

ANNUAL REPORT

DECEMBER 31, 2024



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Algarve at a Glance

Profile of the Company

The principal activity of Algarve International B.V. (hereinafter referred to as the “Company” or as “Algarve”) is the financing of affiliated companies and the raise of funds, including the issuance of bonds, creating security in connection therewith.

In 2000, Autoestrada do Algarve – Via do Infante – Sociedade Concessionária AAVI, S.A. (formerly known as Euroscut Sociedade Concessionária da Scut do Algarve, S.A.), hereinafter referred to as “Via do Infante”, a group company of Algarve, based in Lisbon, Portugal, was granted the concession with respect to a system toll road in Southern Portugal (hereinafter referred to as the “Concession”), together with other facilities and works constituting a part of the Concession from time to time.

The Company, incorporated in 2001, raised funds through the issuance of loans and bonds that it lends to Via do Infante. Citibank N.A. was appointed as ‘Security Trustee’, and the European Investment Bank, Luxembourg (hereinafter referred to as “EIB”) as credit party. On August 30, 2022 Syncora Guarantee, Inc., was released from its capacity as Guarantor of the issued Bonds and EIB loan from the Finance Documents. As at 31 December 2024, Algarve is owned by DIF Participations 4 Luxembourg S.à r.l. (“DIF”) since September 2017 for 49%, Fados II B.V. for 48% (28% since December 17, 2020 and 20% since August 30,2022) and J. Gomes– Sociedade de Construções do Cávado, S.A for 3%.

Report of the Board of Directors

Financial Report

During the current year the Company recorded a net profit of EUR 166,763.

Annual Accounts and Dividend Proposal

The Annual Report includes the Annual Accounts as per December 31, 2024 which are accompanied by an unqualified audit opinion from the external auditor, EY Accountants B.V. ("EY"). These Annual Accounts were prepared in accordance with the statutory provisions of section 9 of Book 2 of the Dutch Civil Code.

In May 31 2024, it was proposed and approved by a Shareholders resolution and by a Management Board resolution to distribute a dividend in the amount of EUR 250,000 out of the net profits for 2023 and a part of the reserves from previous years, to be provided in cash to the shareholders pro rata to the percentage of shares held by each shareholder ("the Distribution"). The dividend was paid on June 15, 2024. For 2025, a dividend distribution of EUR 325,000 regarding 2024 net profits and previous years reserves will be proposed to the shareholders.

Overview of the Activities

By a unilateral decision from the Portuguese Government, 10 toll collection points (gantries) were installed on the Via do Infante and tolls were charged as of December 8, 2011.

The "Preliminary Agreement with reference to the Memorandum of Understanding for the adjustment of the Euroscut Algarve Concession Agreement" was signed on July 11, 2014. This agreement specified the revised terms of the current operating conditions of the concession and the amendments to be made to the Concession Agreement. As a result of the negotiations, on July 29, 2015 a Minute of the Conclusion of Negotiation Procedures was signed allowing the Minute of the Concession Agreement to be approved by the Council of Ministers through Resolution number 83-C/2015 on October 1, 2015. The amended Algarve Concession Agreement was formalized on October 2, 2015 specifying the revised terms of the operating conditions of the concession and the new levels of operation on the consigned stretches of motorway from a shadow toll SCUT basis payment regime to an availability payment. The amended agreement became legally binding on November 9, 2015 and prior approval was waived by the Court of Auditors.

With the approval of the Law 37/2025, on August 7, 2024, it was approved the abolition of the tolls in Via do Infante (A22), with effect from January 1, 2025. This Law will not affect the availability payments received by the Concessionaire from the Portuguese State, as these were not amended by the new law.

Currently the Company has three shareholders: DIF Participations 4 Luxembourg S.à r.l., FADOS II B.V, and J. Gomes – Sociedade de Construções do Cávado, S.A.

In February 28, 2018, the Court of Braga (Portugal) declared the Insolvency of J. Gomes – Sociedade de Construções do Cávado, S.A.

Financial Analysis

In 2024 the interest income decreased by 18.09% to EUR 4,547,138 compared to EUR 5,551,491 in 2023. Likewise, the interest expense decreased by 17.85% to EUR 4,389,358 compared to EUR 5,342,812 in 2023. These variations were mainly due the repayments of the loan and the bond (both receivable and payable), in accordance with the contracted cash-flows.

The general and administrative expenses increased by 50.60% to EUR 307,052 compared to EUR 203,882 in 2023 mainly due to a tax regularization (Note 14). The total amount of assets decreased by 22.87% to EUR 54,078,020 compared to EUR 70,117,366 in 2023, due to debt repayment according to the schedule established in the agreement.

Risk Analysis

Algarve has no operations of its own, so holders of the bonds and other creditors depend on Via do Infante to provide Algarve with enough funds to make payments on the notes and any invoices when due.

Via do Infante does not foresee to have liquidity issues since the current agreement with the Portuguese Government guarantees revenues, with a set up payment calendar with no traffic risk, until the term of the concession agreement in 2030.

Number of Employees

Neither during the year under review, nor in the previous period year did the Company have any employees.

Future Developments

There are no other known risks or uncertainties that the directors consider would have a significant impact on the performance of the company. The directors do not anticipate that there will be any significant changes to the activities of the company for the foreseeable future.

Audit Committee

Following the Royal Decree of July 26, 2008, concerning the implementation of Article 41 of EC directive 2006/43, Public Interest Entities are required to have an Audit Committee. The Company established the Audit Committee in 2019 whose actual members are Marieke Stéphanie Lely, Dennis Jong and Raul Barrueco Gonzalez.

One meeting was held during 2024 on May 27 regarding the audited annual financial statements of 2023.


Report pursuant to Article 5:25c of the Financial Markets Supervision Act in the Netherlands

With reference to Section 5.25c paragraph 2c of the Financial Markets Supervision Act, the Board of Directors states that, to the best of its knowledge:


The Annual Financial Statements of 2024 of Algarve International B.V. give a true and fair view of the assets, liabilities, the financial position, and the profit or loss of Algarve International B.V. as at December 31, 2024, the developments during 2024, whose details are included in the Annual Financial Statements. The significant risks Algarve International B.V. faces are described in this Annual Report.

Amsterdam, May 19, 2025

The Board of Managing Directors,

DocuSigned by:

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R. Barrueco Gonzalez
As: Chairman of the Board of Directors


DocuSigned by:

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R. W. Roumen
As: Director

DocuSigned by:

42ABB448B47D42F...

M. Stéphanie Lely
As: Director

DocuSigned by:

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M. C. González Agrelo
As: Director

DocuSigned by:

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D. Jong
As: Director

Annual Accounts

Balance Sheet as at December 31, 2024

(before appropriation of results)

ASSETS	<i>Notes</i>	2024 <i>EUR</i>	2023 <i>EUR</i>
<i>Loan Tranches to related parties</i>			
Tranche A – Loan @ 6.65% to Via do Infante	(3)	31,487,992	50,874,872
Tranche B – Loan @ 6.75% to Via do Infante	(3)	-	2,524,993
Non-Current Assets		31,487,992	53,399,865
<i>Loan Tranches to related parties</i>			
Tranche A – Loan @ 6.65% to Via do Infante	(3)	19,339,009	9,716,799
Tranche B – Loan @ 6.75% to Via do Infante	(3)	2,296,526	5,955,499
Corporate Income Tax Receivable		76,271	39,586
Other Receivables	(4)	104,493	173,143
Deferred tax asset	(5)	6,119	12,191
Total Receivables		21,822,418	15,897,218
<i>Cash at Banks</i>	(6)	767,610	820,283
Current Assets		22,590,028	16,717,501
TOTAL ASSETS		54,078,020	70,117,366
SHAREHOLDERS' EQUITY AND LIABILITIES			
Issued and fully paid-up share capital		18,000	18,000
Retained earnings		706,146	722,812
Net result for the period		166,763	233,334
Total Equity	(7)	890,909	974,146
<i>Debt issued and other borrowed funds</i>			
Tranche A – Guaranteed 6.40% Bonds	(8)	31,447,473	50,885,167
Tranche B – European Investment Bank 6.50% Loan	(8)	-	2,493,815
Non-Current Liabilities		31,447,473	53,378,982
<i>Tranches A and B Payable</i>			
Tranche A – Guaranteed 6.40% Bonds	(8)	19,345,048	9,719,430
Tranche B – European Investment Bank 6.50% Loan	(8)	2,297,675	5,960,292
Accounts Payable and Accrued Expenses	(9)	96,915	84,516
Current Liabilities		21,739,638	15,764,238
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		54,078,020	70,117,366

Annual Accounts

Income Statement for the year ended December 31, 2024

	Notes	2024 EUR	2023 EUR
<i>Interest Income</i>	(11)		
Tranche A – Loan 6.65% to Via do Infante		4,001,116	4,540,867
Tranche B – Loan 6.75% to Via do Infante		546,022	1,010,624
Total Interest Income		4,547,138	5,551,491
<i>Impairment of financial assets</i>	(12)		
Tranche A – Loan 6.65% to Via do Infante		26,775	43,393
Tranche B – Loan 6.75% to Via do Infante		6,621	14,565
Other receivable		93	(47)
Total Impairment on Financial Instruments		33,489	57,911
<i>Interest Expense</i>	(13)		
Tranche A – Guaranteed 6.40% Bonds		(3,848,803)	(4,369,269)
Tranche B – European Investment Bank 6.50% Loan		(540,555)	(973,543)
Total Interest Expense		(4,389,358)	(5,342,812)
Operating Income/(Expenses)		191,269	266,590
General and Administrative Expenses	(14)	(307,052)	(203,882)
Income originated on rebilled expenses to Via do Infante	(15)	297,780	206,303
Interest Income Bank		23,524	21,819
Other Operating Income/(Expenses)		14,252	24,240
Result before Corporate Income Tax		205,521	290,830
Corporate Income Tax	(16)	(38,758)	(57,496)
NET RESULT FOR THE PERIOD		166,763	233,334

Annual Accounts

Cash Flow Statement for the year ended December 31, 2024

	Notes	2024 EUR	2023 EUR
Repayment of loans receivable	(3)	15,488,750	14,920,400
Repayment of loans payable	(3)	(15,488,750)	(14,920,400)
Interest received loans receivable		4,564,871	5,563,952
Interest paid loans payable		(4,393,569)	(5,355,349)
Corporate income tax paid		(69,367)	(47,690)
General and administrative expenses		(262,424)	(181,891)
Income originated on rebilled expenses to Via do Infante		334,297	107,462
Cash flow from operating activities		173,808	86,484
Interest income (bank remuneration)		23,519	25,169
Dividend paid	(7)	(250,000)	(350,000)
Cash flow from financing activities		(226,481)	(324,831)
Increase/ (decrease) cash at Banks		(52,673)	(238,347)
Cash at the beginning of the period		820,283	1,058,630
Increase/ (decrease) cash		(52,673)	(238,347)
Cash at the end of the period		767,610	820,283

Annual Accounts

Notes to the Annual Accounts

1 General

a. Group Affiliation and Principal Activities

Algarve International B.V. (hereinafter the "**Company**" or "**Algarve**"), with KVK-number: 34155411, was incorporated on April 23, 2001 and is a private company with limited liability, with its statutory seat in Amsterdam and having its place of business at Kingsfordweg 151, Amsterdam, the Netherlands.

The principal activity of Algarve International B.V. is the financing of Via do Infante and the raise of funds, including the issuance of bonds, creating security in connection therewith.

b. Group structure

The Company has three shareholders: DIF Participations 4 Luxembourg S.à r.l. (49%), FADOS II, B.V. (48%) and J. Gomes – Sociedade de Construções do Cávado, S.A. (3%).

c. Related-party transactions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the Company are considered a related party. In addition, statutory directors and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information are disclosed if this is required for to provide the true and fair view.

The funds raised by Algarve are lent to Via do Infante which is a related party, with the same majority shareholders as Algarve.

Algarve does not have any related party transaction different than Via do Infante.

d. Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. If necessary, for the purposes of providing the view required under Section 362(1), Book 2, of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes 2.a and 4 to the financial statements.

e. Basis of presentation

The Annual Financial Report were prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. The annual accounts are denominated in Euro.

The balance sheet and income statement include references to the notes.

f. Notes to the cash flow statement

The cash flow statement has been prepared applying the direct method. The cash and cash equivalents in the cash flow statement comprise the balance sheet item cash at banks.

2 Accounting Policies for the Balance Sheet and Income Statement

a. Financial Instruments

Initial recognition

Financial assets and liabilities are initially recognised on the trade date. The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, transaction costs are added to, or subtracted from, this amount.

The Company mainly classifies its financial assets and financial liabilities at amortised cost, based on the business model for managing the instrument and the contractual terms.

Financial assets and liabilities by financial statements line item

- Loan tranches to group companies (current and non-current including accrued interest): these loans are initially recognised at fair value, and subsequently measured at amortised cost using the effective interest rate.
- Debt issued and other borrowed funds (current and non-current including accrued interest): after initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost.

Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

Derecognition of financial assets and liabilities

A financial asset is derecognised when all risks and rewards have been transferred and the rights to receive cash flows from the financial asset have expired.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

b. Impairment of financial assets

In determining the impairment of financial assets the Company applies Expected Credit Loss methodology which is allowed under Dutch GAAP. The Company records an allowance for expected credit loss (ECL) for all loans in this section.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit losses or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit losses (12mECL). The Company makes use of the low credit risk simplification in the calculation of the ECL.

Based on the above process, the Company groups its loans into Stage 1, Stage 2, Stage 3, as described below:

- Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECL. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: Loans considered credit-impaired. The Company records an allowance for the LTECL.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon (See Note 3).
- EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments (See Note3).
- LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time (See Note 3)

The receivables under the current assets are initially measured at fair value plus transaction costs and subsequently carried at amortized cost less impairment when necessary. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

This line item mainly includes the receivables relating to expenses that are re-billed to Via do Infante, based on the agreement between the parties.

c. Cash at banks

Cash include, bank balances and deposits held at call with maturities of less than twelve (12) months. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash are stated at nominal value.

d. Equity

This annual financial report contains a balance sheet before profit appropriation (as recommended by the Dutch Accounting Standards Board). Profit for the period is recognized as the last item in equity. The presentation of debt versus equity is based on its legal form, which is in conformity with Dutch regulation.

e. Operating Income / (Expenses)

Interest income / expense of the Loans are recognized on a time-weighted basis and according to the effective interest rate of the corresponding assets and liabilities (amortized cost).

f. Other operating Income / (Expenses)

This line item includes all fees, expenses and other amounts in reference to the financing that are paid by the Company and entirely re-billed to Via do Infante. Income and expense are recognized in the year they are realized, unless stated otherwise.

g. Dutch Corporate Income Tax

The Company is subject to Dutch Corporate Income Tax and therefore, the tax payable is calculated by application of the relevant rate to the amount of taxable profit.

h. Impairment charges

Impairment charges related to financial instruments held by the Company are presented separately in the Income Statement (see Note 12).

3 Loan Tranches to group Companies

	2024	2023
Tranche A – Loan @ 6.65% to Via do Infante		
<i>Facility: EUR 126,500,000 from July 2, 2001 until June 15, 2027 at a rate of 6.65%.</i>		
Opening balance	50,739,150	60,289,900
Reclassification Current Assets	(19,202,700)	(9,550,750)
Total Nominal Amount	31,536,450	50,739,150
Amortized Cost	(29,288)	184,045
Impairment of Financial Fixed Asset	(19,170)	(48,323)
Total non-current Tranche A	31,487,992	50,874,872
Current Tranche A	19,202,700	9,550,750
Impairment of Financial Current Assets – Principal	(11,510)	(9,054)
Interest Tranche A	147,908	175,269
Impairment of Financial Current Asset - Interest	(89)	(166)
Total current Tranche A	19,339,009	9,716,799
Tranche B – Loan @ 6.75% to Via do Infante		
<i>Facility: EUR 130,000,000 from July 2, 2001 until December 15, 2025 at a rate of 6.75%</i>		
Opening balance	2,293,000	8,231,000
Reclassification Current Assets	(2,293,000)	(5,938,000)
Total Nominal Amount	-	2,293,000
Amortized Cost	-	234,341
Impairment of Financial Fixed Asset	-	(2,348)
Total non-current Tranche B	-	2,524,993
Current Tranche B	2,293,000	5,938,000
Impairment of Financial Current Assets – Principal	(1,374)	(5,629)
Interest Tranche B	4,904	23,150
Impairment of Financial Current Assets – Interest	(4)	(22)
Total current Tranche B	2,296,526	5,955,499
Total Non- Current	31,487,992	53,399,865
Total Current	21,635,535	15,672,298

Tranche A

The Company lent to Via do Infante EUR 126,500,000 following the issue of bonds for the same amount. The loan was provided to finance the construction of motorway stretches. Interest is calculated on the same basis as the bonds at 6.40% p.a. (being 365 days) plus a spread of 0.25% (6.65%). Via do Infante shall repay the Tranche A loan in accordance with the Tranche A Amortization Schedule. The final repayment has been scheduled accordingly on June 15, 2027.

The Company received the payment, on December 15, 2024, of EUR 9,550,750 referring to the Principal Value of the Bonds. Future payments will be as follows:

<i>Date</i>	<i>Principal Amount</i>
15/12/2025	19,202,700
15/12/2026	21,024,300
15/06/2027	10,512,150

Tranche B

The agreement foresees that the funds which were received from a loan due to the EIB of EUR 130,000,000 may be used to grant the loan to Via do Infante. This loan is incurred to finance the construction of road stretches and bears interest at 6.50% p.a. (being 360 days) plus a spread of 0.25% (6.75%) payable in December each year. Via do Infante shall repay the Tranche B loan in accordance with the Tranche B Amortization Schedule.

The final repayment has been scheduled accordingly on December 15, 2025. Due to the downgrade of Syncora, the Guarantor, the interest has increased by 0.50% as per December 31, 2010, these changes have been reflected in the aforementioned percentages.

The Company received the payment, on December 15, 2024, of EUR 5,938,000, referring to the Principal Value of the EIB Loan. Future payments will be as follows:

<i>Date</i>	<i>Principal Amount</i>
15/12/2025	2,293,000

Impairments of Financial Assets

The expected credit losses (ECL) for these financial instruments are calculated considering: the outstanding balance to obtain the Exposure at Default (EAD) and, other parameters observed in the market to obtain the Probability of Default (PD) and the Loss Given Default (LGD).

The PD of the Portuguese State, which is the main client of Via do Infante was used for the ECL calculation.

The maximum credit risk exposure equals the carrying amount disclosed in the balance sheet.

The financial assets are classified as stage 1, thus no significant increase in credit risk has been observed since initial recognition of the exposures. During the year under audit covered by the annual financial report there has been the following movement in the provision balance:

<i>Loss allowance – Loans and advances to customers at amortised cost</i>	Loan Long Term	Loan Short term	Intercompany	Total
<i>Loss allowance as at January 1, 2024</i>	50,671	14,871	153	65,695
<i>Changes in the loss allowance</i>	(31,503)	(1,894)	(92)	(33,489)
<i>Loss allowance as at December 31, 2024</i>	19,168	12,977	61	32,206

	Loan Long Term	Loan Short term	Intercompany	Total
<i>Loss allowance – Loans and advances to customers at amortised cost</i>				
<i>Loss allowance as at January 1, 2023</i>	101,227	22,273	106	123,606
<i>Changes in the loss allowance</i>	(50,556)	(7,402)	47	(57,911)
<i>Loss allowance as at December 31, 2023</i>	<u>50,671</u>	<u>14,871</u>	<u>153</u>	<u>65,695</u>

4 Other Receivable

	2024	2023
<i>Autoestrada do Algarve – Via do Infante – Sociedade Concessionária AAVI S.A.</i>	104,554	173,296
<i>Impairment of financial assets</i>	(61)	(153)
	<u>104,493</u>	<u>173,143</u>

5 Deferred tax asset

	2024	2023
<i>Deferred tax asset</i>	6,119	12,191
	<u>6,119</u>	<u>12,191</u>

Amount due to temporary differences for tax and accounting purposes related to impairment valuation of financial assets.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits shall be available against which deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits shall be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is disposed of based on tax laws and rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited in net equity, in which case the deferred tax is also recognized in net equity.

6 Cash at Banks

	2024	2023
<i>Citibank Amsterdam – current account</i>	767,610	820,283
	<u>767,610</u>	<u>820,283</u>

At December 31, 2024 and December 31, 2023 all cash at Banks are freely available to the Company. In 2024 EUR 23,524 and 2023 EUR 21,819 were received by interest on the current account held with Citibank Amsterdam. Moody's long-term rating for Citibank N.A. is set to Aa3 (high grade), similar than last year.

7 Equity

The authorized share capital of the Company is EUR 90,000 divided into 90.000 shares of EUR 1 each. At balance sheet date a total of 18.000 shares were issued and fully paid.

Currently the Company has three shareholders: DIF Participations 4 Luxembourg S.à r.l., FADOS II B.V., and J. Gomes – Sociedade de Construções do Cávado, S.A..

The shareholder composition as of December 31, 2024 was:

Shareholders	Shares	%
DIF Participations 4 Luxembourg S.à r.l.	8.820	49%
FADOS II B.V.	8.640	48%
J. Gomes-Sociedade de Construções do Cávado, S.A.	540	3%
Total	18.000	100%

Movements in the equity accounts are as follows:

	2023	Changes for the Period	Dividend	2024
<i>Issued and fully paid-up share capital</i>	18,000	-	-	18,000
<i>Retained earnings</i>	722,812	233,334	(250,000)	706,146
<i>Net result for the previous year</i>	233,334	(233,334)	-	-
<i>Net result for the period</i>	-	166,763	-	166,763
<i>Total Equity</i>	<u>974,146</u>	<u>166,763</u>	<u>(250,000)</u>	<u>890,909</u>

	2022	Changes for the Period	Dividend	2023
<i>Issued and fully paid-up share capital</i>	18,000	-	-	18,000
<i>Retained earnings</i>	885,624	187,188	(350,000)	722,812
<i>Net result for the previous year</i>	188,538	(188,538)	-	-
<i>Net result for the period</i>	-	233,334	-	233,334
<i>Total Equity</i>	<u>1,092,162</u>	<u>231,984</u>	<u>(350,000)</u>	<u>974,146</u>

8 Tranches A and B Payable

	2024	2023
Tranche A - Guaranteed 6.40% Bonds		
<i>EUR 126,500,000 from July 2, 2001 until June 15, 2027 at a rate of 6.40%</i>		
Opening balance	50,739,150	60,289,900
Reclassification current liabilities	(19,202,700)	(9,550,750)
Total Nominal Amount	31,536,450	50,739,150
Amortized Cost	(88,977)	146,017
Total non-current Tranche A	31,447,473	50,885,167
Current liabilities Tranche A – Principal	19,202,700	9,550,750
Current liabilities Tranche A – Interest	142,348	168,680
Total current Tranche A	19,345,048	9,719,430
Tranche B - European Investment Bank		
<i>Facility: EUR 130,000,000 from July 2, 2001 until December 15, 2025 at a rate of 6.50%</i>		
Opening balance	2,293,000	8,231,000
Reclassification current liabilities	(2,293,000)	(5,938,000)
Total Nominal Amount	-	2,293,000
Amortized Cost	-	200,815
Total non-current Tranche B	-	2,493,815
Current liabilities Tranche B	2,293,000	5,938,000
Current liabilities Tranche B – Interest	4,675	22,292
Total current Tranche B	2,297,675	5,960,292
 Total non-current	 31,447,473	 53,378,982
 Total current	 21,642,723	 15,679,722

The Company has raised funds through loans and bonds. In relation to these raised funds, Citibank N.A. has been appointed as 'Security Trustee' for the bonds listed on the Luxembourg Stock Exchange (Tranche A). The EIB acts as credit party (Tranche B loan provider). Syncora, a New York based stock insurance company, was released as 'Guarantor' on August 30, 2022.

In consideration for EIB's consent to the cancellation of the EIB financial guaranty, the financial guaranty fee in respect of the EIB financial guaranty payable to EIB pursuant to the Fee Letter (which was assigned by Syncora on 8 November 2011) will continue to be paid notwithstanding the release of the EIB financial guaranty. The company accrued the Guarantee expenses (EIB) mentioned in general and administrative expenses (Note 14).

Tranche A

The EUR 126,500,000 Guaranteed Bonds of Algarve were issued on July 2, 2001. The bonds mature June 15, 2027, and bear annual interest of 6.40% payable in December of each year and capital is repaid over 18 variable instalments. The first instalment took place on December 15, 2006, and the last will take place on June 15, 2027. The loan was obtained to finance the construction of motorway stretches.

The balance movement of the year for the Tranche A was:

Bond (Tranche A)	2024	2023
Opening Balance	60,604,597	68,654,188
Accrued Interest	3,848,803	4,369,269
Interest paid	(3,858,554)	(4,373,459)
Adjustment (*)	(251,575)	-
Principal paid	(9,550,750)	(8,045,400)
Ending balance	50,792,521	60,604,597

Tranche B

The agreement foresees that the funds which were received from a loan due to EIB of EUR 130,000,000 bearing interest at 6.50% p.a. payable in December of each year, may be transferred to Via do Infante. This loan was incurred to finance the construction of road stretches.

Repayment of capital is expected to take place in 15 annual variable amount instalments, with the first one due December 15, 2011, and the last one due December 15, 2025. Interest increased by 0.50% as per December 31, 2009.

The balance movement of the year for the Tranche B was:

Loan (Tranche B)	2024	2023
Opening Balance	8,454,107	15,337,455
Accrued Interest	540,555	973,543
Interest paid	(535,015)	(981,890)
Adjustment (*)	(223,972)	-
Principal paid	(5,938,000)	(6,875,000)
Ending balance	2,297,675	8,454,107

(*) Include amortized cost adjustment.

Loan tranches repayment schedule (nominal value)	Term 1 year	Term 2-5 years	Term > 5 years
<i>Tranche A - Guaranteed 6.40% Bonds</i>	19,202,700	31,536,450	-
<i>Tranche B - European Investment Bank 6.50%</i>	2,293,000	-	-

9 Accounts Payable and Accrued Expenses

	2024	2023
<i>Accrued audit fees</i>	31,350	30,000
<i>Accrued management fees</i>	54,310	35,460
<i>Accounts payable</i>	11,255	19,056
	<u>96,915</u>	<u>84,516</u>

10 Fair Value Financial Instruments

The Bonds issued by Algarve are listed at the Luxembourg Stock Exchange, however there is not an active trading volume for this instrument, therefore it cannot be considered a fair value level 1 instrument.

The company calculates the FV of the bond using the zero-coupon curve, given that this is an internal model where no market observable parameters are being used, this is considered a FV level 3 financial instrument. The FV of the bond as at December 31, 2024 is 117.12% vs 2023: 125.61%.

The Company has therefore performed a fair value analysis on the quoted rate to assess the impact of changes to the bond quote on the fair value.

The fair value of the loans granted to a group company is based on the discounted cash flows of future loan repayments and interest payments, using the implicit effective rate of the fair value of the bond as determined above, due to the terms and conditions being identical, apart from the margin (i.e. the asset less liability). This is considered the best reflection of the impact on equity changes in the fair value of the asset and liability.

Analysis of the bond fair value

The Company has made several calculations with different rates of the bond quote to reflect some alternative fair values in these Annual Accounts. The calculations reflect the impact of a significant decrease or increase of the bond quote.

Bond quotes	Fair value 0.25% margin	Variance to fair value 117.12%
Bond quote of 105.00%	6.15 million	90%
Bond quote of 110.00%	3.61 million	94%
Bond quote of 117.12%	0.00 million	100%
Bond quote of 120.00%	-1.46 million	102%
Bond quote of 125.00%	-4.00 million	107%

11 Interest Income Loans Receivable Tranches A and B

	2024	2023
Tranche A - Loan 6.65% to Via do Infante		
Facility: EUR 126,500,000 from July 2, 2001 until June 15, 2027 at a rate of 6.68%	3,981,917	4,520,364
Movements Amortized cost	19,199	20,503
	<u>4,001,116</u>	<u>4,540,867</u>
	2024	2023
Tranche B - Loan 6.75% to Via do Infante		
Facility: EUR 130,000,000 from July 2, 2001 until December 15, 2025 at a rate of 6.73%	538,892	1,000,319
Movements Amortized Cost	7,130	10,305
	<u>546,022</u>	<u>1,010,624</u>
	2024	2023
Total Interest Income	<u>4,547,138</u>	<u>5,551,491</u>

12 Impairment of financial assets

	2024	2023
Tranche A - Loan 6.65% to Via do Infante	26,775	43,393
Tranche B - Loan 6.75% to Via do Infante	6,621	14,565
Other receivable	93	(47)
	<u>33,489</u>	<u>57,911</u>

13 Interest Expense Loans Payable Tranches A and B

	2024	2023
Tranche A - Guaranteed 6.40% Bonds		
EUR 126,500,000 from July 2, 2001 until June 15, 2027 at a rate of 6.44%	(3,832,221)	(4,350,426)
Movements Amortized Cost	(16,582)	(18,843)
	<u>(3,848,803)</u>	<u>(4,369,269)</u>
Tranche B - European Investment Bank 6.50%		
Facility: EUR 130,000,000 from July 2, 2001 until December 15, 2025 at a rate of 6.49%	(518,933)	(963,270)
Movements Amortized Cost	(21,622)	(10,273)
	<u>(540,555)</u>	<u>(973,543)</u>
	<u>(4,389,358)</u>	<u>(5,342,812)</u>

14 General and Administrative Expenses

	2024	2023
Fees (EIB)	(23,967)	(44,411)
Audit fees	(54,050)	(52,709)
Management fees	(42,857)	(47,280)
Bank fees	(13,811)	(14,168)
General expenses	(109,077)	(25,462)
Legal & Professional fees	(63,290)	(19,852)
	<u>(307,052)</u>	<u>(203,882)</u>

General expenses increase in 2024 due to a tax regularization regarding supplementary VAT returns for 2019 to 2022 calendar years, with a total amount of 75,441 Eur.

There was an increase in Legal & Professional fees regarding the tax regularization and other extraordinary expenses.

These amounts are recharged to Via do Infante (see note 15) with no material impact to the net result of the company.

15 Expenses Invoiced to Via do Infante

	2024	2023
Fees (EIB)	23,967	44,411
Audit fees	52,700	52,185
Management fees	42,857	47,280
Bank fees	16,711	14,168
General expenses	106,253	25,462
Legal & Professional fees	55,292	22,797
	<u>297,780</u>	<u>206,303</u>

Based upon paragraph 7.4 of the July 2, 2001 Loan Agreement between Algarve and Via do Infante all fees, expenses and other amounts in reference to the financing will be on-charged to the borrower of the loan. Under normal market conditions a write-up of these expenses would be more appropriate, this is not the case and therefore this transaction is considered not to be at arm's length. The Company does not have the goal to profit from this related party transaction.

The difference between General and Administrative Expenses (Note 14) and Expenses Invoiced to Via do Infante is due to timing between accrued expenses and invoicing.

Audit fees included in disclosure are based on the current engagement letter.

16 Corporate Income Tax

The Corporate Income Tax is based on the fiscal result. The applicable tax rates to calculate de Corporate Income Tax in 2024 are 19% over the first EUR 200,000 and 25,8% over the surplus.

	2024	2023
Current Income Tax	(32,686)	(46,493)
Deferred Income Tax	(6,363)	(11,003)
Other reconciling items	291	-
Corporate Income Tax	(38,758)	(57,496)

	2024	Rate	2023	Rate
Profit before tax	205,521		290,830	
Tax expense (benefit)	39,049	19.00%	55,258	19.00%
	-			
Step up in tax rate	-	0.00%	2,238	0.77%
Other reconciling items	(291)	-0.14%	-	0.00%
Total tax expense (benefit)	38,758	18.86%	57,496	19.77%

17 Auditor's fee

In accordance with Section 2:382a (1) and (2) of the Dutch Civil Code the audit fee included in the income statement account for the auditors of EY Accountants B.V. is as follows:

	2024	2023
<i>Annual accounts previous year</i>	-	524
<i>Annual accounts current year</i>	31,350	30,000
<i>Interim accounts current year</i>	22,700	22,185
Total Audit Fee	54,050	52,709

18 Post Balance Sheet Events

Going concern

The Managing Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources and activities to continue in business for the foreseeable future, amongst others considering the tenure of the notes issued and the end-date of the (underlying) concession. Furthermore, the Managing Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

The approval of the Law 37/2025 included the abolition of the tolls in Via do Infante (A22) will not affect the availability payments received by the Concessionaire (Via do Infante) from the Portuguese State, as these were not amended by the new law and therefore has not impact in the company's going concern.

No major post balance sheet events affecting the financial statements have occurred to date.

19 Financial risk management

Authorization level

The Managing Directors are bound by clear restrictions regarding representative authorization. All agreements and instruments must be approved and signed by two Managing Directors, unless a power of attorney has been issued in this respect.

Currency Risk

The Company mainly operates in the European Union. The Company has currently no currency risks, almost all of the transactions are in Euros.

Interest Rate Risk

The Company is exposed to interest rate risk on interest bearing receivables (in particular, those included in financial assets, securities and cash) and on interest bearing non-current and current liabilities (including borrowings).

All the payable and receivable interest are indexed to a fixed interest rate, according to Financial Agreements.

The Company does not incur in any interest rate risk because the Financial Assets and Liabilities have fixed interest rate on the Financial Terms Agreement.

Credit Risk

The Company has a significant concentration of credit risk, as the Company depends on the sole performance of Via do Infante, who has only one client, the Portuguese Government.

Via do Infante only has one client, being the Portuguese government who, according to the agreement between the parties, has the commitment of providing Via do Infante with sufficient funds to meet its financial obligations.

With respect to exposures to banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted under current financing agreements.

Liquidity Risk

The Company makes use of only one bank (Citibank) and all the available cash is in current accounts.

The Company does not use several banks in order to avail itself of a range of overdraft facilities. Where necessary, further securities will be furnished to the bank for available overdraft facilities.

The Company and Via do Infante have similar contracts, with equivalent dates and terms, meaning that the collections are matched with the payments resulting in a limited liquidity risk.

In addition, Via do Infante, according to the Financing contracts, has a Debt Service Reserve account with 85% of the amount of debt and interest for the subsequent year of the Contracts consisting of Tranche A- Bond and Tranche B - EIB loan.

Internal Fraud Risk

The Company applies a transaction monitoring procedure on all its incoming and outgoing transactions, to clearly identify the source and/or destination of funds, including identification of the senders and/or beneficiaries. Besides that, the Company has a payment procedure in place, which includes that payment instructions can only be executed by two Managing Directors acting jointly, unless there is a power of attorney in place that allows attorneys to sign. These measures keep this risk low.

External Audit

The accounts of Algarve are audited every six months by an external auditor. These audits take place in accordance with the auditing standards as included in Dutch law. On June 18, 2020 the Management Board of the Company decided to appoint EY Accountants B.V. as the Company's auditors.

Advisory Roles

The external auditor (EY Accountants B.V.) does not act in an advisory capacity as it only provides assurance services relating to the annual accounts. Professional advice is provided by third party experts, such as tax advisors, Dutch notaries and Civil-Law lawyers.

In Control Statement and Responsibility Statement

The Board of Managing Directors is responsible for Algarve's Internal Control and Management Procedures. These internal controls and procedures are designed to manage the risks that may prevent Algarve from achieving its objectives. However, these internal controls and procedures cannot provide absolute assurance that material misstatements, fraud and violations of laws and regulations can be avoided. The Board of Managing Directors reviewed and analysed the financial reporting and regulatory and compliance risks, and the design and operating effectiveness of the Internal Control and Management Procedures.

With reference to best practice provision II.1.5 of the Dutch Corporate Governance Code, the Board of Managing Directors, to the best of its knowledge, believes that the Internal Control and Management Procedures, with regard to financial reporting, worked properly over 2023 and that the Internal Control and Management Procedures provide a reasonable assurance that the financial reporting does not contain any errors of material importance.

20 Directors and Employees

There are no options granted and no assets are available to the members of the Board of Managing Directors. There are no loans outstanding to the members of the Board of Managing Directors and no guarantees given on

behalf of members of the Board of Managing Directors. The Board of Managing Directors did not receive any remuneration from Algarve International B.V. during the year.
The Company has no employees.

21 Related Parties

The related parties' balances and transactions are the ones related to Via do Infante as disclosed in the previous notes. There are no other related parties' balances and transactions.


22 Subsequent events

No subsequent events.


The Managing Directors have signed the Annual Financial Report pursuant to their statutory obligations under Article 394 of Book 2 of the Dutch Civil Code and Article 5:25c(2)(c) Financial Markets Supervision Act.

Amsterdam, May 19, 2025

The Board of Managing Directors,

DocuSigned by:

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R. Barrueco Gonzalez
As: Chairman of the Board of Directors

DocuSigned by:

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R. W. Roumen
As: Director

DocuSigned by:


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M. Stéphanie Lely
As: Director

DocuSigned by:

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M. C. González Agrelo
As: Director

DocuSigned by:

E899DB870D38460...

D. Jong
As: Director

Other information

1. Independent Auditor's Report

Reference is made to the independent auditor's report as included hereinafter.

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