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Ferrovial in 2021



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48	Business Performance
76	Sustainability: between the SDG and ESG
78	People
80	Health, Safety and Wellbeing
82	Innovation
86	Quality
88	Integrity
90	Human Rights
92	The Environment
96	Supply Chain
98	Community
100	Responsible Tax Management
104	Cybersecurity

Ferrovial results January – December 2021

OPERATIONAL RECOVERY ON TRACK:

- **Managed Lanes in the US showed a solid recovery when restrictions were lifted.** NTE, NTE 35W and I-77 traffic performance was in line (NTE) or above (NTE 35W & I-77) vs. 2019 levels. LBJ keeps improving but traffic is still below 2019 levels. Higher toll rates & a higher proportion of heavy vehicles led to even stronger performance in revenues and average revenues per transaction in 2021 in all MLs: I-77 +47%, NTE 35W +16%, NTE +13% & LBJ +5% vs 2020. During 2021, Ferrovial received EUR53mn dividends from NTE & EUR167mn from LBJ after the issuance of USD609mn of senior secured notes (use of proceeds also to refund a portion of TIFIA loan).
- **407 ETR traffic showed a steady recovery with Toronto's mobility restricted throughout 2021.** A higher proportion of heavy vehicles and the higher prices (prices increased in February 2020) have led to a better performance of revenue per trip (+c.4.6% vs. 2020). **407 ETR distributed CAD600mn of dividends in 2021** (EUR164mn for Ferrovial).
- **Heathrow traffic was affected by severe travel restrictions in 2021** (-12.3% vs 2020) although showing a clear improvement with the reopening of the international travel in UK since May 2021, along with the restrictions simplification for international traffic in October and the traffic reopening with the US in November. The CAA approved in April a GBP300mn interim RAB restatement. On Dec. 22nd, the CAA announced an interim holding price cap of £30.19 for 2022, until H7 final decision. CAA's Final Proposals for H7 expected in 2Q 2022.
- **Improved profitability in Construction:** EBIT mg 2.2% vs. 1.7% in 2020, despite inflation impact and material shortages thanks to mitigating measures, with a significant improvement from Budimex (7.3% EBIT mg), incl. EUR15mn of margin from works for the divested Real Estate division (excl. impact: 6.4% EBIT mg vs. 5.8% in 2020). The order book at all time high reached EUR12,216mn.
- **Strong financial situation:** high liquidity levels reaching EUR6,421mn and solid net cash position ex-infrastructure (EUR2,182mn), on the back of good activity cash flow coupled with higher dividends from infra assets.

CORPORATE TRANSACTIONS FOLLOWING HORIZON24:

- **Higher exposure to I-66:** acquisition of an additional 5.704% stake, reaching a 55.704% stake. The transaction implies the recognition of a positive fair value adjustment for Ferrovial of EUR1,117mn.
- **Acquisition of a minority stake (24.86%) of IRB infrastructure developers** (Indian listed company)
- **Services divestment processes substantially completed:** Environmental activity in Spain, Infrastructure Services in Spain (sale completed in January 2022) and oil&gas in USA
- **Sale of non-core Construction assets in 2021** (EUR529mn of divestments), including Budimex Real Estate (EUR330mn post transaction cost), SCC, Recycled Aggregates within Webber (EUR112mn), Figueras (EUR42mn), URBICSA (EUR17mn) and Nalanda (EUR17mn).

REPORTED P&L

(EUR million)	DEC-21	DEC-20
REVENUES	6,778	6,532
EBITDA	596	406
Period depreciation	-259	-233
EBIT (ex disposals & impairments)	337	173
Disposals & impairments	1,139	16
EBIT	1,476	189
FINANCIAL RESULTS	-334	-243
Equity-accounted affiliates	-178	-373
EBT	964	-427
Corporate income tax	10	34
NET PROFIT FROM CONTINUING OPERATIONS	974	-393
NET PROFIT FROM DISCONTINUED OPERATIONS	361	20
CONSOLIDATED NET INCOME	1,335	-373
Minorities	-138	-51
NET INCOME ATTRIBUTED	1,197	-424

CONSOLIDATED EBITDA

(EUR million)	DEC-21	DEC-20	VAR.	LfL
Toll Roads	415	280	48.6%	47.9%
Airports	-26	-22	-16.3%	-16.4%
Construction	245	214	14.2%	16.4%
Others	-38	-66	42.3%	8.5%
Total EBITDA	596	406	46.9%	39.5%

PROPORTIONAL EBITDA

(EUR million)	DEC-21	DEC-20	LfL
Toll Roads	593	463	28.2%
Airports	90	57	57.8%
Construction	245	202	21.1%
Others	-41	-46	11.5%
Total EBITDA	888	676	31.3%

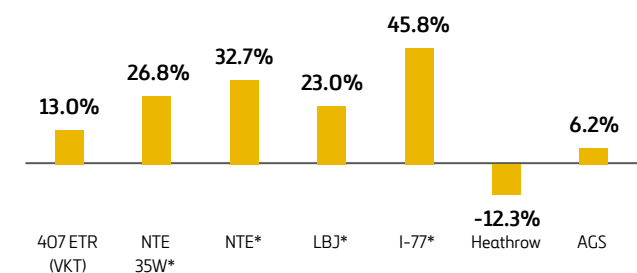
Like-for-like figures

NET CASH POSITION

(EUR million)	DEC-21	DEC-20
NCP ex-infrastructures projects	2,182	1,991
NCP infrastructures projects	-6,633	-4,532
Toll roads	-6,438	-4,277
Others	-195	-255
Total Net Cash / (Debt) Position	-4,451	-2,541

NCP: Net cash position. Includes discontinued operations

TRAFFIC PERFORMANCE vs 2020



*Transactions

COVID-19 IMPACT

In March 2020, the WHO declared COVID-19 as a global pandemic. The numerous restrictions to mobility taken by governments to reduce social contact and mobility have had an impact on Ferrovial's activities for the past two years, although unevenly among the different businesses. In 2021, the advances towards herd immunity on the back of vaccination roll-outs have allowed the various countries in which Ferrovial operates to partially or entirely lift mobility restrictions, while the appearance of new COVID-19 variants led to surges in cases and the return of certain restrictions in some countries. Infrastructure assets were highly impacted where restrictions to mobility, stay-at-home orders and quarantines remained in place. A reduction of these restrictions had a very positive impact on the performance of our main toll roads and some of them recovered or even exceeded pre-pandemic levels. Airports has been the division most heavily impacted from COVID-19 given that restrictions for air travel have been in place in 2021. As for the impact on the contracting activities it has not been material in 2021.

Throughout COVID-19 pandemic, Ferrovial has and continues to undertake, all necessary measures to safeguard the health and safety of its employees and clients as its main priority.

Ferrovial remains focused on keeping a strong financial position and looking for investment opportunities that create value. As of December 2021, liquidity ex-infrastructure level stood at EUR6,421mn, including EUR991mn available liquidity lines. Net cash ex-infra stood at EUR2,182mn (incl. discontinued operations).

Operationally, the COVID-19 pandemic has impacted Ferrovial's activities in 2021, especially on air and road traffic where mobility restrictions remained present:

- **Toll Roads:** traffic was impacted in 2021 by several surges in COVID-19 cases and new variants, but it has been recovering as mobility restrictions were lifted, although at a different pace.
 - **Texas Managed Lanes (MLs):** a steady recovery in traffic was observed since March, due to the ease in mobility restrictions, partially offset by surges in COVID cases during the summer (Delta) and in December (Omicron). Traffic in 2021 was above pre-pandemic levels (2019) in NTE 35W, and NTE's traffic was in line with 2019. LBJ's traffic keeps improving. In 2021, traffic growth in MLs was as follows: NTE +32.7%, LBJ +23.0% and NTE35W +26.8% (vs. 2020).
- In Toronto, **407 ETR** traffic in 2021 was impacted by multiple stay-at-home orders and mobility restrictions but it has shown gradual improvements with the easing of pandemic-related restrictions. In December, the Ontario Province approved additional health & safety measures in response to Omicron variant spread. **In 2021, 407 ETR traffic increased by +13.0% vs. 2020.**
- **Airports:** traffic has been strongly impacted by COVID-19 in 2021 due to border closures, quarantine measures and other mobility restriction regulations:
 - **Heathrow:** passengers fell by -12.3% in 2021. Following the success of the vaccine rollout, Heathrow has seen a steady build in traffic over 2H, as travel restrictions were eased and testing requirements were simplified. Cost reduction initiatives led opex down by -8.3% in 2021 vs 2020, while Heathrow's capex was reduced by 31.5%.

Heathrow received the approval from creditors on its request for a waiver of Heathrow Finance ICR covenant for 2021. Heathrow SP's liquidity of GBP4bn is sufficient to meet all forecast needs until at least February 2023 under the extreme stress-test scenario of no revenue, or well into 2025 under the current traffic forecast

- **AGS** has also seen a strong impact in their traffic levels, however, the outperformance of Aberdeen and Glasgow due to milder restrictions in the last 3 quarters of 2021 resulted in a 6.2% vs 2020.

In June, the Amend & Extend of its debt facility was completed with AGS 's shareholders committing to inject funds in a net amount of GBP70mn into AGS (GBP35mn total Ferrovial share), with an additional GBP30mn commitment (at 100%). As of Dec. 31st, 2021, cash position stood at GBP39mn.

- **Construction and Services:** no material impact in production from COVID-19 in 2021.

The impact on Cash flow of COVID-19 is measured on the reduction in dividends received by main infrastructure assets; mainly Heathrow and 407 ETR. Heathrow did not pay dividends in 2021 (vs. EUR145mn in 2019, pre-COVID) and 407 ETR paid dividends in 2021 of EUR164mn (vs. EUR309mn in 2019, pre-COVID).

CONSOLIDATED RESULTS (SERVICES DISCONTINUED ACT.)

- **Revenues:** reached EUR6,778mn (+5.4% LfL) on higher Construction revenues (+3.1% LfL) and Toll Roads (+36.8% LfL).
- **EBITDA:** EUR596mn (+39.5% LfL) vs EUR406mn in 2020, which was impacted by the -EUR22mn provision related to the corporate restructuring plan.

DIVIDENDS FROM PROJECTS

Total dividends received from projects reached EUR550mn in 2021 (vs EUR458mn in 2020); main distributions:

- **407 ETR:** distributed CAD600mn in 2021 (CAD562.5mn in 2020). Ferrovial received EUR164mn of dividends in 2021.
- **Texas Managed Lanes:** EUR220mn were received by Ferrovial from NTE (EUR53mn) and LBJ (EUR167mn), following the LBJ's issuance of USD609mn of senior secured notes (use of proceeds also to refund a portion of TIFIA loan). The MLs distributed EUR135mn dividends to Ferrovial in 2020, including LBJ's first dividend of USD229mn (EUR109mn FER's share) along with NTE's regular dividend of USD46mn (EUR25mn FER's share).
- **Heathrow:** dividend payments are not permitted until RAR is below 87.5% under the current 2020 waiver conditions. In 2020, HAH distributed GBP100mn (EUR29mn for Ferrovial).
- **Other toll roads:** EUR85mn (EUR45mn in 2020) including EUR73mn related to the compensation received from the Madrid Regional Government in relation to the administrative proceeding involving M-203 legal dispute.
- **Services:** EUR43mn dividends from projects (EUR87mn 2020), including EUR22mn from a maintenance contract in Murcia and EUR10mn from several projects in Amey.

CORPORATE TRANSACTIONS

INVESTMENTS

- **IRB Infrastructure Developers 24.86% stake acquisition.** On December 29th, 2021, Ferrovial, through its subsidiary Cintra, has completed the acquisition of a 24.86% stake in Indian company IRB Infrastructure Developers for EUR369mn. The deal has been completed after a preferential share issue by IRB Infrastructure Developers. IRB is a leading player in the Indian market, where it manages 23 projects and around 2,000 kms of toll road. As a result, Ferrovial is now a significant minority shareholder with representation on the company's Board of Directors. The deal was completed on Dec. 29th following approval by IRB's Shareholders' Meeting and after obtaining the pertinent statutory approvals.

- **I-66 Stake increase.** In September, Ferrovial agreed the acquisition of an additional 5.704% in I-66, increasing its stake to 55.704%. The value of the transaction amounts to EUR162mn, along with EUR36mn as part of its commitment of additional equity injections until the completion of construction corresponding to that 5.704%. The acquisition of control of the concession company implies the recognition of a positive fair value adjustment before deferred taxes for Ferrovial of EUR1,117mn, as the previously acquired 50% stake has to be valued at fair value. Additionally, by taking control of the concession company, the complete project debt is integrated into Ferrovial's consolidated balance sheet, that reaches EUR1,511mn December 31st, 2021.
- **Agreement reached with YDA Group to acquire 60% of Dalaman International Airport (Turkey), after 2021 results closing.** On February 17th, 2022, Ferrovial, through its Airports division, has reached an agreement with Turkish infrastructure company YDA Group to acquire a 60% stake in the company that manages the Dalaman Airport concession for EUR140mn. YDA Group has been operating the asset since 2006 and will retain a 40% stake. The completion of the deal is contingent upon the customary approvals for this type of transaction, which is expected to be completed in 1H 2022. The concession agreement is for the operation of airport until 2042. The airport is located on the Turkish Riviera, the airport handled 5mn passengers in 2019, most of them international. Under the concession agreement, fees per passenger are set and collected in euro, with the result that the bulk of the airport's revenues are in that currency.

DIVESTMENTS

- **Environmental activity in Spain & Portugal sale:** on December 1st, 2021, Ferrovial has completed the sale of its Environmental Services business in Spain and Portugal to PreZero, a Schwarz Group company. The price of the shares sold was EUR1,032mn, following Completion Accounts adjustment. The deal provided a net capital gain of EUR335mn.
- **Timec (Services to Oil & Gas sector in US) sale:** in November, Ferrovial sold Timec to Architect Equity Holdings for USD16mn (EUR14mn).
- **SCC (Southern Crushed Concrete) asset sale:** in June 2021, Ferrovial reached an agreement to sell its recycled aggregates activity at Webber for USD140mn (EUR112mn). The transaction was approved in 3Q 2021, implying a capital gain of EUR13mn.
- **Portuguese toll roads sale:** on Sept. 14th, 2020, Ferrovial reached an agreement, through Cintra, to sell its 49% stake in Norte Litoral and its 48% stake in Via do Infante (Algarve), to DIF Capital Partners, for EUR172mn. As part of the agreement Cintra will hold a management contract for both assets. Ferrovial received EUR100mn from the sale process in 2020. Norte Litoral sale was completed in July 2021 for EUR47mn. There are c.EUR25mn related to Algarve pending of ministry approval to complete the sale.
- **Budimex's real estate business sale:** on Feb. 22nd, 2021, Ferrovial's construction subsidiary in Poland, Budimex, agreed the sale of its real estate business, which was classified as discontinued activity. In June, the sale materialized at the agreed price PLN1,513mn (EUR330mn, post transaction costs), implying a capital gain pre-tax & minorities of EUR131mn.
- **Prisiones Figueras and URBICSA sale:** Ferrovial sold 100% of Prisiones Figueras & 22% of URBICSA to Aberdeen Infrastructure (Holdco) IV B.V for EUR42mn and EUR17mn respectively.
- **Nalanda sale:** Ferrovial sold its 19.86% stake in Nalanda Global (digital platform for documentation management) to PSG for EUR17mn.
- **Divestment of Infrastructure Services business in Spain:** on January 31st, 2022, Ferrovial completed the sale of infrastructure Services business in Spain to Portobello Capital for EUR171mn. This price does not include the earn-outs, valued at EUR50mn, which will be applied after the closing of the transaction based on the fulfillment of certain requirements. This price has been set by reference to the data estimated by Ferrovial from the balance sheet of the group sold at January 31st, 2022, and is subject to review. In addition, Ferrovial retains on its balance sheet the cash generated from December 31st, 2020 and until the closing of the transaction, estimated at EUR60mn. The transaction, excluding earn-outs, is not expected to have a relevant impact on the consolidated accounts of Ferrovial, since the book value of this business is similar to the price above mentioned.

Ferrovial has acquired 24.99% of the share capital of the acquiring entity for a price of EUR17mn.

RESULTS BY DIVISION

Toll roads: revenues increased by +36.8% LfL and EBITDA by +47.9% LfL. EBITDA stood at EUR415mn.

Texas Managed Lanes traffic was impacted by COVID-19 in the beginning of the year, but showed a solid recovery once mobility restrictions were eased in March despite the impact of COVID surges during the summer and in December. In addition, winter storms in February and heavy rainfall during May also took their toll. All in all, NTE & NTE35W traffic performed in line or above pre-pandemic levels, while LBJ kept improving. Our assets reported strong results compared to 2020:

- **NTE:** reported revenues of USD187mn (+50.0%), helped by a higher contribution of heavy vehicles and higher toll rates. EBITDA reached USD164mn (+54.3%). EBITDA margin of 87.4% (vs 85.0% in 2020).
 - **NTE 35W:** reached revenues of USD142mn (+45.3%), also helped by more heavy traffic weight and higher toll rates. EBITDA reached USD119mn (+46.1%) with an EBITDA margin of 83.9% (vs 83.4% in 2020).
 - **LBJ:** posted revenues of USD133mn (+27.3%). EBITDA reached USD102mn (+42.0%) with 77.0% EBITDA mg (69.1% in 2020).
 - **I-77 Managed Lanes** revenues reached USD36mn (+102.1% vs. 2020), above pre-pandemic levels, as a result of increasing congestion in the area despite the surge in COVID-19 cases in the summer. Traffic reached pre-COVID-19 levels back in June. EBITDA stood at USD20mn with 54.9% of EBITDA margin (24.9% in 2020).
 - **407 ETR** revenues reached CAD1,023mn increasing by +12.6% given the steady recovery in traffic volumes when restrictions ease, higher proportion of heavy vehicles and higher toll rates since February 2020. EBITDA reached CAD859mn (+16.1%) with 84.0% EBITDA mg.
- Airports:** Heathrow & AGS accounted through equity consolidation.
- **Heathrow** revenues increased by +3.3% and adjusted EBITDA by +42.2% at Heathrow SP. Since travel restrictions were first lifted, Heathrow experienced a steady build in passenger numbers over the summer.
 - **AGS** revenues increased by +22.5% vs 2020 driven by outperformance in the last three quarters. Adjusted EBITDA increased +66.7% vs 2020.

Construction: revenues were up +3.1% LfL, 83% international. EBIT reached EUR132mn, vs. EUR101mn in 2020. EBIT margin reached 2.2% in 2021. The order book reached EUR12,216mn (+7.4% LfL), at all time high, not including pre-awarded contracts of around EUR560mn.

Services (discontinued operations): net income from Services held in discontinued operations stood at EUR246mn, which mainly includes the impact from the divestments of the Environmental activity in Spain & Portugal (EUR335mn)

SUSTAINABILITY HIGHLIGHTS

Sustainability remains at the core of our strategy. In 2021:

- **Ferrovial acquired a ready-to-build 50MW Photovoltaic Solar Park for self-consumption** in Seville (Spain) from InfraRed. This acquisition will facilitate the process to achieve the target on renewable energy supply included in its Sustainability goals.
- **Heathrow's focus remains to champion the role of sustainable aviation fuel (SAF):** All the flights from British Airways between Glasgow and Heathrow during COP 26 were powered by SAF.
- Ferrovial appointed **2 new Board Directors** (May 2021) Alicia Reyes & Hildegard Wortmann. The Board now counts with 33% of female members, 67% of independent members.
- Ferrovial has been one of the first companies in the world to include **Climate Strategy & GHG emissions reduction plan in its AGM** in 2021, to be voted by its shareholders. Both approved with over 96% votes in favor.
- Ferrovial's **Supplier Code of Ethics** was published in website, with the basic principles to be followed by suppliers in their commercial relationship with Ferrovial.
- **AGS Airports launched its sustainability strategy** with roadmap to achieve net zero for direct emissions by mid-2030s. Strategy is integrated into the United Nations' SDGs focusing on social progress, economic growth and environmental protection as its main pillars.
- During 2021 **Ferrovial has reinforced its positioning in all main sustainability indices:** Dow Jones Sustainability Index (DJSI), FTSE4Good, Carbon Disclosure Project (A for Climate Change, A for Water Security & B for Forests), MSCI (A), VIGEO (Euronext-Vigeo Eurozone 120 & Europe 120), STOXX, ISS ESG Prime, GRESB (A+).
- Ferrovial created a new division, Energy Infrastructure and Mobility business unit. Its main objective will be to explore new sustainable infra related opportunities where Ferrovial can add differential engineering capabilities.



Toll roads

REVENUES **588** **+36.8%**

EBITDA **415** **+47.9%**

407 ETR (43.23%, equity-accounted)

COVID-19

The Ontario Province has declared multiple stay-at-home orders, intermittent lockdowns and re-openings to help contain the spread of the new variants of the COVID-19. Additionally, the Government and employers have continued to recommend working-from-home when possible. The **developments on COVID-19 related restrictions in 2021 for the Province** are:

- **Apr 8:** Ontario Province entered in stay-at-home-order.
- **Jun 2:** stay-at-home order ended, since then, the region entered in a Reopening Plan based on vaccination rates & key public health care indicators. Provincial Gov. announced that remote learning will continue for the remainder of the school year.
- **Jun 11: Step 1**, focused on resuming outdoor activities with smaller crowds (up to 10 people).
- **Jun 30: Step 2**, with 70% of adults with 1st dose and 20% fully vaccinated. Further expands outdoor activities and limited indoor services (non-essential retail to 25% capacity).
- **Jul 16: Step 3** (70-80% with 1st dose and 25% fully) expands access to indoor settings.
- **Dec 19:** additional health & safety measures in response to Omicron variant spread, 50% capacity in indoor settings and social gathering limits to 10 people indoors and 25 outdoors.

In January 2022, the Province announced a timeline for the gradual removal of these restrictions in February and March 2022.

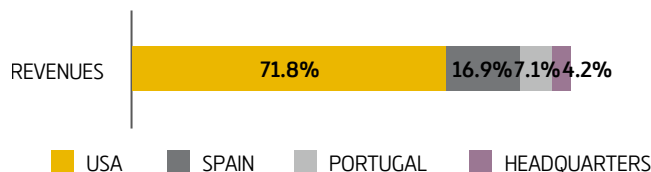
The pandemic-related restrictions and resulting economic contraction continue to have an impact on demand for highway travel in the GTA. 407 ETR maintained strong liquidity with cash & cash equivalents as of December 31st, 2021 at CAD307mn and CAD800mn in undrawn credit facilities.

TRAFFIC

	DEC-21	DEC-20	VAR.
Avg trip length (km)	22.02	21.00	4.8%
Traffic/trips (mn)	77.02	71.47	7.8%
VKTs (mn)	1,696	1,500	13.0%
Avg Revenue per trip (CAD)	13.12	12.55	4.6%

VKT (Vehicle kilometers travelled)

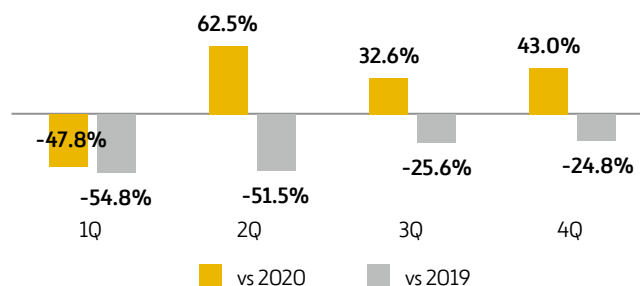
407 ETR experienced significant declines in traffic volumes on the back of COVID-19 impact, with stay-at-home orders and restrictions to mobility in effect for 1H 2021. Since 2Q 2021, traffic levels have been recovering notably as a result of the phased reopening of businesses, outdoor activities and public spaces across the Province. **In 2021, VKTs increased by 13.0% vs 2020**, on the back of Ontario Province moving into its 3rd stage of re-opening with additional restrictions being lifted (July 16th), along with the positive impact from schools reopening for in-person attendance in September. The recovery in any case has been dampened by employers' decision to keep most of their workforce at home and the impact of Omicron variant in December, which forced the



Province of Ontario to introduce additional public health, negatively impacting mobility.

Quarterly traffic performance

The Province declared the first Stay-at-Home order on March 17th, 2020, followed by intermittent lockdowns and re-openings; therefore, quarterly traffic performances in 2021 vs. 2020 are not entirely comparable.



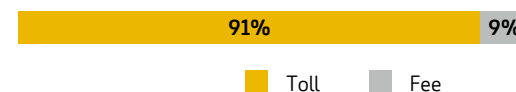
While 407 ETR initially experienced significant declines in traffic since the onset of COVID-19 pandemic, a **gradual improvement in traffic volumes has been observed throughout the year**, even slightly in 4Q when traffic was impacted by new Omicron variant

P&L

(CAD million)	DEC-21	DEC-20	VAR.
Revenues	1,023	909	12.6%
EBITDA	859	740	16.1%
EBITDA margin	84.0%	81.4%	

Results for 100% of 407 ETR

Revenues breakdown



Revenues were up by +12.6% in 2021, reaching CAD1,023mn.

- **Toll revenues (91% of total):** +13.0% to CAD934mn, primarily due to improved traffic volumes compared to 2020, resulting from the relaxation of COVID-19-related restrictions. Average revenue per trip increased +4.6% vs. 2020.
- **Fee revenues (9% of total)** CAD89mn (+8.9%) due to the removal of the temporary suspension of lease fees, late payment charges during 2020, offset by lower volumes of License Plate Denial notification fees that were in place.

OPEX -2.7%, mainly due to lower customer operations costs resulting from a lower provision for lifetime expected credit loss, lower billing costs and lower collections costs.

EBITDA +16.1%, as a result of higher traffic volumes and revenues due the easing of pandemic related restrictions during 2021. EBITDA margin was 84.0% vs 81.4% in 2020.

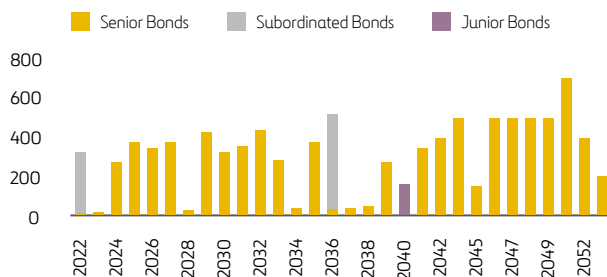
Dividends: 407 ETR distributed CAD600mn in 2021 (CAD562.5mn in 2020). The dividends distributed to Ferrovial were EUR164mn in 2021).

Net debt at end of December: CAD8,724mn (average cost of 4.11%). 54% of debt matures in more than 15 years' time. Upcoming bond maturity dates are CAD319mn in 2022, CAD20mn in 2023 and CAD271mn in 2024.

407 ETR credit rating

- **S&P:** "A" (Senior Debt), "A-" (Junior Debt) & "BBB" (Subordinated Debt), with stable outlook, issued on 8 June 2021.
- **DBRS:** "A" (Senior Debt), "A low" (Junior Debt) & "BBB" (Subordinated Debt), all trends remain negative, issued on 17 June 2021.

407 ETR bond maturity profile



407 ETR Toll Rates

Toll rates have remained unchanged since February 2020, when 407 ETR implemented a new seasonal toll structure to address customer travel patterns and to manage overall traffic flow along 407 ETR, while optimizing its revenues. Given the impact of COVID-19, 407 ETR did not implement the changes included in the seasonal toll rates aside from the February 2020 increase.

Schedule 22

Due to the COVID-19 pandemic and related Province-wide shutdowns and stay-at-home orders, traffic on Highway 407 ETR has been significantly lower and minimum traffic thresholds cannot be achieved as prescribed under Schedule 22.

The COVID-19 pandemic is considered a Force Majeure event under the provisions of the Concession and Ground Lease Agreement, and therefore the 407ETR is not subject to Schedule 22 payments for 2020 and until the end of the Force Majeure event.

The 407ETR and the Province agreed that the Force Majeure event terminates when traffic in 407 ETR and adjacent roads reach pre-pandemic levels (measured as the average of 2017 to 2019), or when there is an increase in toll rates or user charges.

Upon the termination of the Force Majeure event, the 407ETR will be subject to a Schedule 22 payment, if applicable, commencing the subsequent year.



TEXAS MANAGED LANES (USA)

In 2021, traffic in the Texan Managed Lanes (MLs) was impacted by mobility restrictions until March 10th, when Texas fully reopened, along with adverse weather conditions, including winter storms in February (all three concessions were closed for 7 days) and heavy rain during May (which was 60% more than the average of May 2020), and surges in COVID-19 cases during the summer as well as in December (Omicron variant).

Currently, there is no major COVID-19 related policy that directly relates to mobility. As of December 31st, 2021, in Dallas-Fort Worth fully vaccination rate ranges at 55%-66% (accounting for all residents including children).

There has been a sustained recovery since the reopening, with traffic showing slowdowns as COVID-19 cases registered spikes in Texas in August and December, the later due to the Omicron variant. Nevertheless, traffic has shown a solid recovery. NTE 35W traffic was above pre-pandemic levels (2019) in 2021 (+9.0%) while NTE performed in line with 2019 (-0.8%). LBJ kept improving but still below (-23.8% vs. 2019). All MLs posted solid avg. revenue per transaction NTE 35W +15.6%, NTE +13.4% & LBJ +4.6%.

NTE 1-2 (63.0%, globally consolidated)

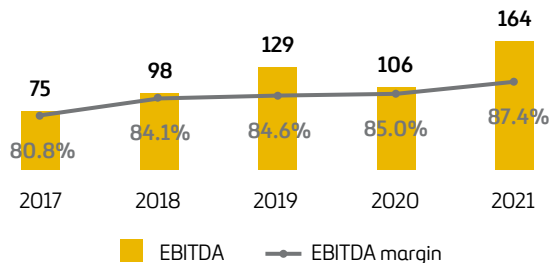
In 2021, traffic increased by +32.7%, already reaching the same traffic levels of 2019 (pre-COVID-19), following a strong recovery since 2Q given the full reopening in Texas since mid-March, partially offset by the severe weather conditions in February and May and the impact of surges in COVID-19 cases during the summer and in December. Since 2Q, NTE registered the same or more monthly mandatory mode events than in February 2020 (pre-COVID-19). Additionally, the midday traffic volumes and PM peaks at NTE are already higher than pre-COVID levels.

	DEC-21	DEC-20	VAR.
Transactions (mn)	33	25	32.7%
Revenues (USD mn)	187	125	50.0%
EBITDA (USD mn)	164	106	54.3%
EBITDA margin	87.4%	85.0%	

The **average toll rate** per transaction reached USD5.6 vs. USD4.9 in 2020 (+13.4%) positively impacted by higher proportion of heavy vehicles (toll multiplier 2x - 5x) and higher toll rates. This led to **Revenues** reaching USD187mn or +50.0% vs. 2020.

EBITDA reached USD164mn (+54.3% vs. 2020). EBITDA margin of 87.4% (85.0% in 2020).

NTE EBITDA EVOLUTION



Dividends: NTE distributed two regular dividends in June and December, for a total of USD100mn (EUR53mn FER's share). In 2020, NTE distributed USD46mn dividend (EUR25mn FER's share).

NTE net debt reached USD1,223mn in December 2021 (USD1,232mn in December 2020), at an average cost of 4.12%.

Credit rating

	PAB	Bonds
Moody's	Baa2	Baa2
FITCH	BBB	BBB

LBJ (54.6%, globally consolidated)

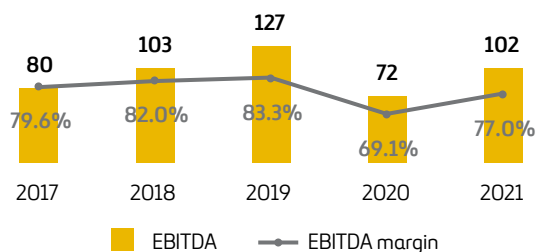
In 2021, traffic increased by +23.0%, on the back of a steady recovery since 2Q given the full reopening in Texas in mid-March, partially offset by the severe weather conditions in February and May, and the impact of surges in COVID-19 cases during the summer and in December.

	DEC-21	DEC-20	VAR.
Transactions (mn)	37	30	23.0%
Revenues (USD mn)	133	104	27.3%
EBITDA (USD mn)	102	72	42.0%
EBITDA margin	77.0%	69.1%	

The **average revenue per transaction** reached USD3.6 in 2021 vs. USD3.4 in 2020 (+4.6%) positively impacted by higher proportion of heavy vehicles (toll multiplier 2x - 5x) and higher toll rates. This, together with higher traffic led to **Revenues** reaching USD133mn (+27.3% vs. 2020).

EBITDA reached USD102mn (+42.0% vs. 2020) with an EBITDA margin of 77.0% (69.1% in 2020).

LBJ EBITDA EVOLUTION



LBJ net debt was USD1,998mn in December 2021 (USD1,660mn in December 2020), at an average cost of 4.03%.

In December 2021, LBJ completed the issuance of USD609mn of 2021 senior secured notes, which proceeds will be used to repay a portion of the project company's outstanding TIFIA loan (USD300.6mn) and fund an equity distribution to the project sponsor (USD300.6mn). The cost of new debt was lowered to 3.797% yield to maturity (vs 4.22% TIFIA coupon) & maturity of overall debt structure ascends to 2057 (vs. 2050 prev). The transaction costs were USD7mn.

Dividends: LBJ distributed USD360mn dividends in 2021 following the issuance of USD609mn secured notes in Dec. 2021 (EUR167mn FER's share vs EUR109mn in 2020). In 2020, LBJ distributed its first dividend (USD229mn) after five years of operation.

Credit rating

	PAB	TIFIA	Bonds
Moody's	Baa2	Baa2	
FITCH	BBB	BBB	BBB

NTE 35W (53.7%, globally consolidated)

In 2021, NTE 35W traffic increased by +26.8% reaching traffic figures above pre-COVID-19 levels given the positive effects of ramp-up and heavy vehicles resilience along with the solid recovery since 2Q given the full reopening in Texas since mid-March, partially offset by the severe weather conditions in February and May and the impact of surges in COVID-19 cases during the summer and in December.

	DEC-21	DEC-20	VAR.
Transactions (mn)	35	28	26.8%
Revenues (USD mn)	142	98	45.3%
EBITDA (USD mn)	119	82	46.1%
EBITDA margin	83.9%	83.4%	

Average revenue per transaction was USD4.0 in 2021, vs. USD3.5 in 2020 (+15.6%), positively impacted by higher proportion of heavy vehicles (toll multiplier 2x - 5x) and higher toll rates. These, together with traffic increase, led to **Revenues** reaching USD142mn (+45.3% vs. 2020).

EBITDA reached USD119mn (+46.1% vs. 2020) with an EBITDA margin of 83.9% (vs 83.4% in 2020).

NTE 35W net debt reached USD1,055mn in December 2021 (USD915mn in December 2020), at an average cost of 4.85%, including NTE 3C.

Credit rating

	PAB	TIFIA
Moody's	Baa3	Baa3
FITCH	BBB-	BBB-

NTE 3C (53.7%, globally consolidated-under construction)

- **Development, design, construction & operation of Seg. 3C**, including the construction of 2 managed lanes in each direction and the reconstruction of existing general-purpose lanes.
- **Flexible Pricing Framework:** freedom to set toll rates under a soft cap & 2x-5x heavy vehicles multiplier (3x avg)
- **Length:** 6.7miles northbound extension of NTE 35W 3A & 3B (operating since 2018)
- **Concession term:** 2061
- **Opening to traffic** expected by end of 2023
- **Operation & Maintenance and toll collection:** exclusive right and obligation to operate, maintain, repair and collect tolls. Tolls collected by North Texas Tollway Authority are in line with tolling agreement with TxDOT. TxDOT assumes collection risk.

I-77 (65.1%, globally consolidated)

North Carolina lifted all restrictions, including the mask mandate in most circumstances, on May 14th. North Carolina experienced in September the highest number of new COVID-19 cases since February however, as the cases subsided in October, traffic returned quickly.

In 2021, traffic increased by +45.8% as the state has been easing mobility restrictions throughout the period. The traffic reached pre-COVID-19 levels by the end of June.

	DEC-21	DEC-20	VAR.
Transactions (mn)	28	20	45.8%
Revenues (USD mn)	36	18	102.1%
EBITDA (USD mn)	20	4	n.s.
EBITDA margin	54.9%	24.9%	

The **average revenue per transaction** was USD1.2 in 2021 vs. USD0.8 in 2020 (+46.5%).

Revenues reached USD36mn (+102.1% vs. 2020) as a result of the traffic returning quickly as COVID-19 trends improved.

EBITDA reached USD20mn with an EBITDA margin of 54.9% (24.9% in 2020).

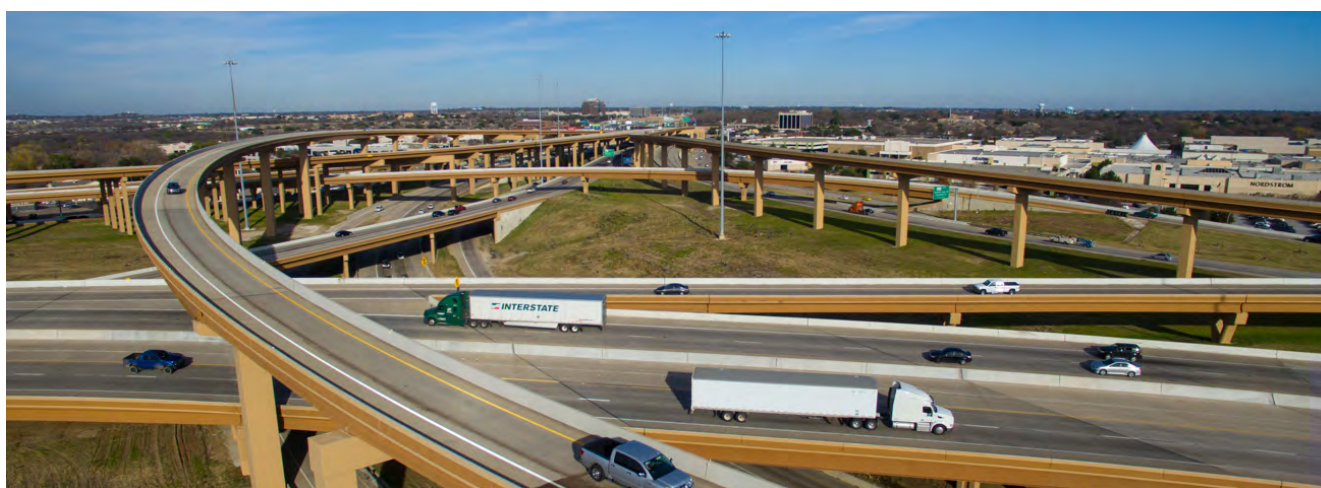
I-77 net debt was USD263mn in December 2021 (USD272mn in December 2020), at an average cost of 3.67%.

Credit rating

	PAB	TIFIA
FITCH	BBB-	BBB-
DBRS	BBB	BBB

I-66 (55.7%, globally consolidated-under construction)

Ferrovial acquired an additional 5.704% in I-66, increasing its stake to 55.704%. The value of the transaction accounts to EUR162mn, along with EUR36mn as part of its commitment of additional equity injections until the completion of construction corresponding to that 5.704%. The acquisition of control of the concession company implies the recognition of a positive fair value adjustment before deferred taxes for Ferrovial of EUR1,117mn, as the previously acquired 50% stake has to be valued at fair value. Additionally, by taking control of the concession company, the complete project debt is integrated into Ferrovial's consolidated balance sheet, that reaches EUR1,511mn as of December 31st, 2021.



IRB

Ferrovial, through its subsidiary Cintra, acquired 24.86% of the shares of the Indian listed company IRB Infrastructure Developers Ltd for EUR369mn. The deal has been completed (On Dec. 29th) after a preferential share issue by IRB Infrastructure Developers, following the approval by IRB's Shareholders' Meeting and after obtaining the pertinent statutory approvals. IRB is a leading player in the Indian market, where it manages 23 projects and around 2,000 kilometers of toll roads. As a result, Ferrovial is now a significant minority shareholder with representation on the company's Board of Directors. Cintra will support the company's development and share its extensive international experience in managing toll roads and analyzing new investment opportunities. IRB will continue to be managed by its majority shareholder, Virendra D. Mhaikar (his family and holding company).

On February 12th, 2022, Fitch Ratings upgraded the International Long-Term Issuer Default Rating on IRB Infrastructure Developers Limited's to 'BB+' from 'BB', and removed the rating from Rating Watch Positive. The Outlook is Stable. The upgrade of the rating on IRB reflects improvement in its financial profile after the equity injection made by Ferrovial and GIC.

OTHER TOLL ROADS

Ferrovial's portfolio includes a number of toll roads which are, mainly, availability projects located in countries with low government bond yields (Spain, Portugal and Ireland) and long duration. Among the availability projects with no traffic risk or equivalent to availability projects held by Ferrovial are: A-66, Algarve (until sale completion), M3, M8 and Toowoomba.

- **Spain:** traffic in 2021 was impacted by the restrictive measures adopted by local governments to face the pandemic. However, since late April, traffic improved as Catalonia and Andalusia lifted their regional lockdowns. Traffic was also positively impacted by the preference for domestic destinations during summer holidays and a strong vaccination rate, resulting in lower COVID-19 cases. Autema's traffic was more impacted than Ausol by the Omicron variant as the Catalan government imposed some mobility restrictions in December. When compared to 2019, pre-pandemic levels, traffic in Autema was -18.1%, while traffic in Ausol I and Ausol II was -17.6% and -20.1%, respectively.
- **Portugal:** on January 15th, 2021, a new lockdown was approved that was in place for the entire 1Q. Since the end of March, mobility restrictions started to ease, with the State of Emergency lifted on April 30th and traffic recovering since then. Since August, traffic recovery was steeper as all the mobility measures were lifted and vaccination pace was extremely fast. In Azores, the regional government has been applying selective lockdowns depending on the virus evolution of each municipality. At the end of December, traffic was impacted by compulsory work-from home imposed by the Government given the expansion of the Omicron variant. In 2021, traffic decreased -15.2% in Algarve and +0.8% in Azores, when compared to 2019.
- **Ireland:** On December 24th, 2020, the government approved the maximum level of restrictions, which was in place for the entire 1Q. During 2Q, there was a steady process of reopening, which translated in improving traffic trends. In November, traffic volumes were close to 2019 levels. In December, traffic was not materially affected by the Omicron variant as major restrictions were not implemented. In 2021, M4 was down -11.3% and -10.5% in M3, when compared to 2019.

ASSETS UNDER DEVELOPMENT

(EUR million)	INVESTED CAPITAL	PENDING COMMITTED CAPITAL	NET DEBT 100%	CINTRA SHARE
Global Consolidation				
Intangible Assets	-517	-425	-2,439	
I-66*	-517	-349	-1,511	55.7%
NTE35W**	0	-76	-928	53.7%
Equity Consolidated				
Financial Assets	-112	-30	-2,032	
Ruta del Cacao	-54	-2	-204	30.0%
Silvertown Tunnel	0	-27	-647	22.5%
OSARs	-28	0	-398	50.0%
Zero ByPass	-30	0	-783	35.0%

*Capital invested & committed includes the acquisition of the additional 5.704% stake (EUR162mn) along with the equity injection corresponding to that stake (EUR36mn).

** Capital invested & committed refers to Seg. 3C. Net debt 100%: includes all 3 seg.

- **NTE35W Segment 3C (Texas, USA):** The project involves the construction of 2 managed lanes in each direction of c.6.7miles. The toll road is expected to open at the end of 2023. The concession will end in 2061. Design and construction works are 52% complete.
- **I-66 (Virginia, USA):** the project includes the construction of 35km on I-66 (between Route 29, close to Gainesville, and Washington DC ring road, I-495, in Fairfax County). The toll road is expected to open by end of 2022, and the concession is for 50 years since commercial agreement closing. Design & construction works are 83% complete as of Dec. 2021.
- **Ruta del Cacao (Colombia):** 152 km, out of which 81 km are new toll road, construction of 16 bridges, 2 viaducts & 2 tunnels with a combined length of 6km. This is a 25-year concession. Design and construction works 86% completed as of Dec. 2021.
- **Silvertown tunnel (London, UK):** an availability payment project with a concession term of 25 years. A 1.4 km twin bore road tunnel which will be built under the River Thames. The works are expected to be completed in 2025. Design and construction works are 52% complete.
- **OSARs (Melbourne, Australia):** an availability payment project with a concession term of 22.5 years, comprising the improvement and maintenance of a road network in Melbourne. OSARs open to traffic in November 2021, but the final acceptance is expected in 2022.
- **Zero ByPass (Bratislava, Slovakia):** 59km highway comprising a 4-6 lane beltway south of Bratislava (D4) and a 4-lane highway (R7) from downtown Bratislava towards the south-east. This is a 30-year concession. Zero ByPass opened to traffic in October 2021, although the Final Occupation Permit is pending and it is expected in 2022.

TENDERS PENDING

Ferrovial keeps focused on the USA as main market, and the Group continues to pay close attention to private initiatives:

- Prequalified in three processes: Major Bridge Replacement (Pennsylvania, US); North Corridor Rail Transit (Florida, US) and I-10 Calcasieu River (Louisiana, US).
- Actively following several projects in other states. These projects have different degrees of development and are expected to come to market in the coming months. Some of them include Managed Lanes schemes.

Apart from the US, Cintra is active in other markets of interest such as UK, Chile, Colombia, Peru and Australia.

Airports

Airports contributed -EUR254mn to Ferrovial's equity accounted result in 2021, vs. -EUR439mn in 2020.

- **HAH:** -EUR238mn in 2021 (-EUR396mn in 2020) due to the impact of COVID-19. In 2021, Ferrovial has not integrated the complete negative result of HAH, following IAS 28, which indicates that if the associate's share of losses equals or exceeds its share, no further losses will be recognized in its shareholding.
- **AGS:** -EUR20mn in 2021 (-EUR51mn in 2020) following IFRS28, as of December 2021, Ferrovial has integrated negative results from AGS due to additional shareholder funds injected in June 2021, on the back of the Amend & Extend of its debt facility.

HEATHROW SP (25%, equity-accounted) – UK

COVID-19 & Heathrow's response

With the recovery of international travel hampered by the Omicron variant in 4Q, Heathrow saw 19.4mn pax travel through the airport in 2021. While Heathrow expects increased demand and further recovery in the sector given recent changes to travel restrictions, in particular in the UK, it recognizes the uncertainties that are evident with the pandemic and the impact this can have on travel policy and consumer confidence. Heathrow has taken steps to protect the business over the previous 2 years and improved the organization's efficiency and resilience. This provides the platform to look forward with confidence as Heathrow prepares for the recovery with sustainability at the center of its plans.

The safety of colleagues and passengers remains the number one priority. Heathrow's commitment to its COVID-19 safe program has been recognized externally by the Airports Council International, the CAA and Skytrax.

Despite Heathrow's operating costs base being c.95% fixed and semi-fixed, the rapid action taken to reduce cost has resulted in **savings of GBP870mn during 2020 and 2021**. Many of these cost savings were temporary, including reduced staffing, consolidation of operations, temporary reductions in pay and bonuses and furlough. In Q4, Heathrow started to increase costs again to meet the increase in demand and prepare for ramp up.

The costs initiatives implemented throughout 2020 drove a **8.3% cost reduction in 2021 vs 2020, and 27.8% vs 2019**. Similarly, the capital plan remains reduced to preserve Heathrow's cash position with **capex reduced by -31.5%** (GBP289mn spent in 2021 vs. GBP422mn in 2020).

Despite a challenging market backdrop, continued confidence and support from its creditors enabled Heathrow to raise GBP1.6bn of debt in 2021. **Heathrow SP continues benefiting from a strong liquidity position of GBP4.0bn**, providing sufficient liquidity to meet all payment obligations well into 2025 under current base case traffic forecast, or until February 2023 in the extreme no revenue scenario.

Traffic

Passenger numbers were down -12.3% in 2021. Traveling was largely closed in 1Q 2021, however in May, the UK Government implemented a traffic light system for international travel, driven by vaccination advances. Over the summer, Heathrow saw a steady build in passengers as more countries were added to the 'green list' and fully vaccinated UK residents could travel more freely. In October, the government moved from the traffic light system to one based on individual vaccination status and in November, flights to the US returned for the first time in 18 months. Later in the month, with the emergence of the Omicron variant, the UK Government reintroduced some travel restrictions.

In terms of **distributions to shareholders:**

- **HAH:** dividends from Heathrow are not permitted until RAR is below 87.5%. Dividends distributed in 1Q 2020 were GBP100mn (EUR29mn for Ferrovial).
- **AGS:** has not paid dividends in 2021. No dividends allowed for the duration of the Amend & Extend.

Million passengers	DEC-21	DEC-20	VAR.
UK	1.8	1.5	21.1%
Europe	8.8	9.8	-10.6%
Intercontinental	8.8	10.8	-18.4%
Total	19.4	22.1	-12.3%

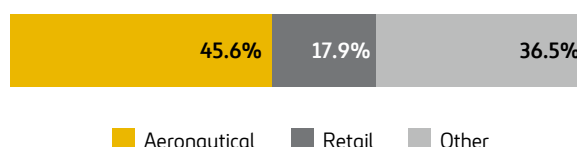
P&L

Revenues	1,214	+3.3%
Adjusted EBITDA	384	+42.2%

Revenues: +3.3% in 2021 to GBP1,214mn.

- **Aeronautical:** -14.4% vs 2020. The decline in aeronautical revenue is predominantly due to reduced pax numbers. Heathrow's maximum allowable yield for 2021 was £19.36 per passenger, an 18% reduction versus 2020.
- **Retail:** -7.3% vs 2020, driven by reduced pax. numbers however there was relative resilience in the last quarter as the relaxation of government restrictions allowed the reopening of all our units across Terminals 2, 3 & 5 to take advantage of improved pax. volumes.
- **Other revenues:** +50.7% vs 2020. Other regulated charges increased by +151.7% predominantly due to revenue under-recovered in prior periods through the Airport Cost Recovery Charge introduced in February 2021 and higher prices for certain Other Regulated Charges (ORCs) such as baggage on the General notice effective from August 2021. Heathrow Express remained flat mainly due to lower passengers offset by a higher yield. Property and other revenue decreased -20.0% showing relative resilience due to agreeing rental payment plans with certain operators.

Contribution to revenues:



Adjusted operating costs (ex-depreciation & amortization and exceptional): -8.3% to GBP830mn (GBP905mn in 2020).

Adjusted EBITDA 42.2% to GBP384mn (GBP270mn in 2020).

HAH net debt: the average cost of Heathrow's external debt was 3.79%, including all the interest-rate, exchange-rate, accretion and inflation hedges in place (2.09% in December 2020).

Heathrow SP reprofiled its swap portfolio and secure interest savings in 2021 while traffic recovers.

Heathrow has deleveraged with inflation due to the fact that impact on RAB (linked to inflation) is higher than the effect on debt linked to inflation with its gearing ratio showing a decrease from 91.7% to 88.4%.

(GBP million)	DEC-21	DEC-20	VAR.
Loan Facility (ADI Finance 2)	875	820	6.7%
Subordinated	2,318	2,313	0.2%
Securitized Group	16,017	16,606	-3.6%
Cash & adjustments	-2,921	-3,949	-26.0%
Total	16,290	15,790	3.2%

The table above relates to FGP Topco, HAH's parent company.

Financial Ratios: At December 31st, 2021, Heathrow SP and Heathrow Finance continue to operate within required financial ratios.

As of December 31st, 2021, a forecasting event and trigger event have occurred and are continuing in relation to the historic ICR for senior and junior debt for the year ended December 31st, 2020. As a result, a distribution lock-up remains in place within Heathrow SP and will have no adverse effect on Heathrow SP's creditors. In August, Heathrow successfully received approval from Heathrow Finance's creditors to waive the Interest Cover Ratio covenant for the financial year ending on December 31st, 2021.

Heathrow has sufficient liquidity to meet all its forecast needs until at least Feb. 2023 under the extreme stress-test scenario of no revenue, or well into 2025 under its traffic forecast. This liquidity position includes GBP2.6bn in cash resources as well as undrawn debt & liquidity at Heathrow Finance plc as at December 31st, 2021.

Regulatory Asset Base (RAB): at December 31st, 2021, the RAB reached GBP17,474mn (GBP16,492mn in December 2020).

Decarbonizing the aviation sector remains a key priority of Heathrow's sustainable growth plan.

In February 2022 Heathrow released an update to its sustainability plan, Heathrow 2.0. The plan sets a clear direction for the company to 2030 and beyond, where it will cut emissions and how it plans to do that. Heathrow outlines how it will work in partnership and influence other where it does not directly control emissions emissions.

In 2021 the entire aviation sector globally, committed to net zero by 2050. This commitment will align with the Paris Agreement goal for global warming not to exceed 1.5°C.

In the next regulatory settlement period Heathrow has included GBP188mn of investment in carbon and sustainability improvements in its business plan, which will allow it to deliver the essential projects up to 2026 that will keep it on track to hit its net zero goals in the air and on the ground by 2030.

Following the first delivery of SAF into Heathrow's main fuel supply in June, a SAF-fuelled 'perfect flight' departed from Heathrow to Glasgow in September and further SAF deliveries took place in partnership between airlines and fuel companies, including during COP26 when all British Airways flights between Heathrow and Scottish airports were fuelled with a blend of SAF.

From 2022, Heathrow's landing charges will include a new financial incentive for airlines to help make SAF more affordable for airlines. The incentive will support 0.5% SAF blend at Heathrow in its first year, climbing steadily in the following years. It will complement a new UK Jet Zero policy the UK Government is planning to introduce.

Through Heathrow's offsetting partner CHOOOSE, it was offered to companies and passengers the chance to buy SAF. Customers can select to offset their flights by paying for SAF which is used on existing scheduled flights. Heathrow is the first airport in the UK to offer passengers this opportunity.

Key regulatory developments

CAA Initial Proposals for H7 – On 19 October 2021, the CAA's published its Initial Proposals for the H7 period, setting out the following draft policy positions for the H7 price control:

- A range of cost and revenue forecasts leading to an upper quartile H7 charge of £34.40 (2020 prices) and a lower quartile estimate of £24.50 (2020p prices)
- Three potential capital expenditure plans ranging from GBP1.6bn to GBP3bn.
- A pre-tax WACC range of between 7.09% and 4.38%
- The continued implementation of the GBP300mn RAB adjustment set out in the CAA's April 2021 decision
- A new traffic risk sharing mechanism and mechanisms to deal with asymmetric risk and cost uncertainty
- Proposals for an ex-ante capital efficiency framework with an incentive of between 20% and 30%
- Movement towards an outcomes-based service quality framework

Heathrow Response and RBP Update 2: Heathrow submitted its response to the CAA's Initial Proposals on 17 December. Alongside the response it also submitted the second update to Heathrow's Dec. 2020 Revised Business Plan (RBP).

In the response and RBP Update 2, Heathrow sets out its responses to the CAA's policy proposals and H7 building block forecasts and provided its updated view of passenger volumes and cost and revenue forecasts for the H7 period. Key updates include:

- An H7 charge of GBP41.95 (2018p) reflecting new forecasts of opex, commercial revenues and a revised passenger forecast of 317.1mn over the H7 period;
- Opportunity to reduce charge to GBP34 if CAA enables deferral of regulatory depreciation beyond H7 by providing a full RAB adjustment;
- A pre-tax WACC of 8.5%;
- A capital plan of GBP4.1bn (2018p), allowing Heathrow to invest in key programmes such as Regulated Security Compliance, the refurbishment of the Terminal 2 baggage system and decarbonization and sustainability;
- A full RAB adjustment of GBP2.5bn to fully implement the CAA's regulatory framework following the impact of COVID-19;
- Proposed changes to the CAA's risk sharing mechanism to ensure it reflects the commercial revenue risk inherent in the single till model

The CAA will continue its H7 process through 2022 with the H7 price control due to be implemented in summer 2022. The next step in the process is the publication of the CAA's Final Proposals, currently due for 2Q 2022.

2022 Airport charges: On 22 Dec., the CAA published its license modifications to set an interim price cap of GBP30.19 (2022, CPI) for 2022. This price cap will be in place until the CAA's final decision on H7 is published. The CAA has stated that it will perform a 'true up' to account for the difference between this interim holding cap and the final H7 decision.

Heathrow Expansion

While Heathrow has paused work to expand the airport during COVID-19, the crisis has shown the pent-up demand from airlines to fly from Heathrow, as well as how critical Heathrow is for the UK's trade routes and the risk to the economy of Britain relying on EU hubs which can close borders overnight. Heathrow will review its plans for expansion over the course of the next year.

Brexit

Following the UK's departure from the EU on January 1st, 2021, flights can continue without disruption between the UK and EU. From a border perspective, the UK's Border Operating Model outlines a phased approach for cargo to limit immediate changes at the UK border. Heathrow is working with the Government to deliver on their objective of 'a world class border for people and goods'. As the UK's biggest port by value and only hub airport, Heathrow has an integral role to play in helping the Government make 'Global Britain' a reality.

Outlook

Despite a slightly slower start to the year given the impact of Omicron, Heathrow maintains its passenger forecast of 45.5mn for 2022. The outlook for the adjusted EBITDA performance in 2022 also remains consistent with the guidance published in the Investor Report update on January 28th, 2022. Heathrow will continue to monitor passenger numbers and provide a further update at its 1Q results in April.

Heathrow does not forecast any covenant breach in 2022 under its current traffic scenario. Given the degree of ongoing uncertainty around traffic recovery, coupled with uncertainty in the final decision from the CAA on passenger pricing for the H7 regulatory period, Heathrow has also considered a severe but plausible downside scenario which models the interim tariff for 2022 and an overall H7 tariff at the lowest end of the range from the CAA's Initial Proposals. Whilst this scenario is considered unlikely, a reduction in passenger numbers of over 8 million under the severe but plausible downside scenario is forecast to result, without further mitigation, in an ICR covenant breach at ADIF2 debt facility in December 2022. This uncertainty indicates the existence of a material uncertainty.



AGS (50%, equity-accounted) – UK

AGS response to COVID-19: AGS Airports continue to be significantly impacted by the unprecedented disruption to air travel following the spread of COVID-19 pandemic in March 2020 and subsequent emergence of new COVID-19 variants in 2021, although these restrictions eased with higher vaccination rates during 2H 2021. Overall, traffic was down by -89% in 1Q 2021 vs. 1Q 2020 while traffic in the last three quarters of 2021 improved by +173% vs. same period in 2020. The main focus of AGS during these times has been to ensure the health and safety of all its employees, business partners and airport passengers. AGS Airports have taken a number of health measures to provide a safe environment at the three airports.

AGS managed its cost base to face the current situation, including:

- Organizational transformation.
- Adoption of the Furlough Scheme until its completion on September 30th, both for employees and outsourced services.
- Rates waiver ratified by Scottish Parliament (Aberdeen & Glasgow).
- Contract renegotiation and volume related savings.
- Removal of all non-essential costs.

Capital expenditure has been deferred or cancelled, except for safety and compliance required investments.

Financial covenants: In June 2021, AGS completed negotiations regarding amending and extending its debt facility with unanimous approval from all lenders. Under the aforementioned agreement, AGS's debt will mature in June 2024.

As part of the A&E, AGS's shareholders committed to inject funds in a net amount of GBP70mn into AGS (GBP35mn total Ferrovial share), with an additional GBP30mn commitment (at 100%). There have been no further injections of the equity commitment in 2021.

Traffic: number of passengers increased by 6.2% (3.5mn passengers) driven by outperformance in Aberdeen and Glasgow, partially offset by underperformance in Southampton resulting from route suspensions and the Flybe collapse in 1Q 2020. Aberdeen traffic has been more resilient to COVID-19 vs other UK airports due to passengers related to Oil & Gas industry.

Million passengers	DEC-21	DEC-20	VAR.
Glasgow	2.1	1.9	6.6%
Aberdeen	1.1	1.0	10.5%
Southampton	0.3	0.3	-11.2%
Total AGS	3.5	3.3	6.2%

Revenues increased by +22.5% to GBP87mn driven by the outperformance in the last three quarters of 2021, particularly higher Commercial income, resulting from the reopening of commercial units to meet passenger demand, and other income, mainly in relation to COVID-19 testing income. **Operating Costs** increased by +5.4% mainly due to COVID-19 testing costs, offset at EBITDA level with the aforementioned Covid testing income, end of Furlough scheme grant in Sep 21, and higher volumes partially offset by opex reduction initiatives implemented. **Adjusted EBITDA** was -GBP6mn (+66.7% vs 2020).

Following the successful A&E process in June, the cash position including Debt Service Reserve Account, amounts to GBP39mn as at December 31st, 2021.

AGS net bank debt stood at GBP716mn at December 31st, 2021.



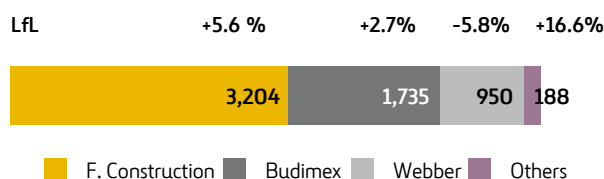
Construction



Revenues +3.1% LfL, mainly on the back of the COVID-19 impact on revenues in 2020 given the stoppages and the slowdown of works. International revenues accounted for 83%, focused on North America (37%) and Poland (29%).

COVID-19 impact has not been material compared to the volume of activity both in revenues and profitability, in line with previous quarters in 2021.

2021 revenues (EUR6,077mn) and change LfL vs 2020:



In 2021, Construction **EBIT** stood at EUR132mn vs. EUR101mn in 2020, absorbing the inflation impact on prices and improving the profitability achieved in 2020, with a significant improvement from Budimex. EBIT mg 2.2% (including EUR13mn capital gain from SCC divestment) vs. 1.7% in 2020 (including EUR50mn of negative impact from COVID-19).

Details by subdivision:

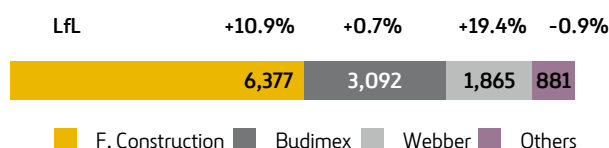
- **Budimex:** Revenues increased by +2.7% LfL due to a different mix in execution contracts, in line with expectations. EBIT margin reached 7.3% in 2021 vs 5.8% in 2020 with EBIT +29.3% LfL, showing a substantial improvement. The extraordinarily high margin includes the emergence of the result in Budimex's consolidated financial statements for internal works between the Construction division and the Real Estate division prior to the sale (EUR15mn). Excluding this extraordinary effect, EBIT would have been EUR112mn, maintaining the strength shown in last quarters (EBIT mg exc. one-off 6.4% vs. 5.8% in 2020). The Real Estate activity was classified as discontinued activity since 1Q 2021, and its contribution is excluded from Budimex results for 2021 and 2020.
- **Webber:** revenues decreased by -5.8% LfL, mainly due to the sale of the aggregate recycling activity along with the progressive withdrawal of the Non-Residential Construction activity, partially offset by the increase in the Civil Works activity as large projects entered into high execution phase, such as the I-10 San Bernard and Loop 12. EBIT margin increased extraordinarily to 3.6% in 2021 vs 2.1% in 2020, broadly due to the sale of the aggregate recycling activity.
- **Ferrovial Construction:** revenues grew by +5.6% LfL due to the impact of COVID-19 in 2020. EBIT stood at -EUR40mn, similar to previous year (-EUR26mn in 2020). In 2021, Ferrovial Construction has been affected by increases in prices of labor force, raw materials and energy prices, each with different impacts and mitigating factors depending on the different markets and clients, as well as by the cost of internal fees of onerous contracts which cannot be provisioned by accounting rules reaching -EUR43mn.

- **Others:** Infrastructure Maintenance Services in USA and Canada will remain within the perimeter of Ferrovial as part of the Construction business following the Services divestment decision. The business recorded EUR12mn of EBIT with 6.2% EBIT mg in 2021.

2021 EBIT & EBIT margin & change LfL vs 2020:

DEC-21	EBIT	LfL	EBIT mg
Budimex	126	29.3 %	7.3%
Webber	34	59.8 %	3.6%
F. Construction	-40	n.s.	-1.2%
Others	12	130.7 %	6.2%
Total EBIT	132	32.1 %	2.2%

2021 Order book & LfL change vs December 2020:



Record high order book reaching EUR12,216mn (7.4% LfL compared to December 2020). The civil works segment remains the largest segment (75%) and continues to adopt highly selective criteria when participating in tenders. The international order book accounts for 86% of the total.

The percentage of the construction order book (excluding Webber, Budimex and others) from projects with Ferrovial reached 19% in 2021 (37% in 2020).

The order book figure at December 2021 does not include pre-awarded contracts or contracts pending commercial or financial agreement, which amount to EUR560mn, mainly from Budimex.

DIVESTMENT OF NON-CORE CONSTRUCTION ASSETS IN 2021

Budimex real estate business: Budimex sold its real estate business (Budimex Nieruchomości), which was classified as discontinued activity since 1Q 2021. In June, the sale materialized at the agreed price PLN1,513mn (EUR330mn, post transaction costs), implying a capital gain pre-tax & minorities of EUR131mn.

Prisiones Figueras and URBICSA: In 2021, Ferrovial completed the sale of 100% of the Group's holding in Concesionaria de Prisiones Figueras & 22% of URBICSA to Aberdeen Infrastructure (Holdco) IV B.V for EUR42mn and EUR17mn respectively.

Nalanda sale: in March 2021, an agreement to sell Ferrovial's 19.86% share of Nalanda Global (digital platform for documentation management) to PSG for EUR17mn.

SCC (Southern Crushed Concrete) asset sale: in June 2021 Ferrovial reached an agreement to sell its recycled aggregates activity at Webber for USD140mn (EUR112mn). The transaction was approved in 3Q 2021, implying a capital gain of EUR13mn.

Services (discontinued operations)

Ferrovial carried out significant advances in the Services divestment process during 2021. Besides the first milestone reached with the sale of Broadspectrum in 2020, in 2021, Ferrovial completed the sale of the environmental activity in Spain & Portugal to PreZero International GmbH (Group Schwarz) for an equity value of EUR1,032mn. The deal provides a capital gain of EUR335mn.

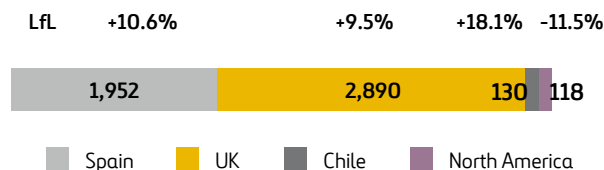
Also during 2021, Ferrovial has closed the sale of its activity related to oil&gas in USA (Timec) to Architech Equity Holdings for EUR16mn. The activity related to infrastructure maintenance services in US is now included in the Construction perimeter.

On January 31st, 2022, Ferrovial completed the sale of infrastructure Services business in Spain to Portobello Capital for EUR171mn. This price does not include the earn-outs, valued at EUR50mn, which will be applied after the closing of the transaction based on the fulfillment of certain requirements set forth in the share purchase agreement. In addition to the price received from the operation, Ferrovial retains on its balance sheet the cash generated from December 31st, 2020 and until the closing of the transaction, which is estimated at EUR60mn. After the closing of the sale, Ferrovial has acquired 24.99% of the share capital of the acquiring entity for EUR17mn.

In line with Ferrovial's commitment to divest Services, the division has been classified as "held for sale" however, in order to provide an analysis of the division, the main figures of the Services results are detailed below, excluding the Environmental Services activity in Spain already sold and excluded from the results.

Revenues	5,090	+9.0%
EBITDA	365	+78.0%

2021 revenues by activity & change LfL vs 2020:



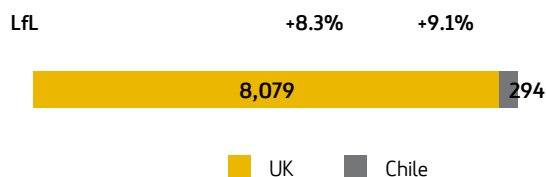
In 2021, revenues increased by +9.0% LfL and EBITDA reached EUR365mn (+78.0% LfL vs 2020).

In 2021, the performance of the activities have not been divested and remain as discontinued activities was as follows:

- **UK:** Revenues increased by +9.5% LfL mainly due to new road contracts in the Transport area and higher activity in Rail and Maintenance with the Ministries of Defense and Justice. Profitability was also positively impacted with EBITDA increasing +116.8% LfL, with an EBITDA margin of 4.5% vs 1.7% in 2020.
- **Chile:** Revenues increased by +18.1% LfL on the back of the the start of new mining maintenance contracts in the last months of 2020. EBITDA increased by +68.5% LfL on the back of higher activity, reaching an EBITDA margin of 9.8% vs. 5.8% in 2020.

The **Services order book** of the activities that remain as discontinued activities reached EUR8,373mn, increasing by +8.3% LfL vs December 2020 (EUR8,293mn).

2021 Order book & LfL change vs December 2020:



DISCONTINUED OPERATIONS

Ferrovial classified all of its services activities as "discontinued operations" as of 31 December 2018. In accordance with IFRS 5, the classification of the Services business activities to discontinued operations continues at the date of this report.

The result from Services discontinued operations stood at EUR246mn, which mainly includes the impact from the divestments of the Environmental activity in Spain & Portugal (EUR335mn).

The Waste Treatment activity in UK has been reclassified as continuing activity in 2021, the comparable information for 2020 has been restated, in accordance with the provisions of IFRS5. Although Ferrovial will continue with its divestment process in the future, it is foreseeable that it will take longer than 12 months since one plant is reaching construction end and others are increasing availability in the following months.

In addition, it has been excluded from the scope of Services sale, the contract for the conservation and operation of the section of the A2 highway (Aravia) which is remunerated as a shadow toll concession, along with EMESA, the maintenance contract of the M-30 road in Madrid, both have been reclassified to continuing operations in the Toll Roads Division, together with the infrastructure maintenance business in US, Siemsa and the Spanish energy efficiency contracts also reclassified as continuing operations in the Construction Division.

Consolidated P&L

(EUR million)	DEC-21	DEC-20
REVENUES	6,778	6,532
EBITDA	596	406
Period depreciation	-259	-233
EBIT (ex disposals & impairments)	337	173
Disposals & impairments	1,139	16
EBIT	1,476	189
Financial Result	-334	-243
Financial Result from infrastructure projects	-307	-207
Financial Result from ex-infrastructure projects	-27	-36
Equity-accounted affiliates	-178	-373
EBT	964	-427
Corporate income tax	10	34
NET PROFIT FROM CONTINUING OPERATIONS	974	-393
NET PROFIT FROM DISCONTINUED OPERATIONS	361	20
CONSOLIDATED NET INCOME	1,335	-373
Minorities	-138	-51
NET INCOME ATTRIBUTED	1,197	-424

Revenues at EUR6,778mn (+5.4% LfL) on the back of higher Construction revenues (+3.1% LfL) and Toll Roads (+36.8% LfL).

EBITDA: EUR596mn (EUR406mn in 2020 which was impacted by -EUR22mn provision related to the corporate restructuring plan).

Depreciation: +11.5% in 2021 (+15.9% LfL) to -EUR259mn.

Impairments and fixed asset disposals: EUR1,139mn in 2021 (EUR16mn in 2020) showing the capital gains from the additional stake acquisition in I-66 (EUR1,117mn) along with the capital gains from the sale of URBICSA and Nalanda.

Financial result: higher financial expenses in 2021 vs 2020.

- **Infrastructure projects:** -EUR307mn expenses (-EUR207mn in 2020) mainly on the back of the negative performance of Autema's ILS derivative given the increase in inflation (mark to market change ILS), partially offset by lower financial cost from LBJ following its refinancing (Sept'20). Autema has a negative carrying value (-EUR84mn).
- **Ex-infrastructure projects:** -EUR27mn of financial expenses 2021 (-EUR36mn in 2020), mainly due to the positive impact of equity swaps linked to share payment plans, partially offset by lower cash remuneration from lower interest rates. The hedges on the equity swaps linked to payment plans led to +EUR14mn in 2021 (-EUR10mn in 2020), due to the positive performance of the share price vs. its negative performance in 2020:

DATE	CLOSING PRICE (€)
31 December 2019	26.97
31 December 2020	22.6
31 December 2021	27.56

Equity-accounted result at net profit level, equity-accounted companies contributed -EUR178mn after tax (-EUR373mn in 2020)

(EUR million)	DEC-21	DEC-20	VAR.
Toll Roads	81	67	19.9%
407 ETR	52	33	58.2%
Others	28	34	-16.9%
Airports	-254	-439	42.1%
HAH	-238	-396	39.9%
AGS	-20	-51	60.3%
Others	4	8	-48.6%
Construction	0	1	-70.4%
Others	-5	-2	-164.3%
Total	-178	-373	52.3%

REVENUES

(EUR million)	DEC-21	DEC-20	VAR.	LfL
Toll Roads	588	439	34.1%	36.8%
Airports	2	1	74.9%	74.9%
Construction	6,077	5,984	1.6%	3.1%
Others	110	108	1.5%	5.8%
Total Revenues	6,778	6,532	3.8%	5.4%

EBITDA

(EUR million)	DEC-21	DEC-20	VAR.	LfL
Toll Roads	415	280	48.6%	47.9%
Airports	-26	-22	-16.3%	-16.4%
Construction	245	214	14.2%	16.4%
Others	-38	-66	42.3%	8.5%
Total EBITDA	596	406	46.9%	39.5%

EBIT*

(EUR million)	DEC-21	DEC-20	VAR.	LfL
Toll Roads	275	171	60.3%	57.8%
Airports	-26	-23	-15.3%	-15.3%
Construction	132	101	31.3%	32.1%
Others	-45	-76	41.6%	-74.5%
Total EBIT	337	173	94.2%	65.7%

*EBIT before impairments and disposals of fixed assets

Tax: the corporate income tax for 2021 was EUR10mn (vs EUR34mn in 2020). There are several impacts to be considered when calculating the effective tax rate; among which the material and/or significant ones are:

- Equity-accounted companies' profit must be excluded, as it is already net of tax (-EUR178mn).
- Fair value of I-66 additional stake acquisition (EUR1,117mn).
- Impact of 95% exemption of capital gains in Spain (EUR39mn).
- Losses and tax credits that, following accounting prudence criteria, do not imply the recognition of the full tax credits for future years (-EUR28mn).

Excluding the aforementioned adjustments in the tax result, and adjusting for the impact from previous years spending and other adjustments (-EUR17mn), the resulting effective corporate income tax rate is 31%.

Net income from continuing operations stood at EUR974mn in 2021 (-EUR393mn in 2020). This result includes a series of impacts, notable among which were:

- Fair value of I-66 additional stake acquisition: EUR1,117mn
- Fair value adjustments for derivatives: -EUR33mn (-EUR125mn in 2020), mainly impacted by the negative evolution of HAH's derivatives.
- Negative impact from Autema ILS derivative due to the increase in inflation rate (-EUR64mn).
- 2020 was impacted by HAH & AGS extraordinary impacts, due to change in UK Income Tax Rate, fixed assets write-off and restructuring plans given COVID-19 impact, and the one-off cost related to the restructuring plan carried out by Ferrovial.

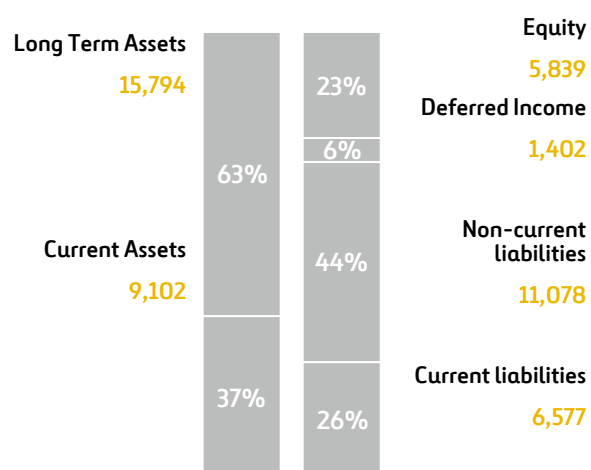
Net income from discontinued operations stood at EUR361mn including the discontinued operations from Services activities (EUR246mn) and Budimex's Real Estate business (EUR115mn).

Consolidated Balance Sheet

(EUR million)	DEC-21	DEC-20
FIXED AND OTHER NON-CURRENT ASSETS	15,794	10,814
Consolidation goodwill	420	220
Intangible assets	126	96
Investments in infrastructure projects	11,185	6,356
Property	0	2
Plant and Equipment	348	341
Right-of-use assets	156	137
Equity-consolidated companies	1,838	1,727
Non-current financial assets	879	856
Long term investments with associated companies	227	163
Restricted Cash and other non-current assets	579	654
Other receivables	73	39
Deferred taxes	549	604
Derivative financial instruments at fair value	293	475
CURRENT ASSETS	9,102	12,277
Assets classified as held for sale	1,761	3,502
Inventories	405	699
Trade & other receivables	1,317	1,367
Trade receivable for sales and services	1,045	1,019
Other receivables	272	348
Taxes assets on current profits	78	111
Other short term financial assets	11	0
Cash and other temporary financial investments	5,515	6,526
Infrastructure project companies	207	148
Restricted Cash	47	33
Other cash and equivalents	160	115
Other companies	5,308	6,378
Derivative financial instruments at fair value	15	72
TOTAL ASSETS	24,896	23,091

(EUR million)	DEC-21	DEC-20
EQUITY	5,839	3,790
Capital & reserves attrib to the Company's equity holders	4,048	3,150
Minority interest	1,791	640
Deferred Income	1,402	1,282
NON-CURRENT LIABILITIES	11,078	9,584
Pension provisions	3	4
Other non current provisions	421	442
Long term lease debts	108	93
Financial borrowings	9,512	8,084
Financial borrowings on infrastructure projects	7,362	5,192
Financial borrowings other companies	2,150	2,892
Other borrowings	69	63
Deferred taxes	670	451
Derivative financial instruments at fair value	295	447
CURRENT LIABILITIES	6,577	8,435
Liabilities classified as held for sale	1,478	2,476
Short term lease debts	51	68
Financial borrowings	1,074	1,678
Financial borrowings on infrastructure projects	47	48
Financial borrowings other companies	1,027	1,630
Derivative financial instruments at fair value	110	52
Trade and other payables	2,793	3,115
Trades and payables	1,535	1,445
Other non commercial liabilities	1,258	1,670
Liabilities from corporate tax	69	94
Trade provisions	1,002	952
TOTAL LIABILITIES & EQUITY	24,896	23,091

CONSOLIDATED BALANCE SHEET



GROSS CONSOLIDATED DEBT*

Gross debt DIC-21	EX-INFRA	INFRA	CONSOLIDATED
Gross debt (EUR mn)	-3,248	-7,463	-10,711
% fixed	91.7%	98.6%	96.5%
% variable	8.3%	1.4%	3.5%
Average rate	1.0%	4.3%	3.3%
Average maturity (years)	3	24	18

*Includes discontinued operations

CONSOLIDATED FINANCIAL POSITION*

(EUR million)	DEC-21	DEC-20
Gross financial debt	-10,711	-10,085
Gross debt ex-infrastructure	-3,248	-4,640
Gross debt infrastructure	-7,463	-5,445
Gross Cash	6,260	7,544
Gross cash ex-infrastructure	5,430	6,631
Gross cash infrastructure	830	913
Total net financial position	-4,451	-2,541
Net cash ex-infrastructure	2,182	1,991
Net debt infrastructure	-6,633	-4,532
Total net financial position	-4,451	-2,541

*Includes discontinued operations

Ex-infrastructure Net Financial Position & Cash Flow (including discontinued operations)

NET CASH POSITION (EUR)

Gross cash	5.4bn
Gross debt	-3.2bn
Net cash position	2.2bn

LIQUIDITY (EUR mn)

Total cash	UNDRAWN LINES
5,430	991
TOTAL LIQUIDITY	6,421

DEBT MATURITIES (EUR mn)

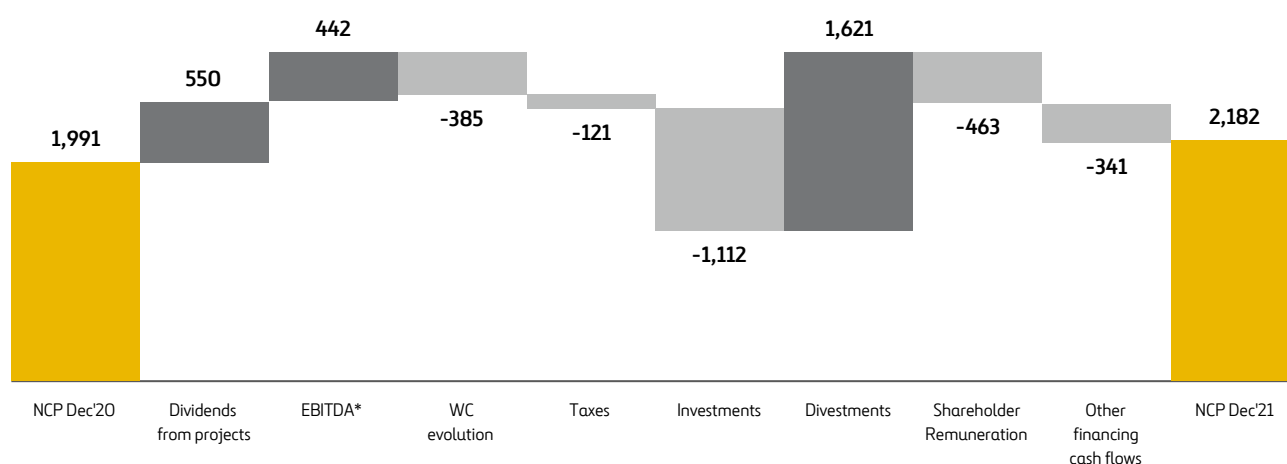
776	5	304	2,140
2022*	2023	2024	> 2025

(*) In 2022, ex-infrastructure debt includes outstanding ECP (Euro Commercial Paper), which at 31 December 2021 had a carrying amount of EUR250mn (-0.47% avg rate)

RATING

Standard & Poor's	BBB / stable
Fitch Ratings	BBB / stable

CASH FLOW COMPONENTS (including discontinued operations)



* EBITDA excludes contribution from projects but it includes EBITDA from Services.

Net cash position (NCP) excluding infra projects: stood at EUR2,182mn in December 2021 vs EUR1,991mn in December 2020. The main drivers of this change were:

- **Project dividends:** EUR550mn vs. EUR458mn in 2020, supported by higher dividend distributions from main toll road assets. Toll Roads dividends reached EUR469mn in 2021 (EUR340mn in 2020), including EUR164mn from 407 ETR, EUR53mn from NTE and EUR167mn from LBJ which includes the extraordinary dividends following the issuance of the senior secured note (USD609mn). Airports distributed EUR3mn from the Doha airport maintenance contract (EUR29mn from Heathrow in 2020). Services dividends were EUR43mn in 2021 (EUR87mn in 2020) including EUR22mn from a maintenance contract in Murcia and EUR10mn from several projects in Amey.
- **EBITDA:** EUR442mn (vs EUR242mn in 2020) which includes EUR318mn from Services.
- **Working capital evolution** stood at -EUR385mn in 2021 (EUR49mn in 2020), including the -EUR83mn application (cash out), as of December 2021, of the non-cash Construction Provision registered in 1Q 2019. Construction working capital stood at -EUR254mn excluding provisions (-EUR80mn in 2020), showing the negative evolution of Budimex working capital on the back of works billed in advance & advance payments return. Services negative working capital (-EUR120mn vs EUR207mn in 2020) was mainly driven by shorter terms of payments to suppliers and 2020 tax payments deferrals derived from COVID-19 measures paid in 2021.
- **Net Investment** reached EUR509mn in 2021 vs EUR215mn in 2020. Investments reached -EUR1,112mn in 2021 (-EUR286mn in 2020), most noteworthy of which were the EUR463mn invested in the I-66 Managed Lanes project, including the equity invested and the acquisition of an additional stake, along with the minority stake acquisition of 24.86% stake in IRB (EUR369mn). Divestments stood at EUR1,621mn in 2021 (EUR501mn in 2020) mostly related to the divestment of the Environmental Services division (EUR1,032mn), the sale of non-core assets in Construction (EUR529mn) including Budimex Real Estate, URBICSA, Figueras, Nalanda and SCC, Recycled Aggregates within Webber, and the sale of Norte Litoral toll road (EUR47mn).
- **Shareholder Remuneration:** -EUR463mn in 2021 above -EUR377mn in 2020, including -EUR31mn from the scrip dividend and -EUR432mn from the treasury share repurchase, consisting of the share buyback program in 2021 and the purchase of discretionary treasury stock approved in October 2021.
- **Other financing cash flows:** includes other cash flow movements, such as forex impact (EUR-5mn) mainly from USD from advanced payments in construction to pay for expenses in such currency and the net cash position held by Budimex Real Estate business (EUR110mn) and Environmental Services activity (EUR140mn) upon sale.

The net cash position at the end of December (EUR2,182mn) includes the net cash from Services (EUR107mn).

Consolidated cash flow

DEC-21	EXINFRASTRUCTURE PROJECTS CASH FLOW	INFRASTRUCTURE PROJECTS CASH FLOW	ADJUSTMENTS	TOTAL CASH FLOW
EBITDA	442	499	0	942
Dividends received	550	-2	-276	272
Construction provision variation	61			61
Working capital variation (account receivables, account payables and others)	-446	5	0	-441
Operating flow (before taxes)	607	503	-276	834
Tax payment	-121	-34	0	-155
Operating Cash Flow	486	469	-276	679
Investments	-1,112	-285	65	-1,331
Divestments	1,621	46	0	1,667
Investment cash flow	509	-239	65	336
Activity cash flow	995	230	-210	1,015
Interest flow	-39	-253	0	-292
Capital flow from Minorities	12	111	-65	57
Ferrovial shareholder remuneration	-463		0	-463
Scrip dividend	-31			-31
Treasury share repurchase	-432			-432
Other shareholder remuneration for subsidiary minorities	-88	-458	276	-270
Other movements in shareholder's funds	-5	5		0
Forex impact	49	-252		-202
Changes in the consolidated perimeter	-256	-1,482		-1,738
Other debt movements (non cash)	-13	-4	0	-17
Financing cash flow	-804	-2,332	210	-2,926
Net debt variation	191	-2,102	0	-1,911
Net debt initial position	1,991	-4,532		-2,541
Net debt final position	2,182	-6,633	0	-4,451

DEC-20	EXINFRASTRUCTURE PROJECTS CASH FLOW	INFRASTRUCTURE PROJECTS CASH FLOW	ADJUSTMENTS	TOTAL CASH FLOW
EBITDA	242	376	0	618
Dividends received	458	0	-159	299
Construction provision variation	49	0	0	49
Working capital variation (account receivables, account payables and others)	0	48	0	48
Operating flow (before taxes)	749	424	-159	1,014
Tax payment	-84	-12	0	-96
Operating Cash Flow	665	412	-159	918
Investments	-286	-150	18	-418
Divestments	501	22	0	523
Investment cash flow	215	-128	18	105
Activity cash flow	880	284	-141	1,023
Interest flow	-21	-229	0	-250
Capital flow from Minorities	19	20	-18	21
Ferrovial shareholder remuneration	-377	0	0	-377
Scrip dividend	-122	0	0	-122
Treasury share repurchase	-256	0	0	-256
Other shareholder remuneration for subsidiary minorities	-26	-266	159	-133
Other movements in shareholder's funds	-27	0	0	-27
Forex impact	-92	296	0	204
Changes in the consolidated perimeter	3	0	0	3
Other debt movements (non cash)	1	-49	0	-48
Financing cash flow	-520	-228	141	-607
Net debt variation	360	56	0	416
Net debt initial position	1,631	-4,588	0	-2,957
Net debt final position	1,991	-4,532	0	-2,541

EX-INFRASTRUCTURE PROJECT CASH FLOW

Activity cash flow*

The ex-infrastructure pre-tax activity cash flow is as follows:

DEC-21	OPERATING CF*	NET INVESTM. CF*	ACTIVITY CF*	DEC-20	OPERATING CF*	NET INVESTM. CF*	ACTIVITY CF*
Toll Roads	469	-817	-347	Toll Roads	340	-23	317
Airports	3	-54	-51	Airports	29	0	29
Construction	44	474	518	Construction	168	45	212
Services	227	973	1,201	Services	402	220	622
Other	-136	-68	-204	Other	-190	-26	-216
Total	607	509	1,116	Total	749	215	964

*Before Corporate Income Tax. Operating cash flow in Toll Roads and Airports refers to dividends.

Operations cash flow

At December 31st, 2021, cash flow from ex-infrastructure project operations totaled EUR607mn (before tax), below EUR749mn in 2020, impacted by lower dividends distribution from Airports affected by COVID-19 impact and lower contracting operating cash flow, partially offset by higher dividends from Toll Roads.

Operating cash flow	DEC-21	DEC-20
Dividends from Toll Roads	469	340
Dividends from Airports	3	29
Construction	44	168
Services	227	402
Other*	-136	-190
Operating flow (before taxes)	607	749
Tax payment	-121	-84
Total	486	665

*The entry Others includes the operations cash flow relating to Corporate Business, Airports and Toll Roads headquarters, Waste Treatment activity in UK, along with the Energy and Mobility businesses.

Breakdown of cash flow from Construction and Services:

Construction	DEC-21	DEC-20
EBITDA	245	214
EBITDA from projects	11	14
EBITDA Ex projects	234	200
Construction provision variation	61	49
US Construction provision application (*)	-83	-98
Other Construction provision variation	144	147
Dividends received	3	0
Working capital variation (account receivables, account payables and others)	-254	-80
Changes in factoring	0	-1
Land purchases	0	0
Working capital	-254	-80
Operating Cash Flow before Taxes	44	168

(*) Related to the provision registered in 1Q 2019 corresponding to three contracts in the US.

Services	DEC-21	DEC-20
EBITDA	378	246
EBITDA from projects	60	61
EBITDA Ex projects	318	185
Dividends received	43	87
Working capital variation (account receivables, account payables and others)	-120	207
Changes in factoring	-1	-64
Pensions payments UK	-11	-13
Operating Cash Flow before Taxes	227	402

The following table shows a breakdown of the Services business:

(EUR million)	SPAIN	UK	INTERNATIONAL	TOTAL
EBITDA ex-infrastructure	173	131	13	318
Dividends received	33	10	0	43
Changes in factoring	0	0	1	1
Pension scheme payments	0	0	0	0
Working capital	6	-103	-37	-134
Op. cash flow ex-Taxes	211	39	-23	227

Breakdown of cash flow from Toll Roads and Airports:

The revenue from Toll Roads operations amounted to EUR469mn in 2021 (EUR340mn in 2020), resulting from dividends and repaid shareholders' funds from companies owning toll road infrastructure projects.

Dividends and Capital reimbursements	DEC-21	DEC-20
407 ETR	164	160
LBJ	167	109
NTE	53	25
M-203	73	0
Irish toll roads	1	0
Portuguese toll roads	4	9
Australian toll roads	1	7
Spanish toll roads	2	4
Others	3	26
Total	469	340

Dividends and capital reimbursements from Airports was EUR3mn in 2021 vs EUR29mn in 2020.

Airports	DEC-21	DEC-20
HAH	0	29
AGS	0	0
Others	3	0
Total	3	29

Investment cash flow

DEC-21	INVESTMENT	DIVESTMENT	INVESTMENT CF
Toll Roads	-864	47	-817
Airports	-54	0	-54
Construction	-55	529	474
Services	-67	1,040	973
Other	-72	5	-68
Total	-1,112	1,621	509

DEC-20	INVESTMENT	DIVESTMENT	INVESTMENT CF
Toll Roads	-125	102	-23
Airports	0	0	0
Construction	-53	98	45
Services	-80	300	220
Other	-28	2	-26
Total	-286	501	215

The **net investment cash flow** in 2021 (EUR509mn) includes:

- **Investments** reached -EUR1,112mn in 2021 (-EUR286mn in 2020), most noteworthy of which were the EUR463mn invested in the I-66 Managed Lanes project, including the equity invested and the acquisition of an additional stake, along with the minority stake acquisition of 24.86% stake in IRB (EUR369mn).
- **Divestments** reached EUR1,621mn in 2021 (EUR501mn in 2020) mostly related to the divestment of the Environmental Services division (EUR1,032mn), the sale of non-core assets in Construction (EUR529mn) including Budimex Real Estate, URBICSA, Figueras, Nalanda and SCC, Recycled Aggregates within Webber, and the sale of Norte Litoral toll road (EUR47mn).

Financing cash flow

Financing cash flow includes:

- **Shareholder remuneration cash flow:** -EUR463mn in 2021, including -EUR31mn from the scrip dividend and -EUR432mn from the treasury share repurchase, consisting of the share buyback program in 2021 and the purchase of discretionary treasury stock approved in October 2021.
- **Net interest payments** reached -EUR39mn in 2021.
- **FX impact** stood at EUR49mn, primarily from the translation of cash balances held in USD.
- **Changes in the consolidated perimeter** (-EUR256mn) included the net cash position held by Budimex Real Estate (EUR110mn) and Environmental Services activity (EUR140mn) upon sale.
- **Other non-cash flow** related movements (-EUR13mn) which included the book debt movements that do not affect cash flow, such as interest that has been accrued and remains unpaid, mainly resulting from interest accrued from corporate bonds.

Net position from discontinued operations

The net cash position from discontinued operations stood at EUR107mn of debt at December 31st, 2021.

INFRASTRUCTURE PROJECT CASH FLOW

Operations cash flow

As regards cash flows for companies that own infrastructure project concessions, these primarily include revenues from those companies that are currently in operation, though they also include VAT refunds and payments corresponding to projects currently in the construction phase.

The following table shows a breakdown of cash flow operations for infrastructure projects.

(EUR million)	DEC-21	DEC-20
Toll roads	387	313
Other	82	99
Operating cash flow	469	412

Investment cash flow

The following table shows a breakdown of the investment cash flows for infrastructure projects, mainly payments made in respect of capital expenditure investments over the year.

(EUR million)	DEC-21	DEC-20
LBJ	-2	-2
NTE	-4	-5
NTE 35W	-193	-101
I-77	0	-20
I-66	-53	0
Portuguese toll roads	-1	-1
Spanish toll roads	0	-1
Others	0	0
Total toll roads	-253	-129
Others	-32	-21
Total projects	-285	-150
Equity Subsidy	46	22
Total investment cash flow (projects)	-239	-128

Financing cash flow

Financing cash flow includes the payment of dividends and the repayment of equity by concession-holding companies to their shareholders, along with the payments for share capital increases received by these companies. In the case of concession holders which are fully integrated within Ferrovial, these amounts represent 100% of the amounts paid out and received by the concession-holding companies, regardless of the percentage share that the Company holds in such concessions. No dividend or Shareholder Funds' repayment is included for equity-accounted companies.

The interest cash flow refers to the interest paid by the concession-holding companies, together with other fees and costs closely related to the acquisition of financing. The cash flow for these items relates to interest costs for the period, along with any other item that represents a direct change in the net debt amount for the period.

(EUR million)	DEC-21	DEC-20
Spanish toll roads	-47	-51
US toll roads	-173	-144
Portuguese toll roads	-13	-14
Other toll roads	0	0
Total toll roads	-233	-209
Other	-20	-20
Total	-253	-229

The financing cash flow also includes the impact that changes in the exchange rate have had on the debt held in foreign currency, which in 2021 was a negative impact of -EUR252mn, primarily as the result of the depreciation of the euro against USD, which has had an impact on the net debt figure for the US toll roads.

Appendix I – Segmented Information

TOLL ROADS – GLOBAL CONSOLIDATION

(EUR million)	TRAFFIC (ADT)			REVENUES			EBITDA			EBITDA MARGIN		NET DEBT 100%	SHARE
Global consolidation	DEC-21	DEC-20	VAR.	DEC-21	DEC-20	VAR.	DEC-21	DEC-20	VAR.	DEC-21	DEC-20	DEC-21	
NTE*	33	25	32.7%	159	109	45.8%	139	93	50.0%	87.4%	84.9 %	-1,075	63.0%
LBJ*	37	30	23.0%	113	91	23.8%	87	63	38.1%	77.0%	69.1 %	-1,757	54.6%
NTE 35W/**	35	28	26.8%	120	85	41.2%	101	71	42.0%	83.9%	83.4 %	-928	53.7%
I-77*	28	20	45.8%	31	16	96.5%	17	4	n.s.	54.9%	24.9 %	-231	65.1%
TOTAL USA				423	301	40.5%	343	230	49.1%			-3,991	
Autema	15,390	12,671	21.5%	60	51	18.3%	53	43	21.7%	87.5%	85.1 %	-621	76.3%
Aravia***	32,353	26,750	20.9%	39	34	13.1%	33	28	15.3%	84.3%	82.7 %	-48	60.0%
TOTAL SPAIN				99	85	16.2%	86	72	19.1%			-669	
Azores	10,361	8,815	17.5%	28	24	17.1%	25	21	20.4%	87.0%	84.6 %	-273	89.2%
Via Livre				13	13	3.9%	2	2	2.5%	17.4%	17.6 %	5	84.0%
TOTAL PORTUGAL				42	37	12.6%	27	23	18.7%			-268	
TOTAL HEADQUARTERS				25	16	59.9%	-41	-45	10.2%				
TOTAL TOLL ROADS				588	439	34.1%	415	280	48.6%	70.6%	63.7 %	-4,928	

* Traffic in millions of transactions. ** NTE 35W includes contribution from NTE3C (under construction). Net debt 100%: includes all 3 segments. ***ARAVIA, the contract for the conservation and operation of the section of the A2 highway, has been excluded from the scope of Services sale. In 2021, it has been reclassified to continuing operations in Toll Roads.

TOLL ROADS – EQUITY-ACCOUNTED

(EUR million)	TRAFFIC (ADT)			REVENUES			EBITDA			EBITDA MARGIN		NET DEBT 100%	SHARE
Equity accounted	DEC-21	DEC-20	VAR.	DEC-21	DEC-20	VAR.	DEC-21	DEC-20	VAR.	DEC-21	DEC-20	DEC-21	
407 ETR (VKT mn)	1,696	1,500	13.0%	692	591	17.1%	581	481	20.7%	84.0%	81.4%	-6,070	43.2%
M4	29,951	25,214	18.8%	27	22	19.0%	15	13	10.3%	55.1%	59.5%	-57	20.0%
M3	35,701	31,927	11.8%	18	20	-7.1%	12	12	-6.4%	63.0%	62.6%	-63	20.0%
A-66 Benavente Zamora				23	25	-5.0%	21	22	-5.0%	88.4%	88.3%	-153	25.0%
Serrano Park				6	4	38.7%	3	-1	n.s.	48.6%	-22.8%	-32	50.0%
EMESA*				153	157	-2.9%	83	94	-11.8%	54.5%	60.0%	-47	50.0%
Algarve	13,101	10,893	20.3%	31	33	-4.6%	27	28	-4.7%	86.0%	86.1%	-71	20.0%
Norte Litoral**	23,833	21,741	9.6%	21	38	-45.7%	18	33	-44.9%	87.4%	86.2%	-87	20.0%
Toowoomba				26	25	4.8%	6	5	11.9%	23.1%	21.6%	-232	40.0%
OSARs***				42	35	19.6%	11	6	82.7%	25.2%	16.5%	-398	50.0%
Zero ByPass (Bratislava)***				51	31	65.2%	44	26	73.8%	87.3%	83.0%	-783	35.0%

* EMESA, the maintenance contract of the M-30 road in Madrid, has been excluded from the scope of Services sale. In 2021, it has been reclassified to continuing operations in Toll Roads.

**Norte Litoral sale was completed in July 2021. Traffic up to September 2021. P&L 2021 until July and P&L 2020 up to September.

***OSARs and Zero ByPass opened to traffic in 2021, although the project were not 100% completed. OSARs open to traffic in November 2021, but the final acceptance is expected in 2022. Zero ByPass opened to traffic in October 2021, although the Final Occupation Permit is pending and it is expected in 2022.



MAIN TOLL ROADS (P&L)**407 ETR**

(CAD million)	DEC-21	DEC-20	VAR.
Revenues	1,023	909	12.6%
EBITDA	859	740	16.1%
EBITDA margin	84.0%	81.4%	
EBIT	757	642	17.8%
EBIT margin	74.0%	70.7%	
Financial results	-465	-441	-5.5%
EBT	291	201	44.8%
Corporate income tax	-79	-53	-47.9%
Net Income	212	148	43.6%
Contribution to Ferrovial equity accounted result (EURmn)	52	33	58.2%

LBJ

(USD million)	DEC-21	DEC-20	VAR.
Revenues	133	104	27.3%
EBITDA	102	72	42.0%
EBITDA margin	77.0%	69.1%	
EBIT	76	48	56.9%
EBIT margin	57.0%	46.2%	
Financial results	-80	-98	18.4%
Net Income	-5	-50	90.5%
Contribution to Ferrovial*	-2	-24	90.5%

*Globally consolidated asset, contribution to net profit (EURmn). 54.6% stake

NTE

(USD million)	DEC-21	DEC-20	VAR.
Revenues	187	125	50.0%
EBITDA	164	106	54.3%
EBITDA margin	87.4%	85.0%	
EBIT	129	87	48.7%
EBIT margin	69.0%	69.7%	
Financial results	-51	-51	-0.4%
Net Income	78	36	113.9%
Contribution to Ferrovial*	42	20	108.0%

*Globally consolidated asset, contribution to net profit (EURmn). 62.97% stake.

NTE 35W

(USD million)	DEC-21	DEC-20	VAR.
Revenues	142	98	45.3%
EBITDA	119	82	46.1%
EBITDA margin	83.9%	83.4%	
EBIT	95	62	52.4%
EBIT margin	66.5%	63.4%	
Financial results	-43	-41	-5.0%
Net Income	51	21	145.2%
Contribution to Ferrovial*	23	10	138.2%

*Globally consolidated asset, contribution to net profit (EURmn). 53.67% stake.

I-77

(USD million)	DEC-21	DEC-20	VAR.
Revenues	36	18	102.1%
EBITDA	20	4	n.s.
EBITDA margin	54.9 %	24.9%	
EBIT	13	1	n.s.
EBIT margin	37.0 %	3.6%	
Financial results	-12	-11	-3.2%
Net Income	2	-10	118.5%
Contribution to Ferrovial*	1	-5	122.9%

*Globally consolidated asset, contribution to net profit (EURmn). 65.10% stake



AIRPORTS (P&L)

Heathrow SP & HAH

(GBP million)	Revenues			EBITDA			EBITDA margin		
	DEC-21	DEC-20	VAR.	DEC-21	DEC-20	VAR.	DEC-21	DEC-20	VAR. (bps)
Heathrow SP	1,214	1,175	3.3%	384	270	42.2%	31.6%	23.0%	863
Exceptionals & adjs	0	0	50.8%	-27	-182	85.1%	-101.7%	n.a.	n.a.
Total HAH	1,214	1,175	3.3%	357	89	303.2%	29.4%	7.5%	2,186

HAH

(GBP million)	DEC-21	DEC-20	VAR.	LfL
Revenues	1,214	1,175	3.3%	3.3%
EBITDA	357	89	n.s.	42.0%
EBITDA margin	29.4%	7.5%		
Depreciation & impairments	-828	-848	-2.3%	2.3%
EBIT	-472	-759	37.9%	23.3%
EBIT margin	-38.8%	-64.6%		
Financial results	-1,509	-855	-76.6%	-29.4%
EBT	-1,981	-1,614	-22.7%	-4.7%
Corporate income tax	319	206	54.9%	n.s.
Net income	-1,662	-1,408	-18.0%	n.s.
Contribution to Ferrovial equity accounted result (EUR mn)	-238	-396	39.9%	n.s.

AGS

(GBP million)	DEC-21	DEC-20	VAR.
Total Revenues AGS	87	71	22.5%
Glasgow	45	34	33.3%
Aberdeen	32	28	13.7%
Southampton	9	9	8.3%
Total EBITDA AGS	-6	-25	76.2%
Glasgow	-2	-16	84.6%
Aberdeen	3	0	n.s.
Southampton	-6	-9	25.6%
Total EBITDA margin	-6.8%	-34.9%	
Glasgow	-5.4%	-46.7%	
Aberdeen	9.5%	-0.4%	
Southampton	-69.7%	-101.4%	



CONSTRUCTION

CONSTRUCTION	DEC-21	DEC-20	VAR.	LfL
Revenues	6,077	5,984	1.6%	3.1%
EBITDA	245	214	14.6%	16.4%
EBITDA margin	4.0%	3.6%		
EBIT	132	101	31.3%	32.1%
EBIT margin	2.2%	1.7%		
Order book	12,216	11,276	8.3%	7.4%

BUDIMEX	DEC-21	DEC-20	VAR.	LfL
Revenues	1,735	1,726	0.5%	2.7%
Construction	1,598	1,689	-5.4%	-3.3%
FB Serwis	171	136	25.2%	27.9%
Others	-34	-99		
EBITDA	158	130	21.8%	24.7%
EBITDA margin	9.1 %	7.5 %		
EBIT	126	100	26.3%	29.3%
Construction	95	87	9.1%	11.5%
FB Serwis	18	17	6.6%	8.9%
Others	13	-4		
EBIT margin	7.3 %	5.8 %		
Order book	3,092	3,083	0.3%	0.7%

WEBBER	DEC-21	DEC-20	VAR.	LfL
Revenues	950	1,038	-8.5%	-5.8%
EBITDA	58	49	17.1%	20.9%
EBITDA margin	6.1 %	4.8 %		
EBIT	34	22	54.1%	59.8%
EBIT margin	3.6 %	2.1 %		
Order book	1,865	1,486	25.5%	16.7%

F. CONSTRUCTION	DEC-21	DEC-20	VAR.	LfL
Revenues	3,204	3,053	5.0%	5.6%
EBITDA	2	14	-83.8%	n.s.
EBITDA margin	0.1 %	0.5%		
EBIT	-40	-26	-49.6%	n.s.
EBIT margin	-1.2 %	-0.9%		
Order book	6,377	5,561	14.7%	10.9%

OTHERS	DEC-21	DEC-20	VAR.	LfL
Revenues	188	166	13.4%	16.6%
EBITDA	26	20	35.3%	39.2%
EBITDA margin	14.1%	11.8%		
EBIT	12	5	124.2%	130.7%
EBIT margin	6.2%	3.1%		
Order book	881	1,146	-23.1%	-0.9%

EBIT before impairments and disposals of fixed assets

Others include the Infrastructure Maintenance Services in USA and Canada

SERVICES

SERVICES*	DEC-21	DEC-20	VAR.	LfL
Revenues	5,090	4,681	8.7%	9.0%
EBITDA	365	217	67.9%	78.0%
EBITDA margin	7.2 %	4.6 %		
Order book	8,373	8,293	1.0%	8.3%

UK	DEC-21	DEC-20	VAR.	LfL
Revenues	2,890	2,547	13.5%	9.5%
EBITDA	131	44	198.9%	116.8%
EBITDA margin	4.5%	1.7%		
Order book	8,079	7,993	1.1%	8.3%

CHILE	DEC-21	DEC-20	VAR.	LfL
REVENUES	130	110	18.8%	18.1%
EBITDA	13	6	102.9%	68.5%
EBITDA margin	9.8%	5.8%		
Order book	294	300	-2.2%	9.1%

SPAIN	DEC-21	DEC-20	VAR.	LfL
Revenues	1,952	1,881	3.7%	10.6%
EBITDA	221	172	28.1%	48.4%
EBITDA margin	11.3%	9.1%		

North America	DEC-21	DEC-20	VAR.	LfL
Revenues	118	143	-17.4%	-11.5%
EBITDA	0	-5	106.9%	117.8%
EBITDA margin	0.3%	-3.5%		

*Excluding Broadspectrum activity, following its sale in 2020 and the Environmental Services activity in Spain. The order book shows the figures for UK and Chile, the discontinued activities that have not been divested.

Appendix II – Exchange rate movements

Exchange rates expressed in units of currency per Euro, with negative variations representing euro depreciation and positive variations euro appreciation.

	EXCHANGE RATE LAST (BALANCE SHEET)	CHANGE 2021/2020	EXCHANGE RATE MEAN (P&L)	CHANGE 2021/2020
GBP	0.8413	-6.1%	0.8586	-3.4%
US Dollar	1.1370	-7.0%	1.1796	2.9%
Canadian Dollar	1.4373	-7.9%	1.4790	-3.8%
Polish Zloty	4.5869	0.4%	4.5656	-4.9%
Australian Dollar	1.5647	-1.5%	1.5785	2.2%

Appendix III – Events after 2021 results closing

Sale completion of the infrastructure operation and maintenance business in Spain of Ferrovial (February 2nd, 2022)

After the fulfillment of the conditions precedent to which the transaction was subject, the parties have completed the sale.

The price of the shares sold received by Ferrovial amounts to EUR171mn. This price does not include the earn-outs, valued at EUR50mn, which will be applied after the closing of the transaction based on the fulfillment of certain requirements set forth in the share purchase agreement. This price has been set by reference to the data estimated by Ferrovial from the balance sheet of the group sold at 31 January 2022, and is subject to review in the usual manner for transactions of this type. In addition, Ferrovial retains on its balance sheet the cash generated from 31 December 2020 and until the closing of the transaction, which is estimated at EUR60mn.

The transaction, excluding the earn-outs, is not expected to have a relevant impact on the consolidated accounts of Ferrovial, since the book value of this business is similar to the price above mentioned.

As provided for in the share purchase agreement, a subsidiary of Ferrovial has acquired 24.99% of the share capital of the acquiring entity for a price of EUR17mn.

Ferrovial reaches an agreement with YDA Group to acquire 60% of Dalaman International Airport in Turkey (February 17th, 2022)

Ferrovial, through its Airports division, has reached an agreement with Turkish infrastructure company YDA Group to acquire a 60% stake in the company that manages the Dalaman Airport concession for EUR140mn. YDA Group, which has been operating the asset since 2006 and will retain a 40% stake, has undertaken major upgrades to the facilities. Completion of the deal is contingent upon the customary approvals for this type of transaction, including clearance from the Turkish authorities. It is expected to be completed in the first half of 2022.

YDA Group was awarded a 26-year concession to operate the airport in 2014, and that was subsequently extended to 2042. The concession agreement included the construction of a new international terminal that came into service in 2018. The airport is located on the Turkish Riviera, the airport handled 5mn passengers in 2019, most of them international. Under the concession agreement, fees per passenger are set and collected in euro, with the result that the bulk of the airport's revenues are in that currency.

Ferrovial and Carlyle have reached an exclusivity agreement to negotiate the transfer to Ferrovial of the 96% of the stake held by Carlyle in the consortium appointed to design, build and operate the new Terminal 1 at Airport JFK in New York (February 18th, 2022)

Ferrovial and Carlyle have reached an exclusivity agreement to negotiate the transfer to Ferrovial of the 96% of the stake held by Carlyle in New Terminal One, the consortium appointed to design, build and operate the new Terminal 1 at International Airport JFK in New York (which includes de former Terminals 1, 2 and 3 of this airport and possible extensions). Carlyle holds a 51% stake in New Terminal One. If an agreement is reached on the transaction, Ferrovial would therefore acquire a 96% of said stake. The closing of the deal would be subject to the usual conditions for this type of transactions, including the approval of Port Authority of New York and New Jersey.



Appendix IV – Shareholder remuneration

SCRIP DIVIDEND

The company held its AGM on 9th April 2021. The AGM approved two capital increases, by means of the issuance of new ordinary shares, with no issue premium, of the same class and series as those at present in circulation, charged to reserves.

These increases form part of the shareholder remuneration system known as the “Ferrovial Scrip Dividend”, which the company introduced in 2014. The purpose of the program is to offer Ferrovia's shareholders the option, at their choice, of receiving free new shares in Ferrovia, though without altering cash payments to its shareholders, as they can alternatively opt to receive a cash payment by means of selling the free rights received against the shares they already own to Ferrovia (or selling them in the market).

Scrip Dividend details	JUN-21	NOV-21
Guaranteed set price to purchase rights	0.197	0.305
Rights per share	120	87
% shareholders chose shares as dividends	91.95 %	91.22 %
% shareholders chose cash as dividends	8.05 %	8.78 %
Number of new shares issued	5,615,714	7,743,557
Number of rights purchase	59,016,522	64,828,548

SHARE BUY-BACK AND AMORTIZATION OF SHARES

On February 25th, 2021, the Board of Directors of Ferrovia resolved to implement a buy-back program of the company's own shares, in accordance with the authorization granted by the AGM held on April 5th, 2017, under item ten of its agenda.

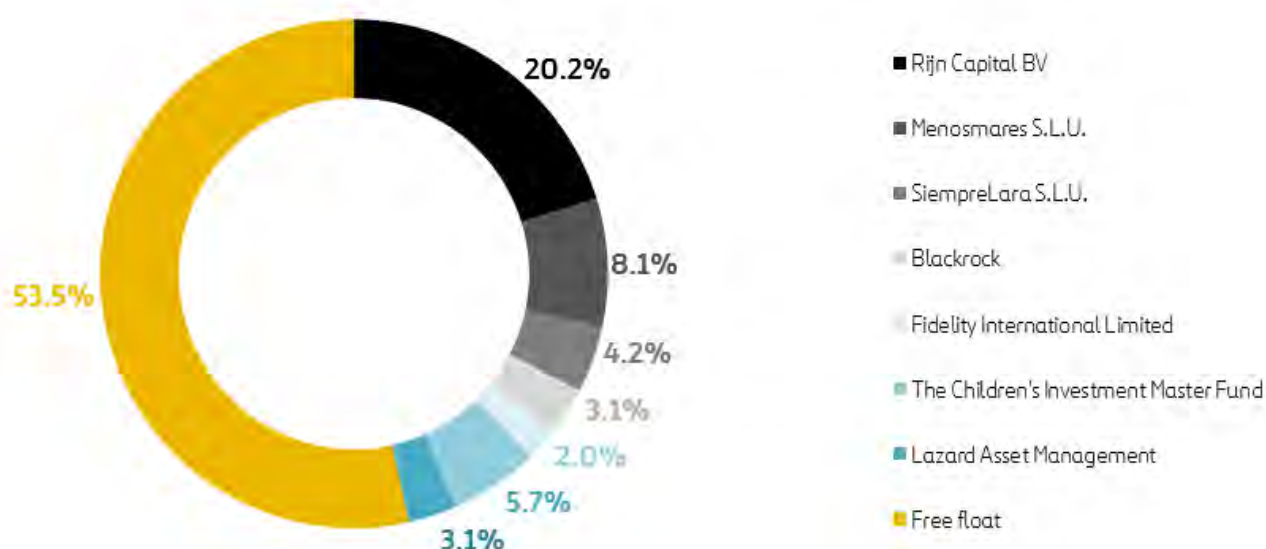
Under this Buy-back Programme that ended on November 26th, 2021, Ferrovia acquired 12,659,166 of own shares, a 1.70% of Ferrovia's current share capital, without exceeding the limit of EUR320mn or 22 million shares. The share capital was subsequently reduced by EUR 2,531,833.20 by means of the cancellation of 12,659,166 company shares held in the company's treasury shares, by the General Shareholders' Meeting of Ferrovia held on April 9th, 2021, to reduce the company's share capital.

On October 26th, 2021, the Board approved the terms of a discretionary stock purchase that has enabled EUR111mn of share buyback before year end.

Ferrovia's share capital figure as of December 31st, 2021, was EUR146,720,496.20 all fully subscribed and paid up. The share capital comprises 733,602,481 ordinary shares of one single class, each with a par value of twenty-euro cents (EURO.20). The company's treasury stock amounted to 5,072,018 shares as of December 31st, 2021.

Appendix V – Shareholder Structure

SHAREHOLDER STRUCTURE (CNMV) 31 DECEMBER 2021



Appendix VI – Additional Information

SHARE BUY-BACK TRANSACTIONS

TRANSACTION PERFORMED/OBJECTIVE	NUMBER OF SHARES ACQUIRED	NUMBER OF SHARES USED FOR OBJECTIVE	TOTAL NUMBER OF SHARES
Balance 31/12/2020			634,034
Capital reduction	16,990,379	-12,659,166	4,331,213
Compensation systems	345,000	-371,702	-26,702
Shares received as payment for the scrip dividend	133,473	0	133,473
Balance 31/12/2021			5,072,018

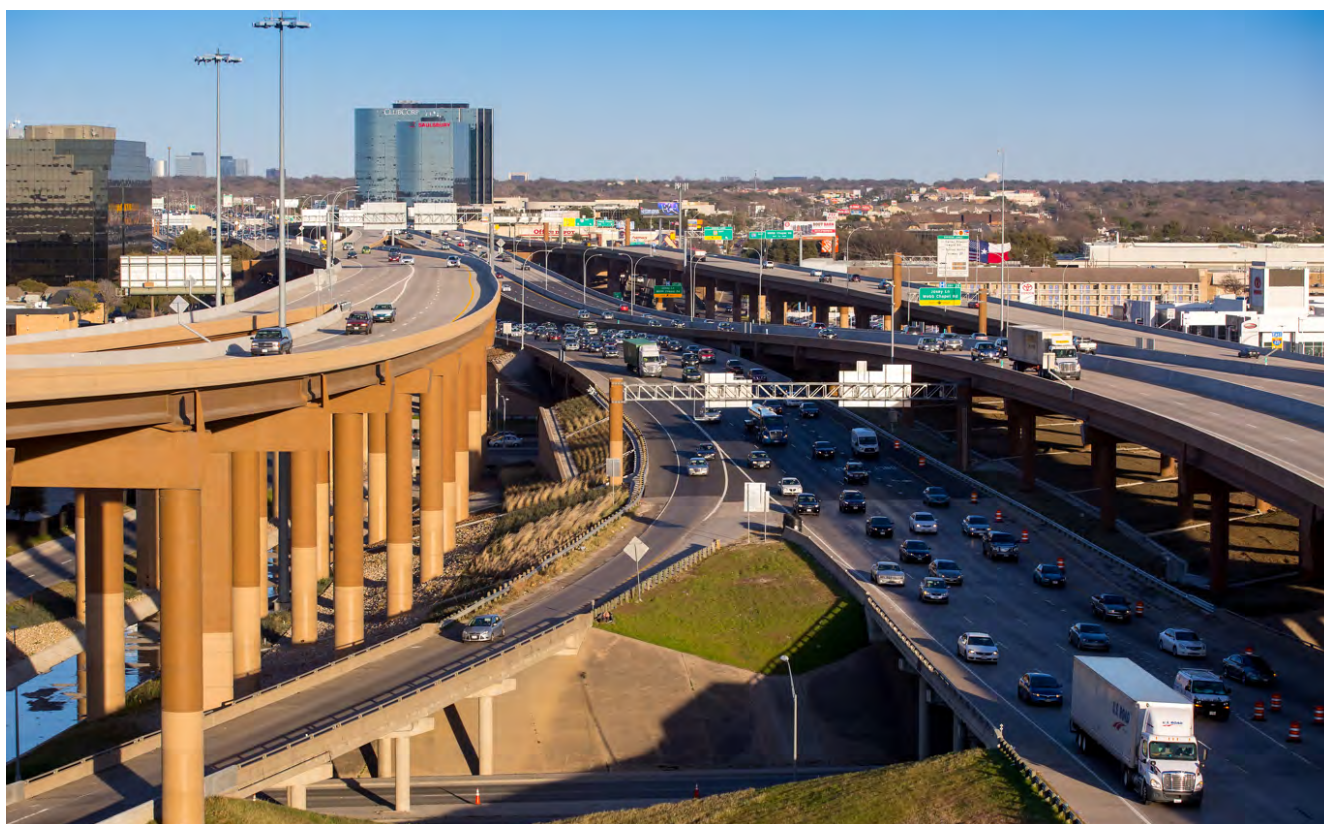
AVERAGE PAYMENT TERM

In compliance with the obligation to disclose the average supplier payment period provided for in Article 539 and Additional Provision Eight of the Spanish Companies Act (in accordance with the new wording of final provision two of Law 31/2014 reforming the Spanish Companies Act), the Company hereby states that the average period of payment to the suppliers of all the Group companies domiciled in Spain (excluding the discontinued operations transactions) in 2021 was 41 days.

The following table details, as required under Article 6 of the Ruling of 29 January 2016 by the Institute for Accounting and Accounts Auditing, the information relating to the average supplier payment period in 2021 and 2020:

DAYS	2021	2020
Average period of payment to suppliers	41	41
Ratio of transactions settled	42	41
Ratio of transactions not yet settled	36	37
AMOUNT (EUR)		
Total payments made	751,447,311	685,411,852
Total payments outstanding	20,385,897	21,572,506

The mutual intra-group commercial transactions between companies belonging to the Ferrovial Group are not included in the consolidation process, meaning the consolidated balance sheet contains no outstanding balances due to companies within the Group. Thus, the information detailed in the previous table refers solely to suppliers outside of the Group, noting for information purposes that the average payment period between Group companies is generally 30 days.



Sustainability: between the SDGs and ESG

Sustainability is key to Ferrovial's strategy. It incorporates ESG (Environment, Social and Governance) criteria to decarbonize its activities in airports, roads and construction, while developing new green lines in energy, mobility and water. It aligns its strategy with the SDGs. 2030 is the turning point.

E, for Environment

5

- **Urban Mobility Pricing**, to reduce congestion
- **Low-carbon toll-roads**: barrier-free tolls and dynamic pricing

- **Zity**: carsharing with 100% electric vehicles
- **AIVIA**: circulation of connected and autonomous cars
- **Wondo**: App for access to Urban Mobility services

4

CONSTRUCTION

Annual land reuse target

80%
70% of CDW

- Eco-design criteria in edification
- Use of renewable natural resources

6

- **Disruptive**: autonomous vehicles, urban logistics, hyperloop or aerial urban mobility

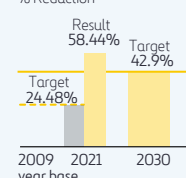
- **Strategic**: Sustainability, occupational safety and new technologies

- **Incremental**: profitability improvements, operational efficiency or user and passenger experience

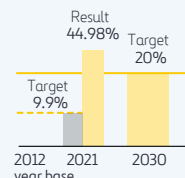
1

EMISSIONS

Scope 1&2 in intensity
(tCO₂eq/M€)
% Reduction



Scope 3 (tCO₂eq/M€)
% Reduction



TOWARDS NEUTRALITY

2050
carbon neutral

RENEWABLE ELECTRICITY

78% 2021 **100%** 2025

2

- **Proprietary methodology**: consumption, treatment and access indexes

REDUCTION OF BUSINESS WATER INDEX

20%
by 2030

3

- Methodology aligned with Natural Capital Protocol

- Minimization of impacts on biodiversity

S, for Social

4

Social Infrastructure Projects and Stronger Together:

238,869
beneficiaries

COVID Fund
8.7
million euros

3

- Creation of safe and healthy work environments
- Focus on High Potential Events (HiPo)

Reduction
15.1%
frequency of serious and fatal accidents

1

Increase
25%
the presence of women in Executives/Senior Managers positions

40%
in juniors

2

100%
of local jobs for junior positions

16%
of local jobs for senior executives and managers

G, for Governance

3

- Supplier Code of Ethics for integrating ESG principles into the supply chain

2

- Sustainability Committee monitors and updates the Strategy.

- Sustainability Strategy monitoring is reported to the Board of Directors

- Quality and Environment Committee

1

- Code of Business Ethics
- Third Party Ethical Integrity Policy
- Compliance Program
- Respect for people's rights

- Risk management
- Communication of non-financial aspects to stakeholders
- Compliance and Good Tax Practices on Tax Matters



PEOPLE

Managing the best talent

During 2021, the implementation of the organizational model established within the Horizon 24 Strategic Plan was completed. Despite the progress in vaccination, the pandemic has continued to affect both corporate operations and the interaction between professionals.

WORKFORCE

63,070

at 2021 year end

TRAINING HOURS

783,532

In this context, Ferrovial's human resources team has implemented new mechanisms for identifying talent, as well as tools that facilitate the continuous development and growth of its professionals.

In 2021, a new global talent review system has been deployed in the organization. More than 4,000 employees have been evaluated through a questionnaire developed from the new talent model defined by the company, based on critical capabilities for Ferrovial, which correlate significantly with high performance. Additionally, calibration meetings have been held to deepen the capabilities and development of these professionals. This process allows to obtain a detailed talent map built from different inputs. The ultimate goal is to strengthen meritocracy as a key lever for growth within the organization. In addition and complementary to the talent review process, 23,097 employees participated in evaluation and development processes, 29.41% of the workforce, and the succession plan has been carried out, which has allowed to identify 114 candidates for the 58 critical positions identified.

It is worth noting that the 11,747 job opportunities registered by Ferrovial on the various portals received a total of 301,676 applications, of which 22% were filled by internal candidates.

NEW SPACES FOR LEARNING

In 2021 Ferrovial launched the new 2021-2024 strategy for the Corporate University, SUMMA, which enhances the digital learning model, the global reach of the campus, the promotion of internal knowledge and the design of programs that work on key capabilities to boost competitive advantages.

SUMMA's contents include:

- Learning Center, a digital space made up of different platforms (LinkedIn Learning, Pharos, Odilo, e-Academy, Digital Gpp, etc.), where employees can access numerous resources and content and where they can customize their learning experience.
- SUMMA programs, oriented to each stage of the professional career or for specific groups, as well as programs with prestigious business schools.
- Events and experiences that take place throughout the year, such as the Executive Forum, a space for analysis and reflection on trends that are changing the world, led by world-renowned experts,

or Coffee&Knowledge, monthly virtual meetings lasting one hour, in which internal experts, together with market experts, discuss innovation and market trends and share internal company projects.

Beyond learning, SUMMA wants to be at the forefront, detecting, testing and developing projects related to other areas of interest such as intrapreneurship, new formulas for financing training, feedback culture or diversity. Ferrovial employees received a total of 783,532 hours of training in 2021, and the company invested a total of 16.5 million euros in these programs.

DIVERSITY AND INCLUSION

One of the commitments acquired in the Strategic Plan is to have an increasingly diverse workforce, generating an environment where collective intelligence is enhanced to increase competitiveness. To achieve this, it is necessary to develop an organizational culture based on meritocracy, capable of generating real opportunities so that each person can develop his or her maximum potential and contribute the best of themselves.

With this objective in mind, the Global Diversity and Inclusion Strategy has been launched, based on three key lines of action:

- Promoting the attraction and incorporation of diverse talent in the different areas and organizational levels of the group. In this regard, the company has set, among other objectives, that at least 40% of the new hires with 0 to 3 years of experience should be female and/or local talent, while the Rooney Rule will be applied (to include at least one female and/or local profile in the shortlist of finalist candidates).
- Provide the organization with processes and structures that integrate diversity management and generate real opportunities for development so that each person can develop their full potential and contribute the best of themselves.
- To develop an inclusive work environment that ensures that everyone who is part of Ferrovial feels respected and recognized.

With the implementation of this new strategy, Ferrovial will enhance the collective intelligence of the talent of its workforce, thereby increasing its profitability and sustainability as a company.

Ferrovial Beats, a new approach to measuring engagement

Ferrovial has gone a step further in the approach to measuring and analyzing engagement, moving from standard biennial surveys to a more complete system, where employees can regularly transmit their vision. In this way, the new engagement measurement survey, Beats, allows to know the climate of the organization, constantly and in real time, helping to define who the employees are, what they value most and how we can improve as a company.

These surveys, each comprising 11 to 15 short questions, are focused on understanding the importance granted and satisfaction with key issues such as sense of belonging, leadership, professional development, compensation, reputation, work experience, loyalty and happiness.

The scope includes all employees of the different business units in the countries in which Ferrovial operates. In this first year of implementation, more than 7,200 responses have been obtained, with a score of 5.75 out of 10. Based on this data, specific actions will be carried out to encourage employee engagement, such as a three-year plan to promote feedback as a tool for professional growth, or the development of a global wellbeing strategy focused on the needs of employees.

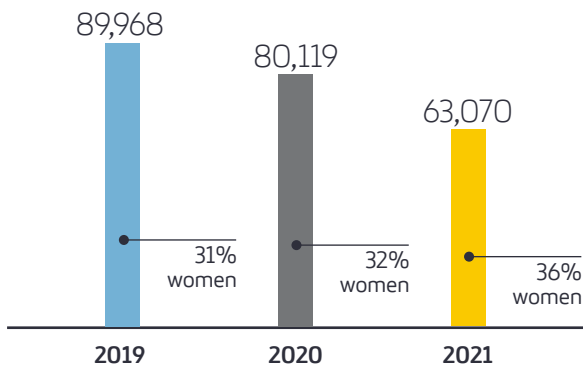
Digitization of Human Resources

One of the most relevant milestones in 2021 has been the start of the implementation of a new human resources information system, Workday, which is scheduled to be operational in the third quarter of 2022.

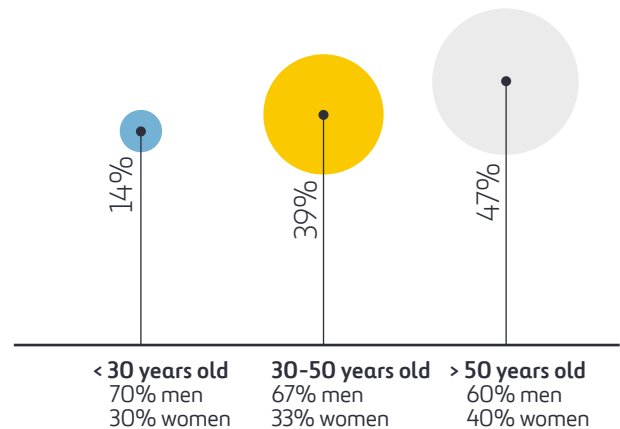
Among others, the implementation of this system will generate the following benefits for Ferrovial and its professionals:

- Simplify, homogenize and automate processes.
- Having complete and updated workforce information, along with immediate access to information for agile, data-driven decision making.
- Manage talent more efficiently through a single platform.
- Provide managers and executives with visibility, insight and up-to-date data about their teams, allowing them to manage faster and more efficiently.
- Manage processes through any device in an agile and intuitive way.

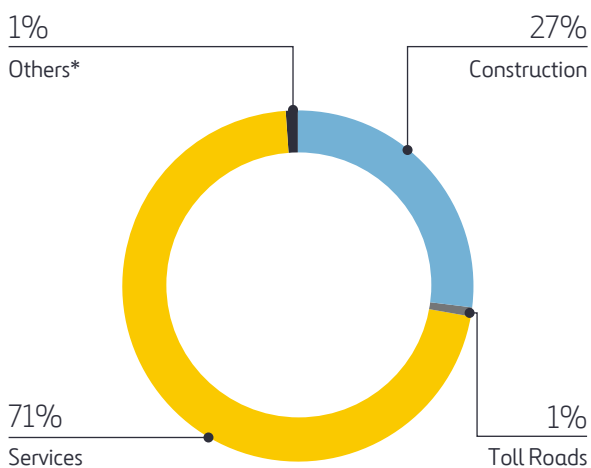
EVOLUTION



BY AGE

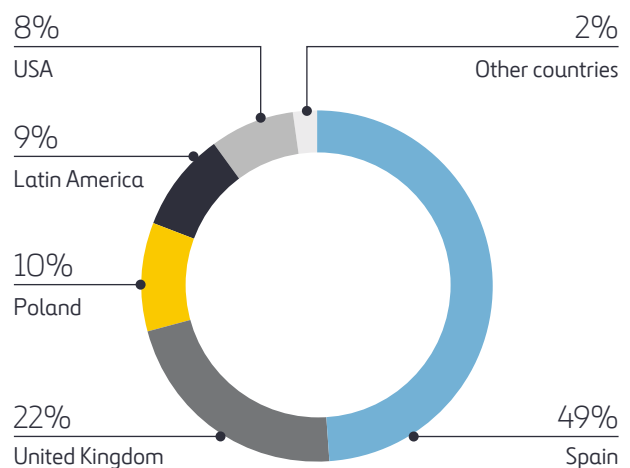


BY BUSINESS



* Includes Corporation and Airports

BY COUNTRY



HEALTH, SAFETY AND WELLBEING

Always Safe, Always Ready

FREQUENCY RATE

-4.35%

compared to 2020

HOURS OF HEALTH AND SAFETY TRAINING

487,755

4,5 million since 2015

LEADERSHIP ACTIVITIES

8,401

Ensuring that all employees internalize health, safety and wellbeing as core values in their daily work is essential to achieve the objectives proposed in this area and guarantee safe working environments.

At the end of 2019, Ferrovial's Board of Directors approved its 2020-2023 Health, Safety and Wellbeing Strategy, which is implemented through annual plans and focused on four strategic elements: leadership, competence, resilience and engagement. By 2021, the plan establishes for each pillar:

LEADERSHIP

Objective: workers inspire, care for and are strict about complying with health, safety and wellbeing expectations.

Ferrovial is committed to the health, safety and wellbeing of its employees, and each employee must be a leader in this area to make a difference. Under this premise, the company seeks to inspire people to reorient their leadership, how they approach and enforce it. In 2021, a variety of different initiatives have been rolled out:

- 870 safety and health "leaders" have carried out 8,401 leadership activities, 104% of the target. In addition, all members of the Management Committee have a personal commitment to health, safety and wellbeing by 2021.
- Health, Safety and Wellbeing Awards: Reward and recognition are central to the strategy. Therefore, under the Chairman's patronage, these awards have been launched and are divided into three categories: leader in health, safety and wellbeing; high-performance team; and best innovative technical solution implemented.
- Virtual training and guidelines for leaders, aligned with Health, Safety and Wellbeing strategy.
- Executive review of high potential incidents.

COMPETENCY

Objective: ensure teams are competent, trained and empowered to perform their duties.

To optimize the company's training efforts, the "License to Operate" program created in 2020 continues to operate, its objective is to identify critical health, safety and wellbeing positions for which a series of specific competencies will be defined in order to be able to perform these roles. These requirements are flexible to the needs of the country, implemented in a phased manner for all positions and responsibilities, and will be reviewed annually to support the development of all individuals. In addition, all levels will be covered, from the most senior positions to managers, team leaders and supervisors, in all workplaces. The initiative is being carried out in different phases and, when fully implemented, will provide assurance that the company has skilled workers in each of the roles identified, enabling the necessary health, safety and wellbeing training to be accurately forecast.

RESILIENCE

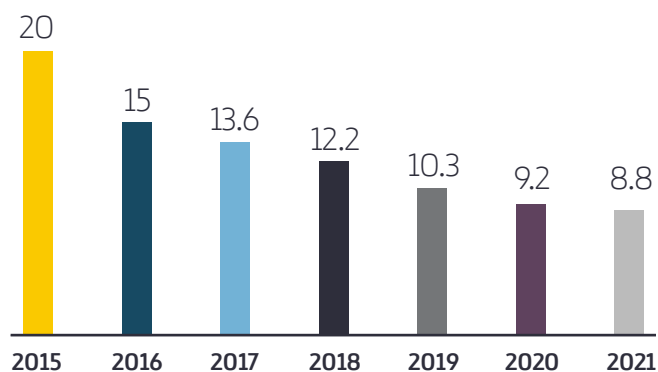
Objective: Ferrovial is prepared to protect its employees, stakeholders and businesses in adverse circumstances.

Ferrovial continues to focus on High Potential Events, i.e. any event with the potential to have caused a fatal or catastrophic accident but that have been avoided. These events are reported and analyzed weekly by the Management Committee and an executive review of each event is carried out. As result, lessons learned can be drawn and the following actions, among others, have been taken:

- Development of a leadership program.
- Planned versus actual indicator to increase employee engagement.
- Launch of Health, Safety and Wellbeing Digital HUB, which includes a website and an app for knowledge sharing.
- Visual standards mobile flipbook.
- Awareness video on High Potential Events.

On the other hand, the current indicators have also continued been reported. In 2021, 136,565 inspections and audits were carried out and 487,755 hours of health and safety training have been provided. Thanks to the improvement actions implemented and the commitment of all employees, the frequency rate has decreased by 56.5% compared to 2015, and by 4.35% compared to last year.

FREQUENCY RATE



COMMITMENT

Objective: to generate a learning environment that facilitates the exchange of knowledge, innovation and effective communication.

To make the Health, Safety and Wellbeing strategy effective, each employee has a relevant role. Therefore, each employee is inspired, encouraged and empowered to make a difference and create safer workplaces. Employee commitment is vital to create safe work environments, so in 2021 the following initiatives, among others, have been implemented:

- First Health, Safety and Wellbeing Week at Ferrovial, sponsored by the Chairman and supported by the CEO. Various initiatives were carried out and the new claim #AlwaysSafeAlwaysReady (ASAR) was launched. 5,500 cards and lanyards, 1,050 posters have been distributed in 14 countries, 25 news have been published on the intranet and 370 posts on Yammer, which were viewed by 6,100 employees with 65,500 reads and 1,017 interactions. In addition, 39 posts were published on Ferrovial's social networks, with 39,225 reads and 1,245 interactions. Finally, 15 videos were produced and 3 online events were organized.

- Employee health and wellbeing:
 - The HASAVI health and wellbeing program continues to be in place: workshops on health and disease prevention, nutrition, physical exercise and emotional wellbeing. Health guides have also been published (healthy recipes, mental health in the workplace, etc.).
 - Global Network of Wellbeing Ambassadors: launched during the Health, Safety and Wellbeing week, it has more than 80 employee volunteers around the world to communicate, identify needs, find solutions and launch and promote specific initiatives related to health and wellbeing at the local level.

Ferrovial has been awarded with the "Health and Business Award" by Digital HR for HASAVI, its health and wellbeing program.

COMMITMENT TO INNOVATION

For Ferrovial, innovation is a lever for change to improve Health, Safety and Wellbeing performance. For this reason, it has continued the work started in 2018 on the Safety Lab, with the aim of being a tool to provide solutions to the challenges faced by workers in day-to-day operations, in all work centers.

Safety Lab – Active Light

The Safety Lab program is an innovation laboratory that seeks to adopt new methodologies and technologies that help improve the safety of employees and infrastructure users. It has developed more than 15 projects for all business units, to date.

Active Light is one of the initiatives of the Safety Lab, which aims to increase the visibility of road operators. An operator on the road must wear a reflective vest, but sometimes this is not enough for him to be visible. For this reason, Active Light has been developed, a vest equipped with active lights and LED lights that increases the visibility of workers by 700%, from 50 meters to 350 meters away. In this case, the person does not reflect any type of light, but rather the vest itself emits it.

The vest is also equipped with advanced functionalities, operating autonomously through a device that communicates with the control center. If something happens to a worker (SOS Alert - Man Down Warning), the control center will know in less than 5 seconds. In this way, it is possible to increase the safety of those working on road infrastructures. Currently, this solution has been used for more than 500 hours on the A-66 highway in Zamora and will be extended to other Cintra concessions such as the Via do Infante highway in the Algarve and the I-77 in the United States, reaching more than 50 vests in use worldwide.

INNOVATION

Digital transformation and competitive advantages

Innovation at Ferrovial is a process of exploration and learning aimed at driving the company to improve its ongoing processes, transform its services and products, and develop new opportunities for the transport, mobility and energy infrastructure business.

R&D INVESTMENT

59.9

MILLION EUROS

PROJECTS DEVELOPED IN 2021

128

PROJECTS WITH STARTUPS

35

NEW APPLIED TECHNOLOGIES

18

Innovation is, has been and will continue to be fundamental to improving existing business models and exploring new ways of adding value to Ferrovial, committed to continuing to increase its digital and innovation ratios and supporting the transformation of its business units and physical infrastructures through its Digital Horizon 2024 plan.

HORIZON 24 DIGITAL PLAN

Digital Horizon 24 is the mirror program of the Horizon 24 Strategic Plan and tackles digitization and innovation in Ferrovial. It is a fundamental approach of transforming the core of the company, acting on different value levers related to business objectives: effective risk management, efficiency, customer-focused competitiveness, differentiation in the core business and diversification, to grow in new areas.

In order to make it a reality, Ferrovial requires a series of capabilities that will provide them with each of the six key digital enablers, with innovation as the main accelerator: the contextualized use of data throughout the organization, supported by its PANGEA platform; cybersecurity, to control and secure its activity; technology platforms, for flexibility and agility; partners, to complement its capabilities; reengineering and automation of processes; and digital culture, transforming all employee experience processes supported by Workday. It is a relevant requirement to exploit these transversal capabilities with a clear vision of adding value to the business.

Therefore, Digital Horizon 24 is completed with specific itineraries for each of the businesses, with more precise objectives:

- Digital Construction supported by the Abacus program and based on the digitization of construction management and administration processes.
- Digital Concession, with a user-centric approach as a lever for differentiation and value creation, as well as diversification into new businesses such as energy, water and mobility.
- Digital Corporation, to digitize processes such as finance and control and human resources.

A REFERENCE IN THE INFRASTRUCTURES OF THE FUTURE

In a technological and interconnected world, smart transportation and energy infrastructures are evolving and undergoing an extraordinary transformation. In this context, fostering innovation has enabled Ferrovial to position itself as a global leader in the management of connected and orchestrated infrastructures.

In this line, one of its most relevant projects stands out: AIVIA Orchestrated Connected Corridors, a key project for the development of 5G smart roads to improve the experience and safety of users on toll roads and the workers who maintain them, in mixed traffic scenarios, i.e. where connected and autonomous vehicles coexist with conventional vehicles.

Another significant event was the launch of the Ferrovial Vertiports division. One of its first initiatives will be the development of a network of more than 35 vertiports for electric vertical take-off and landing aircraft, known as eVTOLs. This infrastructure, necessary for safe, high-speed, zero-carbon air mobility, will be launched in Florida and the United Kingdom, in partnership with startups such as Lilium and Vertical Aerospace.

INTELLIGENT HORIZON-BASED MANAGEMENT

Having a well-managed innovation portfolio that allows a balanced investment in different trends, technologies and use cases to generate a broad portfolio of strategic options is essential to take advantage of the opportunities that arise. A diversified portfolio in terms of geographies, businesses and horizons allows to capture value and take advantage of opportunities in a changing and accelerating market.

Ferrovial works with an approach based on three growth time horizons as a means of categorizing its portfolio of projects in an organized, systematic and intelligent manner. Different project portfolios are thus formed to achieve and improve the profitability, sustainability and efficiency of its operations.

In the **short term**, the first of the horizons aims to achieve impacts on its more traditional businesses through proofs of concept and pilots, which are then scaled up when the expected results are achieved. These pilots are leveraged in disciplines including automation, digitization, data processing and analytics or artificial intelligence, led from the Digital Hub.

In the **medium term**, Ferrovial applies innovation in a transversal and transformational way to increase the value of its assets through integrated management of the global infrastructure lifecycle. To this end, it relies on the Center of Excellence for Mobility and Digital Infrastructure and the Center of Excellence for Asset Management.

This horizon also includes the exploration and implementation of innovative technologies that have not yet reached their full potential, such as 5G. In this regard, Ferrovial has deployed one of the first private 5G SA (Standalone or complete) communications networks in one of its flagship infrastructure projects in London, at the Silvertown Tunnel project.

In the **long term**, Ferrovial also explores future opportunities with a high degree of uncertainty through the What If? program, which focuses on trends such as Digital Twins or new forms of transportation that can transform lifestyles and cities. In this area, studies have been carried out on Urban Air Mobility, Urban Logistics and, most recently, Connected and Autonomous Vehicles (CAV), the most relevant results of which have been published on the digital portal Foresight.

SHARING KNOWLEDGE

The need to share knowledge, collaborate and maintain a global vision of innovation among employees and business units has taken on a fundamental role in recent years. This demand has been transformed into an internal and collaborative platform for shared knowledge, Nexus, which acts as a cloud of resources fed by the entire community and which contains highly relevant content such as the trends that Ferrovial monitors, the most important innovation projects and periodic trend reports: Infobits and White Papers, interviews with startups, and much more.

OPEN INNOVATION AND TALENT CULTURE

One of the great innovation levers for the joint development of high-potential opportunities are partnerships. For years, Ferrovial has been responsible for continuing to cultivate and increase its open innovation and partnership ecosystem. The company's innovation ecosystem is strengthened by a dense network of alliances and collaborations in major global innovation hubs such as Israel, the USA, Germany and Asia.

Some collaborations are being carried out in a coordinated manner. For example, Ferrovial has joined INDESIA as the only industrial partner in

the sector to promote the adoption of AI at the industry level, bringing great potential for internationalization of the initiative. This consortium is a catalyst for the adoption of this type of disruptive technologies.

Ferrovial also draws on agents that enhance its capabilities, such as universities and research centers. It should be noted the research collaboration with the Massachusetts Institute of Technology (MIT), renewed in 2021 for a third cycle, and the new MIT Mobility Initiative (MMI) which Ferrovial joins by signing a five-year collaboration agreement with an initial two-year term as a Founding Explorer Member, along with Ford and Hyundai, among others, to address challenges in connectivity, audiovisual policy, electrification and data mobility. It is also worth mentioning the Public Innovation Agencies, which facilitate access to funding for innovation projects such as Climate KIC, EIT Digital or Urban Mobility KIC. In parallel, in the context of the EU's Next Generation plans to improve the energy efficiency and sustainability of cities, Ferrovial has deployed a portfolio of initiatives to develop this potential in the field of energy rehabilitation of housing.

The other two agents are startups and Venture Capital funds. In this regard, 35 projects have been carried out with startups in 2021 and it has invested in Lilium, a German vertical take-off and landing electric aircraft company, and Neutroon, a NaaS (Networks as a Service) platform to massify private LTE and 5G networks for industry, smart cities and rural areas. In addition, Ferrovial is one of the partners participating in Atómico, a European venture capital fund that invests in technology startups, boosting their growth on a global scale and thus multiplying their business opportunities.

Finally, at the center of this ecosystem is Ferrovial and its internal talent. It is key to develop an internal culture of innovation capable of dealing with the different agents in the ecosystem and maximizing its potential. Ferrovial has the Zuritanken program for internal participation of all employees to solve the company's own challenges in a creative and innovative way.

During 2021, it has incubated the Objective Zero project, applying sustainable innovation in works. It has also carried out the Shuttle program, the first intrapreneurship program implemented in Ferrovial Construction, which seeks to respond to the two major challenges facing the company: the optimization of collaboration with the supply chain and the automation of processes through the collection of information.

XR-Lab

In 2021, the Asset Management and Process Digitization team has enabled a hybrid Extended Reality (XR) space to allow the company to experiment with different technologies, including virtual reality, augmented reality, IoT and driving simulation, which are intended to support real use cases and can potentially be scalable to different businesses or spaces. Within these technologies, a human-sized immersive space has been placed in a room that has not only been built in Madrid, but also in Ferrovial's London offices for collaboration between the two spaces.

Innovation: Always on the way

Innovation represents one of the key priorities for Horizon 24, the Ferrovial Strategic Plan 2022–2024. The company applies innovation criteria to offer customers and users products and services that guarantee a unique experience. These are some examples of Ferrovial's state of the art categorized under 7 innovation dimensions. Let's go.

1. •

DATA DRIVEN MANAGEMENT

Plans to improve the value of data and gain a complete view of customers, performance, efficiencies, etc.

Real-time Propensity Factor (Rtpf)

Machine Learning techniques to understand real drivers preferences and adjust managed lines tolls

Cost Projections

Web tool that incorporates AI in the calculation of the cost variation in the construction bidding processes



2. •

MOBILITY

New technologies for adaptation and anticipation to the new complex mobility landscape

Ground Mobility for Air Services (GMAS)

Solution to facilitate spatial analysis, by blending and integrating geospatial data sources to support business processes

3. •

SAFETY

Plans and technologies to improve the safety conditions of workers and users

IM-SAFE

New standard in monitoring of trends, challenges, best practices, and technology, for safety of transport infrastructures



4. •

AUTOMATION

Application of robotics and new digital devices to promote a safer environment, improving productivity and efficiency

Parametric Tower Design

Module for the optimization of the design of electrical towers. It is based on the optimum geometry in the dimensioning of the metallic structure and the tower foundations

5. •

DIGITALIZATION

To find out efficiencies in information transfer, delivery methodologies and digital solutions

Smartformwork

Development of a multi-sensor intelligent system (temperature and pressure) for formwork trolley which operates in tunnels



6. •

SUSTAINABILITY

Technologies that contribute to capture opportunities related to climate change and the circular economy

Objective ZERO

To provide sustainable electric energy to civil works from photovoltaic solar panels. The potential saving reaches a 90% of the electric cost

7. •

ENGINEERING

Identify new construction procedures and discover new materials

Apolodoro

Development of a sensor-based auscultation methodology to determine the stress effects in prestressed reinforced concrete bridges





1331

SWL 750 t

DOUGLAS

QUALITY

Thinking about the customer

Ferrovial works to achieve more effective and efficient management based on digitization, the use of new technologies and innovation projects.

The company applies innovative solutions to its infrastructures to offer customers and users services that guarantee a unique experience. In addition, the company promotes continuous improvement by certifying its activities in accordance with the most relevant standards.

QUALITY SYSTEMS AND CERTIFICATIONS

Ferrovial has implemented quality and environmental systems in all the contracts, most of which are certified in accordance with ISO 9001 and 14001 standards, although depending on local requirements they may be certified under other standards. In 2021, the activity certified by the company based on ISO 9001 and 14001 amounted to 87%.

It is a priority for the company to advance in the certification of its contracts under the ISO 50001 energy management standard. In 2021, Ferrovial Construction (in Spain and UK), Cadagua, Budimex in Poland and Ferrovial Services in Spain have certified their activity under this standard.

As part of quality management, complaints are collected and internal audits are performed on 100% of contracts. During 2021, 363 complaints were received, of which 95% were satisfactorily closed during the year.

To ensure compliance with legislation and technical regulations throughout all phases of the project life cycle, digital platforms are available, covering the areas of Quality, Environment and Health and Safety. As a result, all environmental requirements are met, including those related to air, noise and light pollution. Moreover, all employees involved in production are informed of the operating procedures, thus preventing and minimizing environmental risks. In this regard, docSite has been launched, a corporate tool that enables the digital management of documentation and processes associated with projects during and after construction. Thanks to this tool, management processes will be more agile and the dissemination and accessibility of information will be facilitated.

It should be noted that Ferrovial has been recognized by AENOR as the first company to certify its Sustainability Strategy with the Sustainable Development Goals (SDGs), promoted by the United Nations. This certification highlights the company's actions in environmental, social and governance matters, reinforcing its solid commitment to the SDGs.

CUSTOMER AND USER SATISFACTION

The business units conduct periodic surveys on **customer expectations and satisfaction**. The analysis of the results obtained is used to identify the strengths and weaknesses of Ferrovial's performance to establish

actions for improvement. The methodology allows for a global analysis of customer perception of sustainability, operational excellence, innovation, responsiveness, reliability and trust, oversight process and management of agents involved in each project. The minimum target for customer satisfaction is 4 out of 5.

In addition, the company continues to work on measuring the level of **user satisfaction** of its infrastructures by collecting indicators from the Infrastructures, Airports and Mobility divisions, which provides an overall view of the perception of the services provided.

DIGITIZATION

Ferrovial has been using BIM (Building Information Modeling) methodology for the integrated management of construction projects for more than a decade. Space use simulations and 3D visualizations improve the design phase, minimizing labor and material costs, increasing energy efficiency, reducing waste and avoiding physical risks by visualizing and planning site logistics in advance.

In sustainable mobility Ferrovial has launched, in collaboration with important partners, the AIVIA initiative to develop 5G smart roads with advanced monitoring, sensors and simulation technology. This mobility model will improve road traffic flow without the need for additional works, helping to reduce emissions from traffic jams, as well as avoiding the impact of works that do not need to be carried out.

Ferrovial's Digital HUB is working to find different ways to use Machine Learning, such as the creation of models capable of learning and predicting future behavior, the analysis of patterns and their automatic grouping. This makes it possible, for example, to program the operation of access to a road to reduce congestion.

CERTIFIED ACTIVITY

87%

ISO 9001
ISO 14001

CUSTOMER SATISFACTION

4.3

OUT OF 5

USER SATISFACTION

4.0

OUT OF 5

HEATHROW PASSENGER EXPERIENCE

4.23

OUT OF 5

ZITY SATISFACTION

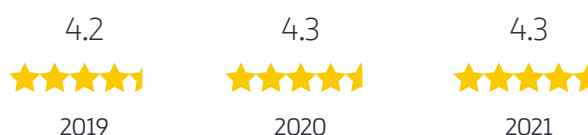
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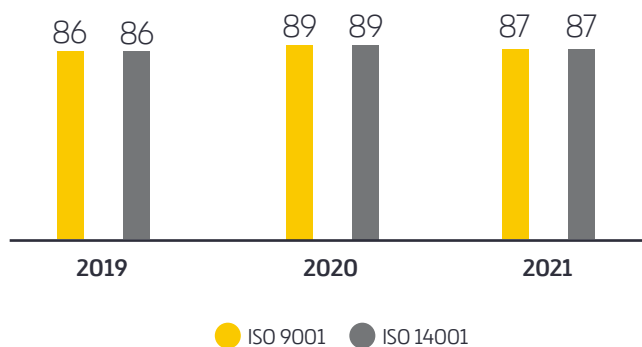
North Tarrant Express Toll Road, Texas, United States.

In addition, there are other systems certified in accordance with various standards, among which the following are worth mentioning: UNE 19601; UNE-ISO 37001; UNE-EN ISO 50001; UNE 166002; The European Commission Eco-Management and Audit Scheme (EMAS) in accordance with EC Regulation no. 1221/2009; BIM ISO 19650; PAS2080:2016; PAS2080:2016 EKFB; ISO44001; ISO45001; EMAS III; IATF 16949; UNE 216701; UNE 1176- 1:2009; UNE-EN ISO 22000:2005; UNE-EN ISO 18295-1:2018; UNE 158101:2015; UNE 158301:2015; UNE 158401:2007; UNE 179002:2011; UNE-ISO 22320: 2013; UNE 15343:2008;; UNE-EN ISO 13485:2018; SGE 21; COVID-19 Protocol certification in accordance with the Regulation for the certification of protocols against COVID-19, by AENOR; and Madrid Excelente.

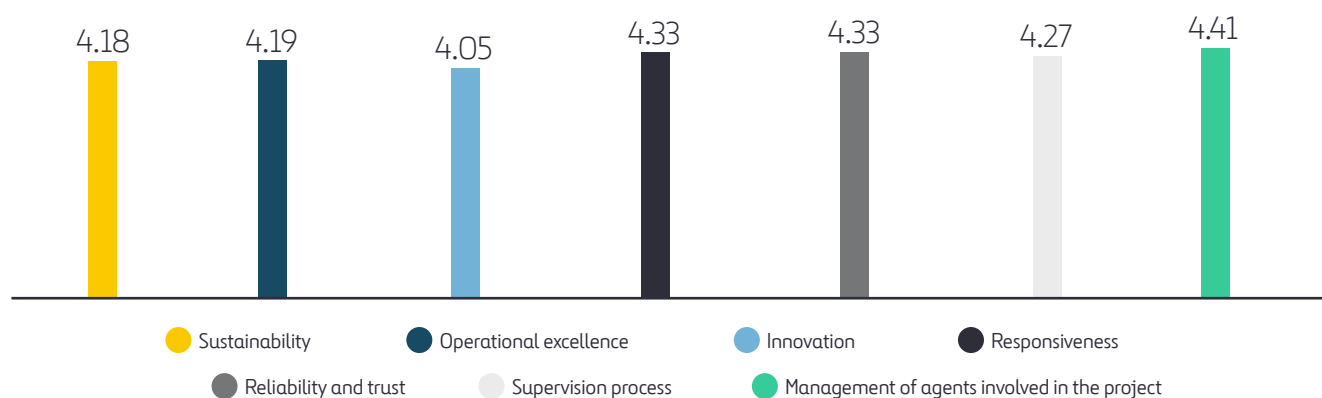
CUSTOMER SATISFACTION



CERTIFIED ACTIVITY (%)



CUSTOMER SATISFACTION (OUT OF 5)



INTEGRITY

Compliance, the key to success

Integrity is one of Ferrovial's foundational values, which are summarized in the Code of Business Ethics, the cornerstone of the Compliance Program.

The Code is implemented through policies and procedures that contribute to guiding the way of working and interacting with the environment and reflects Ferrovial's commitment to three core principles: integrity, compliance with the law and respect for human rights.

The Board of Directors of Ferrovial is the guarantor of the Compliance Program, whose supervision is entrusted to the Audit and Control Committee, which is periodically informed of these matters by the Director of Compliance and Risks, who reports to the Chairman.

COMPLIANCE PROGRAM FOR A GLOBAL BUSINESS

Ferrovial's growing international presence has determined the transformation of its Compliance Program to align with international best practices, establishing a common process of evaluation, monitoring and control of compliance risks under the principle of "zero tolerance" towards the commission of criminal acts and, in particular, against any form of corruption.

The Compliance Program is described in the Compliance Policy* and its mission is to contribute to the sustainability and reputation of Ferrovial, promoting observance with all applicable laws and the Code of Ethics, based on an effective risk management system. The policy develops the phases of the Compliance Program and establishes the competencies of its governing bodies and those of its employees.

Likewise, the Compliance Program includes a Crime Prevention Model aimed at preventing or significantly reducing the risks of committing criminal acts, especially, those involving the legal entity's criminal liability.

It is also noteworthy that in 2019 Ferrovial, S.A. obtained from AENOR (Spanish Association for Standardization and Certification) the certification of its Crime Prevention Model in accordance with the reference standards UNE 19601 "Crime Compliance Management Systems" and UNE-ISO 37001 "Anti-Bribery Management Systems". In 2020 and 2021 both compliance certifications have been renewed by AENOR. The Compliance Program also includes a Tax Compliance Model certified in 2021 in accordance with UNE 19602.

RISK ANALYSIS

Ferrovial conducts an annual risk assessment according to the nature of the Group's activities, which is updated when regulatory, organizational or other changes make it advisable. Risks are assessed in line with international best practices and prioritized by their potential impact and probability of occurrence. The results of the risk assessments, the measures implemented for their mitigation and the proposals for continuous improvement are reported to the Audit and Control Committee and the Board of Directors.

AWARENESS AND COMMITMENT

Ferrovial employees and collaborators must know and comply with the principles and commitments stated in the Code of Business Ethics and the policies that develop it. The Compliance and Risk Department, with the support of other company resources, designs and implements a training and communication plan, periodically evaluating its effectiveness.

FIGHT AGAINST CORRUPTION

Ferrovial's Anti-corruption Policy establishes standards for the behavior of Ferrovial's employees, directors and managing directors, as well as third-parties with whom they have dealings, under the principle of "zero tolerance" for any practice that could be considered corruption or bribery. The policy requires compliance with all applicable anti-corruption laws and urges the reporting of any violation of their content.

Ferrovial demands behavior in accordance with the highest ethical standards not only from its employees, directors and managing directors, but also from the third parties with which the company interacts. Therefore, key policies and procedures have been updated, such as the Third Party Ethical Integrity Due Diligence Policy, the Suppliers Ethical Integrity Due Diligence Procedure, the Suppliers Code of Ethics, the Gifts and Hospitality Expenses Policy, the Lobbying and Political Contributions Policy and the Procedure for the Approval and Monitoring of Sponsorship, Patronage and Donation Projects.

Culture of compliance

In 2021, the online training plan on the Code of Business Ethics and Compliance Policy (Prohibited Conduct) has continued and the anti-corruption courses have been rolled out. These were designed according to the level of exposure to the risk of certain groups, including the Management Committee. The Compliance Boot Camp, held in 2020 in the United States, has also been adapted to an online format. The training volume of these courses amounted to 5,361 hours, totaling 10,765 hours in the last two years.

In 2021, a course on Data Protection has been deployed, focused mainly on the General Data Protection Regulation (GDPR).

In addition, short and frequent communication campaigns, called "Did you know?", have been carried out on relevant aspects of the Compliance policies.

*Available at www.ferrovial.com

ETHICS CHANNEL

Ferrovial's Code of Business Ethics makes it mandatory to report any breach of legislation or internal policies. The Policy of the Ethics Channel and Management of Queries, Complaints and Reports Policy assigns roles and responsibilities and establishes the principles for diligent and responsible management of the different queries, doubts or complaints raised by any channel. The company promotes the use of the Ethics Channel, a confidential system that is accessible through telephone, mail, the intranet or the corporate website (www.ferrovial.com).

Ethics channel

The Ethics Channel aims to facilitate the reporting of any possible irregular situation, breaches or behavior against ethics, legality and Ferrovial's internal regulations.

The Policy of the Ethics Channel and Management of Queries, Complaints and Reports establishes a protocol for the treatment of all communications that may be received by any channel regarding possible irregularities, establishing responsibilities, deadlines and reporting obligations for the measures adopted. The Compliance and Risk Directorate is responsible for managing the Ethics Channel, with the support of Internal Audit for the analysis of high-priority communications.

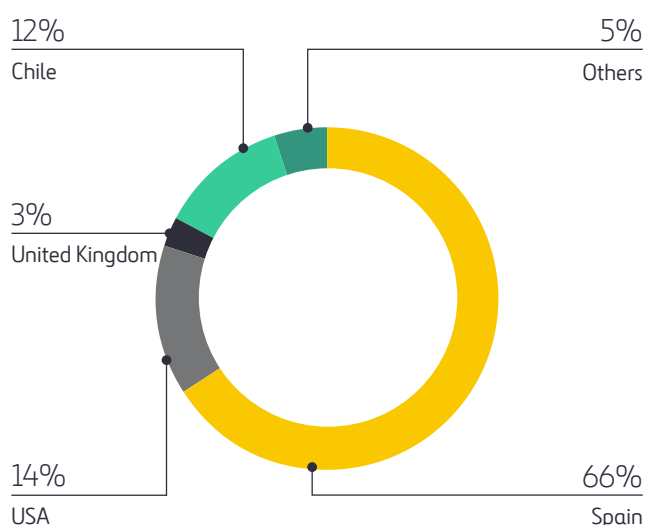
During 2021**, 85 complaints were received through the corporate ethics mailbox, of which 50 were anonymous and 35 were identified.

All communications give rise to an investigation by the case handler, ensuring confidentiality, legal protection and absence of retaliations of any kind to the informants. The Compliance and Risk Department reports, on a quarterly basis to the Audit and Control Committee and annually to the Board of Directors, a detailed report of the communications received and the actions taken.

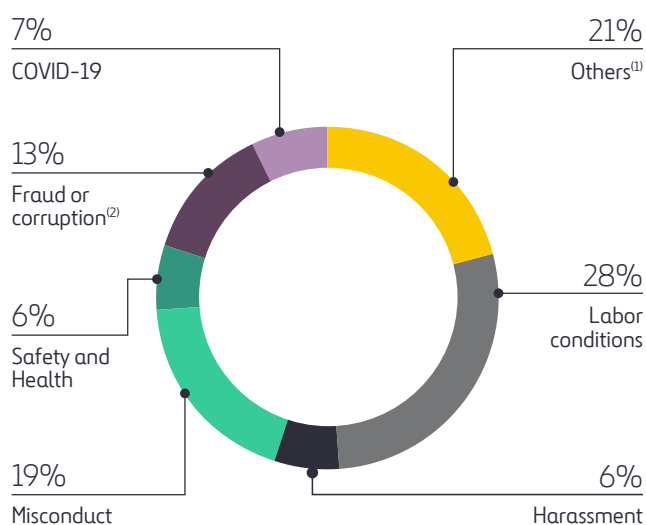
All communications have been investigated and resolved within an average of 67 days. A total of 22% of the complaints received were considered substantiated and appropriate corrective measures were adopted, in some cases imposing disciplinary sanctions and in others correcting deficiencies or revising the applicable internal procedures and regulations. In 2021, no case investigated has given rise to significant impacts for Ferrovial from a criminal, economic or reputational standpoint.

**Information for 2020 is available in the 2020 Integrated Annual Report, page 83.

COUNTRY OF ORIGIN



TYPOLOGY OF COMMUNICATION



(1) cases related to unfair competition, supplier complaints, billing for on-board train service, job applications, and nuisance of nearby construction sites.

(2) cases involving collusion with suppliers, falsification of documents, business corruption, and theft or misuse of company assets.

HUMAN RIGHTS

Essential for a sustainable future

Ferrovial considers human rights to be a fundamental part of its global sustainability strategy. Business stability and sustainable development are only possible in a fair society, without discrimination of any kind.

Ferrovial's commitment to human rights involves the entire company and extends to its value chain and its relationship with society.

A COMPANY COMMITTED TO HUMAN RIGHTS

Ferrovial rejects any type of discrimination in all countries where the company operates and guarantees respect for the labor rights of all its employees and contractors. To this end, since 2014 it has had a Human Rights Policy promoted and approved by the Board of Directors, which complements the Code of Ethics. The policy is aligned with the principles of the United Nations Global Compact, the OECD guide for multinational companies and the regulations of the International Labor Organization.

The company's commitment to respect human rights take into account the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights, which allow this commitment to be realized in the business sphere. The company is also committed to the 31 principles contained in the National Action Plan for Business and Human Rights developed by the Spanish Government.

Ferrovial carries out an ongoing due diligence process to identify aspects of its activity that may have implications for human rights, both in its own activities and in all those directly related to its operations and services. To this end, it maintains an ongoing dialogue with its stakeholders and participates in forums to improve the identification of key issues. In 2021, Ferrovial has been involved in an investor dialogue program on modern forms of slavery led by Sustainalytics. The project is developed through a structured dialogue with Sustainalytics on the risks of modern forms of slavery. The aim is to raise awareness within the industry on this issue and to identify and share best practices with participants.

Other aspects that have been incorporated in recent years into Ferrovial's monitoring of human rights include digital disconnection, the use and protection of the personal data of the people with whom the company interacts, and the implications for people's rights of new technologies such as artificial intelligence. In fact, an internal policy for the exercise of the right to digital disconnection in the workplace was published at the end of 2020 and has been made known to all employees throughout 2021.

Internally, the company promotes respect for Human Rights among all its employees through courses on the Code of Ethics, Prohibited Conduct, and anticorruption that are renewed and updated periodically and include specific modules to understand the possible implications on human rights that may arise during the company's activities. In 2021, the new mandatory courses included

one on unconscious bias to prevent situations of discrimination in the company's day-to-day operations.

In fact, one of the pillars of Ferrovial's strategy is the promotion of diversity and equality, for which tools have been defined such as the Company's Procedure for the Prevention of Workplace and Sexual Harassment and the II Equality Plan, one of the main challenges of which is to increase the number of women in technical areas, in line with key business profiles.

To respond to possible undesirable situations that may arise, Ferrovial has an Ethics Channel that was renewed in 2020 to give greater relevance to categories related to human rights, possible situations of harassment and the prevention of discriminatory practices.

SAFEGUARDING LABOR RIGHTS

One of the key aspects for the adequate safeguarding of human rights in the company's activity is to ensure compliance with labor rights in all countries in which the company operates, paying special attention to the right to strike, freedom of association and the right to collective bargaining. Beyond the protection of labor regulations, 68.1% of Ferrovial's workforce is covered by collective bargaining agreements.

To properly address all the needs of its employees and promote healthy habits and healthy work environments, Ferrovial has internal communication channels, internal social media and the corporate intranet, Ferronet, which facilitate the creation of collaborative, dynamic work environments. In 2021 Ferronet recorded 2,688,287 sessions and 4,030,998 page views.

In addition, Ferrovial has analyzed internally that the remuneration of its employees is above the living wage in the countries with more business (Spain, United Kingdom, Chile, USA and Poland). After this exercise, it can be affirmed that all employees have a remuneration above the living wage for each country.

HUMAN RIGHTS IN THE VALUE CHAIN

Ferrovial has a due diligence procedure to prevent attitudes and actions contrary to human rights in relations with third parties, whether business partners, suppliers and candidates. There is an obligation to carry out an ethical integrity analysis process that includes the area of human rights before entering any type of business relationship. To facilitate compliance, in 2021 an online tool was implemented to facilitate this due diligence analysis by all the company's business units.

Similarly, the company has a procedure for the approval of capital allocation operations, so that the analysis of all corporate operations

carried out considers whether they may undermine Ferrovia's ethical principles, with special attention to human rights, social, good governance and environmental aspects.

These procedures involve the extension of the company's values set out in its Code of Ethics to its entire value chain and establish mechanisms for monitoring commercial relations.

RAISING SOCIETY'S AWARENESS OF THE IMPORTANCE OF HUMAN RIGHTS

Ferrovia is aware that its commitment to human rights must be aligned with its involvement in the societies in which it operates and, therefore, it must go beyond its own activity and become involved in initiatives that help raise awareness of human rights and promote measures to safeguard them adapted to the characteristics of each country.

For this reason, Ferrovia has become involved with the new Forética Business Council for Sustainable Development, an alliance with 25 presidents and CEOs of large companies, whose main objectives include promoting the implementation of policies that respect human rights and the integration of the values of inclusion, equality, diversity and the elimination of any type of discrimination.

Ferrovia also continues to participate actively in other networks and working groups to promote human rights in the business world and the rest of society, such as the Human Rights Lab of the Seres Foundation, the Executive Committee of the Global Compact Network, the CEO Alliance for Diversity initiative, led by the Adecco Foundation and the CEOE Foundation, and the Diversity Charter, a European initiative that is part of the European Union's anti-discrimination directives, to which Ferrovia has been a member since 2011. In the United Kingdom, Ferrovia is committed to the Modern Slavery Act of the UK Parliament, which guarantees the prevention of acts related to slavery in any form and human trafficking.

One of the most painful violations of rights in society is gender-based violence. Since 2013, Ferrovia, in line with SDG 5 of the United Nations, has joined the project "Companies working towards a society free of gender violence", promoted by the Spanish Government, to raise awareness in society about equality between men and women and respect for the fundamental rights of women. To make this support visible, the company collaborates annually with the race against Gender Violence, which in its VIII edition held in 2021, counted with the participation of the CEO and 57 other employees. Ferrovia also showed its support for the International Day for the Elimination of Violence against Women on November 25th.

In addition to its public commitment, Ferrovia promotes the reintegration of women victims of gender-based violence into the labor market through direct hiring and has developed an internal protocol for action against gender-based violence that provides guidelines to promote the protection of female colleagues who may be victims of this type of violence, within the framework of the II Equality Plan.

Ferrovia also makes its support for diversity visible with the commemoration of the International Day of People with Disabilities on December 3rd, together with the agreements it has with organizations specialized in promoting the incorporation and inclusion of people with disabilities in the different countries in which it operates. In Spain, it collaborates with the Adecco Foundation in the Family Plan, a guidance program to assist people with disabilities and improve their development, autonomy, labor inclusion and employability.

New code of ethics for suppliers

To make effective the preservation of human rights in the value chain and respect for the company's ethical standards, Ferrovia has published a Code of Ethics for Suppliers in 2021 to establish the basic principles that should govern the behavior of suppliers in their business relationship with the company.

Ferrovia requires its suppliers to absolutely reject any act that could be considered corruption or bribery of any kind. In addition, the company always requires strict compliance with the anti-corruption legislation applicable in the countries in which it operates.

Ferrovia's Code of Ethics for Suppliers places special emphasis on respect for human rights and commitment to good labor practices, involving them in its commitment to health and safety, equal opportunities, respect for diversity and the prevention of forced labor situations. Ferrovia has enabled access to the ethical channel for all its suppliers.

Ferrovia promotes and expects these principles to be shared by all its suppliers, to assume them and, at the same time, to pass them on to their own suppliers and subcontractors in their commercial relations with the company.

THE ENVIRONMENT

Decarbonizing the economy

Ferrovial's Sustainability Strategy, aligned with the Horizon 24 Plan, covers the areas of climate change, biodiversity, circular economy and water. It also includes tangible and measurable objectives, with which it seeks to enhance its contribution to society.

REDUCTION OF GHG EMISSIONS

58.4%

in relative terms compared to 2009

ELECTRICITY CONSUMED FROM RENEWABLE SOURCES

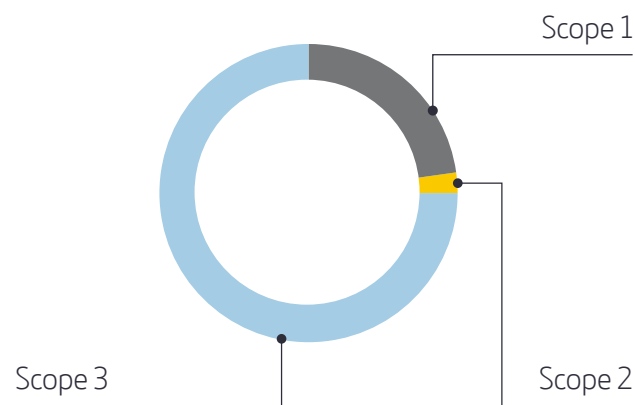
78%

target of 100% by 2025

The Climate Strategy, integrated into the Sustainability Strategy, is the company's commitment to contribute to the decarbonization of the economy, with an internal target to reach carbon neutrality by 2050, including the analysis and management of risks and opportunities related to climate change.

GREENHOUSE GAS EMISSIONS*

In absolute terms, by category of source

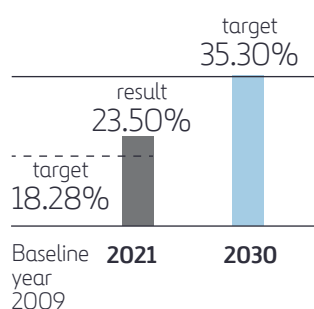
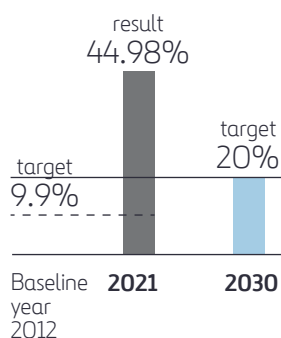


761,314				Scope 1 (tCO ₂ eq)			
257,863		231,445		271,764			
Stationary		Mobile		Diffuse			
36,752						Scope 2 (tCO ₂ eq)	
2,849,892						Scope 3 (tCO ₂ eq)	
445,526		249,853		552,731		1,601,782	
Investments		Use of Product		Upstream transport and distribution		Other	

REDUCTION TARGETS

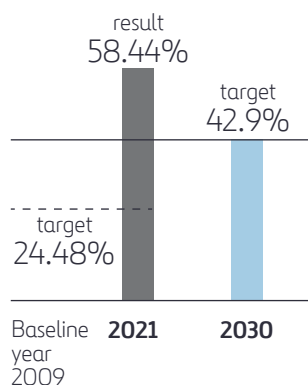
Scope 1&2 in absolute terms

% reduction

Scope 3
% reduction

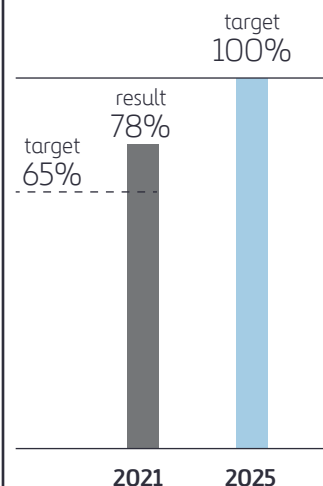
Scope 1&2 in terms of intensity

% reduction



RENEWABLE ELECTRICITY CONSUMPTION TARGET

% de consumption



*Information verified in accordance with ISAE 3410

CLIMATE STRATEGY

Carbon Footprint

Since 2009, the Carbon Footprint has been calculated and reported for 100% of the activities under the operational control approach as an organizational boundary. The calculation method is mainly based on the GHG Protocol (WRI&WBCSD), while maintaining compliance with ISO 14064-1 standards.

Ferrovial has set ambitious reduction targets endorsed by the Science Based Target Initiative (SBTi) for the 2030 horizon in scopes 1, 2 and 3.

In addition, the company has set a goal of climate neutrality by 2050, through emission reductions and offsetting. The company has set a target of 100% renewable electricity consumption by 2025. To achieve this goal, it has focused on the electrification of its fleet, the implementation of energy efficiency measures in its processes and the construction and operation of a 50MW photovoltaic plant that will supply energy to its activities in Spain and Portugal.

During 2021, Ferrovial collaborated with the SBTi initiative in different phases of the Net-Zero Standard definition project and the development of the tool for calculating emissions reduction targets, which has enabled the company to further explore the different decarbonization pathways through the revision of the standard and the use of new tools.

In addition, Ferrovial is one of the first Ibex 35 companies to present and approve its Greenhouse Gas Emissions Reduction Plan for the 2030 and 2050 horizons at the General Shareholders' Meeting.

Risks and opportunities related to climate change

Ferrovial follows the recommendations of the TCFD in its Integrated Annual Report. The company periodically performs an analysis and quantification of the risks and opportunities related to climate change in all its businesses and geographies.

The methodology considers transitional scenarios focused on the degree of implementation of climate change policies presented by the International Energy Agency (IEA) in its World Energy Outlook report, as well as physical scenarios that include various greenhouse gas emissions concentration scenarios and their physical impacts on the climate analyzed by experts from the Intergovernmental Panel on Climate Change (IPCC).

The study concludes that the short, medium and long-term risks are:

- Transition risks are related to the increase in operational costs due to the increase in raw material prices, establishment of carbon fee mechanisms or substitution of existing products and services with lower emissions. Aspects such as new regulations of existing products and services, water use restrictions, increased stakeholder concerns or changes in customer and consumer behavior are considered. The probability of occurrence of transitional risks and their financial impact is higher in the more sustainable scenario and lower in the business as usual scenario.

- Physical risks refer mainly to possible physical damage to infrastructure, decrease in productivity in extreme weather conditions or delay in delivery of products and services. The evolution of physical risks is the reverse of transitional risks, with a higher probability of occurrence in the high-emissions scenario and a lower probability of occurrence when moving towards the low-emissions scenario.

Ferrovial has the appropriate measures in place to mitigate, reduce and manage the risks related to climate change identified. These risks are incorporated into the corporate Ferrovial Risk Management (FRM) system and are reviewed every two years.

Shadow Carbon Pricing

Ferrovial applies a methodology to quantify the climate risk of its most relevant investments in the Shadow Carbon Pricing to redirect its activity to more decarbonized business models. This tool considers variable prices per ton of carbon for different time horizons, geographies and projects types, thus quantifying the potential economic risk inherent in the projects.

BIODIVERSITY

Ferrovial incorporates the criteria of the mitigation hierarchy into its environmental management. The organizational and operational procedures that govern its contracts, as well as its environmental monitoring processes, are based on avoiding and minimizing the negative impact on the environment.

In order to ensure responsible management of biodiversity, the company has developed a methodology and an internal tool for calculating the natural capital debt called INCA, based on the automation of the calculation of the impact on biodiversity and ecosystem services.

Externally, it promotes biodiversity conservation through the natural capital task force coordinated by the Spanish Green Growth Group. In 2021, the TIFIES plan was launched, aimed at strengthening public-private collaboration to fight more effectively against illegal logging and wildlife trafficking, and reverse the progressive loss of biodiversity and natural ecosystems.

CIRCULAR ECONOMY

Ferrovial is consolidating the incorporation of circular economy principles in its processes, products and services. As a sign of its commitment and focus on circularity, in 2021 the development of the Circular Economy Plan has begun, structured in the following areas:

- Energy. Working on improving energy efficiency, the generation of renewable electricity for self-consumption and the purchase of electricity from renewable sources.
- Waste. Prioritizing the valorization of waste as a resource.
- Water. Increasing efficiency in water consumption and promoting its reuse and recycling throughout the activities.
- Materials. Focusing on the incorporation of recycled materials in construction processes.

The Construction activity also promotes the circular economy, reducing wherever possible the waste generated and optimizing the resources used in all works and work centers, with annual targets of 80% reuse of land, as well as 70% reuse of Construction and Demolition Waste (CDW).

In addition, sustainability criteria are applied in building construction, including eco-design measures and ensuring efficient management throughout the building's life cycle. Newly constructed buildings incorporate environmental improvements with considerably lower energy consumption than conventional buildings.

Cadagua, the division specialized in water management, prioritizes waste minimization and recovery as part of its management while promoting the circular economy throughout its activities. As one of the circular economy measures, it is strongly committed to the recovery of sewage sludge. On the other hand, in innovation, new technologies are being explored that can reduce the volume of sewage sludge, as is the case of hydrothermal carbonation of sewage sludge. Another strategic line is energy efficiency and the reduction of electricity consumption from the grid due to the generation of renewable energy in the production centers.

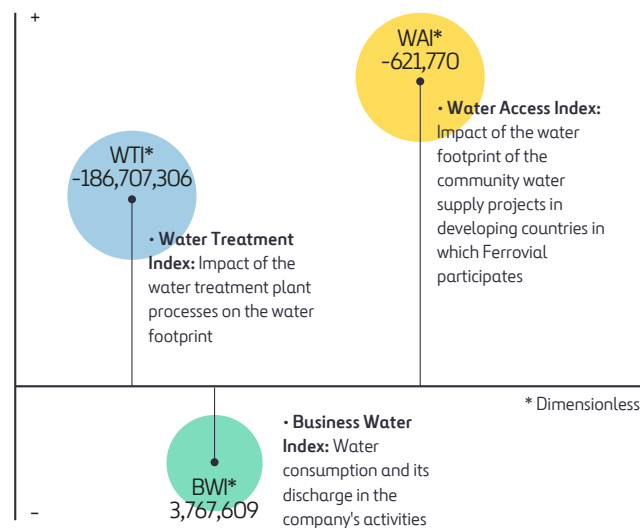
WATER FOOTPRINT

The Water Policy recognizes water as a limited and irreplaceable natural resource and access to it as a fundamental human right, directly related to global change and a necessary element within the circular economy.

To quantify the impact on water resources caused by the company's activities, a methodology has been developed for calculating the water footprint, considering aspects such as the source of the water, the country's water stress and the quality of the water and discharges, considering the balance of the ecosystems in which it is located. In terms of management, the strategy considers the availability, quality and balance of ecosystems, with the aim of optimizing the use of water resources.

This corporate vision is evident in Cadagua's business, where ensuring water supply and sanitation, protecting the environment and combating pollution are its main ambitions. Proper management is a tool in the fight against climate change, prevention of health problems, as well as a sign of commitment to society. Cadagua helps to meet these challenges with the highest quality and respect for the environment. This business line offers the opportunity to be one of the main players in key processes to meet the challenge of water supply, especially in areas with water shortages. On the innovation side, the company is evaluating the most appropriate treatments to eliminate contaminants of emerging concern, as well as antibiotic-resistant bacteria.

Ferrovial has set a target to reduce BWI by 20% by 2030 and offset BWI by 30 times annually ($WTI + WAI > 30BWI$).



POSITIVE CONTRIBUTION

The water treatment activity together with the social action projects help compensate the impact of the consumption of water and waste that the business units need and generate.

Tool for the management of risks associated with climate change

As part of the climate change adaptation strategy, Ferrovial is working with a team of experts from the University of Cantabria led by a member of the IPCC to develop an internal tool to identify, evaluate and quantify physical risks and establish specific adaptation measures to reduce and mitigate them in Ferrovial's activities. For this analysis, the RCP climate scenarios published in the IPCC report will be considered. This instrument will help the company to standardize the process, improve risk management and be more resilient to climate change by including these measures in the design phase of projects. Through this system, the company will respond to the European Union's Taxonomy Regulation.

Reforestation works, emission absorption and offsetting projects

This was thanks to the Compensa project, in which forest restoration work is carried out in burned or agricultural areas to absorb and offset emissions. This initiative carried out in Torremocha de Jarama, in Madrid, seeks to recover the vegetation of an agricultural area lacking trees, converting it into a CO₂ absorption forest. With its development, 7.7 hectares will be reforested in three years (4.8 in 2019, 1.8 in 2020 and 1.1 in 2021). A total of 4,000 trees have been planted, which over the next 50 years will absorb around 2,000 tons of CO₂.



Solar photovoltaic power plant of "Los Limonetes" Badajoz, Spain.

SUPPLY CHAIN

Applying ESG criteria

Integrating ESG criteria into supply chain management by fostering innovation and promoting sustainable procurement is a priority.

NUMBER OF SUPPLIERS

70,895

NUMBER OF SUPPLIERS ASSESSED

12,062

PURCHASES FROM LOCAL SUPPLIERS

96.93%

Ferrovial promotes sustainability in its supply chain through the incorporation of tools, the development of procedures and the promotion of innovative projects that provide detailed knowledge of the type of suppliers with which it works.

INTEGRATION OF ESG PRINCIPLES IN THE SUPPLY CHAIN

In 2021 Ferrovial updated its Suppliers Ethical Integrity Due Diligence Procedure, which incorporates the Suppliers Code of Ethics. It is a mandatory requirement for suppliers in orders and contracts, and includes the basic principles that must govern the behavior of all suppliers in their commercial relationship with the company. It is aligned with and complements other corporate policies, especially the Code of Ethics, Corporate Responsibility, Human Rights, Quality and Environment and Anticorruption policies. The Supplier Code of Ethics is available on the Ferrovial website.

The company analyzes the degree of criticality of all its suppliers, understanding a critical supplier to be one whose purchasing volume is significant from an economic point of view for the business it serves, or one whose supplies or services could have a negative impact on business continuity in the event of an incident. In this regard, at the end of 2021 there were 2,724 critical suppliers identified.

Suppliers are also analyzed from the point of view of sustainability. On this matter, suppliers are classified as high-risk suppliers if they supply products considered risky or from sectors characterized as high-risk, and if they manufacture the products supplied in countries considered risky. In the case of Ferrovial, this list is limited to some suppliers of personal protective equipment. By the end of 2021, this list consisted of 213 suppliers, all of which are subject to special monitoring.

It should be noted that all model orders and contracts include environmental, social and labor, health and safety, compliance with the Global Compact Principles, as well as ethics and anticorruption clauses, in line with the Code of Ethics and Compliance Policies, thus ensuring compliance with ESG requirements.

Supplier performance evaluation and monitoring processes also include ESG criteria. Thus, the Construction business has an IT application for the evaluation and monitoring of each supplier based on the evaluations carried out at each construction site or work center. The evaluation includes, among other aspects, compliance with Health and Safety and Occupational Risk Prevention, Anticorruption Policy and environmental criteria. These evaluations allow the identification of suppliers on an ongoing basis, and are available at an international level for both site managers and other authorized personnel involved in the purchasing and supplier management process. In addition, the computerized management system has been updated to facilitate real-time communication of evaluations with incidents or poor Health and Safety performance, so that purchasing managers can take appropriate action in the shortest possible time.

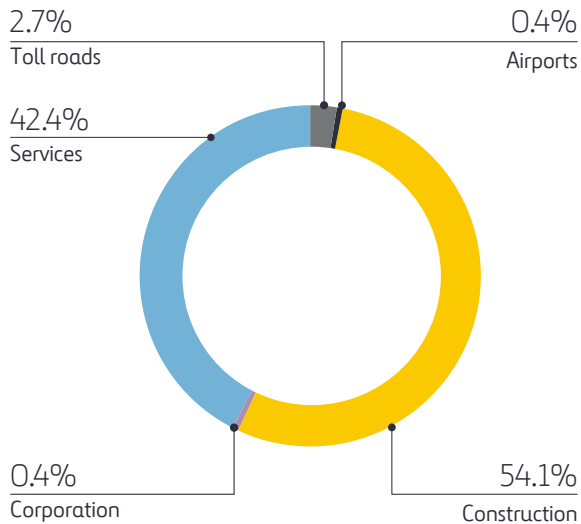
The result of the evaluations may result in a warning to the supplier, the establishment of an action plan for improvement, or even disqualification from working with Ferrovial, depending on the seriousness of the case, especially if non-compliance with the Anticorruption Policy is verified.

During 2021, 25,170 suppliers joined Ferrovial's supply chain and more than 12,000 were assessed, of which less than 1% were rejected. In terms of supplier invoicing, a total of 28.1% corresponded to critical suppliers, while 96.93% came from local suppliers.

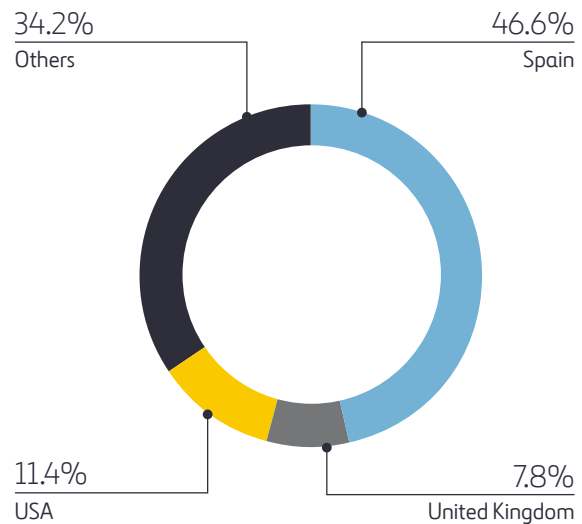
INNOVATION FOR A MORE SUSTAINABLE PROCUREMENT

Ferrovial develops innovation projects and applies new technologies to achieve a more agile, efficient and transparent supply chain, which in turn enables sustainable procurement to be gradually incorporated, thus extending sustainability principles to its entire value chain.

SUPPLIERS BY BUSINESS



SUPPLIERS BY COUNTRY



In this respect, the most noteworthy initiatives are the following:

- Purchase of electricity from renewable sources: the company promotes, whenever possible, the purchase of electricity with a guarantee of origin and is progressively moving towards the 100% target in 2025 established in the Horizon 24 plan. In 2021, 78% of the electricity purchased was produced from renewable sources.
- Efficient vehicle fleet: most of the fleet is managed through agreements with a lease/renting period of up to 3 years, which facilitates a complete renewal of the fleet with efficient vehicles, resulting in a substantial and continuous reduction in emissions levels. Hybrid, gas and electric vehicles continue to be added to the fleet, with the target of reaching a 33% zero-emission fleet by 2030, as set in the Horizon 24 plan.
- Green Purchasing Catalog: during the last year, the information available in the catalog has continued to be updated and increased to promote the purchase of this type of sustainable products. In Construction, alternatives for the supply of green products with Environmental Product Declarations and Ecolabel products have been incorporated, as well as other information accrediting the improvements in sustainability that are made available to customers both in the contracting and execution phases.
- Digitization in purchasing processes: in 2021, the objective of incorporating the digitization of essential documents of the process, such as supplier offers and contract documents, into the computerized purchasing management system was completed, and progress has been made in the digitization of delivery notes and invoices to complete its deployment in 2022.

“Supplier 360” Project at Ferrovial

Ferrovial has implemented the "Supplier 360" application in its Construction, Services and other businesses in Spain. This IT tool monitors suppliers using advanced data analytics techniques, language processing and internet searches. This enables potential risks to be detected, whether financial, environmental, legal, labor or reputational. This tool provides additional information to that already available in the supplier databases, both for the selection, contracting and monitoring phases.

In fiscal year 2021, its functionality has been extended to cover suppliers and sources of information in the USA and the UK. It has also been prepared to incorporate other business areas, such as Toll Roads, which will be able to use it regularly in 2022.

At the end of 2021, monitoring of the 120 most relevant suppliers of Ferrovial Construction in these two markets, which represent more than 60% of supplier turnover in these countries, had begun. The tool has reported a total of 44,463 pieces of information about them, obtained from the different websites and platforms it accesses.

COMMUNITY

Where it is most needed

Ferrovial, through its social programs, views community investment as a strategic instrument for the progress of society and a way of promoting its contribution to the achievement of the Sustainable Development Goals, with special attention to the most vulnerable people.

COMMUNITY SUPPORT PROJECTS

323

INVESTMENT IN THE COMMUNITY (M€)

4.2

9% in volunteer time

NUMBER OF DIRECT BENEFICIARIES

100,632

Ferrovial's commitment to the community is a strategic instrument aligned with the United Nations 2030 Agenda and its Horizon 24 Strategic Plan, so that it complements the social impact of its business and makes the development of the communities where it operates sustainable and inclusive.

Ferrovial's main social action programs seek to involve its employees, either through volunteering or financially. The aim is to raise employee awareness of social needs while reinforcing a sense of belonging and, in addition, to increase the impact on the community.

INFRASTRUCTURES TO GUARANTEE BASIC RIGHTS

Ferrovial aligns its social interventions with its strategy of promoting sustainable infrastructures, and therefore focuses its community investment programs on developing infrastructures that enable the most disadvantaged people to have access to basic rights such as water, health, education and food. For development to be sustainable, it must also be inclusive.

Access to water and sanitation, key to health and development

Ferrovial contributes significantly to the achievement of SDG 6 through its Social Infrastructure Program. Since 2011, the program has been promoting projects that develop infrastructure to improve access to water and sanitation in vulnerable communities in Latin America and Africa. It places special emphasis on sustainability, dedicating resources to strengthening the capacities of local bodies responsible for water management.

Ferrovial, in collaboration with NGOs based in the communities, provides technical assistance, technology and the participation of its specialist employees in the development of the projects, transversally involving the company in a strategic social action program.

In 2021, the program has developed three projects in Rwanda, Colombia and Peru, improving access to water and sanitation services for 9,230 people.

In the eleven years of the program, Ferrovial has implemented 31 water and sanitation projects. The accumulated investment is 6.4 million euros, to which must be added the efforts of 125 volunteers who have dedicated more than 10,000 hours of qualified work to these projects.

As a result of this effort, access to drinking water has been improved for 238,869 people in ten countries (Peru, Colombia, Mexico, Ethiopia, Kenya, Tanzania, Uganda, Rwanda, Ghana and Zimbabwe). The analysis of the impact of these projects has made it possible to establish how access to water contributes to other key aspects of the 2030 agenda, such as improved health, gender equality, better nutrition and improved income.

Ensuring access to food

In 2012, Ferrovial detected the need to improve the infrastructures of entities that provide access to food to the most vulnerable in Spain. Since then, it has invested more than 890,000 euros in improving kitchens, canteens and food warehouses to guarantee food distribution with the necessary quality and safety. In 2021, it has improved the facilities of 7 food banks: Ávila, Ceuta, Jaén, Almería, Vizcaya, Murcia-Segura and Seville. With this program, Ferrovial has contributed to SDG 2, zero hunger, enabling more than 77,000 people have improved their access to food, 14,666 people in 2021.

In the United States, Ferrovial collaborates on a regular basis with food banks through initiatives such as Food Drive in North Carolina or TEXPRESS Food Bank Donations in Texas.

Access to health and education, basic children's rights

Ferrovial also collaborates with various programs to improve school and hospital infrastructures. In Poland, Budimex has the Strefa Rodzica Program, to create separate areas in pediatric wards of hospitals where parents can accompany their children, and the Domofon ICE program, which has been promoting safety in educational centers since 2009.

In addition, in 2021 the projects supported by the Juntos Sumamos Program have also focused on infrastructures; both for education, such as a greenhouse for vocational training for people with disabilities in Pontevedra or a preschool education center in India, and for health, such as the improvement of the Menudos Corazones House for heart disease patients and their families.

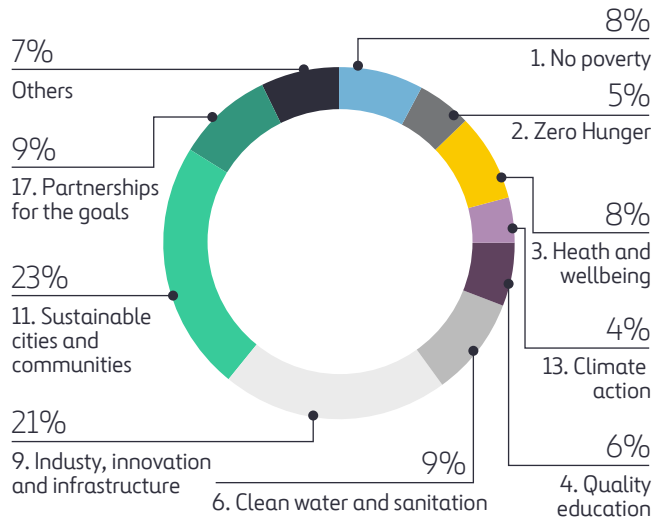
Ferrovial's commitment to education is complemented by the promotion of STEM careers, so that access to this training is equal for both gender and social background.

Ferrovia has been collaborating for several years with the Junior Achievement Foundation's Orienta-T program, in which 45 company volunteers participated in 2021, giving workshops in educational centers to awaken STEM vocations among students.

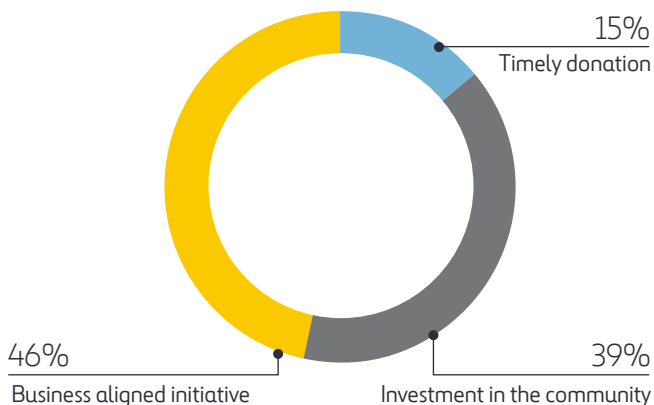
In the United Kingdom, 275 Ferrovia employees were involved in volunteer activities in 2021, most of them focused on educational

activities to bring children and young people closer to the world of engineering, while at the same time carrying out activities with them to raise awareness of the importance of caring for the planet. On the other hand, in the United States the company collaborates with schools, both with educational programs, focused on promoting STEM vocations, and with support for teachers and STEM scholarships for underprivileged students.

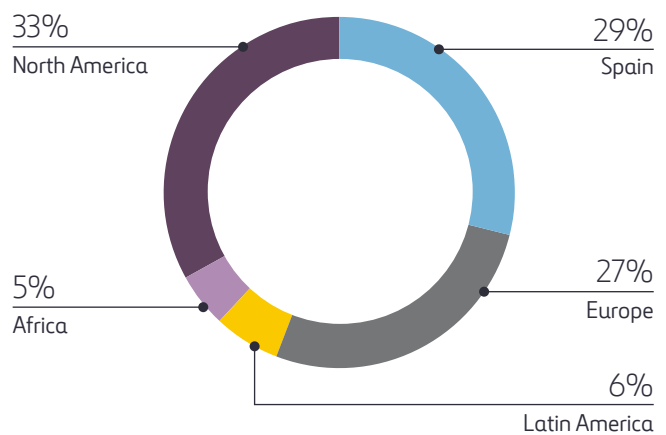
COMMUNITY INVESTMENT BY SDG



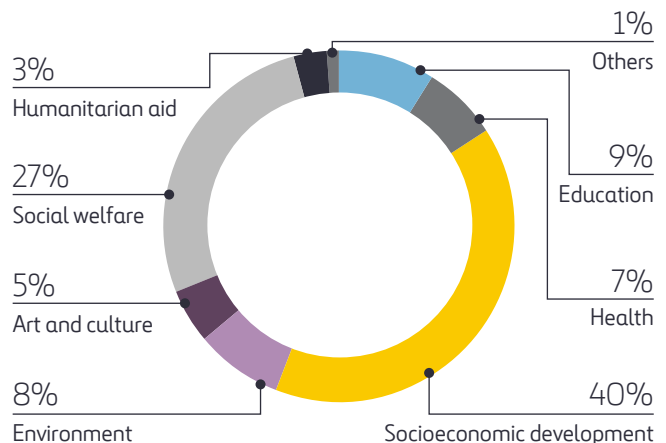
MOTIVATION



COMMUNITY INVESTMENT BY COUNTRY



COMMUNITY INVESTMENT BY AREA OF ACTIVITY



Deepening the social impact of Ferrovia's infrastructures

For several years Ferrovia has been working on measuring the social impact of its investment programs in the community and also the impact generated in achieving the Sustainable Development Goals by its main infrastructures.

Since 2018, all water access and sanitation projects perform an assessment of their impact in the areas of health, socioeconomic development, social and emotional wellbeing, following a proprietary methodology based on the Social Return on Investment (SROI) framework.

In addition, social impact indicators are being defined for all Ferrovia's activities. Within others, contribution to economic growth, health improvement, generation of local employment, time

savings and improved safety are some of the indicators defined to determine Ferrovia's impact aligned with the SDGs.

An outstanding example of the social impact of infrastructure is the 153 kilometers of the Ruta del Cacao, in Colombia. This road linking the cities of Bucaramanga, Barrancabermeja and Yondó will strengthen economic development opportunities and boost employment and the supply chain in eastern Colombia. Moreover, this backbone of the territory will also help consolidate the peace process that continues to take hold in the country since 2016.

The positive impact of the road is complemented by the development of water access projects within the Social Infrastructure Program. Since 2015, 3,200 people from 7 communities in the municipality of Lebrija have benefited from the installation of drinking water treatment plants and the strengthening of Water Boards. Three of these plants have been installed in 2021.

RESPONSIBLE TAX MANAGEMENT

Contributing responsibly

In 2010, Ferrovial adhered to the Code of Good Tax Practices promoted by the Spanish Tax Agency, extending these recommendations across all its activities worldwide through the Compliance and Good Tax Practices Policy. In February 2015, the Board of Directors approved Ferrovial's Tax Policy, in compliance with the provisions of Article 529 ter of the Capital Companies Law, and in February 2021 it proceeded to its renewal through the approval of the new Compliance and Good Tax Practices Policy. In addition, there are various internal procedural rules that are directly or indirectly related to these Policies.

TOTAL TAX* (M€)

1,810

*Accrued, paid and collected

TAXES PAID PER PROFIT (M€)

158

The **Tax Compliance and Best Practices Policy** is part of Ferrovial's Corporate Governance Policies; its update was approved by the Board of Directors in February 2021, and is published on the corporate website (<https://www.ferrovial.com/en/ir-shareholders/corporate-governance/corporate-policies/>), as well as on the Company's intranet.

The policy reflects the Group's general commitment to comply with tax regulations in Spain and in the rest of the countries in which the company operates, as well as to develop the best practices in this matter and maintain an appropriate relationship with the corresponding Tax Authorities, being the responsibility of all its employees and collaborators to comply with this commitment, assuming the following conducts, which are considered Good Practices in Tax Matters:

a) Prevention of tax risk:

Without detriment to efficient business management, the Group shall attend in the development of its activities to the principles of an orderly and diligent tax policy:

- Ensuring timely and proper compliance with its tax obligations, filing its taxes in an appropriate manner, with all the relevant information and in accordance with the applicable regulations.
- Establishing the necessary mechanisms to analyze the tax implications, prior to the execution of, among others, any type of investment, corporate operation, signing of contracts or any other action that may have repercussions in tax matters.
- Ensuring that the Group's taxation is adequately related to the structure and location of its activities, the human and material resources of the different entities and the business and financial risks assumed by each of them.
- Promoting practices aimed at the prevention and reduction of significant tax risks.
- Reducing conflicts arising from the interpretation of the applicable regulations, through the use of instruments established for this purpose by the tax systems (prior consultation with the tax authorities, prior valuation agreements, etc.).
- Avoiding the use of opaque structures for tax purposes, understood as those in which, by means of the interposition of special purpose vehicles located in tax havens or territories that do not cooperate with the Tax Authorities, are intended to prevent the latter from

knowing who is ultimately responsible for the activities or the ultimate owner of the assets or rights involved.

- Valuing the related transactions at market value and complying with the transfer pricing documentation obligations established by tax legislation.
- Aligning this Tax Compliance Policy and Ferrovial's Tax Risk Management and Control System ("SGCRF") with the rest of the Group's policies, regulations and guidelines that make up the corporate governance system.

b) Relations with the Tax Authorities:

The Company's relations with the competent Tax Authorities shall be governed by the principles of transparency and mutual trust, with the Group assuming the following good practices:

- To collaborate with the competent Tax Authorities in the detection and search for solutions with respect to fraudulent tax practices that may develop in the markets in which the Company is present, in order to eradicate those already existing and prevent their extension.
- To provide the information and documentation with tax implications requested by the competent Tax Authorities in the shortest possible time and in the most complete manner.
- To make use of all the possibilities offered by the contradictory nature of the inspection procedure, promoting the agreement with the competent Tax Authorities in all the procedural phases in which it is feasible to do so.

The Tax Compliance Policy is developed through various internal regulations, procedures, guidelines and circulars that make up the SGCRF, and benefits from the corresponding due diligence procedures and other norms that make up the corporate governance system.

Non-compliance with the Tax Compliance Policy and/or any action that could be considered unlawful or criminal, will be sanctioned in accordance with the provisions of internal procedures, applicable legislation or the corresponding disciplinary regime. In the case of administrators, the provisions of commercial regulations shall apply. Disciplinary measures will be imposed to correct the detected infractions according to their importance.



This commitment to compliance is part of the general principles on which the Company's fiscal management is based and which are included in Ferrovial's Fiscal Policy, which has followed the Corporate Responsibility guidelines contained in the Global Reporting Initiative (GRI 207) and the information contained therein is verified in the same terms as the rest of the information included in the EINF.

The principles of the Tax Policy are mandatory for all employees of Ferrovial SA and Ferrovial Group companies who are involved, directly or indirectly, in the management of any applicable taxes in all countries in which the entities carry out their business or have a business presence.

The Tax Compliance and Best Practices Policy is in line with current international taxation standards (OECD Guidelines) and ensures a transparent tax compliance model based on the best tax practices, which guarantees the correct tax contribution of the Group in each of the countries in which it operates.

The commitment to contribute to the economic and social development of the different markets in which Ferrovial operates is materialized in the tax sphere in compliance with all tax obligations generated as a result of its activity, in accordance with the applicable local and international regulations.

TAX GOVERNANCE, CONTROL AND RISK MANAGEMENT.

The role of the Board of Directors and Tax Compliance Body

In compliance with the provisions of commercial legislation, the Board of Directors determines the risk control and management policy, including tax risks; approves investments or transactions which, due to their high amount or special characteristics, have a special tax risk; and determines the company's tax strategy.

Under these responsibilities, the Board of Directors, through its Chairman, Chief Executive Officer, its executives and, in particular, through the Tax Advisory Department, promotes the monitoring of tax principles and good tax practices.

When formulating the annual financial statements and the filing of the corporate income tax return, the Board is informed of the tax policies applied during the year and, in particular, of the degree of compliance therewith. Likewise, it is informed about the conclusions derived from the supervision and evaluation of the operation and effectiveness of the Group's SGCRF, which is reflected in the Annual Corporate Governance Report.

In the case of transactions or matters that must be submitted to the Board of Directors for approval, the Board of Directors is informed in advance of the tax consequences of such transactions or matters when these constitute a relevant factor.

The functions of supervising the operation and effectiveness of the Group's SGCRF are assigned to Ferrovial's Compliance Department (tax compliance body), supported by the Tax Advisory Department, functions that already form part of its area of responsibility for supervising the general compliance program and which it will carry out independently and permanently.

The role of the Tax Advisory Department.

The Group's Tax Advisory Department is a centralized body, with sufficient financial resources and made up of experienced tax experts, whose main objective is to manage the Group's tax affairs in accordance with the general principles and guidelines set out in Ferrovial's tax policies. To this end, it is responsible for establishing the tax procedures and criteria to be followed by the group companies, by issuing and disseminating the internal standards required for their implementation, as well as establishing the appropriate control measures to ensure compliance.

The responsibilities entrusted to the Tax Advisory Department include the following:

- Verifying compliance with Ferrovial's Tax Policy, the Tax Risk Control and Management Policy and the Code of Good Tax Practices.
- Detecting, analyzing and monitoring tax risks and contingencies.
- Tax planning of investments and divestments made by the Group, recommending the use of appropriate and optimal structures.
- Providing training to employees on tax matters, as well as on the Group's Tax Risk Control and Management System.
- Participate in relevant forums for the discussion of tax issues with the intention of strengthening a model of value creation and synergies with all of them, dialogue and relationship maintained with non-governmental organizations, such as SEOPAN and CEOE, through which the Group actively participates in legislative initiatives, as well as through its participation in working groups within the Large Companies Forum, within the framework of its commitment to promote cooperative relations with the Tax Administration.
- Adopting the pertinent measures, implementing systems and automatisms that increase security and efficiency in the achievement of the objectives set.
- Attending and/or advising on claims or comments received directly or through the channels of communication of non-compliances (Ethical Channel) and solving queries related to the Group's Tax Risk Management and Control System.

Since 2017, the Tax Transparency Report has been submitted annually and voluntarily to the Spanish Tax Administration, thereby reinforcing legal certainty, mutual knowledge and reciprocal trust with the tax authorities.

TAX RISK PREVENTION AND MANAGEMENT

Ferrovial has a Tax Risk Management and Control System whose main objective is to establish a governance framework in tax matters that ensures that the group's actions and operations are governed by clear principles, values and rules, aligned with the group's Code of Business Ethics and other corporate governance rules, which enable any employee, person or entity that has a relationship with the group and the Board of Directors to adopt the appropriate decisions to comply with tax legislation, as well as to reinforce Ferrovial's commitment to stakeholders (i. e. Public Administrations, shareholders, stakeholders, employees, etc.) from a tax perspective.

Following the recommendations of the Code of Good Tax Practices, Ferrovial:

- Ensures timely and proper compliance with its tax obligations, filing its taxes in an appropriate manner, with all the relevant information and in accordance with the applicable regulations.
- Promotes measures to prevent and reduce tax risks and establishes the necessary mechanisms to analyze the tax implications prior to carrying out any transaction.
- Ensures that the Group's taxation is adequately related to the structure and location of its activities, the human and material resources of the different entities and the business and financial risks assumed by each of them.
- Avoids conflicts arising from the interpretation of the regulations by consulting the tax authorities or prior valuation agreements.
- Values related-party transactions at market value and complies with transfer pricing documentation obligations established by tax legislation.
- Avoids the use of opaque structures for tax purposes.
- Aligns its Tax Risk Management and Control Policy and System with the rest of the Group's policies, rules and instructions that make up the Group's corporate governance system.

This due diligence framework, which is undergoing a process of annual monitoring and control, embodies the company's firm commitment to strict compliance with applicable laws and the application of the highest ethical standards in the development of the company's activities. The Compliance and Risk Department is responsible for managing and analyzing the operation of this system, the independence and effectiveness of this department, has been strengthened as it has been provided with new resources and it now reports directly to the Audit and Control Committee.

The programs that form part of Ferrovial's tax risk management and control system include, among others, the following:

- Ferrovial Risk Management (FRM): Risk and Contingency Identification and Assessment Process, supported by the FRM IT tool in operation at Ferrovial and its group of companies. This process is managed by Ferrovial's Risk Department. As an integral part of this process and supported by the same tool, there is the Risk Identification and Assessment Process and Self-assessment of Compliance Controls, managed by Ferrovial's Compliance Department. This process identifies and assesses regulatory compliance risks, including the risk of committing criminal acts, and evaluates the monitoring and control measures implemented to mitigate them. Likewise, through this process, all business areas report any non-compliance with laws and regulations with potential criminal consequences for Ferrovial.
- Internal Control over Financial Reporting System (ICFR): Process of identification and assessment of risks and controls associated with the preparation and reliability of financial information, supported by the Diana IT tool.
- SIGEFI, Alphatax, Tagging XBRL Services, Vat Controller, Katalist and Link 360: Systems for management and control of tax obligations, to be complied with in all jurisdictions in which Ferrovial operates.
- System for evaluating the performance of the tax compliance management system through Key Risk Indicators (KRIs), which make it possible to periodically assess the suitability and effectiveness of the procedures established in this area and to measure the degree of objective compliance with them and their degree of effectiveness.

It should also be noted that Ferrovial has an Ethics Channel available to its employees and any counterparty with a legitimate interest, which may be used to report any non-compliance related to the group's Tax Risk Management and Control System, as well as to report any illegal act or behavior of a tax nature. The Compliance Department is responsible for managing the operations of the Ethics Channel, in coordination with the appropriate management bodies in each case and, in particular, with the Internal Audit Department.

Ferrovial certifies its tax compliance management system

In February 2021, Ferrovial, S.A. obtained certification from AENOR of its tax compliance management system in accordance with the UNE 19602 reference standard "Management system for tax compliance".

This certification endorses Ferrovial's commitment to regulatory compliance, responding to the regulatory requirements of markets, customers, shareholders and investors and other stakeholders, and position the company with a high ethical standard and commitment to best corporate governance practices.

This certification, which is valid for three years from the date it was granted, was reviewed and audited by AENOR in February 2022, and it is considered that Ferrovial's Fiscal Management System complies with the requirements of the Standard and with the rest of the audit criteria, and it is considered to be effectively implemented.

COUNTRY BY COUNTRY REPORT 2021 AND 2020*

These charts show the amounts (in €m) paid by Ferrovial in 2021 and 2020, respectively. They are aggregate figures based on its percentage of participation or ownership of the assets. Notably, the main assets integrated by equity accounting, 43.23% in the case of 407 ETR (Canada), 25% for Heathrow and 50% for AGS (United Kingdom).

2021 (M€)				
Market	Paid Taxes ⁽¹⁾		Collected Taxes ⁽²⁾	Total (M€)
	Corporation Taxes	Rest		
Spain	44	334	389	767
United Kingdom	3	116	525	644
Australia ⁽³⁾	0	1	3	4
America ⁽⁴⁾	65	32	117	214
Poland	33	21	69	123
Rest of Europe	12	16	29	57
Others	0.5	0.5	0	1
TOTAL	158	520	1,132	1,810

2020 (M€)				
Market	Paid Taxes ⁽¹⁾		Collected Taxes ⁽²⁾	Total (M€)
	Corporation Taxes	Rest		
Spain	-2	363	388	749
United Kingdom	-30	151	374	495
Australia ⁽³⁾	0	133	50	183
America ⁽⁴⁾	38	32	55	125
Poland	39	36	95	170
Rest of Europe	15	10	37	62
Others (<1%)	0	0	1	1
TOTAL	60	725	1,000	1,785

(1) Taxes borne by Ferrovial derived from its activity and operations, which represent a direct cost (e.g. Corporation Tax, non-deductible VAT, Employment Taxes (Employer), Local Taxes, etc.).

(2) Taxes collected by Ferrovial and paid to public finances on behalf of third parties (e.g. Employment Taxes (Employee), net VAT, Withholding Taxes, etc.).

(3) Includes Australia and the rest of the Pacific Islands.

(4) Includes USA, Canada, Brazil, Chile, Colombia, Mexico, Peru and Puerto Rico.

CYBERSECURITY

Business continuity

Digital (IT), industrial (OT), connected (IoT) products and services and information are strategic assets for Ferrovial for which all employees are responsible. Its integrity, confidentiality and availability must be guaranteed to achieve optimal performance in all business lines.

100%

Successfully managed security incidents

113,000

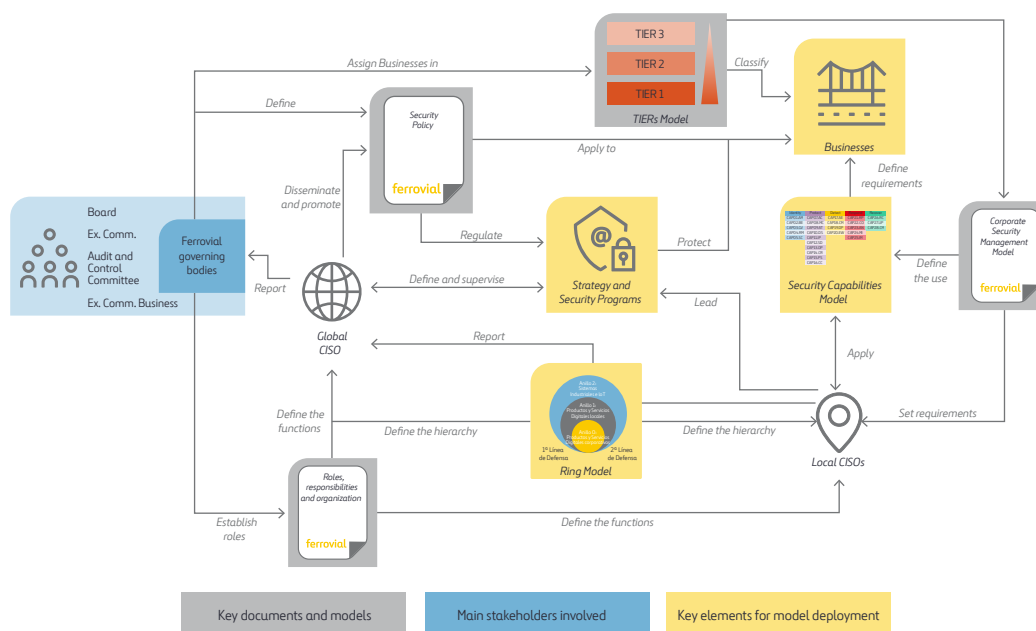
Simulated phishing emails received by employees

18,543

Single users included in phishing simulations

14,000

SMS sent in smishing campaigns



The company has an optimal organizational structure, a robust security model and resources to guarantee the integrity of its assets.

CYBERSECURITY ORGANIZATION AND LEADERSHIP

Ferrovial has appointed the position of Global Chief Information Security Officer (CISO), providing him with an organizational structure and the necessary resources to implement the Cybersecurity (Security) program. Likewise, each business unit and subsidiary company has a Local CISO.

The driving force in security is the Global Cybersecurity Committee, which provides monitoring and continuity to the development of the security program. In addition, there is a Global Cybersecurity Community, composed of all the security professionals in the business units and subsidiary companies, as well as their IT managers.

The Cybersecurity department reports to the governing bodies of Ferrovial. The Global CISO reports periodically to Ferrovial's Management Committee and to the Management Committees of Ferrovial's businesses, generally reporting on the security strategy and program, as well as the main security risks and threats.

On a regular basis, the Global CISO reports to the Board of Directors providing information on the security strategy and program, the main security risks and threats faced by Ferrovial and how they are being managed. It must also participate in the Audit and Control Committee at its request, providing information on the security strategy and program, on the level of internal control, on the main security risks and threats and how they are being managed.

Since 2019, the Cybersecurity Department has been promoting a new strategic plan approved by Ferrovial's Management Committee, which is expected to be completed throughout 2022.

CYBERSECURITY MODEL

Ferrovial has a General Cybersecurity Policy, approved by the CEO, applicable to all business units and subsidiaries. It is structured around a set of principles and objectives that support the company's strategy.

It is implemented through the Security Model based on organization, people, processes and technologies, formalized in a Security Regulatory Body that takes as a reference the best market practices, highlighting the NIST CSF and the ISO 27001 standard (Ferrovial has been certified since 2012).

It is based on a set of security capabilities supported by the NIST CSF principles: Identify, Protect, Detect, Respond and Recover all the assets needed to carry out Ferrovial's business activities.

The Cybersecurity Model complies with the principle of continuous improvement established by ISO 27001 (Plan, Do, Check, Act). The strategy is implemented through a program comprising security capabilities and projects that implement new capabilities or strengthen existing ones. The strategy is reviewed periodically by Ferrovial's Governing Bodies and uses as reference the results of audits and reviews, compliance with KGIs and Security KPIs or new cybersecurity threats.

Ferrovial has adapted its security strategy and capabilities to respond to the threats arising from the COVID-19 pandemic, such as the

proliferation of phishing attacks, disinformation campaigns, attacks on employees and collaborators working remotely, etc. This situation has required leveraging existing Zero-Trust architectures and has encouraged the rapid adoption of SASE (Secure Access Service Edge) models and advanced XDR (Extended Detection & Response) monitoring and correlation capabilities.

SECURITY CULTURE

Ferrovial aims to ensure that employees and collaborators become the first line of defense against cyber threats, supporting the generation of a security culture. The security awareness program "Being aware, makes you safe" has been deployed, comprising various initiatives such as mandatory security training and other training actions (face-to-face or online), news and pills on the intranet and via mail; preventive and systematic campaigns against phishing, ransomware, or CEO fraud, as well as vishing, phising and smishing simulations. After the simulations, the level of risk of suffering these types of attacks is measured and the users to be made aware of and sensitized are identified based on their results obtained.

It should be noted that employees of the Cybersecurity Department have specific objectives in the area of security as part of their annual performance evaluation.

COMPLIANCE

There is a Security Compliance area within the Cybersecurity Department. It is responsible for the identification of applicable legislation and Security requirements necessary to guarantee compliance articulated through the Security Model.

The most relevant regulations covered by the Security Model are the General Data Protection Regulation (RGPD and LOPDGDD, by its Spanish acronyms), the Internal Control over Financial Information System (SCIF), the NIS Directive, the Crime Prevention Model typified in the Criminal Code, the National Security Framework (ENS) and ISO 27001. When new standards are identified, or modifications are made to the requirements of those already identified, the Security Model is enriched. In addition, specific compliance programs have been established for data protection, the Criminal Code, the SCIF and ISO 27001.

The Cybersecurity Department ensures compliance with the security requirements defined in the bidding specifications, tenders and contracts in Ferrovial's businesses.

THREAT DETECTION, CORRELATION AND CYBERINTELLIGENCE

Ferrovial has two SOC (Security Operations Center) that provide coverage for events occurring in its data centers, perimeters, workstations and cloud environments. These services act as they receive alerts generated by SIEM (Security Information and Event Management) tools, upon detecting security events defined by the Cybersecurity Department.

The available cyber intelligence capabilities provide information on threat actors and their techniques and tools, enabling the deployment

of controls to prevent successful attacks. Furthermore, there are formal collaboration agreements with national and international cybersecurity agencies with which information on threats and cyber incidents is shared and received.

CYBER ATTACKS RESPONSE

Ferrovial has an Incident Management procedure based on the National Cyber Incident Notification and Management Guide (INCIBE-CERT) and the ISO/IEC 27035 standard, which operations (response, containment and eradication) are formalized through a set of policies and playbooks.

The process incorporates the lessons learned from the different events and incidents managed. It is especially relevant to identify IoC (Indicators of Compromise) and TTPs (Tactics, Techniques & Procedures) to improve protection and detection mechanisms.

RESILIENCE AND CYBER RESILIENCE

Ferrovial has Contingency and Recovery Plans to respond to and recover from disruptive events. The Crisis Management Protocol involves various departments and areas within Ferrovial, in accordance with the protocols established by each of them. Response and recovery plans for incidents and disruptive events are tested periodically.

Additionally, the company has a cyber insurance policy that covers possible disruptive events and cyber incidents that may occur in the context of business activity.

EXTERNAL VERIFICATION AND VULNERABILITY ANALYSIS

Ferrovial continuously reviews its Security Model to identify areas for improvement and vulnerabilities. Various security audits and reviews are carried out on an annual basis, among which the following stand out:

- Audits associated with ISO 27001 certification.
- Security audits in the context of the EEFF audit (ITGC and ITCC).
- Audits conducted by the Internal Audit department (Third Line of Defense).
- Ad-hoc security reviews according to annual planning (Red Team, Pentesting, etc.).
- Recurrent Compromise Assessment exercises combined with threat hunting exercises.
- Vulnerability reviews in data centers, workstations, perimeters and cloud environments.
- Vulnerability reviews in source code.
- Security reviews of vendors (Vendor Risk Management).
- Review of Ferrovial's cybersecurity rating.
- Participation in national cyber exercises.
- Crisis simulations.
- Security Model assessment campaigns.

The Cybersecurity Department groups, assigns, plans and monitors the implementation of the different action plans that arise as a result of the assessments, reviews and audits indicated.