment.

At December 31, 2023 Management has determined whether said intangible asset will be appropriately recovered with the operation of airports, using cash flow projections derived from the financial budgets approved by Management, and the discount rate corresponding to their risk.

- c) Brand includes the Cosmos brand that arose from accounting for the business combination for the acquisition of Cosmos Agencia Marítima S.A.C. in December 2021 for a total of EUR11,584 thousand.

The useful life of the Brand is indefinite.

Impairment test

For impairment test purposes, the brand acquired via a business combinations was allocated to the related CGU, the subsidiary Cosmos Agencia Marítima S.A.C.

- Discount rate -

Future cash flows have been adjusted for the specific risk assigned to the related assets and have been discounted at an after-tax rate of 8.72% percent per year.

Key assumptions used in value-in-use calculations –

Value-in-use calculations for the evaluated units are mainly sensitive to the following assumptions:

Gross margin - it is based on the average values obtained in the four years prior to the beginning of the budget period including the Company's future projects, which are considered according to the projected revenue and costs based on the historical budget base of said Company. Also, increases during the budget period due to expected efficiency improvements are considered. Over the long term, the Company's gross margin remains constant at 25.00%.

At December 31, 2023 there have been no changes in the projected future flows that give rise to indicators of impairment. Therefore, Management has determined that it is not necessary to establish any provision for impairment for these assets at the dates of the consolidated statements of financial position.

- d) Customer relationships include a relationship with Cosmos customers that arose from accounting for the acquisition of Cosmos Agencia Marítima S.A.C. in December 2021 for a total of EUR3,729 thousand. This item is amortized on a straight-line basis over 11 years.

Impairment test

For impairment test purposes, the customer relationship arising from the business combinations was allocated to the related CGU, the subsidiary Cosmos Agencia Marítima S.A.C.

- Discount rate -

Future cash flows have been adjusted for the specific risk assigned to the related assets and have been discounted at an after-tax rate of 8.72% percent per year.

Key assumptions used in value-in-use calculations –

Value-in-use calculations for the evaluated units are mainly sensitive to the following assumptions:

Gross margin - it is based on the average values obtained in the four years prior to the beginning of the budget period including the Company's future projects, which are considered according to the projected revenue and costs based on the historical budget base of said Company. Also, increases during the budget period due to expected efficiency improvements are considered. Over the long term, the Company's gross margin remains constant at 25.00%.

At December 31, 2023 there have been no changes in the projected future flows that give rise to indicators of impairment. Therefore, Management has determined that it is not necessary to establish any provision for impairment for these assets at the dates of the consolidated statements of financial position.

- e) Software and other intangible assets mainly comprise the costs of the “SAP Business Project” that has been implemented in the Parent Company and in the Group main subsidiaries. This project includes the design and implementation of the SAP program, which was fully completed for the Group in June 2023 and was available in July 2023. Management considers that there are no situations that may affect its remaining useful lives, therefore, there are no indicators of impairment at December 31, 2023.

All amortization charges are shown within the amortization included in the costs of services and administrative expenses.

At December 31, 2023 amortization of intangible assets for the year was allocated as follows in the consolidated statement of comprehensive income:

	<u>2023</u> EUR000
Costs of services (Note 17)	625
Administrative expenses (Note 18)	<u>302</u>
	<u>927</u>

13 TRADE PAYABLES AND OTHER PAYABLES

At December 31, 2023 this item comprises:

	<u>2023</u> EUR000
Trade:	
Third parties	12.905
Related parties (Note 24)	<u>370</u>
	<u>13.275</u>
Other:	
Related parties (Note 24)	11.155
Loans (i)	11.840
Return to Grantor (ii)	7.056
Remunerations and benefits payable	3.228
Advances	2.133
Taxes payable	3.135
Third-party claims	1.533
Others	<u>1.455</u>
	<u>41.535</u>
	<u>58.810</u>
Classification by maturity:	
Current	39.239
Non-current	<u>15.571</u>
	<u>60.715</u>

Trade payables to third parties are denominated in local and foreign currency, have current maturities, are not interest-bearing and have no specific guarantees.

- (i) At December 31, 2023 this balance reflects loans and interest of individuals and legal entities received by its subsidiaries Andino Capital Sociedad Gestora de Fondos de Inversión S.A., Andino Investment Holding International Inc. and Inversiones Portuarias S.A. for up to US\$4,275 thousand (equivalent to EUR3.626 thousand), US\$1,347 thousand (equivalent to EUR1,142 thousand) and US\$8,132 thousand (equivalent to EUR6,897 thousand), respectively, according to the following detail:

2023
EUR000

Directors, shareholders, personnel (Note 24)	6.239
Third parties	<u>5.601</u>
	<u>11.840</u>

Loans accrue interest at effective rates between 7.5% and 10%.

- (ii) Comprising payables by Aeropuertos Andinos del Peru S.A. to the Peruvian Government, the Grantor, for excess PAMO (Payment of maintenance and operations). PAMO is the agreed consideration received by Aeropuertos Andinos del Peru S.A. from the Grantor for the services of maintenance and operations of airports, except for periodic maintenance and operations considered corrective. Over 2023, the Concession Agreement considered an annual PAMO of US\$5,182 thousand, equivalent to EUR4,725 thousand, which Aeropuertos Andinos del Peru S.A. would receive as part of regulated revenue.

In the event the regulated revenue is lower than PAMO, the Peruvian Government would cover the difference and when the regulated revenue exceeds PAMO, Aeropuertos Andinos del Peru S.A. shall return 50% of the excess revenue to the Peruvian Government.

14 PROVISIONS, CONTINGENT LIABILITIES

At December 31, this item comprises:

	2023
	EUR000
Provision for litigation on acquisition of subsidiaries (i)	5.647
Provision for litigation (ii)	<u>258</u>
	<u>6.378</u>

- (i) Mainly comprising provisions for litigation recognized on the acquisition date arising from a business combination of the new subsidiaries Cosmos Agencia Marítima S.A.C. and Aeropuertos Andinos del Peru S.A.
- (ii) Comprising legal disputes for compensation and claims mainly from the subsidiary Cosmos Agencia Maritima S.A.C. (Note 25).

Management and its legal counsel do not expect that the outcome of any of the remaining cases will result in a significant loss above the amounts stated at December 31, 2023.

15 FINANCIAL DEBT

a) At December 31, this item comprises:

	Guarantee granted	Annual interest rate %	Maturity	Balance at December 31, 2023		
				Current EUR000	Non- current EUR000	Total EUR000
Bank loans (i) -						
First securitization bond program –						
First, Second, Third and Fourth issuance (a)	Trust of assets and cash flows	8,50 / 9,20 / 10,125 / 10,50	2034 / 2030 / 2029 / 2032	1.800	35.228	37.028
Volcom Capital Deuda Peru II (b)	Trust of assets and cash flows	9,375	2029	529	8.472	9.001
Notes payable	None	From 10,75 to 12,60	2023	2.242	-	2.242
Reactiva Peru (c)	None	From 0,98 to 2,90	2023-2025	624	280	904
Various entities (d)	None	From 2,5 to 12,00	2023-2029	7.283	4.968	12.251
				12.478	48.948	61.426
Lease liability (ii)						
Various entities	None	From 4,32 to 8,40	2022-2031	1.050	4.799	5.849
				1.050	4.799	5.849
Total				13.528	53.747	67.275

- (a) Bonds for US\$37,500 thousand, S/15,000 thousand and S/11,000 thousand obtained by Operadora Portuaria S.A. and Inmobiliaria Terrano S.A. on February 16, 2023, July 12, 2023 and December 20, 2023, respectively, as a result of the First, Second, Third and Fourth Issuance of the First Securitization Bond Program, respectively, with original maturities in 2034 and 2030, and 2029 and 2032, respectively, and which pay interest at an effective annual rate of 8.50% and 9.20%, 10.125% and 10.50%, respectively

At December 31, 2023, its cash flows from rental income are assigned to the cash flow trusts managed by Acres Sociedad Titulizadora S.A., in compliance with the conditions of the four bond issues that the Group has with bondholders

These bonds include real estate guarantees with assets of the subsidiary Operadora Portuaria S.A. (real estate located in Ventanilla for 140,418 m2) and with assets of the subsidiary Inmobiliaria Terrano S.A. (real estate located in Callao for 139,564 m2)

In addition, the Company granted joint and several bonds in order to guarantee the full and timely fulfillment of each and every one of the obligations assumed by the Issuers, with a charge to the Trust Funds, with the Bondholders

As a result of both issues, Operadora Portuaria S.A. and Inmobiliaria Terrano S.A. are subject to compliance with certain conditions and/or financial covenants (“Obligations to do”), which are incurrence obligations. The major ones are detailed as follows:

- Provide the audited individual and consolidated financial statements of Andino Investment Holding S.A.A. within 120 days following the annual closing.
- Use the proceeds of the bond issues for the purposes set forth in the indenture and/or supplemental indentures
- Assign the cash flows in accordance with the trust agreements entered into with the administrator Acres Sociedad Titulizadora S.A.
- The subsidiaries Operadora Portuaria S.A. and/or Inmobiliaria Terrano S.A. must comply with the following financial ratios:
- a) sales to total debt service coverage ratio greater than or equal to 1.3 times and b) real estate coverage ratio greater than or equal to 2.0 times

The main “Not- to-do Obligations” are detailed as follows

- Make any payment of principal, interest, premiums or other amounts in connection with any debt owed by the originators to any of its shareholders, companies of its economic group, directors, administrators, affiliates and/or subsidiaries; distribute dividends or any other form of distribution to its shareholders, including, but not limited to, capital reductions, without prior written authorization of the general meeting (except for those to be made for the cancellation of prepaid financial debt), unless so required by applicable laws; or grant loans or real or personal guarantees to third parties or to its shareholders, companies of its economic group, directors, administrators, affiliates and/or subsidiaries; when the issuer: (i) is in default of its obligations under any of the program documents; (ii) there is one or more events of default and while these have not been cured; or (iii) such payment or distribution generates or reasonably may generate an event of default or material adverse change or have a material adverse change..
- Agree to corporate reorganizations, unless these only involve entities of the economic group to which the originators belong and with a similar corporate purpose; acquire other companies, regardless of their activity; or transfer all or a substantial part of their assets or rights
- Modify the accounting practices of any of the originators in any way that differs from International Financial Reporting Standards - IFRS.

In addition, both contracts establish “Events of Default” clauses if Operadora Portuaria S.A. or Inmobiliaria Terrano S.A. fail to comply with any of the obligations of non-performance, leaving mainly the following consequences:

- Rescinding the agreement.
- Accelerating repayment of the borrowing, and total settlement of the remaining balance outstanding without the need of a formal communication.

In Management's opinion, the Group has been meeting the covenants included in the agreements at December 31, 2023.

- (b) Based on the borrowing granted under the Volcom Capital Deuda Perú II for US\$10,500 thousand, an amount that increased to US\$12,500 by means of an addendum dated December 19, 2022, subsidiary Aeropuertos Andinos del Perú S.A. is required to comply with certain conditions and/or financial covenants ("Obligations to do"), which are obligations to do as detailed below:
- Furnish the audited financial statements within 120 days after year-end.
 - Use the borrowing proceeds solely for the agreed purposes.
 - Grant the present and future cash flows generated by Aeropuertos Andinos del Perú S.A. under the provisions of the trust agreements signed with Citibank del Perú S.A A.
 - Meet the following financial ratios:
 - a) asset ratio of more than 4.0 times, b) cash flow coverage ratio of the assigned agreement and/or money contributions for the debt service higher than 1.1x from the twenty-fifth (25) month of the loan agreement, c) financial debt ratio over total debt plus net capital lower than 40% and d) total debt over net equity ratio of less than 95%.
 - Hold quarterly committee meetings on the status of Aeropuertos Andinos del Peru S.A.

Major "Obligations not to do" were the following:

- Not to grant loans or establish any type of guarantee, either personal, real or trust, assign rights, guarantees in the form of securities, among others in favor of any third parties.
- Unless otherwise stated in the agreement, not to secure obligations contracted by third parties, by means of simple collateral, joint and several performance bonds, guarantees or trust, assigning rights, guarantees in the form of securities, whatsoever, among others.
- Not to set up subsidiaries of any kind without the prior authorization of the Lender or cause Andino Investment Holding S.A. not to reduce its equity to the extent of impairing the solvency of Fianza Solidaria Andino, after the closing date.

In addition, the agreement contains clauses of "events of default" describing those circumstances in which the Company fails to meet its "Obligations Not to do" with the following consequences:

- Rescinding the agreement.
- Accelerating repayment of the borrowing, and total settlement of the remaining balance outstanding without the need of a formal communication.

During 2021 and 2022, as a result of the COVID-19 pandemics that shut down the operations of Aeropuertos Andinos del Perú S.A., the final ratios contained in this agreement were not met, and for that reason, the Company requested a waiver of covenants for its failure to meet its obligations. The request for waiver of covenants was approved by Volcom Capital Deuda Perú II on December 30, 2022

On December 22, 2023, due to the socio-political situation in Peru, which affected the operations of Aeropuertos Andinos del Peru S.A., the lender granted a temporary exception to the obligations for the year 2023.

At December 31, 2023, the cash inflows from revenue are transferred to a cash flow trust managed by Citibank del Perú, in compliance with the conditions set under the loan agreement between subsidiary Aeropuertos Andinos del Perú S.A. and the investment fund managed by Volcom Capital.

This loan includes a real-estate guarantee comprising the assets owned by subsidiary Operadora Portuaria S.A (a real-estate property in Ventanilla of 357,000 m2).

Management considers that the Group is meeting its obligations "to do and not to do" contained in the agreement al December 31, 2023; except for the waiver of conditions for noncompliance with the financial ratios obtained in 2023, as described above.

- (c) As a result of the loans received from Banco de Crédito del Peru and BBVA Banco Continental (as secured by the Government) under the Reactiva Peru program, the Group is subject to

compliance with the following conditions:

- Not to pay current financial obligations prior to the settlement of loans obtained under the Reactiva Peru program.
- Not to distribute dividends or distribute profits, except for the percentage corresponding to the workers, during the term of the Reactiva Peru program.
- Not to be related to Banco de Crédito del Peru and BBVA Banco Continental or be included in the scope of Law No. 30737 - 35.
- Not to use the loan for the purchase of fixed assets, buy shares or participations in companies, buy bonds and other monetary assets, make capital contributions, pay overdue obligations with the entities of the financial system.
- Not to take part in processes of selling or trading any product or activity that is considered illegal under Peruvian laws or regulations or under ratified international conventions and agreements, including conventions/legislation related to the protection of biodiversity resources or cultural heritage.

Management considers that the Group is in compliance with the obligations to Do” and “obligations not to do” under the contracts at December 31, 2023.

- (d) Other consists of loans, notes and factoring transactions with local and foreign financial institutions
- (e) Maturity of the financial obligations is as follows:

Maturity	2023 EUR000
2024	12.478
2025	7.075
2026	4.421
2027	4.627
2028	4.432
Subsequent years	28.393
Total	61.426

- ii) Comprising: i) lease agreements for the acquisition of vehicles, machinery and equipment and a real estate property and ii) lease contracts of administrative office and operating facilities in the districts of Miraflores and Callao, as well as the contract signed with Lima Airport Partners S.R.L. for the use of the GSE Road (direct inroad of approximately 9,590 m2 to and from the Airport).

16 DEFERRED INCOME TAX

- a. At December 31, 2023 this item comprises:

	2023	
	Deferred asset, net EUR000	Deferred liability, net EUR000
Airport Services Andinos S.A.	1.246	-
Andino Capital Sociedad Gestora de Fondos de Inversión S.A.	2.287	-
Aeropuertos Andinos del Peru S.A.	319	398
Almacenes Financieros S.A.	508	-
Andino Investment Holding S.A.A.	1.072	-

Cosmos Agencia Marítima S.A.C.	53	1.198
VLM Rio Lindo S.A.	70	-
Inversiones Portuarias S.A.	375	-
Andino Factoring S.A.C.	-	-
Andino Leasing S.A.	17	-
Servicios Aeroportuarios Andinos Colombia S.A.S.	4	-
Andino Capital Servicer SGFI S.A.	8	-
Servicios Aeroportuarios Andino Global S.L.	13	-
Operadora Portuaria S.A.	-	40.499
Inmobiliaria Terrano S.A.	-	18.257
Multilog S.A.	-	345
Andino Inversiones Global, S.A.	147	-
Infinia Operador Logístico S.A.	55	-
	<u>6.174</u>	<u>60.697</u>

The breakdown of the balances of deferred income tax assets and liabilities for 2023, shown in the consolidated statement of financial position at December 31, are as follows:

Deferred tax liabilities (aassets)	At May 1 2023	Stated in other comprehensive income	Stated in profit or loss	Conversion effect	At December 31,2023
	EUR000	EUR000	EUR000	EUR000	EUR000
Non-current assets					
Other intangibles	(133)	-	7	-	(126)
Right-of-use asset	-	-	-	-	-
Property, plant and equipment	(64.371)	-	1.412	1.711	(62.248)
Investments in securities	113	-	(113)	-	-
Tax losses	8.280	-	(2.555)	(30)	5.695
Current assets	-	-	-	-	-
Trade receivables and other receivables	374	-	-	-	374
Current liabilities	-	-	-	-	-
Provisions	1.102	-	538	45	1.685
Obligations with employees	89	-	8	-	97
	(55.546)	-	(703)	1.726	(54.523)

The amounts recognized as deferred income tax assets and deferred income tax liabilities mainly comprise the liability for the higher value obtained by the recognition at fair value of the investment property, recording of tax loss and temporary differences of those items.

	<u>2023</u>
	EUR000
Deferred income tax asset	6.174
Deferred income tax liability	<u>(60.697)</u>
	<u>54.523</u>

The detail of the income tax (current and deferred) shown in the statement of income for fiscal year 2023 is as follows:

	2023
	EUR000
Deferred income tax asset	(602)
Deferred income tax liability	(703)
	<u>(1.305)</u>

The Company recognized the deferred income tax asset related to the carryforward tax loss, which is considered to be recovered with the taxable profit expected to be obtained in the next fiscal years to offset the deferred income tax asset, amounting to EUR5,695 thousand at December 31, 2023.

A breakdown of negative tax bases from previous years that may be offset with future profits from the companies and their year of generation are shown in thousands of Euros as follows:

Year of generation	Peru	Spain	Mexico	Ecuador	Colombia	Total
	EUR000	EUR000	EUR000	EUR000	EUR000	EUR000
2019	2.476	-	-	-	-	2.476
2020	5.657	-	-	-	-	5.657
2021	10.547	-	6.404	-	-	16.951
2022	1.559	105	436	9	11	2.120
2023	2.912	1.124	3.953	16	54	8.059
Total	23.151	1.229	10.793	25	65	35.263
Activated	18.836	590	-	-	-	19.426
Not activated	4.315	639	10.793	25	65	15.837

Compensation period	4 years	10 years	10 years	5 years	12 years
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Peruvian tax authorities have the right to review and, if necessary, amend the income tax determined by the Group in the last four years from January 1 of the year after the date when the tax returns are filed (years subject to examination). Fiscal years 2019 to 2023 are subject to examination. Since differences may arise over the interpretation of the tax laws applicable to the Group by Peruvian tax authorities, it is not possible to anticipate to date whether any additional tax liabilities will arise as a result of any eventual tax examinations. In this regard, income tax returns for fiscal years indicated in the following table are subject to tax audit by the Peruvian tax authorities:

Entity	Years
Peru	
Andino Investment Holding S.A.A.	2019 to 2023
Inmobiliaria Terrano S.A.	2019 to 2023
Cosmos Agencia Maritima S.A.C.	2019 to 2023
Aeropuertos Andinos del Peru S.A.	2019 to 2023
Servicios Aeroportuarios Andinos S.A.	2019 to 2023
Multilog S.A.	2019 to 2023
Andino Capital Holding Sociedad Gestora de Fondos de Inversión S.A.	2019 to 2023

Inversiones Portuarias S.A.	2019 to 2023
Andino Capital Servicer Sociedad Gestora de Fondos de Inversión S.A.	2022 to 2023
Operadora Portuaria S.A.	2019 to 2023
Infinia Operador Logístico S.A.	2019 to 2023
VLM Rio Lindo S.A.C.	2019 to 2023
Almacenes Financieros S.A.	2019 to 2023
Andino Office S.A.C.	2023
Andino Factoring S.A.C.	2019 to 2023
Andino Leasing S.A.	2021 to 2023

Other countries

Servicios Aeroportuarios Andinos S.A. Ecuador	2020 to 2023
Servicios Aeroportuarios Andino Global S.L.	2018 to 2023
Servicios Aeroportuarios Andinos Colombia S.A.S.	2022 to 2023
Servicios Aeroportuarios Andinos de México, S.A. de C.V.	2018 to 2023
Andino Inversiones Global S.A.	2022 to 2023

17 EQUITY

a. Share capital -

At December 31, 2023 the share capital is represented by 403,406,088 common shares, which are fully subscribed and paid-in, at a par value of S/1 each.

At December 31, 2023 the Company's shareholding structure is as follows:

Percentage of individual equity interest	<u>Number of shareholders</u>	<u>Number of shares</u>	<u>Percentage of interest</u>
At December 31, 2023:			
From 00.00 to 05.00	12	1.721.642	8,36
From 05.01 to 20.00	6	10.260.022	49,85
From 20.01 to 22.67	2	8.600.649	41,79
	<u>20</u>	<u>20.582.313</u>	<u>100,00</u>

At December 31, 2022 the Company was a single shareholder corporation, therefore, 100% of shares were recognized to a single shareholder with capital amounting to EUR60 thousand.

On February 27, 2023, the Company ceases to be a single shareholder corporation and a capital increase is made via cash contributions from new shareholders for EUR170 thousand.

On May 19, 2023, the Company made a non-cash capital increase by contributing 51.33%, representing 207,075,058 shares of AIH shares made by different shareholders, which are stated at EUR19,620 thousand.

In July and August 2023, capital increases were made via cash contributions of EUR733 thousand.

b. Share premium -

On September 12, 2023, a capital increase was made via cash contributions, and 732,591 shares were issued at a par value of EUR1 each, at a placement price of EUR1,50 per share. As a result, a share premium of EUR366 thousand was recorded.

c. Other equity reserves -

Comprising the difference between the contribution value of the non-cash capital increase and the direct acquisition of shares of Andino Investment Holding S.A.A. representing 52.01% of total operations of the subsidiaries and their consolidated net carrying amount.

Also comprising the adjustment effect for the translation into presentation currency of the Company and its subsidiaries.

d. Dividend distribution -

The Group's dividend policy is subject to Article No. 273 et seq. of the Peruvian Corporate Law ("Ley de sociedades de Capital") of Spain, which states that once the provisions provided for by law or based on by-laws have been met, dividends for the profit of the year, or for freely-available reserves, they may only be distributed if net equity is not, as a result of the distribution, less than share capital.

The dividend distribution agreement, as well as the time and method of payment, will be determined at a general shareholders' meeting. The maximum period to fully pay dividends will be twelve months from the date of the dividend distribution agreement.

18 SERVICE RENDERED

For the year ended December 31, this item comprises:

	<u>2023</u> EUR000
Infrastructure and airport services	29.901
Logistics services	27.075
Financial services	2.337
Real-estate logistics	<u>1.428</u>
	<u>60.741</u>

a) Comprising the lease of land and constructions mostly to DP World Logistics S.R.L.

For a description of the Group revenue recognition policy, see Note 3.24.

19 COST OF SERVICES

For the year ended December 31, this item comprises:

	<u>2023</u> EUR000
Services rendered by third parties (a)	23.760
Personnel expenses (Note 20)	13.316
Payment of the excess of revenue over regulated maintenance and operation services	2.815
Depreciation of property, plant, and equipment (Note 8)	2.109
Amortization (Note 11)	625
Depreciation of right-of-use assets	883
Other management charges	1.059
Consumption of supplies	404
Taxes	<u>4</u>
	<u>44.975</u>

(a) Mainly comprising air freight operational services (commissions, access fees, transfers, handling and document processing), maintenance and repairs, pilotage, towing, machinery repairs and surveillance.

20 ADMINISTRATIVE EXPENSES

For the year ended December 31, this item comprises:

	<u>2023</u> EUR000
Personnel expenses (Note 20)	7.653
Services rendered by third parties	4.456
Other management charges	911
Taxes	727
Depreciation of property, plant, and equipment (Note 8)	558
Amortization (Note 11)	302
Board of Directors' remuneration	231
Depreciation of right-of-use assets	65
Consumption of supplies	-
	<u>14.903</u>

21 SELLING EXPENSES

For the year ended December 31, this item comprises:

	<u>2023</u> EUR000
Services rendered by third parties	747
Personnel expenses (Note 20)	1.387
Other management charges	8
	<u>2.142</u>

22 PERSONNEL EXPENSES

For the year ended December 31, this item comprises:

	<u>2023</u> EUR000
Remunerations	14.230
Statutory bonuses	2.207
Social contributions	1.883
Vacation leave	956
Employees' severance indemnities	1.099
Others	1.981
	<u>22.356</u>

Personnel expenses are distributed as follows:

	<u>2023</u> EUR000
Costs for service (Note 17)	13.316
Administrative expenses (Note 18)	7.653
Selling expenses (Note 19)	1.387
	<u>22.356</u>

The average number of employees at December 31, 2023 is 1.967.

The number of Group employees, as well as the final workforce at December 31, 2023, is distributed by professional categories as follows:

	<u>No. of women</u>	<u>No. of men</u>	<u>Total</u>
Management	11	32	43
Middle Management	52	148	200
Other employees	468	1.256	1.724
	<u>531</u>	<u>1.436</u>	<u>1.967</u>

23 REMUNERATION TO DIRECTORS AND SENIOR MANAGEMENT

a. Remuneration to members of the Board of Directors

In 2023, the members of the Board of Directors have received the following remuneration in the Group:

	<u>2023</u> <u>EUR000</u>
Salaries	245
Remuneration	<u>231</u>
	<u>476</u>

b. Remuneration to Senior Management personnel:

In 2023, Senior Management personnel have received the following remuneration in the Group:

	<u>2023</u> <u>EUR000</u>
Salaries	2.535
Others	<u>137</u>
	<u>2.672</u>

c. Situations regarding conflicts of interest from Directors

In order to avoid situations regarding conflict with the Group's interest, Directors who have held positions on the Board of Directors over the year have met the obligations provided for in article 228 within the Corporate Enterprises Act of Spain. In addition, both Directors and people linked to them have refrained from incurring in cases of conflict of interest provided for in article 229 of said act, except when they have been authorized.

24 OTHER INCOME AND OPERATING EXPENSES

For the year ended December 31, this item comprises:

	<u>2023</u> <u>EUR000</u>
Income	
Reimbursable services (a)	2.007
Recovery of receivables	279
Sale of fixed assets	49
Others	<u>661</u>
	<u>2.996</u>
Expenses	
Fair value expense of investment properties (Note 9)	4.918
Reimbursable expenses (a)	306
Cost of disposal and derecognition of fixed assets	51
Others	<u>1.659</u>
	<u>6.934</u>

- a. Mainly comprising disbursement incurred on behalf of its customers that are refunded by those customers.

25 FINANCIAL INCOME AND FINANCIAL EXPENSES

For the year ended December 31, this item comprises:

	<u>2023</u> EUR000
Financial income	
Interest on loans to third parties	277
Interest on loans to joint ventures	963
Others	<u>452</u>
	<u>1.692</u>
Financial expenses	
Interest on loans from financial institutions, third parties and relates parties (a)	4.219
Interest on lease liability	214
Others	<u>526</u>
	<u>4.959</u>

26 CORPORATE TAX (“IMPUESTOS SOBRE BENEFICIOS”)

The Group is subject to taxes in different tax jurisdictions since it has operations in different geographical locations.

a. Peru

Companies domiciled in Peru are subject to an income tax rate set at 29.5%.

b. Spain

Companies domiciled in Spain are subject to an income tax rate set at 25%.

c. Mexico

Companies domiciled in Mexico are subject to an income tax rate set at 30%.

d. Colombia

Companies domiciled in Colombia are subject to an income tax rate set at 35%.

e. Ecuador

Companies domiciled in Ecuador are subject to an income tax rate set at 25%.

The main components of the tax expense and the reconciliation of the expected tax expense based on the Group's effective rate and the tax expense reported in profit or loss are as follows:

	<u>2023</u>	
	EUR	%
Profit before income tax	(8.003)	100,00%
Income tax as per tax rate	2.139	26,73%
Tax effect on additions and deductions	(1.899)	(23,73%)
Application of tax losses	(1.545)	(19,29%)
Income tax expense	<u>(1.305)</u>	<u>(16,29%)</u>

Information on deferred tax assets and liabilities is included in Note 14.

27 CONTINGENCIES, COMMITMENTS AND GUARANTEES

a. Contingencies -

Currently, the Group has different tax, legal and labor actions currently in progress related to its operations, which are reported and disclosed in accordance with the International Financial Reporting Standards. At December 31, 2023 the Group has recorded provisions amounting to S/1,577 thousand (equivalent to EUR360 thousand) (Note 12). Management and its legal advisors consider that the final outcome of these proceedings are not expected to give rise to additional liabilities to the Group.

At December 31, 2023 Almacenes Financieros S.A. as different legal and labor actions currently in progress related to its operations, which are reported and disclosed in accordance with standards established by the Peruvian banking regulator “Superintendencia de Banca, Seguros y AFP” (SBS).

Cosmos Agencia de Aduanas S.A.C. has been involved in legal (labor and administrative) claims and tax actions. At December 31, 2023 the main actions held by the Company are labor actions filed by supervisory authorities and workers for a total amount of S/3,382 thousand, mainly comprising claims for administrative sanctions and social benefits.

The Company maintains a claim appeal before the Peruvian Tax Court against a Determination Resolution for S/10,022 thousand and a Fine Resolution for S/7,499 thousand issued by the Peruvian tax authorities. Debts included in securities are a set of observations as a result of the tax examination of the income tax for fiscal year 2015 and omitted on-account payments for S/4,965 thousand that are based on objections for S/35,465 thousand, as well as the settlement of the monthly on-account payments of income tax.

It also maintains a claim appeal before the Peruvian Tax Court against different Determination Resolutions for S/9,386 thousand issued by Peruvian tax and customs authorities (“Superintendencia Nacional de Aduanas y Administración Tributaria – SUNAT”). Debts included in the aforementioned securities are based on a set of observations as a result of the tax examination of the value added tax for fiscal year 2015. In addition, there is also a claim appeal before the Peruvian Tax Court against different Determination Resolutions for S/7,779 thousand and different Fine Resolutions for S/7,152 thousand issued by the Peruvian tax authorities.

Debts included in the aforementioned securities are based on a set of observations as a result of the tax examination of the income tax for fiscal year 2016.

Management and the external legal advisors of each Company of the Group consider that there are convincing arguments to reject, in part, the observations made by the Peruvian tax authorities and to classify other objections as possible.

b. Commitments and performance bonds -

For the purpose of carrying out its operations, subsidiaries and joint ventures have signed a number of performance bonds to secure completion and fulfillment of contract terms and obligations with third parties for approximately US\$8,856 thousand. Management considers that those contracts are being fulfilled and will continue to fulfill these obligations. In addition, the Group has given performance bonds and real estate guarantees, comprising its own assets to secure borrowings (Note 13).

In seeking to obtain lines of credit or specific financing for the subsidiaries and/or joint ventures, the subsidiary Andino Investment Holding S.A.A. acts as a joint guarantor. Management considers that the related parties are complying and are expected to continue complying with its borrowings obligations.

The loan agreement granted by Volcom Capital Administradora General de Fondos S.A. to Aeropuertos Andinos del Peru S.A. of US\$12,500 thousand contained covenants to be met over the term of the agreement. In this regard, at the end of 2023, financial ratios associated with the agreement could not be met, therefore, the Company requested a waiver for not being able to meet those ratios.

The request was approved by Volcom Capital Administradora General de Fondos S.A. on December 22, 2023 (See Note 13).

At December 31, 2023 Cosmos Agencia de Aduanas S.A.C. mainly holds performance bonds in favor of customers for US\$1,901 thousand and S/2,855 thousand (US\$1,097 thousand and S/3,101 thousand at December 31, 2022) related to the fulfillment of contracted obligations according to signed agreements.

At December 31, 2023 Servicios Aeroportuarios Andinos S.A. mainly holds performance bonds in favor of customers for US\$1,901 thousand and S/2,855 thousand (US\$1,097 thousand and S/3,101 thousand at December 31, 2022) related to the fulfillment of contracted obligations according to the signed agreements.

Servicios Aeroportuarios Andinos S.A. at December 31, 2023 has reported 4.090 thousand of "leaseback transactions with Banco de Credito del Peru and Banco Santander for the term of the transaction.

At December 31, 2023 Infinia Operador Logistico S.A. holds performance bonds with three local banks for S/1,626 thousand. At December 31, 2022 the Company held performance bonds with two local banks for S/1,146 thousand.

28 TRANSACTIONS WITH RELATED PARTIES

At December 31, 2023 receivables and payables are composed as follows:

	<u>2023</u>
	<u>EUR000</u>
Receivables:	
Trade receivables (a)	
Sociedad Aeroportuaria Kuntur Wasi S.A. Joint Venture	537
Proyecta y Construye S.A. Joint Venture	69
Fondo Gapif Related party	174
Others	<u>81</u>
	<u>861</u>
Other receivables (b)	
Cadari, S.A. de C.V. Joint Venture	2.246
Proyecta y Construye S.A. Joint Venture	481
Sociedad Aeroportuaria Kuntur Wasi S.A. Joint Venture	228
Others Joint Venture	<u>52</u>
	<u>3.007</u>
Total	<u>3.868</u>
Payables:	
Trade payables (a)	
Fondo GAPIF Related party	209
Kubo S.A. Related party	136
Triton Trading S.A. Related party	11
Others	<u>14</u>
	<u>370</u>
Other payables	
Directores, accionistas, personal (Nota 12)	6.239
Fondo GAPIF Related party	10.873
Kubo S.A. Joint Venture	273
Others -	<u>9</u>
	<u>17.394</u>
Total	<u>17.764</u>

(a) Trade receivables and trade payables with related parties have current maturities, have no specific guarantees and are not interest-bearing.

(b) Other payables to related parties mainly comprise borrowings obtained by subsidiaries for the purchase of assets and/or implementing finance lease transactions; they accrue interest ranging

from 9.75% to 12,30% and have no specific guarantees.

29 LOSS PER BASIC AND DILUTED SHARE

Net loss per basic share is calculated by dividing the net loss for the year by the weighted average number of shares outstanding during the year. The composition of the number of shares outstanding at December 31, 2023, as well as the number of shares considered in the calculation of loss per basic and diluted share, is shown below:

	<u>Basic share for calculation</u>	<u>Effective days</u>	<u>Weighted average number of shares</u>
2023			
Balance at May 1, 2023	19.849.722	240	19.849.722
Contribution of new shareholders	<u>679.258</u>	150	<u>424.536</u>
Balance at December 31, 2023	<u>20.528.980</u>		<u>20.274.258</u>
Net loss attributable to the controlling party (EUR) of continued operation			(5.021.000)
Loss per share attributable to the controlling party, basic and diluted (EUR)			(0,2477)

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Given the nature of its activities, the Group is exposed to a variety of financial risks: market risks (including foreign exchange rate risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses primarily on the unpredictable financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Finance Management is responsible for managing financial risks in accordance with policies approved by the Board of Directors. Finance Management identifies, measures, monitors and covers risks in close coordination with the Group's operating units.

No changes were made in the objectives, policies or processes for the period ended on December 31, 2023.

a. Market risk -

The market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a consequence of changes in market prices. Market risks comprise two types of risks: foreign exchange rate risk and interest rate risk. Financial instruments affected by market risks include cash and cash equivalents and receivables and payables in general.

i) Foreign exchange rate risk

Foreign currency transactions expose the Group to the risk of fluctuations in the foreign exchange rate with respect to the Peruvian sol. Management monitors this risk through analysis of the country's macroeconomic variables.

Monetary assets and liabilities in foreign currency at December 31, 2023 are as follows:

	<u>2023</u>		
	<u>US\$000</u>	<u>EUR000</u>	<u>MXN000</u>
Assets			
Cash and cash equivalents	4.038	3.588	4.985
Trade and other receivables	<u>38.833</u>	<u>87.120</u>	<u>13.327</u>

	<u>42.871</u>	<u>90.708</u>	<u>18.312</u>
Liabilities			
Trade payables and other	40.350	35.850	26.989
Borrowings	<u>62.271</u>	<u>27.334</u>	<u>22.760</u>
	<u>102.621</u>	<u>63.184</u>	<u>49.760</u>
Debit position, net	<u>(59.750)</u>	<u>27.524</u>	<u>(31.437)</u>

At December 31, 2023 the foreign exchange rates used by the Group for recording foreign currency balances have been those published by the Peruvian banking regulator (Superintendencia de Banca, Seguros y Administradoras de Fondos de Pensiones) of US\$0.9328 and US\$0.8481 per EUR1, for assets and liabilities, respectively S/3,972 and S/4,378 per EUR1 for assets and liabilities, respectively, EUR18.22 per MXN1 for assets and liabilities, respectively.

At December 31, 2023 the Group has reported net exchange losses of approximately EUR95 thousand, which are stated within "Exchange difference, net" in the consolidated statement of income.

Sensitivity analysis -

The following table shows the sensitivity to a reasonably possible variation in the U.S. dollar exchange rate, considering all other variables unchanged, before income tax (due to changes in fair value of monetary assets and liabilities).

	<u>Increase/decrease in exchange rates</u>		<u>Effect on profit (loss) before Income tax</u> EUR
2023			
Exchange rate	+10%	(8.327)
Exchange rate	-10%		8.327

The following table shows the sensitivity to a reasonably possible variation in the Peruvian sol exchange rate, considering all other variables unchanged, before income tax (due to changes in fair value of monetary assets and liabilities).

	<u>Increase/decrease in exchange rate</u>		<u>Effect on profit (loss) before Income tax</u> EUR
2023			
Exchange rate	+10%	(572)
Exchange rate	-10%		699

The following table shows the sensitivity to a reasonably possible variation in the Mexican peso exchange rate, considering all other variables unchanged, before income tax (due to changes in fair value of monetary assets and liabilities).

	<u>Increase/decrease in exchange rate</u>		<u>Effect on profit (loss) before Income tax</u> EUR
2023			
Exchange rate	+10%	(157)
Exchange rate	-10%		192

The sensitivity analysis in this section relates to the position at December 31, 2023 and has been prepared

considering that the proportion of financial instruments in foreign currency will remain constant.

ii) Interest rate risk

At December 31, 2023 the Group's risk arises mainly from its long-term payables agreed at fixed interest rates, which expose the Group to interest rate risk on the fair value of assets and liabilities.

In this regard, Management considers that the risk is not significant because the agreed interest rates do not differ significantly from market interest rates available to the Group for similar financial instruments.

Additionally, the Group has long-term debt contracted at fixed interest rates; therefore, management considers that it is not exposed to this risk.

b. Credit Risk -

The Group's credit risk arises from the potential inability of debtors to meet their obligations as they mature. The Group is exposed to the credit risk of its operating activities (mainly receivables) and its financing activities, including deposits with banks and other financial instruments.

The Group deposits its surplus funds with first-rate financial institutions, establishes conservative credit policies and constantly evaluates the market conditions in which they operate, using risk classification reports for commercial and credit operations.

Trade receivables are denominated in Mexican pesos, Peruvian soles and U.S. dollars and their due dates are on the date the payment receipts are issued, the related amounts are effectively paid in the days following their due date. The Group's sales are made to local customers and related parties. The Group performs impairment tests on the debts on an individual basis.

The Group calculates the expected credit loss of its trade debtors based on its own customer risk assessment models, taking into account the probability of default, customer evaluation and the customer's credit behavior history with the Company. The general criterion when considering objective evidence of impairment (in the absence of other evidence of default) is the exceeding of 180 days in arrears.

The allowance for impairment of accounts receivable is recorded in profit or loss for the year.

Credit risk is limited to the carrying amount of financial assets at the date of the consolidated statement of financial position, which consists primarily of cash and cash equivalents, trade receivables and other receivables. The Group uses no derivative instruments to manage these credit risks.

c. Liquidity risk -

Liquidity is controlled through the maturity of assets and liabilities, and by holding an adequate amount of financing sources that allow performing its activities normally. The Group is supported by its Shareholders, so Management considers that there is no significant liquidity risk at December 31, 2023.

The following table summarizes the maturity profile of the Group's financial liabilities based on the undiscounted payments provided for in the respective agreements:

	At December 31, 2023		
	From 3 to 12 months	From 1 to 10 years	Total
	EUR000	EUR000	EUR000
Trade and other payables	45.144	15.571	60.715
Borrowings	<u>13.528</u>	<u>53.747</u>	<u>67.275</u>
Total liabilities	<u>58.672</u>	<u>69.318</u>	<u>127.990</u>

d) Capital management –

For purposes of the Group's capital management, capital refers to all equity accounts. The goal of capital management is to maximize shareholder value.

The Group evaluates compliance with the covenants agreed when obtaining borrowings; in the event it is not able to comply due to extraordinary events, the Group requests a waiver for such expected non-compliance.

The Group manages its capital structure and makes adjustments to deal with changes in the market economic conditions. The Group's policy is to finance all short- and long-term projects with its own operational resources. To maintain or adjust the capital structure, the Group may adjust the dividend payment policy, return capital to shareholders or issue new shares.

The Group monitors its capital on the basis of the leverage ratio determined by dividing net debt by total capital. Net debt corresponds to total payables and borrowings, less cash and cash equivalent. Total capital corresponds to equity, as shown in the consolidated statement of financial position, plus net debt.

Leverage ratios at December 31, 2023 were as follows:

	<u>2023</u> EUR000
Trade payables and other payables	60.715
Borrowings	67.275
Less cash and cash equivalents	(6.983)
Net debt (A)	121.007
Total equity	<u>196.693</u>
Total capital (B)	<u>317.700</u>
Leverage ratio (A) / (B)	<u>0,38</u>

e) Regulatory risks -

The Group's business is subject to extensive regulation in Peru, including, among others, foreign investments, foreign trade, taxes, environment, work, health and safety, infrastructure concessions or similar agreements to the private sector, and public spending on infrastructure investment.

The Group's operations are currently performed in all material respects in accordance with all applicable laws, regulations, and concession agreements. Future regulatory changes, changes in the interpretation of such regulations, or stricter compliance with such regulations, including changes to the concession agreements held by the Group, may increase compliance costs and may potentially alter operations.

Management and its legal advisors consider that there is no assurance that future regulatory changes will not adversely affect the business, financial position, and financial performance of the Group.

31 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount by which an asset could be exchanged or a liability could be liquidated, between known and willing parties in a current transaction, under the assumption that the entity is an ongoing concern.

When a financial instrument is commercialized in a liquid and active market, its stipulated market price in a real transaction provides the best evidence of its fair value. When the price stipulated on the market is not available or cannot be an indication of fair value of the instrument, the market value of another instrument, substantially similar, discounted flow analysis or other applicable techniques, may be used to determine such fair value; these are significantly affected by the assumptions used.

Although Management has used its best judgment in estimating the fair values of its financial instruments, any technique to make such an estimate carries a certain level of inherent fragility; consequently, the fair value cannot be indicative of net realizable value or liquidation.

Fair value hierarchy -

The Group uses the following hierarchy to determine and disclose the fair value of financial instruments by

valuation technique:

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

Level 2: Other techniques for which data with a significant effect on the fair value recorded are directly or indirectly observable.

Level 3: Techniques using data with a significant effect on the fair value recorded, not based on observable market information.

Methodologies and assumptions used to determine market estimated values depend on the risk terms and characteristics of the different financial instruments and include the following:

- (a) Assets with a fair value similar to the carrying amount - For financial assets and liabilities that are liquid or have short-term maturities (less than 3 months), the carrying amount is considered to be similar to fair value. This assumption also applies to term deposits, savings accounts without a specific maturity, and variable-rate financial instruments.
- (b) Fixed-rate financial instruments - The fair value of financial assets and liabilities at fixed rate and at amortized cost is determined by comparing market interest rates at the time of initial recognition with current market rates related to similar financial instruments.

The estimated fair value of interest-bearing deposits is determined by discounted cash flows using market interest rates in currency prevailing with similar maturities and credit risks:

	<u>2023</u> <u>Carrying</u> <u>amount</u> <u>EUR000</u>	<u>Fair</u> <u>value</u> <u>EUR000</u>
Assets		
Cash and cash equivalents	6.983	6.983
Other current financial assets	13.786	13.786
Trade receivables and other		
Receivables	<u>49.482</u>	<u>49.482</u>
	<u>70.251</u>	<u>70.251</u>
Liabilities		
Trade payables and other		
Payables	60.715	60.715
Borrowings	<u>67.275</u>	<u>67.275</u>
	<u>127.990</u>	<u>127.990</u>

- (c) Fair value of land, buildings and investment properties:

The process of valuation of land, buildings and investment properties, classified in property, plant and equipment and investment properties, respectively, was performed by independent appraisers at December 31, 2023, who determined their fair value classified in Level 3. The largest assigned values are shown in note 8 and note 9, respectively.

Losses of 4,918 thousand euros were recognized in profit or loss for 2023, due to the recognition of the fair value of investment properties.

Losses of 571 thousand euros were recognized in other comprehensive income in 2023, due to the recognition of the fair value of property, plant and equipment

32 INFORMATION BY OPERATING SEGMENTS

For management purposes, the Group is organized into business units based on its products and activities and has five distinct segments organized as follows (see Note 2):

- Infrastructure and airport services.
- Real estate logistics.
- Logistic services.
- Financial services.
- Investment management and other services.

No other operating segments have been added as part of the operative segments described above.

The Management of each Company monitors the operational results of the business units separately, for making decisions on resource allocation and evaluating their performance.

Segment performance is assessed based on operating gain or loss and is measured uniformly with the operating loss or gain of the consolidated financial statements. Transfer pricing between operating segments are agreed as between independent parties similar to the one agreed with third parties.

The Group's activities are mainly carried out in Peru and Mexico.

The table below shows the breakdown of the Group's revenues according to the geographic distribution of the entities that generate such revenue:

	2023
	EUR000
Perú	57,696
México	3,045
	60,741

	Infrastructure and airport services EUR000	Real estate logistics EUR000	Logistics services EUR000	Financial services EUR000	Others EUR000	Total segment s EUR000	Adjustments and eliminations EUR000	Consolida ted EUR000
2023								
Revenue								
Services rendered	29.901	4.399	27.075	3.666	270	65.311	(4.570)	60.741
Cost of services	(23.610)	-	(21.651)	(1.014)	-	(46.275)	1.295	(44.980)
Amortization and depreciation	(4.212)	-	(906)	(2)	-	(5.120)	1.689	(3.431)
(Gross) profit	6.291	4.399	5.424	2.652	270	19.036	(3.275)	15.761
Operating income (expenses)								
Administrative expenses	(7.107)	(985)	(3.310)	(1.719)	(2.095)	(15.216)	313	(14.903)
Amortization and depreciation	(172)	(10)	(384)	(36)	(110)	(712)	(204)	(916)
Selling expenses	(358)	-	(1.785)	-	-	(2.143)	1	(2.142)
Other operating income (expenses)	399	(5.145)	186	189	(4.030)	(8.405)	4.467	(3.938)
Operating profit (loss)	(775)	(1.731)	511	1.122	(5.855)	(6.728)	1.506	(5.222)
Other income (expenses)								
Interest in joint venture results	-	-	-	-	-	-	581	581
Financial income	513	1.022	317	4	5.040	6.896	(5.204)	1.692
Financial expenses	(3.963)	(2.576)	(857)	(70)	(1.747)	(9.213)	4.254	(4.959)
Exchange difference, net	98	77	239	(98)	(202)	114	(209)	(95)
Profit before income tax	(4.127)	(3.208)	210	958	(2.764)	(8.931)	928	(8.003)
Income tax	(1.965)	737	(277)	(381)	962	(924)	(381)	(1.305)
Net loss by segment	(6.092)	(2.471)	(67)	577	(1.802)	(9.855)	547	(9.308)

	Infrastructure and airport services EUR000	Real estate logistics EUR000	Logistics services EUR000	Financial services EUR000	Others EUR000	Total segment s EUR000	Adjustments and eliminations EUR000	Consolida ted EUR000
2023								
Assets								
Non-current assets	22.345	14.161	16.312	14.392	18.967	86.177	(32.452)	53.725
Current assets	74.696	258.721	16.395	25.867	124.032	499.711	(168.056)	331.655
Total assets	97.041	272.882	32.707	40.259	142.999	585.888	(200.508)	385.380
Liabilities and equity								
Current liabilities	37.964	8.083	16.324	8.567	27.651	98.589	(39.917)	58.672
Non-current liabilities	47.358	99.898	5.543	5.255	3.663	161.717	(31.702)	130.015
Equity	11.719	164.901	10.840	26.437	111.685	325.582	(128.889)	196.693
Total liabilities and equity	97.041	272.882	32.707	40.259	142.999	585.888	(200.508)	385.380

33 EVENTS AFTER THE DATE OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

On January 11, 2024, as a result of the private public offering performed by AIG, a total of 2,394,278 shares of Andino Investment Holding S.A.A. were obtained, that is, 52.60% interest of said company.

On January 16, 2024, Andino Inversiones Global, S.A. joined Euronext Access + Paris, and began trading on this important institution that connects regulated stock exchanges in Belgium, France, Ireland, Italy, the Netherlands, Norway and Portugal. Its 20,582,313 shares were admitted to trading at a reference price of 3.21 euros per share, equivalent to a market capitalization of around 66 million euros.

On February 2, 2024, Airport Services Andino Global S.L., a subsidiary of Andino Inversiones Global S.A., won a tender called by Aena to build an area that will be used for goods handling and self-handling, storage, transportation and distribution of goods and air freight, including the preliminary project with the work and operations general features of for a 30-year term at the Barajas Airport in Madrid.

On February 27, 2024, Fondo APE -Fondo de Inversión de Oferta Privada, a subsidiary of Andino Capital Holding Sociedad Gestora de Fondos de Inversión S.A., performed the First Issue of the First Securitization Bond Program set by Fondo APE for a total of US\$10,936 thousand and placed via private offering. This issue was completed within the framework of the First Securitization Bond Program of Fondo APE, for up to US\$200,000 thousand outstanding for up to seven years.

On March 5, 2024, as a result of one of the three award winners of the auction process made by Lima Airport Partners (LAP), Airport Services Andinos S.A. (SAASA) began operating the ramp service for commercial aircraft in the new terminal at the Jorge Chávez International Airport in Lima (AIJCH) and for cargo aircrafts in the current terminal.

On March 27, 2024, the simple merger project between VLM Rio Lindo S.A.C. and Andino Investment Holding S.A.A. was approved, by which VLM Rio Lindo will merge with Andino Investment Holding. Additionally, the amortization of the shares held by VLM Rio Lindo in the portfolio of Andino Investment Holding was approved, so that the number of shares would be reduced to 324,359,348 common shares, which would result in the shareholding to be held by Andino Inversiones Global S.A. to be 64.68%.

Additionally, the amortization of the shares held by VLM Rio Lindo in the portfolio of Andino Investment Holding was approved, so that the number of shares would be reduced to 324,359,348 common shares, so that Andino Inversiones Global S.A. will have a 64.68% shareholding.

On May 10 and May 3, 2024, Andino Inversiones Global S.A. purchased 5,911,039 shares of Andino Investment Holding S.A.A., obtaining a 1,82% interest additional of said company.

Except for the aforementioned events, between December 31, 2023 and the date of approval of the consolidated financial statements, no other subsequent events have occurred that may have an impact on the financial position and/or fair presentation, and that may need to be disclosed in notes to the consolidated financial statements.

Performance bonds

On January 18, 2024, performance bonds in favor of the Peruvian Ministry of Transport and Communications were renewed for US\$4,500 thousand with Banco de Crédito del Perú S.A.A. (equivalent to S/16,709 thousand) via a single promissory note for US\$1,291 thousand (equivalent to S/4,793 thousand), with maturity on January 17, 2025 and February 19, 2025.

Aeropuertos Andinos - Accumulated losses

On March 4, 2024, the Group's shareholders made a capital contribution of S/80,000 thousand to overcome the grounds for dissolution of Aeropuertos Andinos del Perú S.A. In addition, Management took actions and performed improvement plans in the service standards and new businesses within the Concession Agreement framework to improve the Group's revenue.

34 FINANCIAL AUDIT SERVICE FEES

Fees accrued over the year by Grant Thornton S.L.P amounted to EUR17,500 for financial audit services and EUR7,000 for other verification services.

Audit fees accrued by other companies in the Grant Thornton's overseas amounted to EUR52,582.

35 INFORMATION ON THE AVERAGE PAYMENT PERIOD TO SUPPLIERS

For the purposes of the third additional provision of Law 15/2010, of July 5, as amended by Article 9.2 of Law 18/2022 of September 28, and in accordance with resolution dated February 29, 2016 of the Instituto de Contabilidad y Auditoría de Cuentas, the table below shows the average payment period to suppliers, ratio of transactions paid, ratio of transactions pending payment, total payments made and total payments pending is as follows:

	<u>2023</u>
	<u>Días</u>
Average period of payment to suppliers	17
Ratio of paid transactions	6
Ratio of outstanding transactions	50
	<u>2023</u>
	<u>Importe</u>
Total payments made	280.867
Total payments outstanding	91.649
	<u>2023</u>
Volume of invoices paid within legal period limit	240.401
Number of invoices paid within legal period limit	36
Percentage of volume of invoices paid within legal time limit over volume of total paid invoices (%)	86%
Percentage of number of invoices paid within legal time limit over the number of invoices paid (%)	75%

In accordance with the ICAC Resolution, the calculation of the average supplier payment period takes into account the trade transactions relating to the delivery of goods or services as completed and accrued in each year.

For the sole purpose of providing the information required under this Resolution, suppliers are considered to be trade payables involving debts to suppliers of goods or services included within "Other payables" on the current liabilities side of the statement of financial position

The "Average supplier payment period" is understood to be the period elapsing between the delivery of goods or the rendering of services by the supplier and the actual settlement of the transaction.

The maximum legal payment period applicable to the Company in 2023 under Law 3/2004 dated December 29, 2004, which sets measures to fight late payment in trade transactions, is 60 days.

ANDINO INVERSIONES GLOBAL S.A.



Management Report 2023

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Disclaimer: The following Management Report corresponds to AIG's operation for the year 2023. However, Andino Inversiones Global became a shareholder in Andino Investment Holding S.A.A in April, 2023. As a result, the following information corresponds to the period defined from May 1st 2023 to December 31st 2023.

MANAGEMENT REPORT ANDINO INVERSIONES GLOBAL S.A.

ABOUT THE GROUP

Andino Inversiones Global S.A. (“AIG”, the “Company”), founded in Spain in 2022, is the parent company of Andino Investment Holding S.A.A and its subsidiaries (Andino, “AIH” or the “Group”). AIH and its subsidiaries are leading companies in the international logistics sector and operate in Peru, Mexico and Spain. In April 2023, the Company exercised a Swap option through which it acquired a 52,01% Stake in AIH.

AIH’s main focus is organic and inorganic growth in the airport infrastructure, airport and maritime logistics sectors, while incorporating sustainability strategically in its operations. Through its ESG approach, Andino ensures the highest quality service, respecting the environment and the local communities. Andino is made up of 10 companies operating along four business units:

1. Airport Services and Infrastructure

Andino, through its subsidiaries, is dedicated to building, managing and maintaining airport concessions. In addition, it provides airport services such as ground support services, cargo services, FBO, amongst others. The business unit operates in Peru, Mexico and Spain and generates 48% of Andino’s turnover. During the months of May and December, the unit’s sales amounted to 29.90 million euros.

2. Integrated Logistics

The unit offers a wide array of logistics services for air, river and maritime transport. These include customs services, international transport of cargo, warehousing & distribution and others. The unit also provides maritime agency services, stowage & unstowage, piloting and towing, etc. It is the second largest business unit in terms of sales turnover, having registered a total of 27.08 million euros in 2023 – 45% of Andino’s total sales.

3. Real Estate Logistics

The unit develops real estate projects that are tailor-made to the logistics sector. From the building and management to the purchase, sale and leasing of real estate, the unit generated 2% of total revenues for Andino. However, despite its minor contribution to revenues, the business unit responds to a strategic initiative for AIG because its landbank has a total area of over 720 thousand square kilometres. These can be leased as free space or modified to create specialized warehouses.

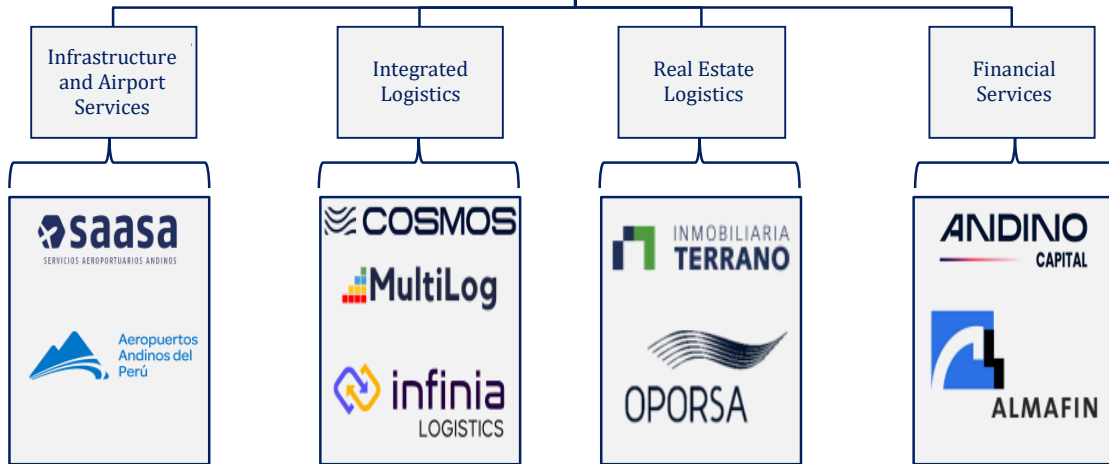
4. Financial Services

Andino has developed a Financial Services unit that provides customers in our sector with financing alternatives. This allows Andino to serve as a *one stop shop* for its clients, providing integrated solutions to their logistics needs. The unit finances short and mid-term needs through factoring, leasing, warrant emissions and certificates of deposit. It represents 4% of the Group’s turnover (2.34 million euros).

Andino Inversiones Global, its four business units and the companies composing each business unit are shown below:

ANDINO INVERSIONES GLOBAL

ANDINO



MAIN HALLMARKS OF 2023

Andino's business units grew more than their respective industries. This allowed us to pursue an ambitious international expansion plan.

SAASA, company belonging to the **Infrastructure and Airport Services** business unit, acquired Globalia Handling S.A.A – a Mexican firm dedicated to the airport services sector. Hence, Andino entered the Mexico market. In addition, during the second semester of 2023, another subsidiary was established: SAASA Global S.A. This subsidiary participated in and won a concession contract to build, operate and maintain a cargo terminal in the Adolfo Suárez airport, in Madrid (Spain). The terminal's construction will commence in late 2024 and the concession will allow SAASA Global to operate the terminal for 30 years following the construction. Andino expects that, in the future, this business unit will continue to lead the Group's international expansion through its participation and adjudication of more operations concessions in Peru, Mexico and Spain.

Integrated Logistics, the second largest business unit in terms of turnover, consolidated Infinia Operador Logístico – the unit's most recent venture. Infinia is a ground logistics operator and expectations are high regarding its future growth. In addition, the unit expects to keep expanding through continuing Cosmos Agencia Marítima's operation. Inorganic growth is also on the table in the form of new business units, additional projects or M&A transactions.

Moreover, **Real Estate Logistics** represents a constant and certain revenue stream for the Group because of its business model – leasing agreements. The business unit also played an important role in Andino's financial strategy, as Andino took advantage of the business model to finance a total of over 44 million USD through securitizing bonds along four different emission events. In the future, we expect to implement certain strategic initiatives such as the leasing fare negotiation and the construction of specialized warehousing to offer a value-added service.

Financial Services – the Group's most recent business unit – aims to maintain its accelerated growth on a regional scale through its factoring and leasing operations as well as the growth of its managed funds. The unit is expected to push Andino's growth in the future.

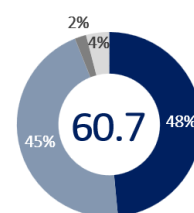
AIG FINANCIAL PERFORMANCE

During 2023, AIG generated turnover equivalent to 60.74 million euros. The gross margin obtained was 25,95%. The year ended with an operating loss generated by a one-time, non-recurring expense, but EBITDA was over 300 thousand euros. It is important to highlight that, since the Swap occurred in April, AIG's revenues only began to accrue in May 2023, so the revenues and profits only consider 8 months of operation.

A more representative view would be that of AIH, which did operate throughout all of 2023. AIH as a Group reported revenues of approximately 91 million euros. Additionally, it achieved a positive EBITDA of 7.2 million euros despite the aforementioned one-time extraordinary expense.

Below, the simplified balance sheet and income statement of AIG along with their respective comments.

Sales turnover composition
(2023, %, EUR MM)



■ Infrastructure and Airport Services
■ Integrated Logistics
■ Real Estate Logistics
■ Financial Services

ASSETS (EUR 000)	31- Dec23	LIABILITIES & SHAREHOLDER EQUITY (EUR 000)	31- Dec23
<u>Current Assets</u>		<u>Current Liabilities</u>	
Cash and equivalents	6.983	Financial debt	13.528
Other financial assets	13.786	Trade payables and other	39.239
Trade receivables and other, net	25.132	Provisions	5.905
Inventories, net	602	Total current liabilities	58.672
Taxes recoverable	5.824	<u>Non-current liabilities</u>	
Prepaid expenses	1.398	Financial debt	53.747
Total current assets	53.725	Trade payables and other	15.571
<u>Non - current Assets</u>		Deferred income tax liability	60.697
Trade receivables and other, net	24.350	Total non -current liabilities	130.015
Investments in joint ventures and associates	10.277	Total liabilities	188.687
Property, plant and equipment	61.641	<u>Equity</u>	
Investment properties	209.325	Share capital	20.583
Right-of-use assets, net	3.571	Premium on share issuance	366
Intangibles, net	15.740	Other equity reserves	86.712
Goodwill	577	Retained earnings	(5.075)
Deferred income tax assets	6.174	Net equity attributable to net controlling interest	102.586
Total non- current assets	331.655	Minority interests	94.107
		Total equity	196.693
Total assets	385.380	Total liabilities and equity	385.380

In terms of balance sheet insights, more than 50% of AIG's assets are in the non-current account "Investment properties." This is because, as a parent company, its most valuable assets are its operating subsidiaries. Other significant assets include property, plant, and equipment and accounts receivable. On the liabilities side, there is an account payable corresponding to deferred taxes. The financial obligations include the debt of the Group's companies and are mostly explained by the USD 44 million placed in securitized bonds (from the logistics real estate unit).

Profit and loss account (EUR 000)	31Dic-23
Service rendered	60.741
Cost of services	(44.980)
Impairment losses of financial	(5)
Gross profit	15.761
Operating income (expenses)	
Administrative expenses	(14.903)
Sales expenses	(2.142)
Fair value expense of investment properties	(4.918)
Other income	2.996
Other expenses	(2.016)
Total operating expense	(20.983)
Operating loss	(5.222)
Other income (expenses), net	
Share of profits from joint ventures and associates	581
Financial income	1.692
Financial expenses	(4.959)
Exchange gains and losses, net	(95)
Loss before income taxes	(8.003)
Income tax	(1.305)
Net loss	(9.308)

Profit-wise, the Group incurred operating losses of 5.22 million euros. However, as mentioned above, this result is explained by non-recurring expenses such as the adverse effect of an appraisal, with no impact on cash. The adjusted operating profit is approximately 1 million euros.

BUSINESS UNITS DETAIL

INFRASTRUCTURE AND AIRPORT SERVICES: This business unit consists of Aeropuertos Andinos del Perú ("AAP") and Servicios Aeroportuarios Andinos del Perú ("SAASA").

AAP is the heart of southern Peru, the main airport operator connecting the southern regions with the country and the world. AAP has focused its efforts on designing, building, improving, operating, and maintaining the airports of Arequipa, Ayacucho, Juliaca, Puerto Maldonado, and Tacna through concession contracts with the Peruvian government. AAP's main services include airport and non-airport services, highlighting among the former the services provided to airlines and passengers, and among the latter the services aimed at meeting other consumption needs for passengers and users during their stay at the airports, provided by qualified suppliers, such as food services or the acquisition of goods and services.



During the years that AAP has managed the southern airports, it has managed to double the number of visitors to these cities, increasing from 1.768.000 passengers in 2011 to 3.596.000 passengers in 2023, generating dynamism in various activities related to tourism and travel. This growth has also empowered and fostered the growth of regional entrepreneurs, turning them into commercial partners. Regarding airport operation, in 2023, the recovery of operations observed in 2022 continues, allowing the company

to serve 3.6 million passengers and perform 27.700 airport operations, representing an increase of 8,33% and 6,20% respectively compared to the previous year.

On the other hand, **SAASA** was established in 2012 to develop the project of building, equipping, and operating an air cargo terminal on a property owned by the Group, with a direct connection to the Jorge Chávez airport platform. In 2019, it processed its first cargo and began its operations. After 5 years in this market, it has achieved growth in both operation volumes and sales, as well as market share (25,2% share in 2023 in imports and 12,5% in exports).

As of today, SAASA has operations in Peru (with an annual turnover of USD 25 million in 2023) and Mexico. In Colombia, SAASA has a team developing the commercial area with the aim of activating Passenger services (FBO). Additionally, the company has won a concession to build and operate a Cargo terminal at Adolfo Suárez Airport in Madrid.

SAASA has 3 business units:

- **Ramp:** Ground support and aircraft platform. It provides support to airplanes using specialized equipment (towing, loading/unloading baggage and cargo, power supply, cleaning, refueling, among others).
- **Passengers (FBO = Fixed Base Operator):** Package of services for passengers, including check-in/counters, wheelchairs, lost luggage, delayed flights, transportation to hotels, etc.
- **Cargo and airmail:** Storage of Import and Export cargo, and related services.

INTEGRATED LOGISTICS: his business unit consists of Cosmos Agencia Marítima and Infinia Operador Logístico.

Cosmos operates since 1972, providing vessel reception and dispatch services at the Port of Callao. Today, it is a leading company, offering maritime and port services nationwide, as well as specialized logistics services in remote areas, with a portfolio of top-tier clients.

During 2023, Cosmos continued to provide a diverse range of services to clients such as Transmares Group/ZIM, Network Shipping (Del Monte Fresh), SAAM/Hapag Lloyd, Maersk Line, Ocean Network Express – ONE, Shell, British Petroleum, DPW Callao, DPW Logistic, APM Terminals, amongst others.

In March, it started providing river agency services in Iquitos, providing services to passenger ships (cruises) and Brazilian-owned shipowners.

Regarding financial results, in 2023, Cosmos achieved a 16% growth in revenue, primarily driven by increased maritime agency services and offshore barge operations. Improved sales, expense control, and cost efficiency resulted in a 36% growth in EBITDA and a 45% increase in net profit.

Infinia is a logistics operator that provides comprehensive solutions to foreign trade operations, offering services such as freight forwarding, customs brokerage, national and international transportation, integrated import and export logistics services, simple and bonded warehousing, BPA merchandise warehousing, and liquid merchandise transportation in flex tanks.

The company is characterized by offering directly integrated services that cover the entire supply chain and meet all the needs of its clients, from initial consulting to implementation and ongoing support, ensuring traceability at every stage of the process. Infinia's value proposition is based on reliability, direct service integration, traceability, and efficiency, with the solid support of the Andino Group.

REAL ESTATE LOGISTICS: This business unit consists of Operadora Portuaria S.A. ("Oporsa") and Inmobiliaria Terrano S.A. ("Terrano").

Oporsa is a real estate company that owns a 58-hectare plot of land located in the industrial zone of the Ventanilla district, 14 km north of the Port of Callao. Oporsa has Lease Contracts with logistics warehouse operators occupying an area of over 369.000 square meters, more than 90% of which are leased by DPW Logistics and Infinia Operador Logístico S.A. Additionally, Oporsa maintains lease contracts for yards and offices with Multilog S.A. and Triton Trading S.A. During 2023, a new container storage terminal of 75.733 square



meters was delivered and leased to DP World Logistics.

Terrano is a real estate company dedicated to developing projects for the logistics industry. The main business development model is built-to-suit (BTS), which is a real estate proposal that responds to current company demands. It offers advantages such as leasing infrastructure for medium and long term, areas designed for all administrative and storage activities, and infrastructure designed to comply with regulations and environmental standards (optimization of natural light usage and air circulation). Terrano owns strategically located land with direct access to the Jorge Chávez International Airport (AIJCH) and in close proximity to the Port of Callao.

The company is developing the Limahub logistics center, where the air cargo infrastructure for Servicios Aeroportuarios Andinos (SAASA) has been implemented, and it holds great commercial and logistical potential. The logistics development project will include, among other things, terminals for air cargo, as well as various logistics facilities intended to serve operators in the air and maritime sectors.

FINANCIAL SERVICES: The financial services business unit comprises Almacenes Financieros S.A. (Almafin) and Andino Capital Holding ("Andino Capital", "ACSA")

Almafin was established in 2009 as a General Warehouse of Deposit (GWD) authorized by the Superintendencia de Banca, Seguros y AFPs (SBS). The company is mainly dedicated to the issuance of Warrants and Certificates of Deposit on stored merchandise, both in its facilities and in clients' warehouses (Field Warehouses).

Warrants serve as collateral for working capital financing obtained by companies from both national financial entities and foreign entities, as well as non-financial companies. The main products for which the company issues Warrants are diversified, with the main ones being fishmeal, canned goods, frozen hydrobiological products, frozen fruits, wood, cotton, corn, wheat, paper rolls, minerals, vehicles, among others.



Andino Capital is an Investment Fund Manager, specialized in providing integrated financing solutions in the short, medium, and long term. With over four years in the Peruvian market, it offers various financing options. During 2023, through the GAPIF FUND, Andino Capital's first Private Debt Fund, the company provided financing alternatives to companies across various sectors of the Peruvian market, generating a solid portfolio focused on working with clients belonging to the medium and large enterprise segments with a good credit history, healthy economic profile, and oriented towards foreign trade.

RISK MANAGEMENT POLICIES

- **Market Risk** - Market risk is the risk that the fair value of future cash flows of financial instruments fluctuates due to changes in market prices. Market risks comprise two types of risks: currency risk and interest rate risk. Financial instruments affected by market risks include cash and cash equivalents, as well as accounts receivable and payable in general.
- **Exchange rate Risk** - Transactions conducted in foreign currency expose the Group to the risk of fluctuations in the exchange rate against the Sol. Management monitors this risk through the analysis of the country's macroeconomic variables.

CORPORATE SOCIAL RESPONSIBILITY

At AIG, we promote a corporate culture that seeks to generate synergies while not neglecting the individuality of each company. In the social sphere, we drive the development of our talent and seek to ensure their safety and well-being at all times. We manage the diversity inherent in the variety and versatility of our businesses. Additionally, we actively participate in the development of the ecosystem of the industries in which we operate and the communities with which we share our locations.

SIGNIFICANT EVENTS OCURRING AFTER THE REPORT'S CLOSING DATE:

During 2024, Andino Inversiones Global S.A. issued shares on the Euronext Access+ stock market. At an average price of EUR 3,49 per share, the Company reached a market capitalization of USD 76 million.

On February 2nd, 2024, Servicios Aeroportuarios Andino Global S.L., a subsidiary of Andino Inversiones Global S.A., won a tender called upon by AENA for the construction of an area to be used for handling and self-handling activities of goods, storage, transportation, and distribution of goods and air cargo, including the preliminary project with the general characteristics of the work and its operation for a period of 30 years at the Barajas Airport in Madrid.

As of May 17th, 2024, AIG's stake in AIH stands at 67,24%, as a result of share transfers in which AIG acquired shares from multiple minority shareholders.



2024 OUTLOOK

In 2024, it is expected that the economic deceleration will continue, with growth rates even lower than those in 2023. However, global inflation is expected to decrease as the measures taken by governments in 2023 take effect and the effects of the armed conflict in Eastern Europe are further mitigated.

CORPORATE GOVERNANCE

The sectors in which we operate present various ethical risks. To address them, at AIG, we have an Ethics Code that must be known and signed by all our staff, including directors. Additionally, we provide constant training and reinforcement messages. We are committed to maintaining integrity and do not tolerate cases of corruption, bribery, money laundering, or involvement in the transportation of illicit goods.

In 2023, a Supplier Payment Policy was approved at AIG and all its companies to establish clear and transparent guidelines and conditions in the relationship with one of our main stakeholders, our suppliers.

Non-financial information report:

The parent company, in accordance with Article 262.5 of the Companies Act, has opted for the preparation of a separate report that includes the non-financial information of the Group, which deposits its consolidated annual accounts in the Commercial Registry of Madrid.