



Integrated Annual Report

Consolidated Management Report
and Financial Statements

2021

The Report

1. The Consolidated Management Report, which contains the statement of non-financial information, comprises from page 11 to 193, and was drawn up by the Board of Directors on February 24, 2022.
2. The consolidated Annual Financial Statements comprise from page 197 to 295, and were drawn up by the Board of Directors on February 24, 2022.
3. Additional reports: Annual Corporate Governance Report (as part of the Management Report) and Annual Directors' Remuneration Report. All available at www.ferrovial.com.
4. This report also meets the requirements of European Directive 2014/95/EU of the European Parliament and of the Council, as transposed into Spanish law 11/2018, of 28 December. It also includes information on governance, strategy, risk management and indicators and targets related to climate change, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and follows the GRI Sustainability Reporting Standards of the Global Reporting Initiative (GRI) in its comprehensive option and the Sustainability Accounting Standards Board (SASB). Ferrovial has worked toward an integrated model for reporting financial, social and environmental information, based on the "International Integrated Reporting Framework" of the International Integrated Reporting Council (IIRC) and also the "Guide for the preparation of management reports of listed companies", as published by the Spanish National Securities Market Commission (CNMV). For the twelfth year, the Corporate Responsibility information applies the principles of the AA1000 standard (see page 167), a key tool for the alignment of the information presented in the Report with the expectations of its stakeholders and the materiality of the company. Ferrovial's approach to the principles related to the content of the report, such as materiality, stakeholders commitment, Taxonomy and the Strategic Sustainability Plan is set out in the Annex.
5. The information published in this Report includes by full consolidation all those companies in which Ferrovial has economic control, meaning a participation of more than 50%. A list of subsidiaries and associated companies can be found in Annex II of the Consolidated Financial Statements, pages 281.

The Services business is treated in this report as a Discontinued Operation. In accordance with applicable accounting standards, all assets and liabilities in the Balance Sheet of the Consolidated Financial Statements have been reclassified to a line of assets held for sale, and the profit after tax generated by the Services business is reported in a single line of the income statement called “Discontinued Operations”, for 2021 and 2020. In addition, the accounting standard requires assets to be measured at the lower of their carrying amount and fair value (estimated selling price) minus selling costs.

In the Consolidated Management Report, and in accordance with the requirements of Law 11/2018, the Services division is included within the scope of the non-financial information for 2021 in order to report on all the business’s aspects and impacts.

Consolidated Management Report and Financial Statements

Management Report

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Management Report







Fellow shareholders:

Ferrovial benefited from the improvement in economic activity during the year due to an enhanced control of the pandemic in most of the markets where we operate. The company ended the year with a net cash position ex-projects of €2,182 million, compared with €1,991 million in 2020, and operating cash flow amounted to €1,116 million, up from €954 million the previous year.

Toll road traffic rebounded strongly, particularly in the United States. Some roads, such as NTE, exceeded pre-pandemic traffic levels. Because of the greater restrictions in Canada, Highway 407 is recovering more slowly. The recuperation in the Airports division is experiencing delays due to restrictions in that area. We believe traffic will improve rapidly once limits are eased, as has occurred in other markets. Dividends from our toll roads in North America increased to €384 million in 2021. Meanwhile, Heathrow and AGS suspended dividends until the situation enhances.

Revenues rose by 5.4% to €6,778 million, and EBITDA from continuing operations amounted to €596 million, an increase of 39.5% over 2020, in like-for-like terms in both cases. Net profit totaled €1,197 million due to extraordinary items. The Construction backlog amounted to €12,216 million in consolidated terms.

Last year, the Shareholders' Meeting approved the Greenhouse Gas Reduction Plan, and this year it will be asked to ratify the company's Climate Strategy. As a result of that plan, emissions were cut by 5.3% in absolute terms last year. In addition, we have started the construction of a photovoltaic power plant in Spain for self-consumption, which will contribute to our goal of being carbon neutral by 2050.

This report also describes our activities' eligibility under the EU taxonomy for sustainable activities, and we are working to determine their alignment in terms of mitigation and adaptation.

The appointment of Alicia Reyes and Hildegard Wortmann as independent directors continued the renovation of the Board of Directors, increasing its diversity and raising female participation to 33%.

Caring for and protecting our workers is a priority to which we devote our best efforts. Accident rates improved considerably, with the frequency of serious accidents down 15.1%, although the fatal accident figure is still far from our aspirations.

It was a busy year for acquisitions and divestments. We bought an additional 5.7% of I-66 for €161 million, bringing our stake to 55.7%. We also paid €369 million for a 24.9% in IRB in India, which plans to invest an estimated €240 billion in infrastructure between 2022 and 2025.

As for the divestment of the Services division, we sold the Spanish business in two deals and the Oil & Gas business in the United States. We continue working to complete the divestment in the United Kingdom and Chile. We also disposed of non-strategic assets in Spain, the United States, and Poland as part of our strategy of rotating mature assets. This resulted in cash flow from divestments of €1,621 million.

In parallel, we created the Energy Infrastructure and Mobility Unit as we move into renewable energy and sustainable mobility.

Shareholder remuneration, combining dividends and share buybacks, totaled €462.8 million, 22.8% more than the preceding year. The stock appreciated by 21.9% in 2021, outperforming the 7.9% gain by the IBEX 35 index.

Ferrovial's commitment to the highest environmental, social, and governance standards was endorsed by its inclusion in the DJSI for the 20th consecutive year. We also continue to be part of FTSE4Good, CDP, Sustainalytics, MSCI, Vigeo, ISS ESG, STOXX, and the Bloomberg Gender-Equality Index.

Once again, I would like to congratulate Ferrovial's professionals for their hard work and dedication. This company's performance would not be possible without them. On behalf of all of us who form part of Ferrovial, I would also like to express my gratitude to investors, shareholders, and clients for their long-term support, which enables us to continue creating value for society.

Rafael del Pino

1





In 2
minutes

1

In 2 minutes



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FERROVIAL IN 2 MINUTES

Key Figures

TOTAL LIQUIDITY (M€)

6,421

ex-infrastructures.
Including available
liquidity lines (991M€)

NET CASH (M€)

2,182

ex-infrastructures

CO₂ EMISSIONSscope 1&2 tCO₂ eq/M€

-58.4%

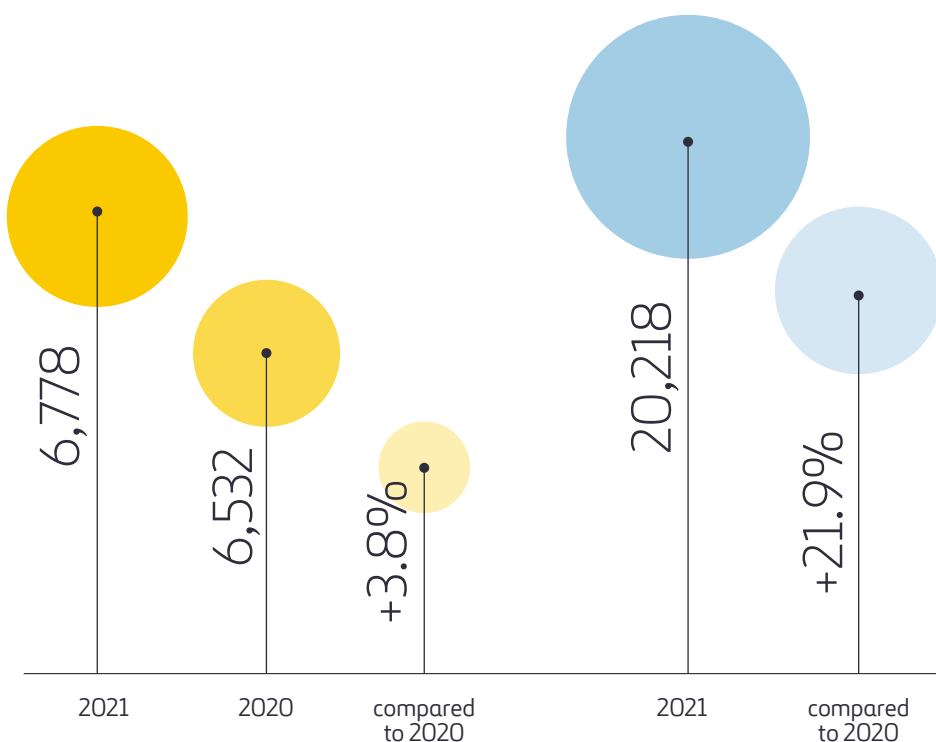
in relative terms
compared to 2009

WORKFORCE AT YEAR-END*

2021

63,070

*at December 31, 2021



REVENUES* (M€)

CAPITALIZATION (M€)

* Figures excluding Services, classified as discontinued operations.

EUROPEAN UNION
TAXONOMY

89.3%

eligible net turnover (INCN)

84.6%

eligible CAPEX

TOTAL TAX* (M€)

1,810

*Accrued, paid and collected in 2021

FREQUENCY RATE⁽¹⁾

-4.35%

compared to 2020

BENEFICIARIES OF
COMMUNITY PROJECTS

238,869

beneficiaries of the Stronger Together,
Social Infrastructures and other programsOPERATING
CASH FLOW (M€)
(before tax)

607

ex-infrastructures

1,621

in divestment

FERROVIAL IN 2 MINUTES

Milestones 2021

January

Launch of AIVIA for the development of 5G roads of the future

February

Budimex sells its real estate division for 331 million euros

Heathrow launches a plan to reduce carbon emissions in aviation

March

Award of the contract to improve the I-16/I-75 highway in Georgia (U.S.) for 229 million dollars

April

Awarded a 1,500 million dollars contract for the extension of the I-35 in San Antonio (U.S.)

Renewal of the agreement with the MIT for an additional five years

May

MaaS Global buys Wondo from Ferrovial, to will become the company's reference shareholder

Alicia Reyes and Hildegard Wortmann, appointed as independent Board Members of Ferrovial

June

AECA's 'Business Transparency' Award

Launching of IM-SAFE, a maintenance and safety project for infrastructures

July

Contract awarded for the construction of a section of the Sydney Subway for 1,240 million euros

Ferrovial Airports develops its own airport sustainability index

August

Ferrovial Construction wins CSR Accreditation Gold Award in United Kingdom and Ireland

September

Participation in the South Summit 2021

October

Sale of the Infrastructure Services business in Spain to Portobello Capital for 170,6 million euros

Creation of the Energy Infrastructures and Mobility Business Unit

Celebration of the first Health, Safety and Wellbeing Week

November

Presence in the Dow Jones Sustainability Index for the 20th consecutive year

Completion of the sale of the Environment business in Spain and Portugal to PreZero for 1,032 million euros

December

Rafael del Pino receives the Business Leader of the Year Award in New York

Completion of the purchase of a 24.86% stake in the Indian company IRB

Ferrovial among the world leaders in climate change, according to Carbon Disclosure Project

Stake increase to 55.704% in the I-66 U.S. Toll Road

FERROVIAL IN 2 MINUTES

Main Markets*

USA:

2,624 M€

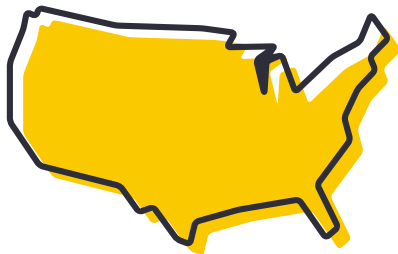
REVENUES

244 M€

EBITDA

5,154

WORKFORCE



CANADA:

301 M€

REVENUES

245 M€

EBITDA

765

WORKFORCE



POLAND:

1,735 M€

REVENUES

158 M€

EBITDA

5,999

WORKFORCE



UNITED KINGDOM:

1,068 M€

REVENUES

95 M€

EBITDA

14,161

WORKFORCE



* Figures by proportional integration. Financial data does not include Services (discontinued operations).

SPAIN:

1,031 M€

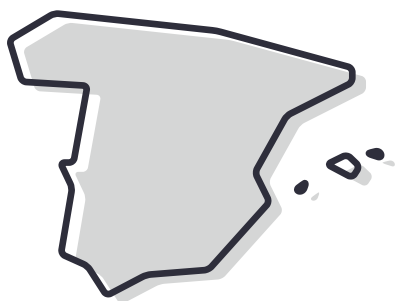
REVENUES

122 M€

EBITDA

30,698

WORKFORCE

**REVENUES**

10%

Other

39%

U.S.A. and Canada

23%

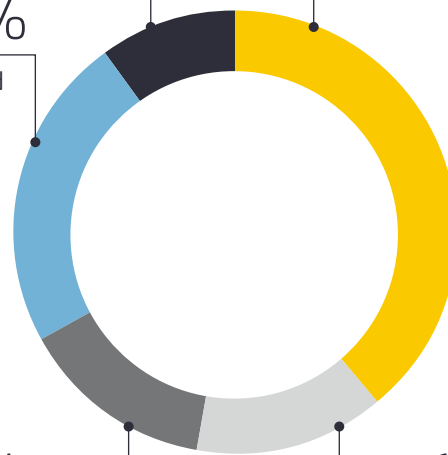
Poland

14%

United Kingdom

14%

Spain

**LATIN AMERICA:**

269 M€

REVENUES

21 M€

EBITDA

4,982

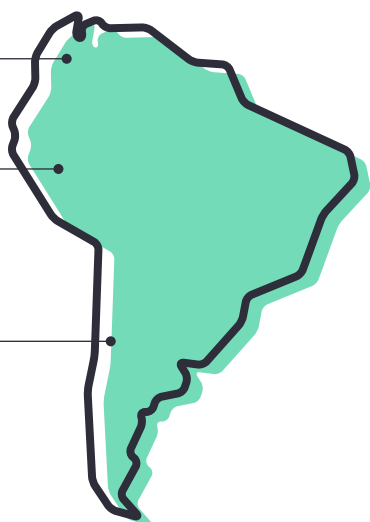
WORKFORCE



Colombia

Peru

Chile

**ANALYSTS' VALUATION***

4%

Poland

2%

Other

4%

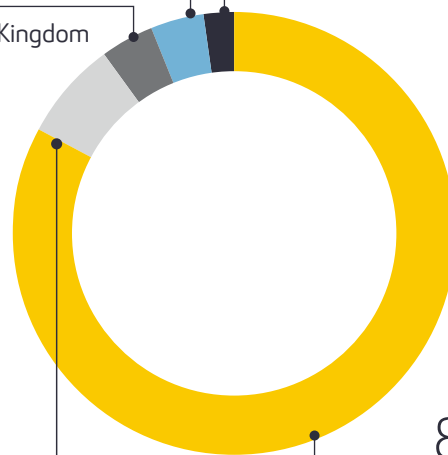
United Kingdom

7%

Spain

83%

U.S.A. and Canada



* Excluding net cash position

FERROVIAL IN 2 MINUTES

Ferrovial on the Stock Market

SHARE PRICE IN 2021

IBEX35 & FERROVIAL



HISTORICAL SHARE DATA

	2021	2020	2019
PRICE AT YEAR-END (€)	27.56	22.60	26.97
MAX. (€)	27.75	30.45	27.21
MIN. (€)	19.81	17.49	17.71
VWAP (€)	24.15	23.66	23.15
AVERAGE DAILY CASH (M€)	32.48	46.86	47.05
AVERAGE DAILY VOLUME (M SHARES)	1.35	1.97	2.02
NUMBER OF SHARES (M SHARES)	733.60	732.90	735.22
CAPITALIZATION (M€)	20,218	16,564	19,829

CAPITALIZATION (M€)

20,218

TOTAL SHAREHOLDER RETURN (TSR)*

24.3%

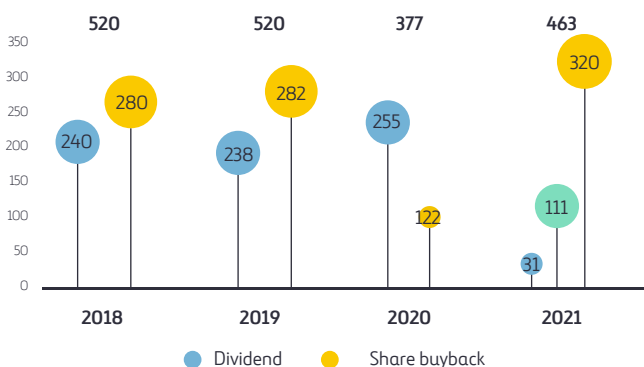
CREDIT RATING

BBB

S&P and FITCH

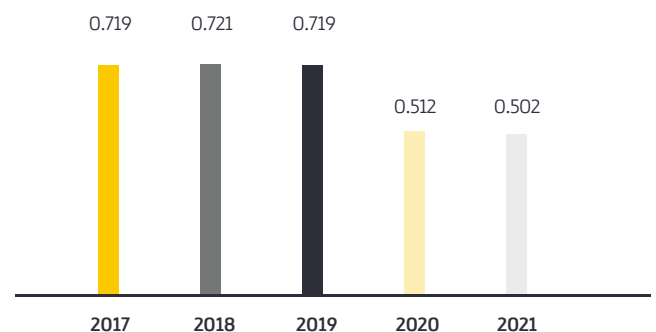
* Total Shareholder Return (TSR) is the sum of dividends received by the shareholder, the valuation/depreciation of the shares and other payments such as delivery of shares or repurchase plans.

SHAREHOLDER REMUNERATION (M€)



● The repurchase of shares includes part of the treasury stock acquired through discretionary treasury stock transactions.

SCRIP DIVIDEND* (€/SHARES)



* Sum of the two scrip dividends paid during the year (committed purchase price of rights by Ferrovial).

TARGET PRICE

30.06€

CONTACT WITH THE MARKET

Around 200 meetings, mostly calls, 24 roadshows, mainly in virtual format, with close to 800 investors.

SHAREHOLDER'S STRUCTURE*

2%

Fidelity Int'l

53.5%

Floating Capital

3.1%

Lazard Asset Management

20.2%

Rijn Capital BV

3.1%

Blackrock

8.1%

Menosmares S.L.U.

4.2%

Siemprelara S.L.U.

5.7%

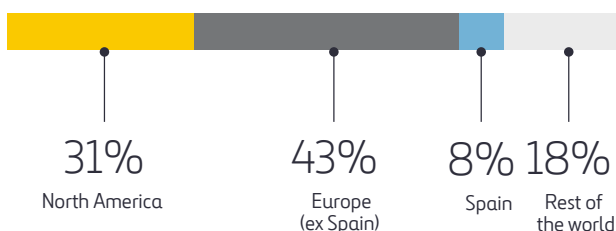
The Children's Investment Master Fund

ANALYST'S RECOMMENDATION

21 analysts covered Ferrovial as of December 31



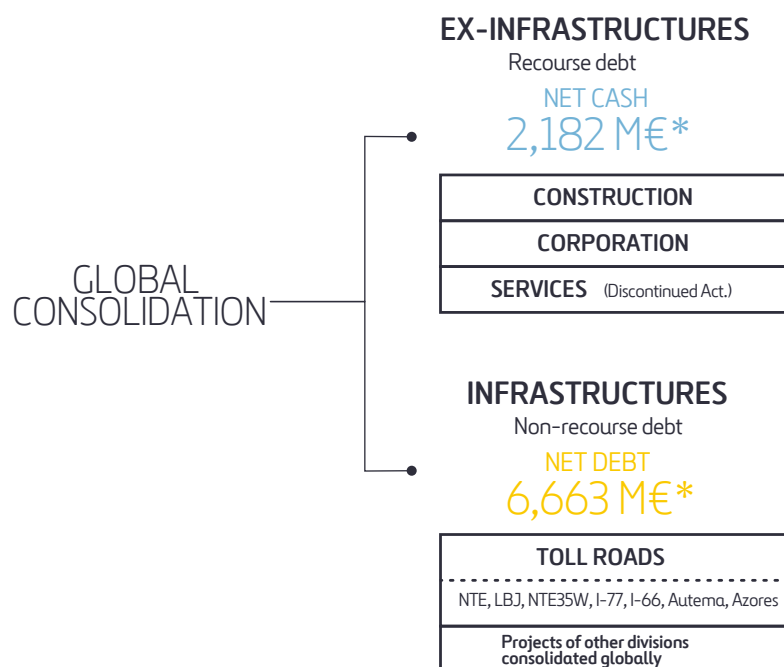
INSTITUTIONAL INVESTORS*



*Source: CMiZi (October 2021)

*Source: CNMV (December 31, 2021)

Financial situation



Includes net cash from Services (107 M €)

EQUITY CONSOLIDATION

407 ETR

43.23%
Stake

Heathrow

25%
Stake

Aberdeen International Airport

50%
Stake

GLASGOW AIRPORT

50%
Stake

Southampton Airport

50%
Stake

FERROVIAL IN 2 MINUTES

Business Model

Develop and operate innovative, efficient and sustainable infrastructure while creating value for our stakeholders

SUSTAINABLE INFRASTRUCTURE

PRICING
FLEXIBILITY

SELECTED
GEOGRAPHICAL
EXPOSURE

LONG
DURATION
ASSETS

CONTRACTING
CAPABILITIES TO
SUPPORT INFRA
PROJECTS

INNOVATION,
DIGITALIZATION
& EFFICIENCY



TOLL ROADS

- Maintain and develop competitive advantages in greenfield projects with traffic risk and grow this type of high-value concession projects
- Focus on Managed Lanes
- Main assets:
 - 407 ETR (Toronto, Canada)
 - Managed Lanes in USA: DFW in Texas (NTE, LBJ & NTE35W), I-77 in Charlotte & I-66 in Virginia (under construction)



AIRPORTS

- Yellowfield project & operational capabilities
- Remain conservative and asset specific
- Main assets:
 - Heathrow (25% stake) regulated asset
 - UK Regional Airports, AGS (50% stake)



ENERGY INFRASTRUCTURE & MOBILITY

- Exploring new sustainable infra related opportunities
- Power infrastructure, Energy efficiency, Water & Mobility



CONSTRUCTION

- Key to the development of greenfield projects
- Focus on markets with a commitment to infrastructure
- Ferrovial Construction, Webber (TX, US) & Budimex (Poland)

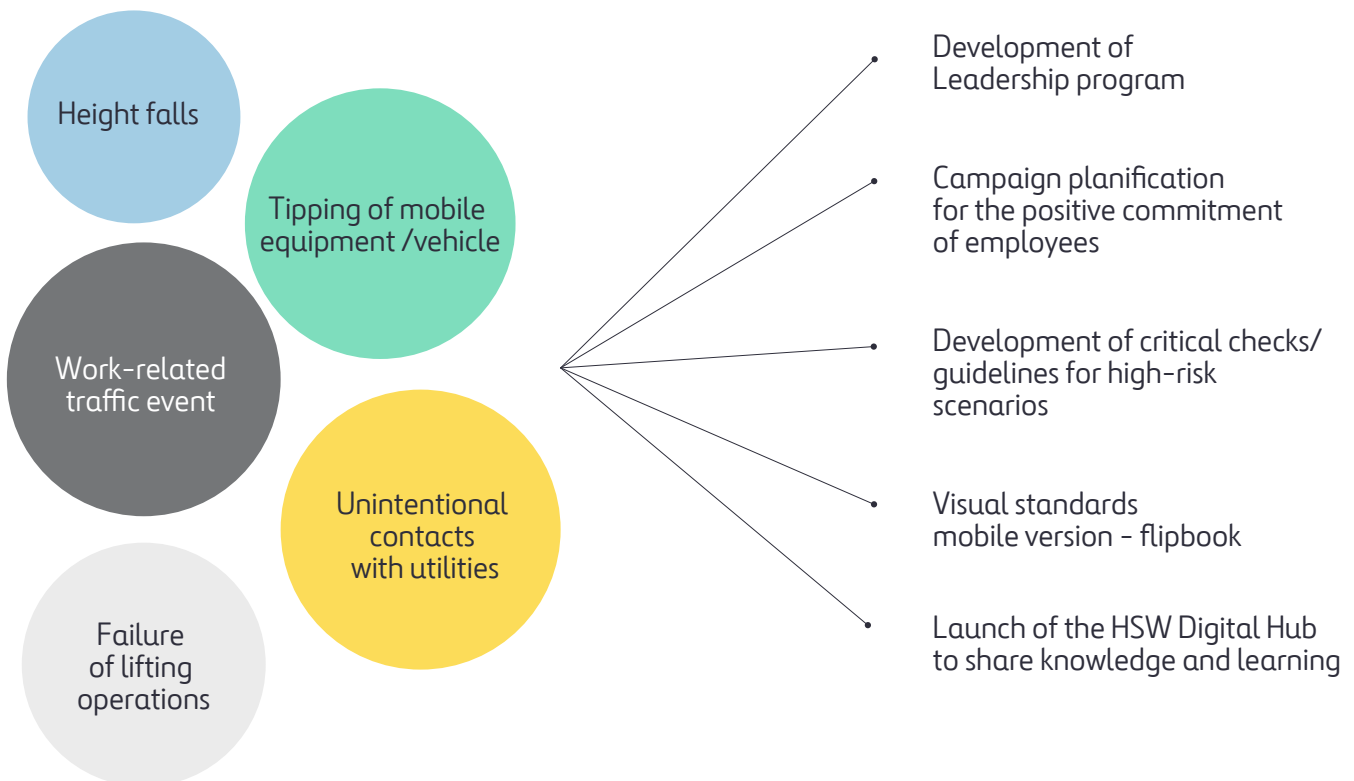
FERROVIAL IN 2 MINUTES

Health, Safety and Wellbeing: safer workplaces

The creation of safer workplaces is the main objective of the Health, Safety and Wellbeing Strategy approved by Ferrovial. The increase in the detection of high potential events, their analysis and subsequent learning, has contributed to a 15.1% reduction in the frequency rate of serious injuries and fatal accident.

MAIN HIGH RISK SCENARIOS DETECTED

ACTIONS TAKEN



FEATURES OF THE PLAN



KEY FIGURES

-15.1%

SERIOUS AND FATAL
ACCIDENTS FREQUENCY RATE

95%

EXECUTIVE INCIDENT REVIEWS
OF HIGH POTENTIAL EVENTS

8,401

LEADERSHIP
ACTIVITIES

136,565

INSPECTIONS AND AUDITS

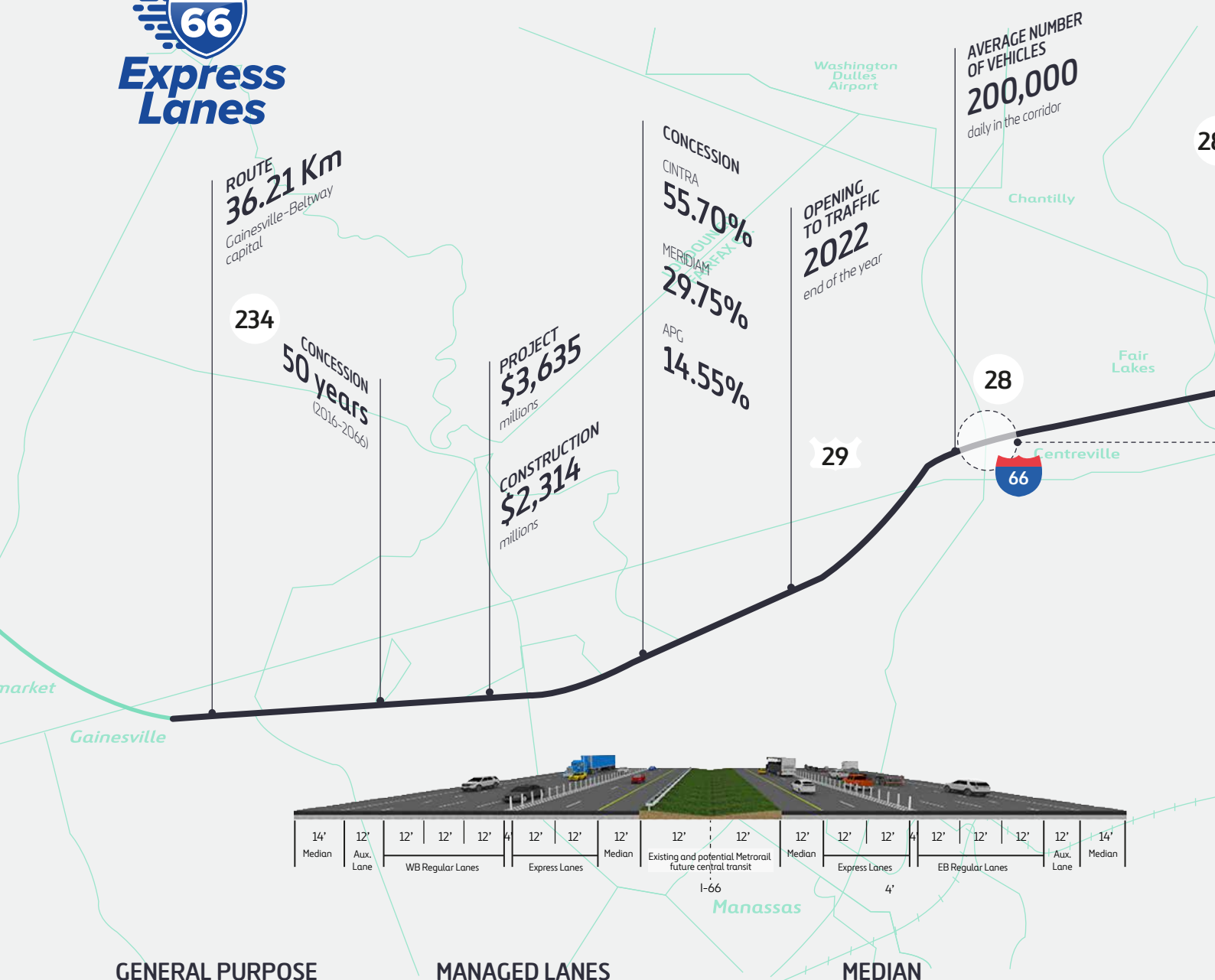
487,755

TRAINING HOURS

FERROVIAL IN 2 MINUTES

I-66 Toll Road: Managed Lanes connect to the heart of Washington D.C.

Everything about the 22-mile I-66 Express Lanes project is unique. Its highway-within-a-highway design will help Virginians save time, reduce overall congestion, improve safety and enhance connectivity all while integrating with public transportation. I-66 provides direct connections to Metro bus and rail stations, new park-and-ride lots and urban trails. I-66's exceptional commitment to the environment and cutting-edge technology has made it a global leader. It will be the first roadway to incorporate AIVIA—Ferrovial's V2I system for supporting Autonomous Vehicles. It will open to traffic at the end of 2022.



GENERAL PURPOSE

3

per direction

MANAGED LANES

2

per direction

MEDIAN

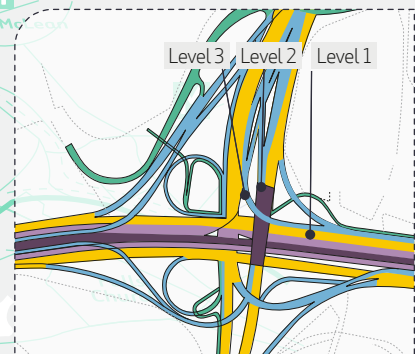
1

expansion of public transportation



COMMITMENT TO THE ENVIRONMENT

I-66 used the process of rubblization-recycling concrete from the existing highway when building the new one—to minimize the use of trucks, transportation and landfills, reducing the project's carbon footprint by 7 million tons of CO₂.



THE SUPER INTERCHANGE

The intersection of I-66 and Highway 28 represents one of the most complex points of the project. It includes a total of 26 possible vehicle movements

TRANSFORMATION

8-10 HOURS OF CONGESTION EACH DAY

200,000 VEHICLES PER DAY IN THE CORRIDOR

CONGESTION ON I-66 CAUSES TRAFFIC TO CIRCULATE ON ADJACENT ROADS, AFFECTING THE QUALITY OF LIFE OF THE COMMUNITY

LIMITED CARPOOLING AND PUBLIC TRANSIT USE ALONG THE CORRIDOR

30-MINUTE TIME SAVINGS AT PEAK HOUR

40% INCREASED IN CAPACITY IMPROVES TRAFFIC FLOW

A HIGHER SPEED LIMIT IN THE MANAGED LANES HELPS PRESERVE TIME SAVINGS

4,000 NEW PARK-AND-RIDE PARKING SPACES, 18 KILOMETERS OF BICYCLE LANES AND NEW BUS ROUTES

IMPROVED SAFETY

CO₂ EMISSION REDUCTION

Pricing freedom

Price adapts in real time every 3 minutes

Everyone's project

Federal, state and local agencies, as well as the community, have participated in the evolution of the project

Intelligent Infrastructure (AI/IA)

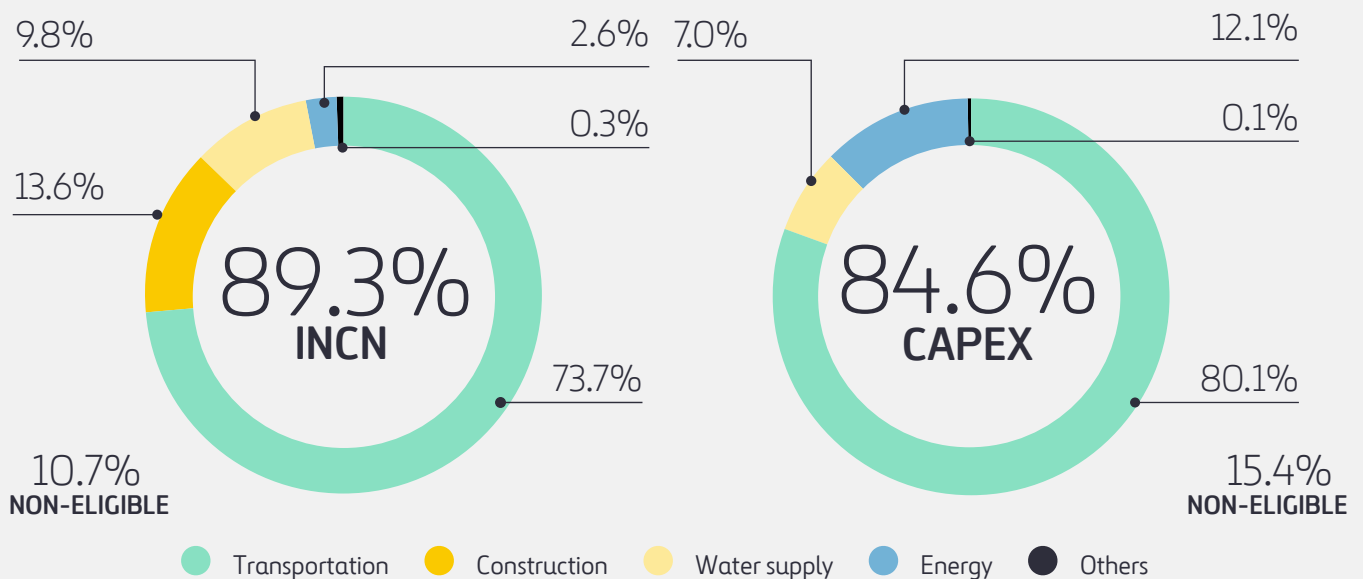
Cutting-edge technology to meet the needs of autonomous and connected vehicles

FERROVIAL IN 2 MINUTES

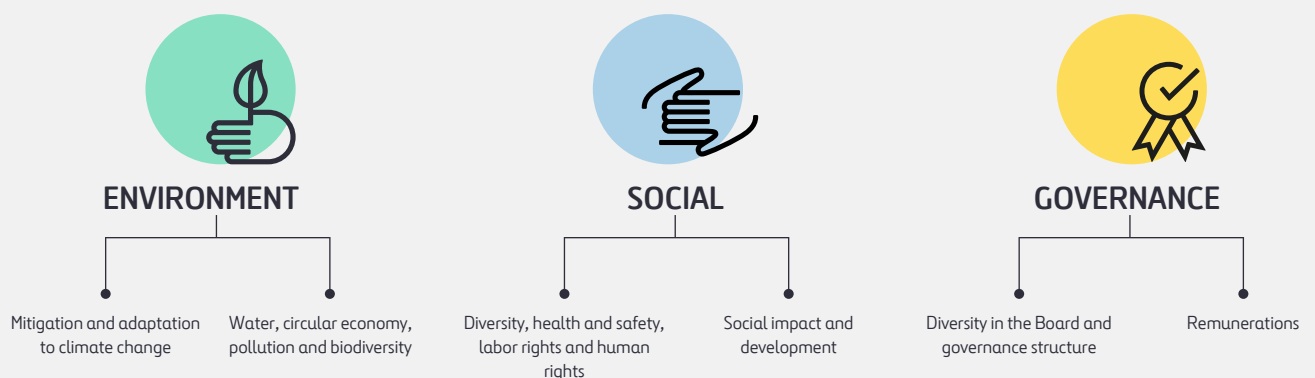
European Union Taxonomy: maximum eligibility

The Taxonomy of the European Union (EU) is an essential component of the EU's policy aimed at decarbonizing the economy. It is a system for classifying businesses and company activities to determine whether they meet the EU's environmental, social and governance criteria. This year it is mandatory to report on the eligibility of businesses and the environment component is the first step. Ferrovial reports that 89.3% and 84.8% of its businesses are eligible for the European taxonomy according to INCN and CAPEX, respectively.

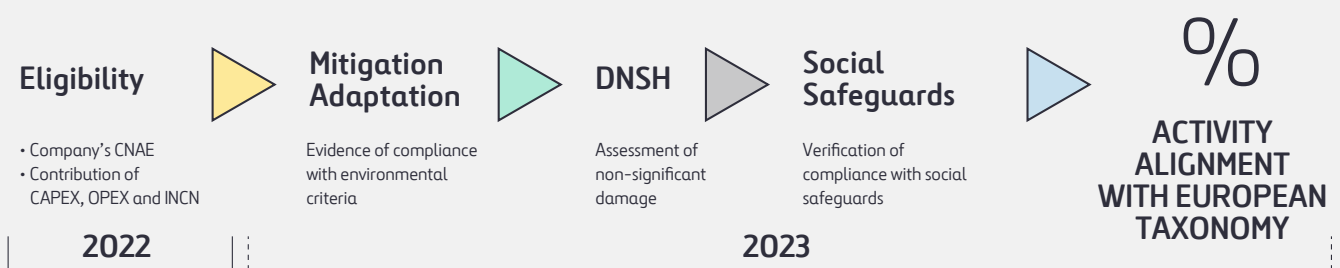
Eligibility of Ferrovial's activities



The three components

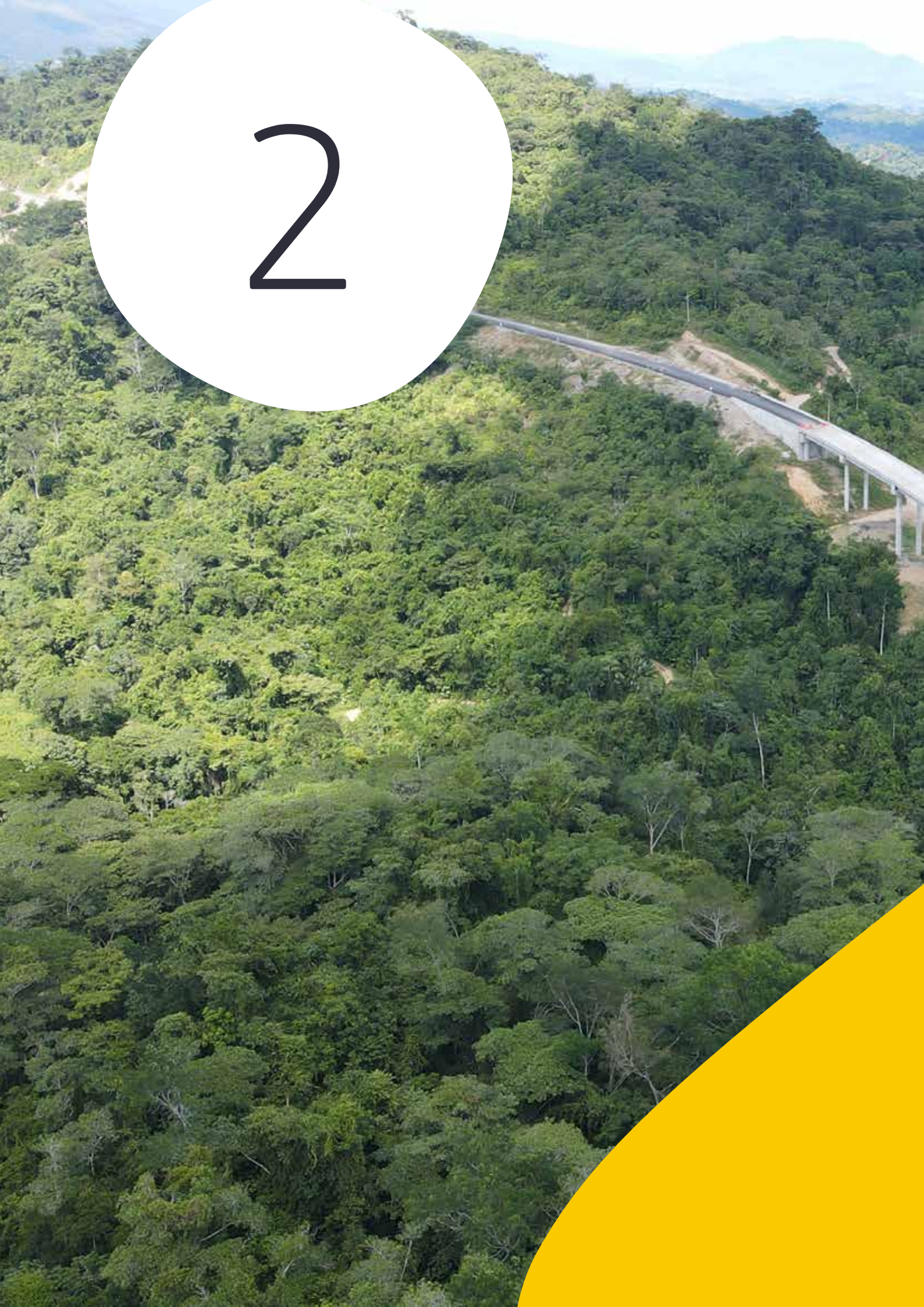


Stages of green taxonomy





2





Ruta del Cacao Toll Road, Antioquia, Colombia.

Strategy and value creation



2

Strategy and value creation

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32 Toll Roads
36 Airports
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42 Energy Infrastructures
and Mobility



GLOBAL VISION

Shared value

2021 has set the base for recovery from the economic and health effects of the COVID-19 pandemic. During the year, some assets reached pre-pandemic traffic levels, although the outbreak of new variants still impacts their performance.

The epidemiological evolution and the vaccination campaigns in the markets where Ferrovial operates relieved the pressure on hospital admissions, easing mobility restrictions and enabling the gradual recovery of the economic activity.

Growth prospects are supported by the implementation of the announced recovery plans (for example US Infrastructure Investment and Jobs Act, EU Next Generation Funds or UK Build Back Better among others), which will contribute to the transformation of the infrastructure sector towards a more green, digital and inclusive industry.

This context presents several opportunities and challenges for Ferrovial:

- New COVID-19 outbreaks may continue to impact mobility, traffic patterns and business travel.
- Congestion in cities and in their access routes will demand new infrastructure and innovative mobility alternatives.
- Digitalization of transport infrastructure and the increasing need for connectivity will require investments in technology to enhance safety and travel time reliability.
- The evolution of inflation and energy prices, supply chain shortages and labor market disruption may impact economic recovery in the markets where the company operates.
- Decarbonization commitments will increase the demand for new energy infrastructure, such as renewable energies and other net-zero technology solutions.

The company is proactively addressing this changing context to develop business opportunities aligned with its strategy.

STRATEGY

Ferrovial has completed its second year of Horizon 24, reaffirming its strategy with a focus on growth in infrastructure. During 2021 the company announced corporate transactions to grow in its core toll roads business (such as the stake increase in the I-66 in USA or the acquisition of 24.9% of IRB in India). In addition, the company established the Energy Infrastructure and Mobility business unit, to develop new projects related to sustainable infrastructure. Ferrovial has also divested several non-infra and services businesses, and is committed to reach the full divestment of the Services division.

Strategic priorities

- **People:** promote the highest standards for health and safety in its operations, committing to train employees and leveraging real time data to predict and prevent accidents. Ferrovial will continue identifying, developing and retaining talent, acknowledging the importance of diversity and engagement as a source of competitive advantage and future growth.

- **Sustainable growth:** develop and operate sustainable, innovative and efficient infrastructure with high concessional value. The company will focus on its core markets (US, Canada, Spain, UK and Poland), while pursuing selective opportunities in other regions such as India, Australia and other selected countries in Latam and Europe.
 - In **Toll Roads**, continue developing greenfield traffic-risk projects (with a focus on managed lanes in North America) while proactively generating pipeline and bidding for other strategic projects.
 - In **Airports**, protect the value of assets in portfolio as the air travel sector recovers gradually, and develop selective opportunities for growth, establishing relationships with stakeholders to reinforce competitiveness.
 - In **Energy Infrastructure**, develop greenfield projects in transmission lines and renewables, leveraging internal industrial capabilities, and rotate assets to increase returns and recycle equity.
 - In **Construction**, support concession business while focusing on profitability and risk management. Reinforce competitiveness through advanced technical solutions and developing relationships with stakeholders, partners and clients in core geographies.
 - Ferrovial will explore opportunities in other sustainable infrastructure related sectors, such as water, mobility and vertiports.

Financial discipline continues to be a priority for Ferrovial, strengthening its capital structure and rotating non-core assets and businesses to realize value and fund future growth.

- **Operational excellence:** continue reinforcing core processes and risk management, embedding technology within the business and turning global sustainability challenges into business opportunities with positive social impact. The company's sustainability strategy, aligned with the UN Sustainable Development Goals, commits to targets in decarbonization, water footprint, gender equality and integrity among others, and is endorsed by Ferrovial's presence in indexes such as Dow Jones Sustainability, Carbon Disclosure Project and FTSE4Good.
- **Innovation:** strengthen the core business through digitalization, supporting transformation and future growth (for example, enhancing road connectivity). Focus on automation, efficiency, competitiveness, agility, data and its monetization while enhancing an entrepreneurial and digital culture.

Horizon 24: Year Two

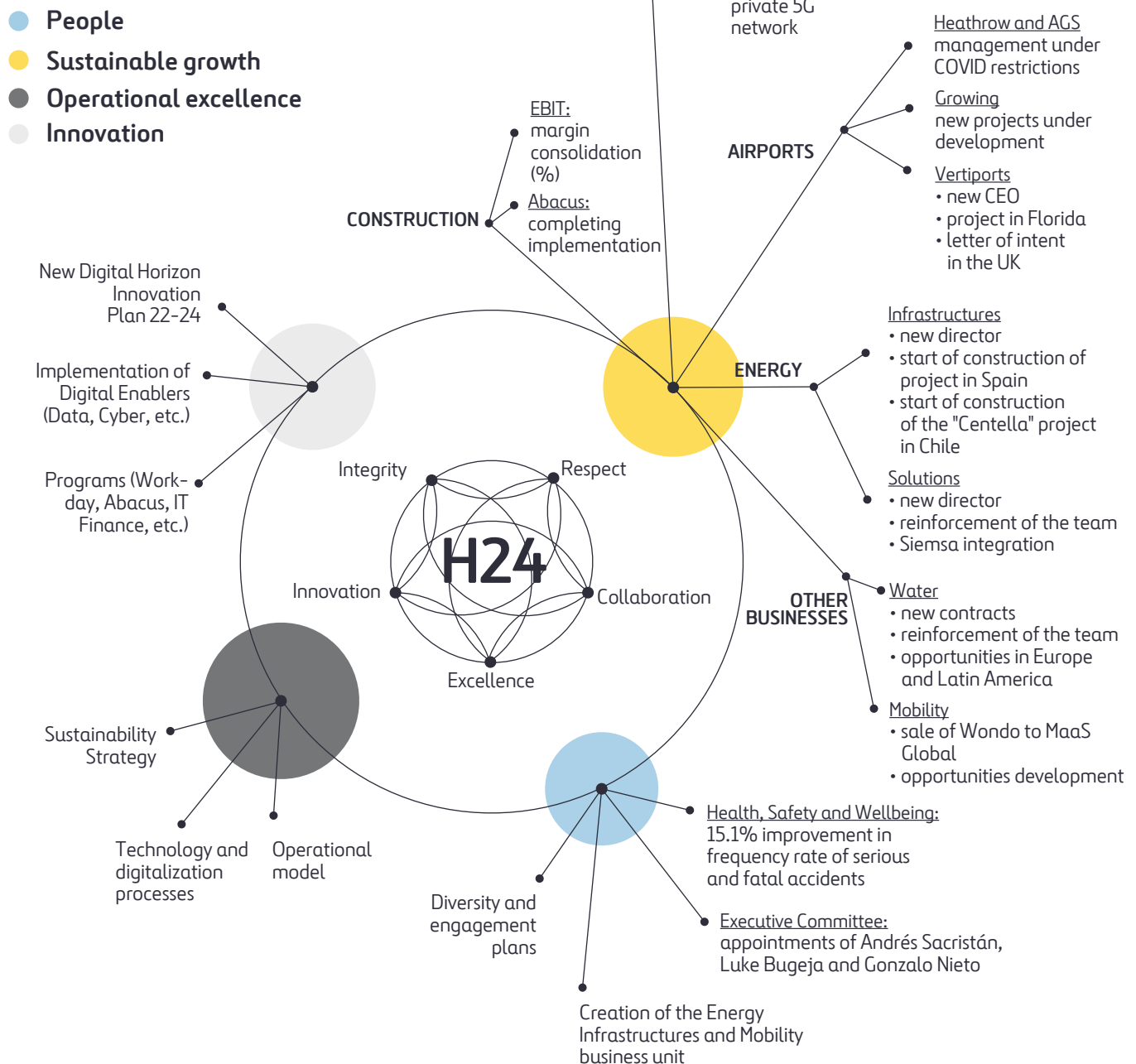
The Horizon 24 Strategic Plan, which covers the period 2020–2024, focuses on the development, construction and operation of sustainable infrastructures. Despite the difficulties imposed by COVID-19, Horizon 24 is progressing as planned.

VISION

Develop and operate sustainable, innovative and efficient infrastructures creating value for stakeholders

PURPOSE

Sustainable infrastructure for a world on the move



TOLL ROADS

Solutions to urban congestion

Cintra develops projects that improve urban mobility, reducing congestion and contributing to the sustainable development of the comprehended areas. The projects developed improve the quality of life of its users.

NORTH AMERICA	CONCESSIONS	KILOMETERS	DIVIDENDS (M€)	INVESTMENT MANAGED (M€)
98%	24	1,497	469	22,386
Cintra's valuation by analysts' consensus				94% international

Cintra operates in markets with secure regulatory frameworks, with good economic prospects (North America, Europe and Australia), developed financial markets and high demand for transport infrastructure. It also looks for specific investment opportunities in those geographies where the business model can provide differential competitive advantages, have relevant growth prospects and create value for shareholders. The company focuses on offering sustainable projects to solve traffic congestion problems in urban areas (complex greenfield concessions), allowing its users to save time, have certainty in their daily commutes and increase the economic productivity of their regions of influence, generating new growth opportunities.

Cintra's more than 50 years of experience, its comprehensive management model and in-depth knowledge of new technologies applied to pricing (advanced analytics), which aim to improve demand forecasting and fare optimization, while synergizing with Ferrovial Construction, makes it a company with a high potential for value creation and strong competitive advantages. The complete management of the life cycle of projects together with a diversified and global portfolio allows Cintra to understand the needs of all parties involved (users, government, economic actors), which in turn results in the possibility of presenting innovative, sustainable proposals with greater added value.

The COVID-19 pandemic has kept affecting freedom of movement in all regions where Ferrovial has assets, especially in Canada. However, with the start of vaccination and the progressive lifting of restrictions during 2021, there was an increase in movement, which in certain assets reached a volume similar to pre-COVID levels, although showing notable differences according to geographies.

In accordance with the Horizon 24 Plan, whose priority is the development of the business in the US in highly complex assets, and the selective study of opportunities in new geographies. In September, Cintra was agreed to acquire an additional 5.704% of Managed Lanes I-66, increasing its stake to 55.704%. The acquisition of control of the concessionaire entails the recognition of a capital gain for Ferrovial of 1,117 million euros, since the 50% stake previously acquired must be valued at its market value. Also, it has identified the opportunity in the Indian toll road market by partnering with one of its leaders, IRB Infrastructure Developers Ltd.

Additionally, in December 2021, Cintra closed the issuance of 609 million dollars in senior secured notes in LBJ, extending the maturity of the debt (2057 versus 2050 of TIFIA) and lowering the all-in cost

(3.797% yield to maturity versus 4.22% of TIFIA coupon). FITCH has assigned a 'BBB' rating to the issuance of this debt.

During 2021, despite the complex environment in which the business has developed, the main assets have distributed dividends amounting to 469 million euros, which shows the financial soundness of Ferrovial's business model.

MAIN ASSETS

Cintra owns 43.23% of the 407 ETR Toll Road in Toronto (Canada); 62.97%, 54.6% and 53.67% of the NTE, LBJ and NTE 35W Managed Lanes in Texas (USA), respectively; and 65.1% of the I-77 in North Carolina (USA). The asset I-66 (55.704%), in Virginia, and the 3C extension north of NTE 35W, in Texas, are in the construction phase.

In the Managed Lanes, rates are dynamic and can be modified every few minutes according to the level of congestion, always guaranteeing a minimum speed for drivers. With free-flow toll systems (without barriers), they stand out for the long duration of their concession, their broad tariff flexibility, and for an optimized long-term financial structure, positioning Cintra as a leader in the private development of highly complex road transport infrastructures.

VALUE CREATION

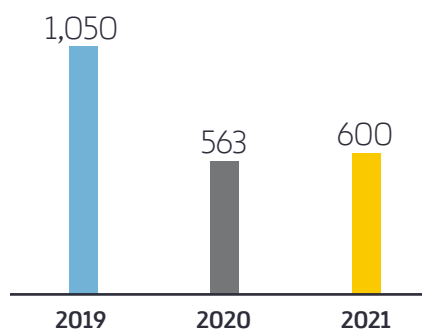
Highly complex greenfield projects

Cintra focuses on complex greenfield projects because of their high value creation potential. Its ability to value and assume higher levels of risk associated with the project in the bidding phase (construction, financing, operation and traffic management) allows it to opt for higher rates of return (IRR). Value creation lies by decreasing the discount rate of future cash flows as project risks are eliminated in the construction phase or reduced (traffic/financing) as the concession progresses.

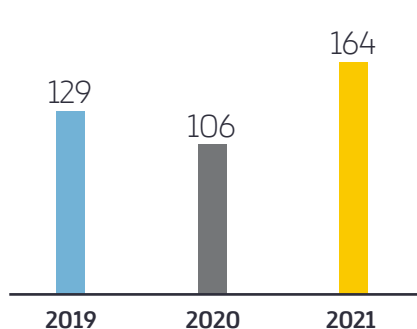
An example of this elimination of construction risks are the openings of different toll road sections in Colombia and Slovakia in 2021, achieved despite the difficult environment. In Ruta del Cacao (Colombia) it has opened four out of nine segments of the project, while in Slovakia it has opened all 59 kilometers of the D4R7 toll road and in OSARs (Australia) it has opened all eight sections of the project.

Turnover of mature assets

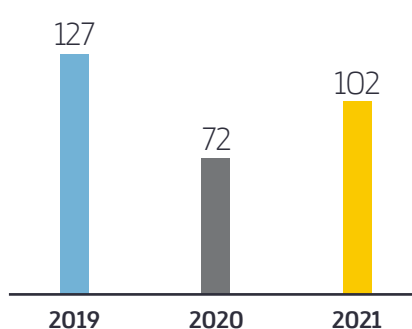
Value creation materializes with the sale of mature projects, whose incomes are invested in new assets with higher value creation potential.

407 ETR (CANADA)Dividends
M\$**NTE (USA)**

EBITDA M\$

**LBJ (USA)**

EBITDA M\$



One example is the transfer of the stake in two Portuguese toll roads to DIF infrastructure fund (49% of the Norte Litoral toll road and 48% of Via do Infante (Algarve)). The sale of Norte Litoral was completed in July 2021 for an additional 47 million euros, pending the sale of the Via do Infante concession (Algarve). Cintra will have a contract for the management of both assets until the end of the concessions.

Operational efficiency committed to the environment

Managed Lanes projects, which are the backbone of Ferrovial's strategy, have proven to be the most efficient way to respond to the growing demand for urban mobility. They are the solution to congested corridors in which dynamic fare management makes it possible to adapt the price to the user's habits and thus offer reliable travel times, in optimal traffic conditions that help reduce emissions in the corridor. Moreover, their construction is done while maintaining and, in some cases, increasing the capacity of the toll-free lanes, so that the user always has a free alternative option.

All of Cintra's assets carry out actions to optimize their operations. Cintra's environmental strategy to reduce its carbon footprint began more than a decade ago with the permanent monitoring of greenhouse gas emissions, waste, air and water quality and the acoustic impact produced by traffic, continuously strengthening environmental practices and protecting the habitat of local species.

Users: excellence in service

Cintra maintains its focus on customer satisfaction and its value proposition of reliability, time savings, safety and sustainability. Proof of this is the response from customers with increasing levels of acceptance and satisfaction in all its projects.

Employees: support for merit

Cintra offers opportunities for the professional development of all its employees by promoting internal mobility and ensuring that merit is the determining factor in their career. During 2021, despite the pandemic-driven environment, 18% of employees have had the opportunity to change position or location, and one in four people work in an international assignment.

AIVIA and the future of toll roads

Ferrovial continues to lead the development of intelligent corridors through its AIVIA initiative, for the Orchestration of Connected Corridors, together with leading companies such as Microsoft, 3M, Kapsch and Capgemini, among others. Telefonica Tech recently joined the agreement, which reinforces the commitment of all participants to connected mobility. The initiative develops the next generation of toll roads by hybridizing digital and network technologies such as 5G, V2X connectivity, sensors, advanced analytics or simulation with the physical infrastructure to reduce congestion, improve the traveler experience and safety. Connected corridors will constitute a new standard of quality and safety for Cintra's assets and will maximize their functionality as vehicles continue to evolve towards total autonomy and, above all, in the transition period in which autonomous, connected and conventional vehicles will coexist in the same road space. Ferrovial manages technologically advanced assets that become the best scenario for developing these innovative solutions and thus continue to be at the forefront in the world of infrastructure. In 2022, several large-scale projects will be launched as part of the first horizons of the AIVIA program in the US.

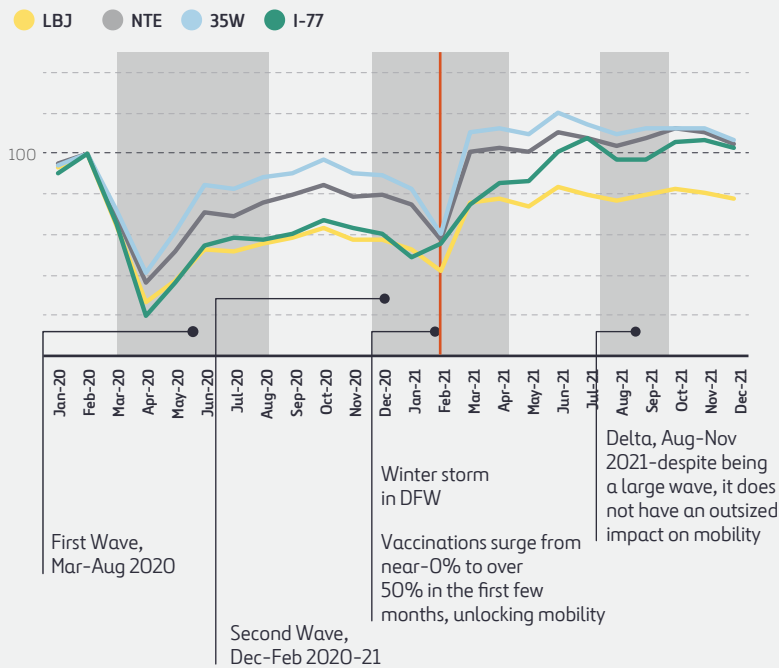
IRB and new markets

Cintra has identified an opportunity in the Indian toll road market by partnering with one of its leaders, IRB Infrastructure Developers Ltd. The company has acquired a minority stake of 24.86%, which will give it exposure to one of the largest toll road concession markets in the world over the next decade. Cintra has made a commitment to work together with IRB Infrastructure Developers Ltd through the signing of a collaboration agreement.

Traffic on MLs: The road of recovery

Traffic recovery on Managed Lanes (MLs) in Texas and North Carolina has been consistent during the two pandemic years. Its evolution has depended on mobility restrictions, vaccinations and new virus waves. The pandemic has changed behavioral patterns related to Work From Home (WFH) and e-commerce. MLs are equipped with dynamic pricing to guarantee a constant level of service and a minimum speed.

MANAGED LANE TRAFFIC INDEXED TO FEBRUARY 2020 = 100



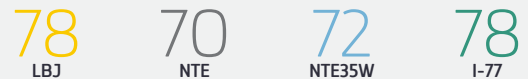
TRAFFIC (million transactions)

	2019	2020	2021	2021vs2019
LBJ	48.1	30.0	36.9	-23%
NTE	33.9	25.0	33.2	-2%
NTE 35W	32.7	28.0	35.5	9%
I-77	n/a	19.5	28.4	n/a

CONCESSIONS

	LBJ	NTE	NTE35W	I-77
Location	Dallas-Fort Worth	Dallas-Fort Worth	Dallas-Fort Worth	Charlotte
Consolidation	54.60%	62.97%	53.67%	65.1%
Extension	13.3 miles	13.1 miles	10.2 miles	25.9 miles
Period	2061 (52 years)	2061 (52 years)	2061 (48 years)	2069 (55 years)

USER EXPERIENCE (%)



- Faster, save time, less traffic
- Easy to use
- Well-maintained
- Safer

FIVE CONCLUSIONS

1

STRONG TRAFFIC RECOVERY POST-GENERALIZED ACCESS TO VACCINATIONS IN MARCH-APRIL

2

THE DELTA WAVE (AUGUST TO NOVEMBER) DID NOT HAVE AN OUTSIZED IMPACT ON TRAFFIC

3

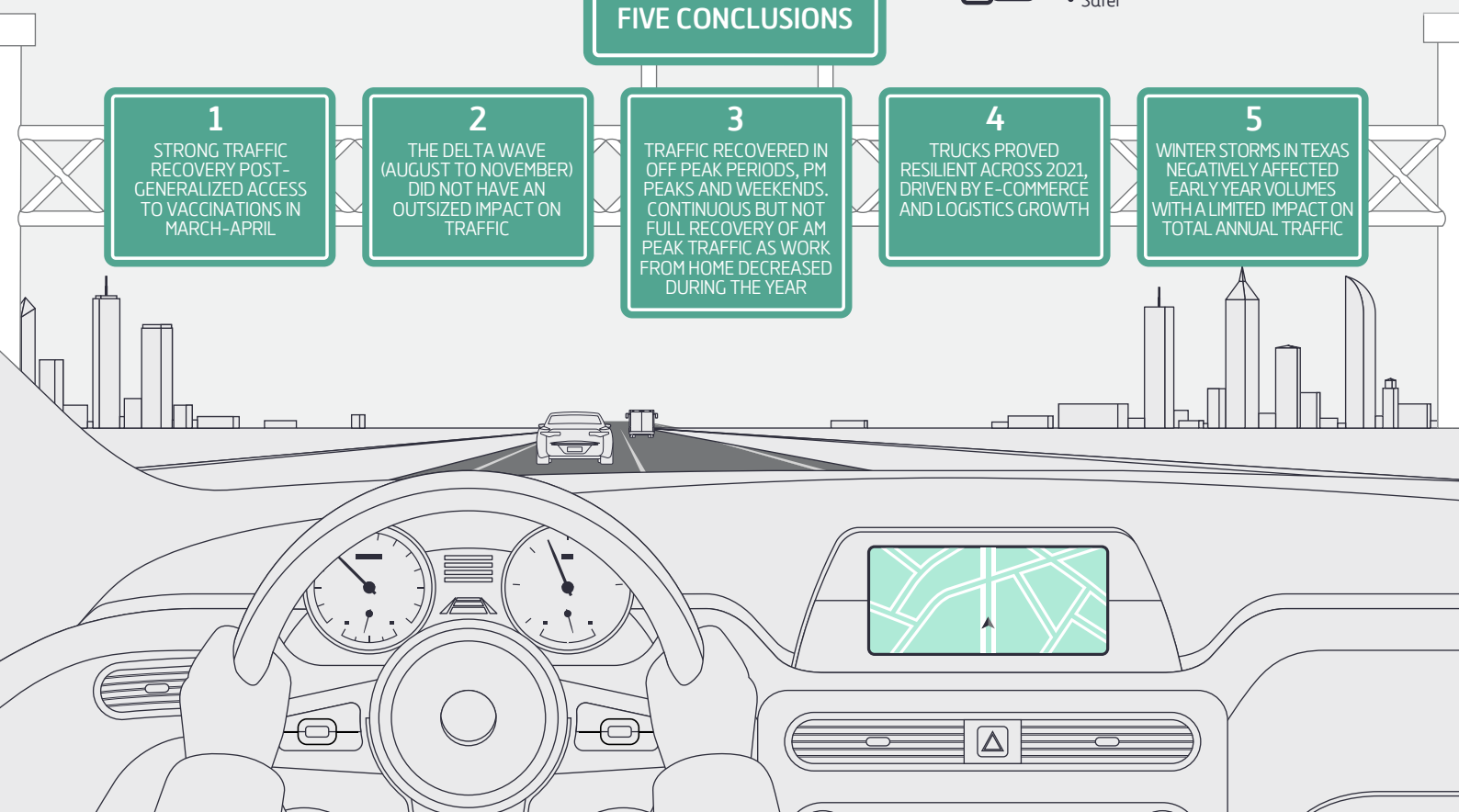
TRAFFIC RECOVERED IN OFF PEAK PERIODS, PM PEAKS AND WEEKENDS. CONTINUOUS BUT NOT FULL RECOVERY OF AM PEAK TRAFFIC AS WORK FROM HOME DECREASED DURING THE YEAR

4

TRUCKS PROVED RESILIENT ACROSS 2021, DRIVEN BY E-COMMERCE AND LOGISTICS GROWTH

5

WINTER STORMS IN TEXAS NEGATIVELY AFFECTED EARLY YEAR VOLUMES WITH A LIMITED IMPACT ON TOTAL ANNUAL TRAFFIC





AIRPORTS

On the take-off runway

Ferrovial Airports is one of the world's leading private airport investors and operators. It currently has four assets in the United Kingdom: Heathrow (25%) and the three that make up the AGS Group (50%) – Aberdeen, Glasgow and Southampton.

The Airports division continues to seek opportunities and is developing the creation of a network of vertiports in the United States and the United Kingdom.

ASSETS

Heathrow and AGS

Heathrow and AGS were affected by the disruption of air traffic due to the COVID-19 expansion, resulting in an increase of travel restrictions along a full UK lockdown in January. Following the success of the vaccination campaigns and the reopening of borders, Heathrow and AGS have seen a continued increase in traffic from the second quarter onwards as mobility restrictions were lifted and entry requirements were simplified.

Heathrow has recorded a decline in traffic of 12% compared to 2020. However, the second half of the year saw traffic growth of 133%. To meet this demand, the airport has been operating with two runways since early Summer and Terminals 2, 3 and 5 have been fully operational. In addition, Heathrow has dedicated Terminal 4 exclusively to arrivals from countries on the Government's "red list".

AGS has also experienced a recovery in traffic by 6% compared to 2020, thanks to passenger levels recorded in the second half of the year, showing a substantial improvement of 160% compared to 2020. Aberdeen Airport traffic has shown greater resilience to COVID-19 than other airports in the country due to Oil & Gas sector related passengers.

Vertiports

The electric vertical take-off and landing (eVTOL) aircraft will connect regions in a more sustainable and comfortable way. Vertiports are a key element in the advancement of eVTOL aviation, as they provide the landing, recharge and take-off infrastructure necessary for its operation.

In January 2021, Ferrovial Airports announced the signing of a framework agreement with Lilium, an eVTOL developer, for the creation of a network of more than 10 vertiports in the United States. These infrastructures and associated services will cover strategic areas in the main cities of Florida, offering a new alternative and emission-free transportation network.

Ferrovial Airports announced in November that it plans to deploy a network of more than 25 airports in the United Kingdom. To this end, it has signed collaboration agreements with Lilium and Vertical Aerospace, which will facilitate a quick and pragmatic deployment plan.

COP26 2021 took place between October 31 and November 12 in Glasgow, United Kingdom. Glasgow was chosen as the host city for its commitment to sustainability and its first-class facilities. Glasgow Airport participated in the activities that took place during the event,

with an exhibition area of different sustainability initiatives in the world of aviation and other events, where the project to deploy a network of vertiports in the United Kingdom was announced.

VALUE CREATION

Operational efficiency and response to COVID-19

Ensuring health and safety remains Ferrovial Airports' top priority. Heathrow and AGS have put in place health measures to ensure safety and build confidence in air travel, including COVID-19 diagnostic testing centers. In the case of Heathrow, its offices have been converted into a vaccination center and Terminal 4 is dedicated exclusively to arrivals from "red list" countries.

Aberdeen and Glasgow airports have been audited and recognized by the Council Aviation Recovery Task Force Covid-secure guidance for their high safety standards, established by the International Civil Aviation Organization (ICAO). Heathrow was certified with four COVID-19 stars by Skytrax, the highest rating for UK airports.

The measures taken to protect the business contribute to making them more resilient and efficient airports. Since the pandemic began, determined and swift action has been taken to reduce costs through organizational changes, contract renegotiations with suppliers and the government's temporary layoff plan, among others. Similarly, capital investment plans remain contained, focusing on projects to ensure the safety and resilience of the airports.

Heathrow was recognized by the Skytrax World Airport Awards as "Best Airport for 20 to 25 million passengers", "Best Airport in Western Europe" and for its "Airport Excellence COVID-19".

Sustainability

Ferrovial's airports maintain their uninterrupted commitment to sustainability in 2021 in ESG matters. Decarbonization of the aviation sector continues to be a priority of the sustainable growth plan, with the use of a critical element such as the SAF (Sustainable Aviation Fuel). In September a flight using SAF flew from Heathrow to Glasgow, and British Airways made its first flight to the US using 35% SAF in November (the highest level used on a transatlantic flight to date).

AGS launched its new sustainability strategy with a roadmap to achieve net zero emissions by mid-2030s, having achieved carbon neutrality by 2020. The strategy is integrated into the United Nations Sustainable Development Goals and focuses on social progress, economic growth and environmental protection as its main pillars.

Once again, the efforts made by AGS have been recognized by the international organization Global Real Estate Sustainability Benchmark (GRESB), as Southampton, Aberdeen and Glasgow have been ranked first, second and third in the UK Transport category: Airport Companies.

Innovation

The main innovation projects developed by Ferrovial Airports in 2021 included:

- The development of Ferrovial Airports Sustainability Index©, a unique tool in the sector that characterizes the degree of sustainability of an airport in ESG areas. The index contains 400 indicators classified into 19 areas and is based on the most prominent international sustainability indexes, such as the Dow Jones Sustainability Index.
- The deployment of a digital twin at Aberdeen Airport to optimize aircraft rotations at parking stands. This solution will enable more accurate estimation of process times, real-time recalculation of gate planning and simulation of future scenarios.

Key regulatory developments at Heathrow

On October 19, 2021, Heathrow received initial proposals from the Civil Aviation Authority (CAA) for the H7 regulatory period. Heathrow formally responded to the initial proposals and submitted its second Revised Business Plan (RBP) update in mid-December 2021 (Heathrow submitted the RBP in December 2020 and a first update in June 2021). This second update will ensure that the CAA has the most up-to-date information in preparation for its final proposals, which it plans to publish in the first half of 2022.

In addition, on December 22 the CAA published an interim price cap for 2022 of £30.19 (2022 CPI). This will be the price cap until the CAA's final decision on H7 is published.

Vertiports: the Future is Here

Mobility is undergoing a revolution. The eVTOL (electric Vertical Take-Off and Landing) is the vehicle. Ferrovial leads the development of vertiports networks. It designs, builds and operates them. The United States, United Kingdom and Spain are the original markets. Florida is the first appointment. Sustainability is the key.

THE VEHICLE

eVTOLs are a means of high-speed regional transport. They are all-electric, low-noise, safe, zero-emission vertical take-off and landing aircraft. We work with the main eVTOL manufacturers and operators in all geographies



280 km/h

maximum speed

250 km

maximum range

CO₂ emissions



THE INFRASTRUCTURE

Vertiports are key to Urban Air Mobility, facilitating the movement of people and goods more quickly and efficiently. Vertiports will use sunlight and natural elements to create an energy-efficient infrastructure. External energy will come from environmentally friendly sources, allowing for zero carbon emissions

Final approach and take-off area

Terminal

Parking

eVTOL parking stands

INITIAL MARKETS

Ferrovial leads the way in vertiports worldwide. The company has three regions in operation:

FLORIDA

10

projected vertiports
Palm Beach is the pioneer

UNITED KINGDOM

25

projected vertiports

SPAIN

20

projected vertiports



THE ADVANTAGES

- Perfect for densely populated urban areas
- Low noise
- Zero emissions
- Time savings
- Improve connectivity
- Promotes economic growth
- Facilitates access to industry, culture and nature

PARTNERS

Ferrovial has a network of collaborators:



VERTICAL

M

MOTT
MACDONALD

IDOM

AECOM



Microsoft



SENER

GRIMSHAW



LILIUM



CONSTRUCTION

Green foundations

Ferrovial Construction is the business unit that carries out civil engineering construction, building, water treatment plants and industrial projects. It is key to achieving the business strategy set out in the Horizon 24 Plan.

As part of its commitment to the energy transition, the company has recently created the Energy Solutions division, focused on the execution of power transmission lines, energy efficiency and renewable energy projects, having already been awarded some significant projects, such as a 50MW photovoltaic park in Gerena (Spain). The integration of SIEMSA in Construction reinforces this commitment and aims to strengthen its presence in the market for engineering, construction, installation and maintenance services for equipment in the energy sector.

BACKGROUND

In 2021, Construction maintained the positive revenue and profitability trend, with insignificant impact from COVID-19, although inflationary pressures have been observed in the prices of materials and labor, as well as supply problems, which despite the mitigating factors and management measures implemented, have increased production costs. This health and social crisis has prompted a response from the public sector with the approval of, among others, the European Next Generation funds, which are expected to reactivate the Spanish economy, and the new Infrastructure Investment and Jobs Act plan in the USA, which will double federal funds for investment in transport infrastructure. It is worth mentioning the divestments made in non-core businesses, such as Budimex's real estate business, Budimex Nieruchomości, Webber's aggregates recycling activity, Southern Crushed Concrete, the stakes in the Prisiones Figueras and URBICSA concessions, and in Nalanda, a digital platform for document management.

The outlook in **Poland** remains positive in the medium term, supported both by the national investment plans for roads and railways up to 2025-26, where the company expects to maintain its leadership, and by the tenders for waste treatment, renewable energy and water projects.

In **Spain**, in addition to the positive trend in public initiatives in transport infrastructure, a medium-term boost in bidding is expected due to the Next Generation funds, Ferrovial Construction has created a department to maximize opportunities for refurbishment and energy efficiency in building projects as well as logistics and industrial parks.

In the **USA**, it is noteworthy the approval of the new federal infrastructure plan, which will support the growing investment initiative of the states, providing new funds not only for transport infrastructure but also for water, electricity transmission projects or climate change mitigation actions. It should also be noted the integration of the infrastructure maintenance activity into Webber, which previously belonged to Services. In Texas, pipeline growth in both highway and water treatment projects is expected through 2022.

VALUE CREATION

Construction is a key activity in Ferrovial's strategy and continues with its firm commitment to implement initiatives in innovation and technology

to minimize its environmental footprint, generate a positive impact on society and minimize risks for users and workers. In addition to its intrinsic profitability and cash generation capacity, it adds value by coordinating the design and construction of infrastructure concessions in which other Ferrovial investment divisions participate.

Portfolio diversification and selective internationalization

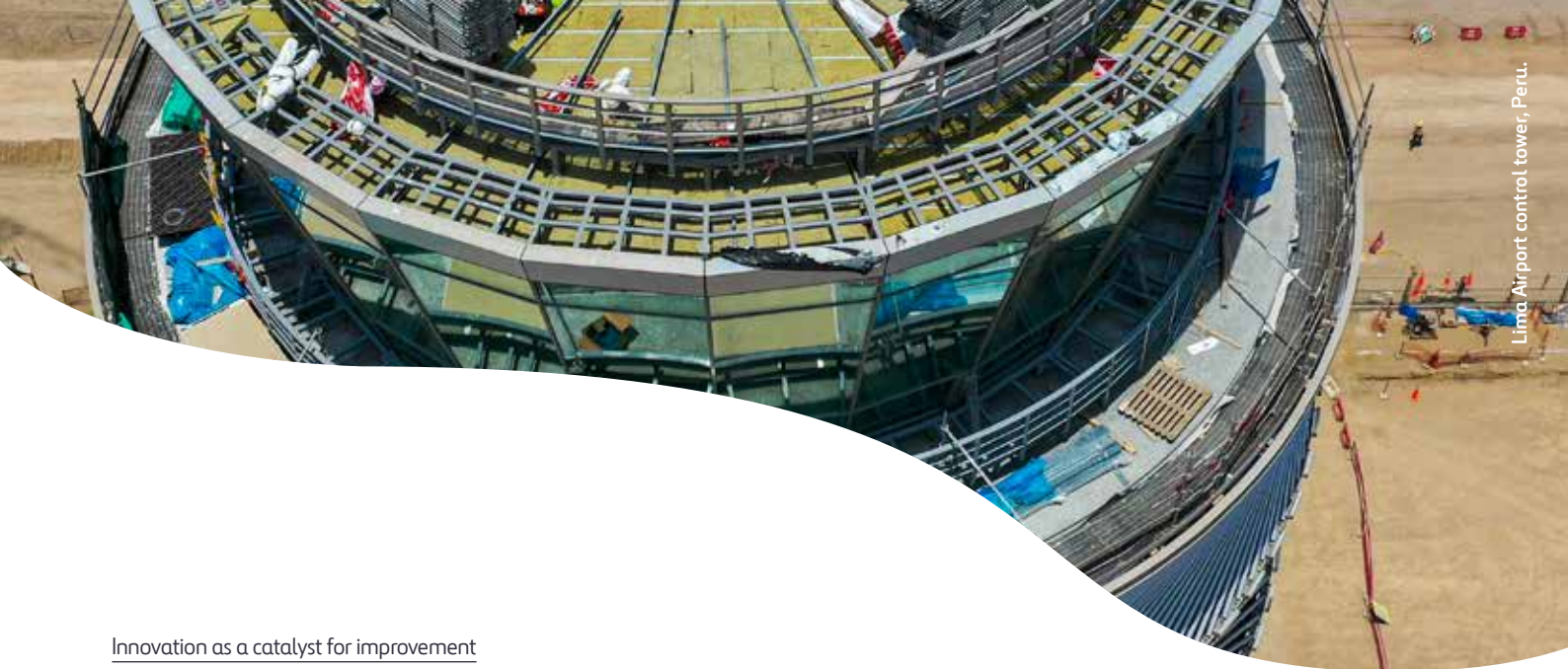
Sector diversification allows Ferrovial to maintain the technical qualifications and ensure that the material and human resources at Ferrovial Construction are constantly prepared. With this diversification and complexity in mind, it is worth mentioning the award of a new section of the Sydney Metro in 2021, including two 11 kilometer tunnels and 5 stations, 1,000 new jobs will be created, as well as 500 training positions for the local community.

Internationally, the focus remains on the USA and Polish markets, which represent approximately 70% of total sales. Other countries with a stable presence include the United Kingdom, Chile, Australia and Canada, in addition to Spain as a market of origin. It should be noted the award in consortium between Ferrovial Construction US and Webber of the project for the design and construction of the I-35 in San Antonio, Texas (USA), a new success of the business model in this country, which has enabled the execution of five design and construction projects in Texas for a total value of 6,000 million dollars in recent years.

Commitment to society: environment, quality and safety

The Construction division undertakes its operations under strict criteria that minimize its environmental impact. Its approach to projects includes the identification of environmental risks through individual management plans, the efficient use of energy by promoting self-consumption and electric solutions in its fleet of machinery and vehicles, and the promotion of the circular economy through the recycling of construction waste, such as the reuse of earth. The aim is to control the carbon footprint and achieving emission neutrality by 2050. Good examples are the I-66 in Virginia (USA), whose route design reduces impacts on wetlands and streams by 80% compared to the alternative proposed by the Administration, or the environmental measures of the D4R7 highway (Slovakia), which have made it possible to recover the biodiversity and habitats of the Danube while improving traffic in the Slovakian capital. Construction commitment in this area is evidenced by its recognition with the Gold CSR Accreditation Award in the United Kingdom and Ireland for its excellence in social commitment and performance.

In terms of safety, Construction has reduced its frequency rates in 2021 by -12% compared to 2020 and by -57% in the last ten years thanks to the active commitment of all its employees, the identification and preventive observation of high potential situations, and the continuous training of employees with critical roles.



Innovation as a catalyst for improvement

Ferrovial Construction remains strongly committed to R&D and innovation and the digital transformation, as demonstrated by the achievement of SGS Certification at global level for BIM (Building Information Modeling) methodology, being the first construction company to achieve it. The Construction division continues with the implementation of the Abacus Project, highlighting the technological transformation plan, aimed at improving productivity and process control, and includes the digitization of processes, the implementation of advanced data analytics and technologies such as 5G or IoT, which allow, among others, to respond to the challenges of environmental management, health and safety.

Employees: talent management

Ferrovial Construction is committed to the wellbeing and continuous development of its employees. In 2021, its employees received various awards, such as the prizes for two female engineers at the European Women in Construction and Engineering Awards, or the 40 Under 40: Champions of Construction award, for the professional under 40 who has made a difference in the sector.

INNOVATION FOR INFRASTRUCTURE TRANSFORMATION

Some of the most important innovation projects developed in 2021 include:

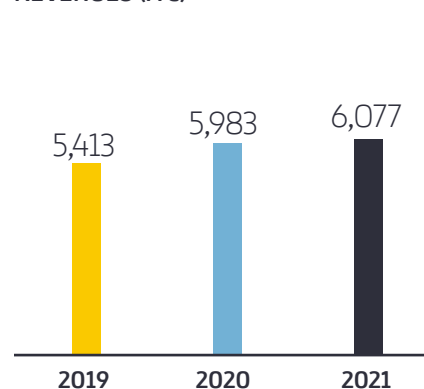
- CENTELLA, a dynamic testing procedure using virtual models for the structural validation of high-voltage towers, which reduces the cost and environmental impact in their execution.

- APOLODORO and SMARTFORMWORK, intelligent multisensor systems to determine the stress and pressure effects of concrete in bridges and tunnels, with the aim of optimizing the construction process and increasing the safety of construction sites.
- INNOVATION INTELLIGENCE, observatory of the external innovation ecosystem for the management of partnerships with academic institutions such as the MIT (Massachusetts Institute of Technology) and engagement with startups and their research into new construction techniques and solutions.

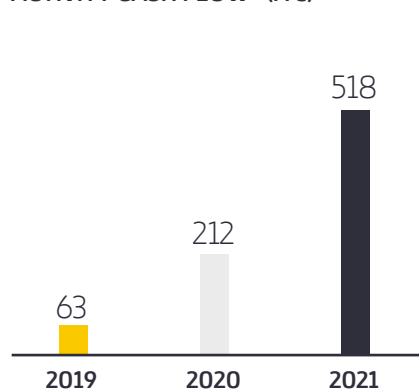
CIVIS Tool for measuring environmental impact

CIVIS is an innovative tool developed internally, which has been used in several projects in the United States, Colombia and Peru. Based on the main measurements of the project, it allows the quantitative assessment of different impact indicators throughout its life cycle, and thus evaluate in environmental terms the most sustainable design and construction alternatives. The indicators analyzed correspond to emissions (CO₂, SO₂, NOX, particulates and Hg) and consumption (coal, fuel oil, diesel and natural gas). In addition, the impact in terms of climate change is measured, which makes it possible to estimate the carbon footprint generated in the design, construction, maintenance, use and operation of the project.

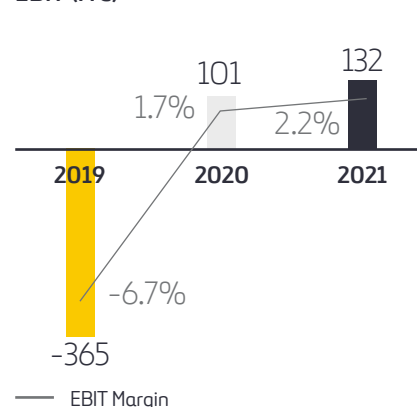
REVENUES (M€)



ACTIVITY CASH FLOW* (M€)



EBIT (M€)



*excluding company Tax

ENERGY INFRASTRUCTURE AND MOBILITY

Sustainable business

Ferrovial has created the Energy Infrastructure and Mobility business unit to promote and develop new sustainable business opportunities and coordinate existing initiatives.

PHOTOVOLTAIC
SOLAR ENERGY

50

MWp under construction

TRANSMISSION
LINES

456

Kilometers in construction and operation

ZITY

1,250

100% electric vehicles

The company is committed to the search for business opportunities beyond its traditional activities, focusing on projects where it can provide a differential value, responding to the changing habits of the urban population.

ASSETS

In Mobility, Ferrovial has a 50% stake in Zity, an electric carsharing service, in collaboration with Renault and operating in Madrid and Paris, as well as a minority stake in MaaS Global, a leading mobility platform company in Europe. Zity has a fleet of 1,250 fully electric vehicles recharged with electricity from renewable sources. At the end of the year, Ferrovial acquired a minority stake in Inspiration Mobility, a US company whose business consists of investing in electric vehicle-related assets in the US, including the vehicles themselves, as well as associated charging infrastructure.

In Energy Infrastructure, Ferrovial has a transmission line in operation in Chile which was acquired in 2016, and two other assets under construction: the Centella project, also in Chile, and a 50 MWp photovoltaic plant in southern Spain.

The teams of these projects have been integrated into the new business unit, also incorporating other senior professionals with relevant experience in the sector, as well as Ferrovial managers.

STRATEGY

The strategic guidelines in Mobility and Energy Infrastructure share similarities. Ferrovial aims to be a preferred industrial partner, able to leverage its experience and add value in the development, financing, construction, operation and rotation of assets, taking advantage of business opportunities while maintaining a risk-benefit balance similar to the other business units. Likewise, through internal resources and participation in technological and industrial ecosystems, the aim is to anticipate rapid changes in the environment and promote and invest in technologies with opportunities for growth, as well as the application of innovation for the development of new profitable business models.

The activity will focus on Ferrovial's preferred geographies, especially the USA, Spain, Chile and Poland, and will become an active part of the company's ESG strategy, promoting the fight against climate change and decarbonization, always in line with the Horizon 24 Strategic Plan.

POTENTIAL BUSINESS EVOLUTION

The future of mobility and energy infrastructures depends to a large extent on four rapidly evolving trends:

- National, regional and local regulation on economic incentives or disincentives to CO₂ production, use of public spaces, planning regulation and rights to energy assets, etc.
- Social changes driven by growing awareness of climate change and the shift in individual preferences to more personalized services. This trend has been accelerated by the COVID-19 pandemic.
- Variations in asset costs due to technological advancement that have been disrupted by rising inflation, shortages of certain components and logistical stresses.
- New products, services and business models fostered by technological and process innovation.

Despite the unpredictability of the evolution of these four issues, there is a certainty of growing electrification and a different concept of personal mobility, especially in cities.

Electricity self-supply in Spain and Portugal

Ferrovial, in its efforts to expand into new business models more respectful of the environment, has reached an agreement with InfraRed Capital Partners to acquire 100% of the capital of the company that owns the permits, licenses and authorizations required to build and operate a 50 MWp photovoltaic plant in Gerena, Seville (Spain).

The contract includes the installation of more than 90,000 bifacial photovoltaic modules on single-axis trackers, which, together with its location in an area of high solar radiation, will enable the plant to inject an estimated production of 105 GWh/year of electricity (2,104 MWh/MWp) into the grid, equivalent to the consumption of approximately 26,000 homes. The installation will also contribute to avoiding the emission of more than 46,000 tons of CO₂ per year.

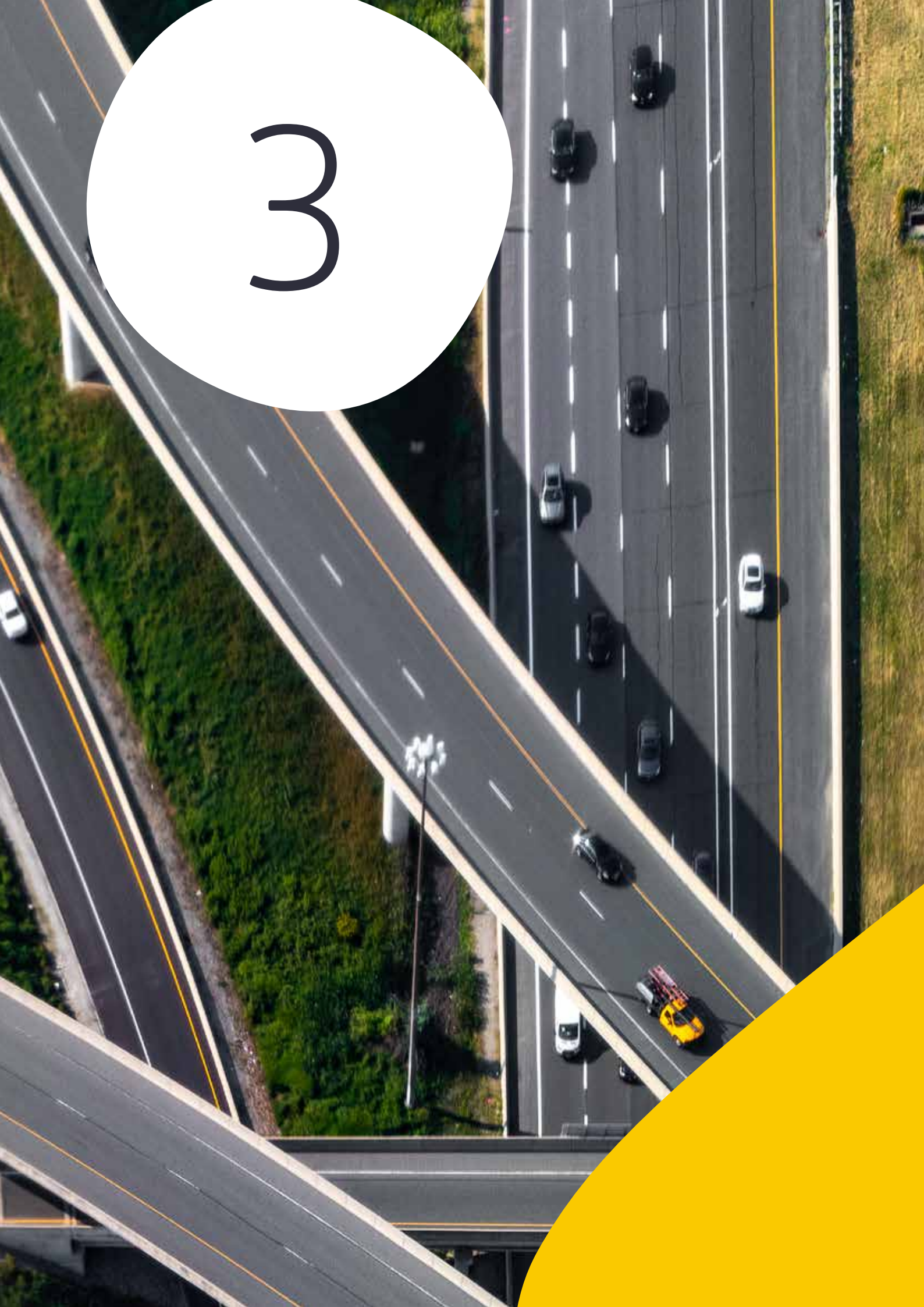
The project, which is being carried out by Ferrovial Construction Energy, will be commissioned in early 2023 and will generate around 260 direct jobs.

Most of the plant's electricity production will be used for Ferrovial's electricity consumption, which, in this regard, is progressing towards the achievement of its sustainability and decarbonization targets, which include 100% of the group's electricity consumption coming from renewable sources by 2025.



DemoSATH floating offshore wind platform, Bilbao, Spain.

3





Ferrovial in 2021



3 Ferrovial in 2021

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%

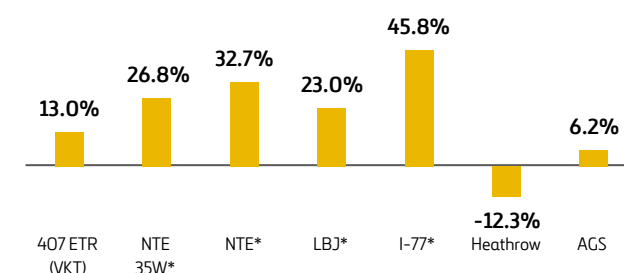
Like-for-like figures

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.

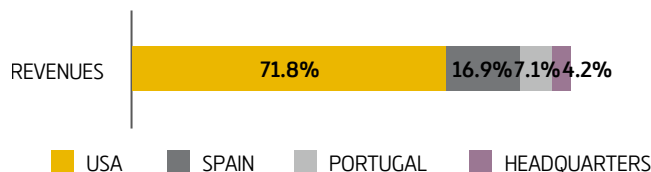
The pandemic-related restrictions and resulting economic contraction continue to have an impact on demand for highway travel in the GTA. 407 ETR maintained strong liquidity with cash & cash equivalents as of December 31st, 2021 at CAD307mn and CAD800mn in undrawn credit facilities.

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)

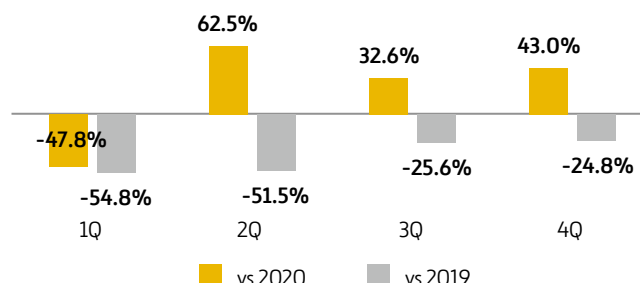
407 ETR experienced significant declines in traffic volumes on the back of COVID-19 impact, with stay-at-home orders and restrictions to mobility in effect for 1H 2021. Since 2Q 2021, traffic levels have been recovering notably as a result of the phased reopening of businesses, outdoor activities and 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.



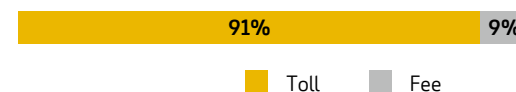
While 407 ETR initially experienced significant declines in traffic since the onset of COVID-19 pandemic, a **gradual improvement in traffic volumes has been observed throughout the year**, even slightly in 4Q when traffic was impacted by new Omicron variant

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.

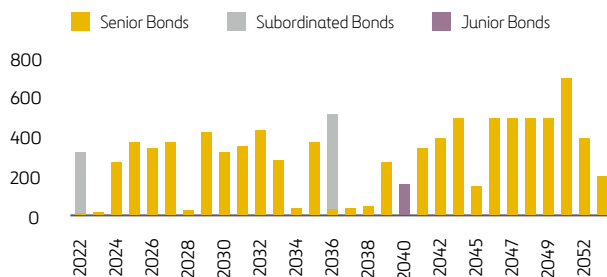
Dividends: 407 ETR distributed CAD600mn in 2021 (CAD562.5mn in 2020). The dividends distributed to Ferrovial were EUR164mn in 2021).

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)

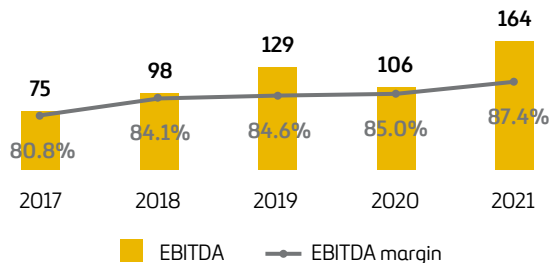
In 2021, traffic increased by +32.7%, already reaching the same traffic levels of 2019 (pre-COVID-19), following a strong recovery since 2Q given the full reopening in Texas since mid-March, partially offset by the severe weather conditions in February and May and the impact of surges in COVID-19 cases 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)

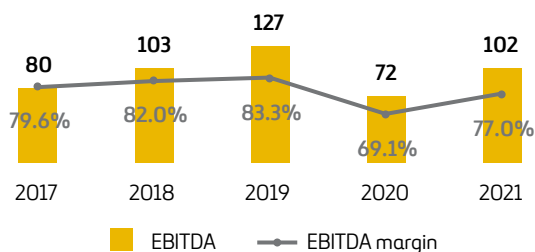
In 2021, traffic increased by +23.0%, on the back of a steady recovery since 2Q given the full reopening in Texas in mid-March, partially offset by the severe weather conditions in February and May, and the impact of surges in COVID-19 cases during the summer and in December.

	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).

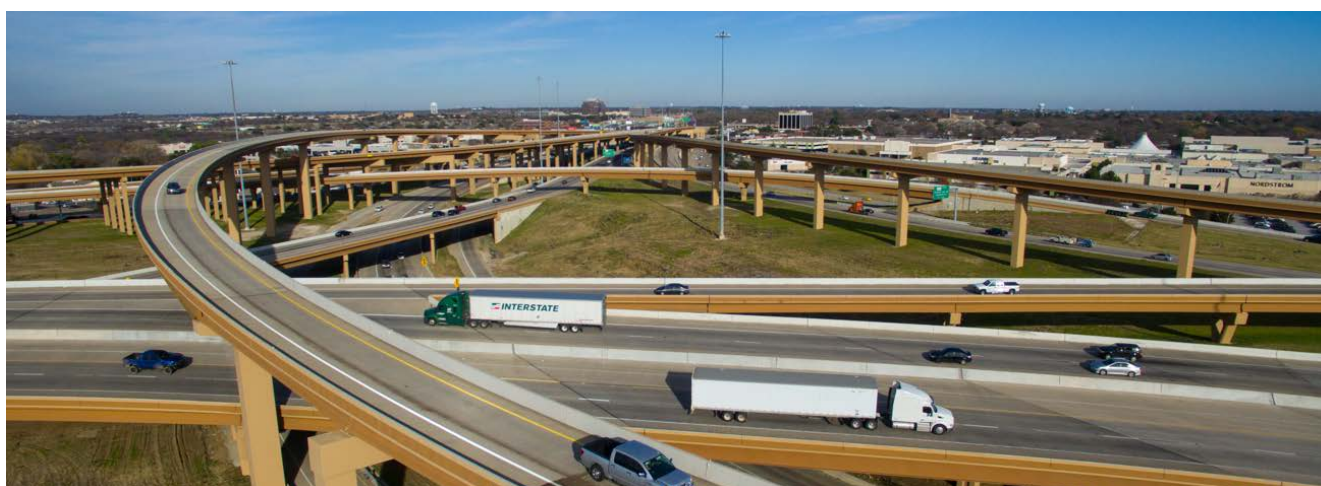
I-77 net debt was USD263mn in December 2021 (USD272mn in December 2020), at an average cost of 3.67%.

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%

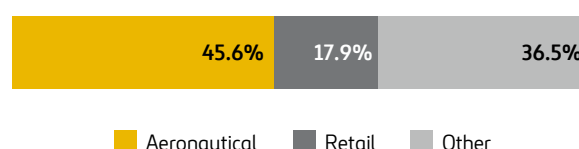
P&L

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.



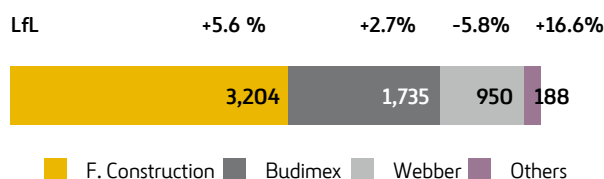
Construction



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:

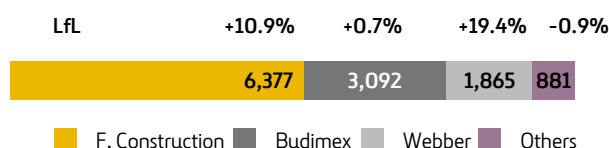
- **Budimex:** Revenues increased by +2.7% LfL due to a different mix in execution contracts, in line with expectations. EBIT margin reached 7.3% in 2021 vs 5.8% in 2020 with EBIT +29.3% LfL, showing a substantial improvement. The extraordinarily high margin includes the emergence of the result in Budimex's 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.

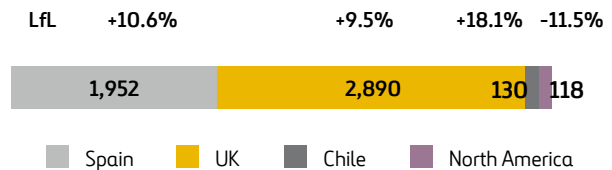
Also during 2021, Ferrovial has closed the sale of its activity related to oil&gas in USA (Timec) to Architech Equity Holdings for EUR16mn. The activity related to infrastructure maintenance services in US is now included in the Construction perimeter.

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:



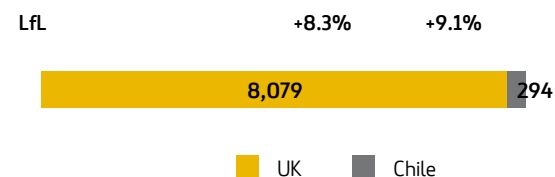
In 2021, revenues increased by +9.0% LfL and EBITDA reached EUR365mn (+78.0% LfL vs 2020).

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.

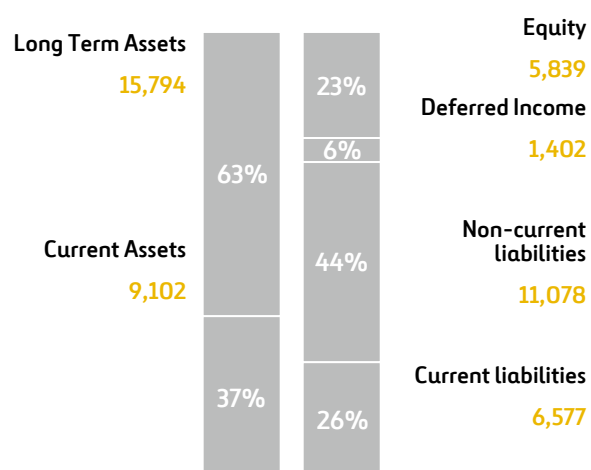
Net income from discontinued operations stood at EUR361mn including the discontinued operations from Services activities (EUR246mn) and Budimex's Real Estate business (EUR115mn).

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)

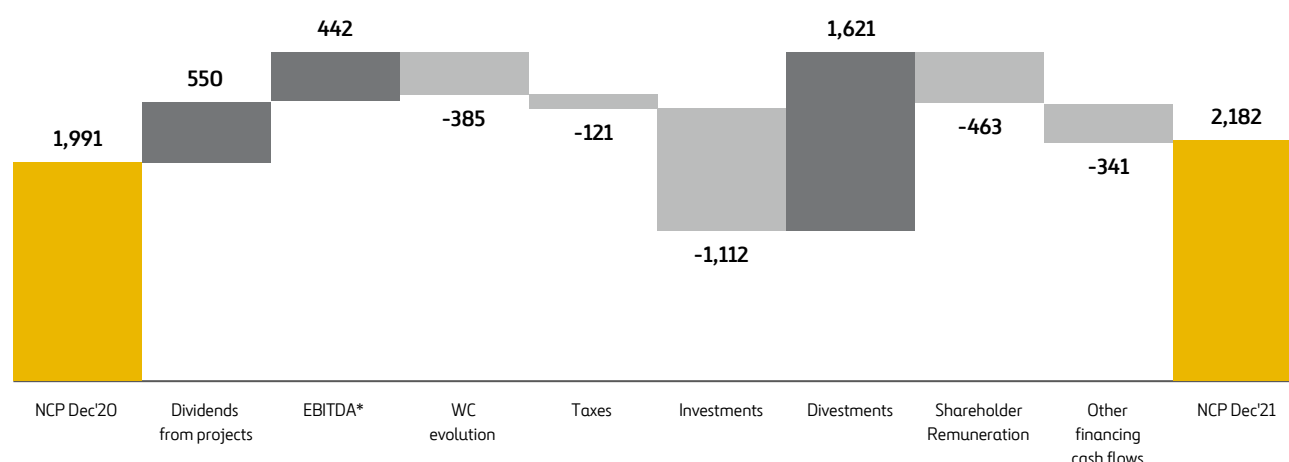
776	5	304	2,140
2022*	2023	2024	> 2025

(*) 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%	n.s.
Glasgow	n.s.	-46.7%	n.s.
Aberdeen	n.s.	-0.4%	n.s.
Southampton	n.s.	-101.4%	n.s.



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.

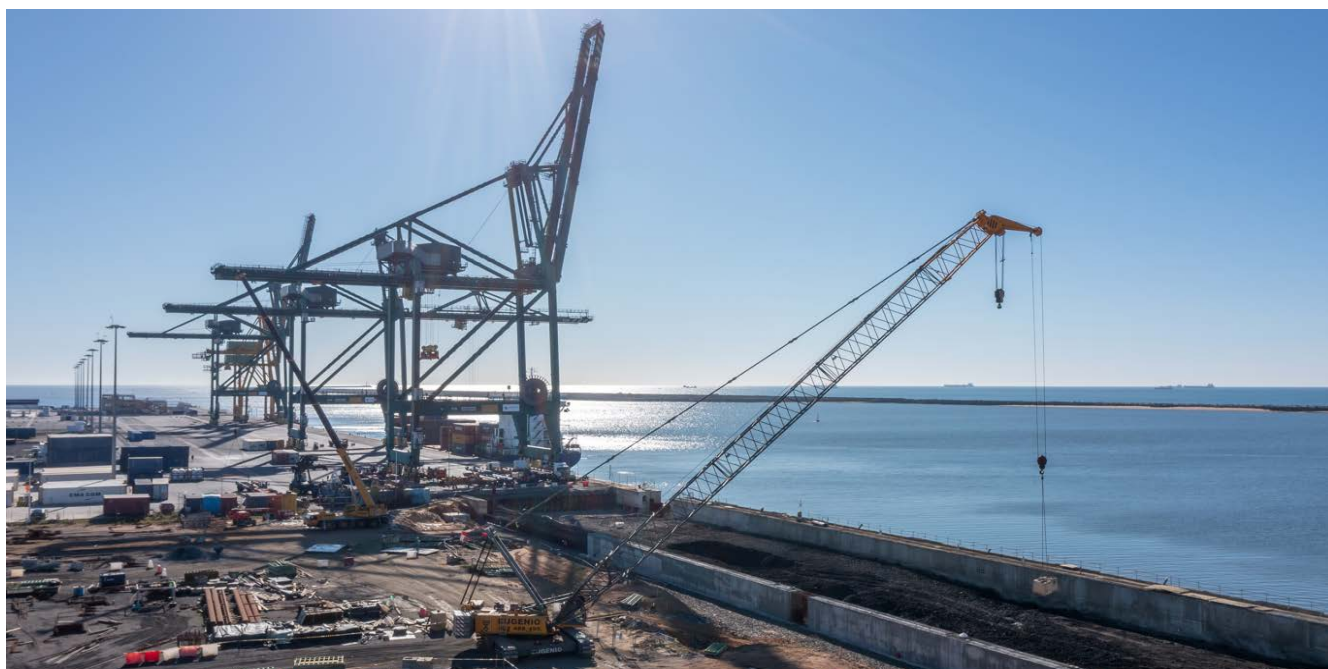
Ferrovial reaches an agreement with YDA Group to acquire 60% of Dalaman International Airport in Turkey (February 17th, 2022)

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.

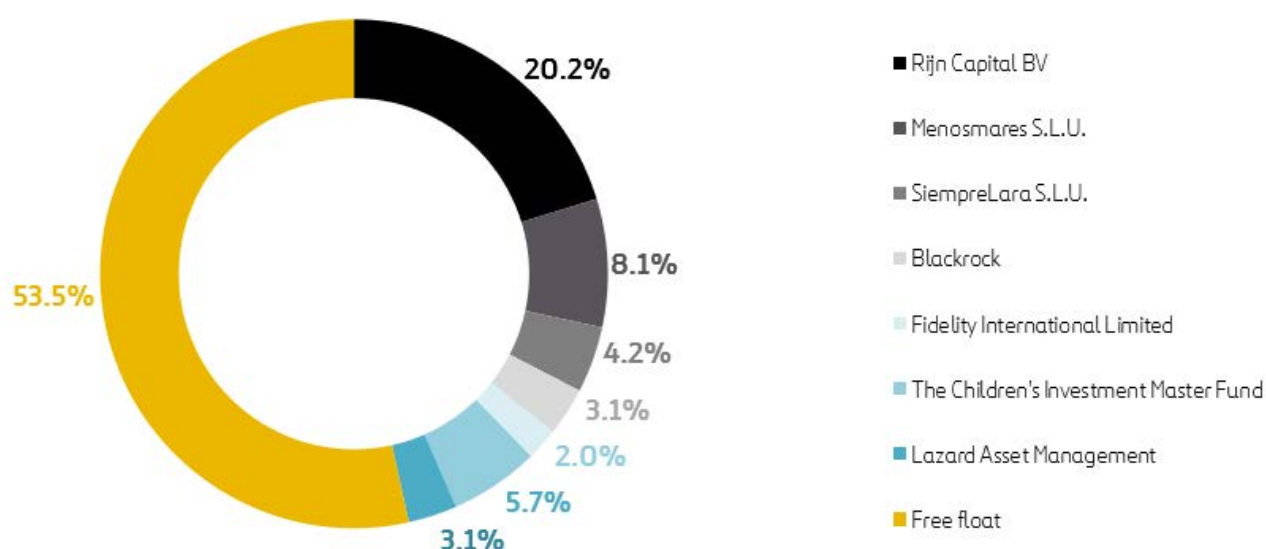
Under this Buy-back Programme that ended on November 26th, 2021, Ferrovia acquired 12,659,166 of own shares, a 1.70% of Ferrovia's current share capital, without exceeding the limit of EUR320mn or 22 million shares. The share capital was subsequently reduced by EUR 2,531,833.20 by means of the cancellation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

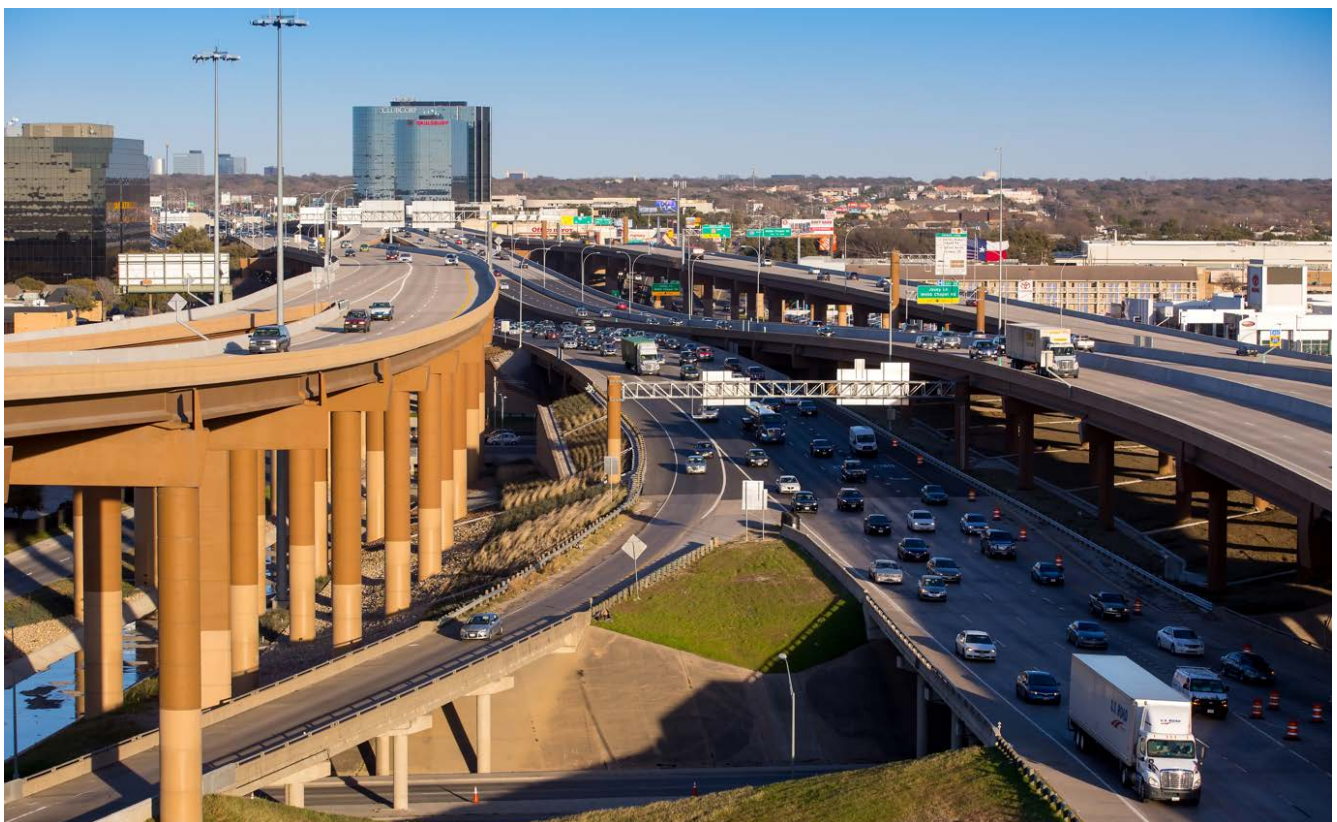
AVERAGE PAYMENT TERM

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

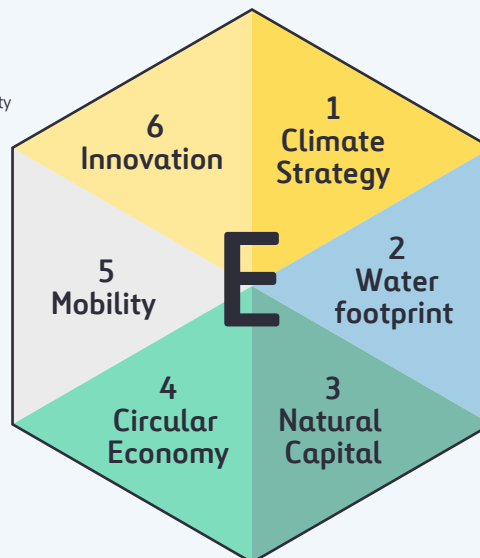
- Eco-design criteria in edification
- Use of renewable natural resources

6

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

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

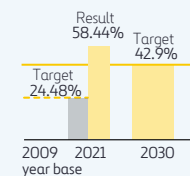
- **Incremental**: profitability improvements, operational efficiency or user and passenger experience



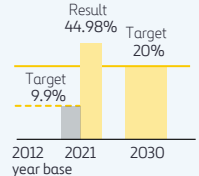
1

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

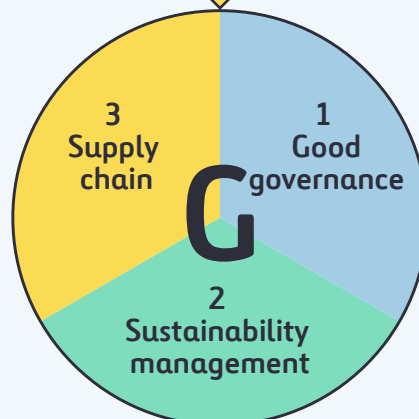
- Supplier Code of Ethics for integrating ESG principles into the supply chain

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 Cpp, 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.

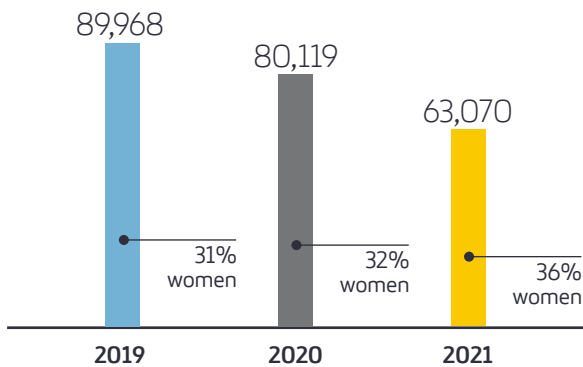
Digitization of Human Resources

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.

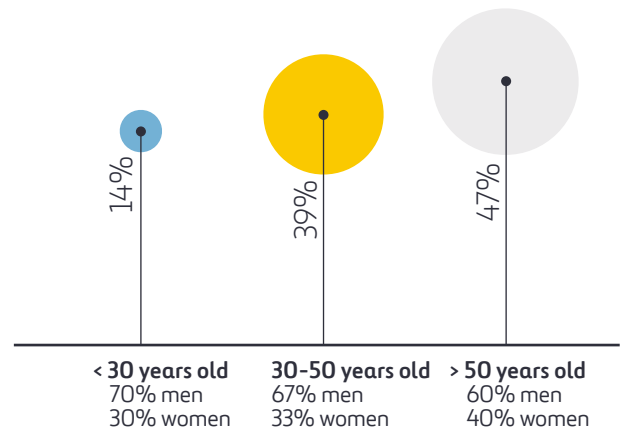
Among others, the implementation of this system will generate the following benefits for Ferrovial and its professionals:

- 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.

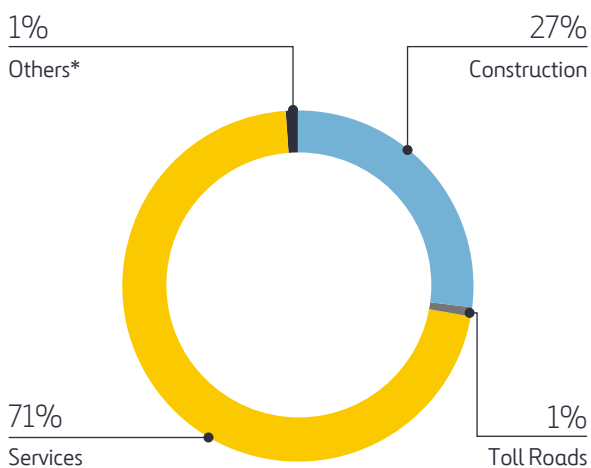
EVOLUTION



BY AGE

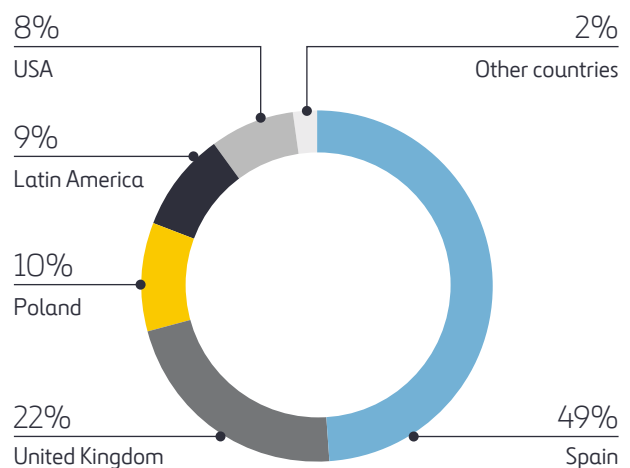


BY BUSINESS



* 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

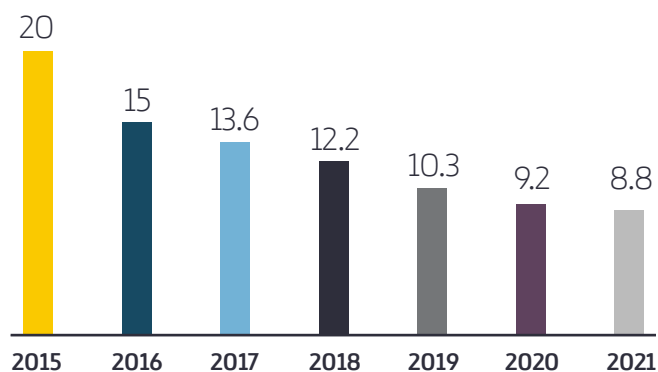
Objective: Ferrovial is prepared to protect its employees, stakeholders and businesses in adverse circumstances.

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. ●

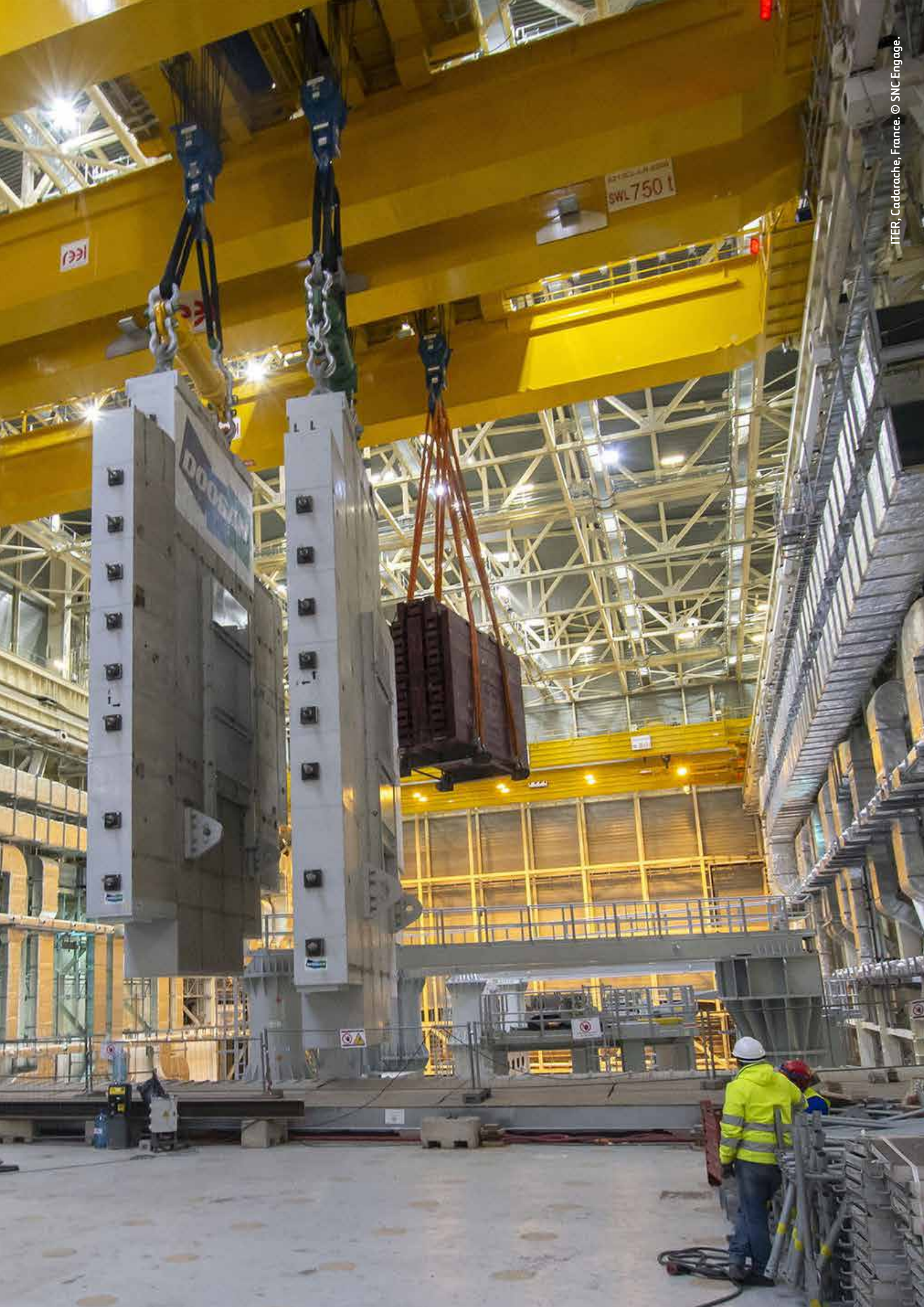
ENGINEERING

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

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

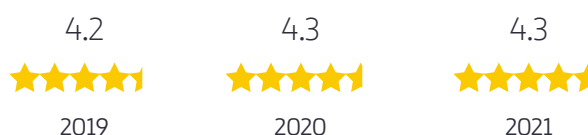
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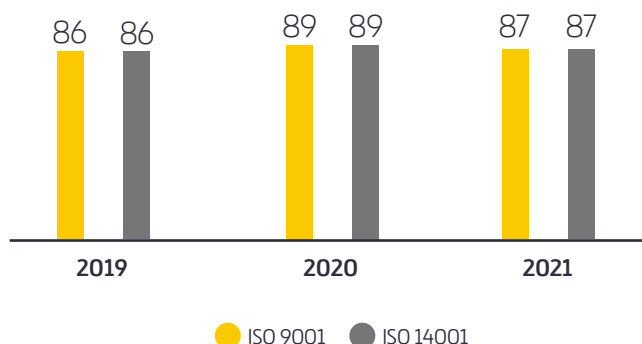
North Tarrant Express Toll Road, Texas, United States.

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.

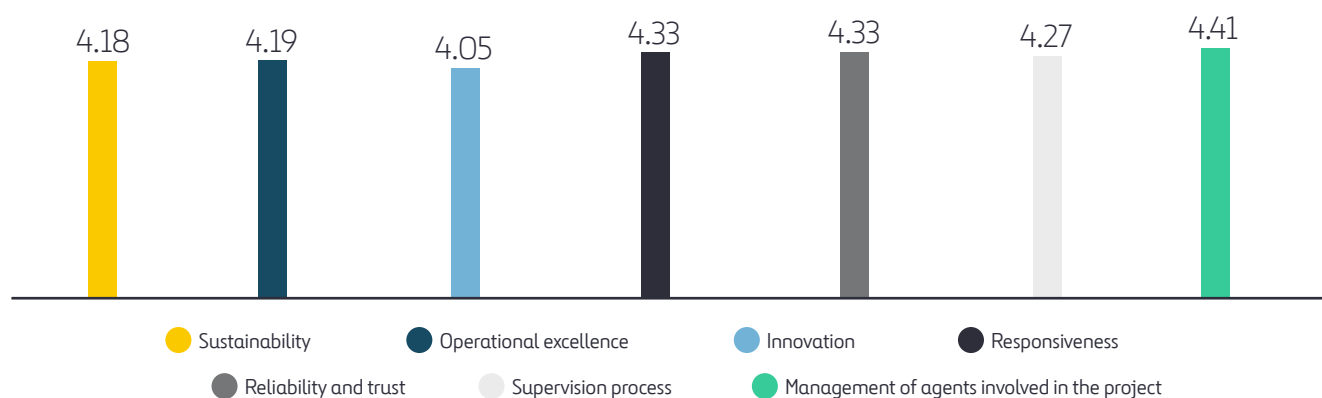
CUSTOMER SATISFACTION



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.

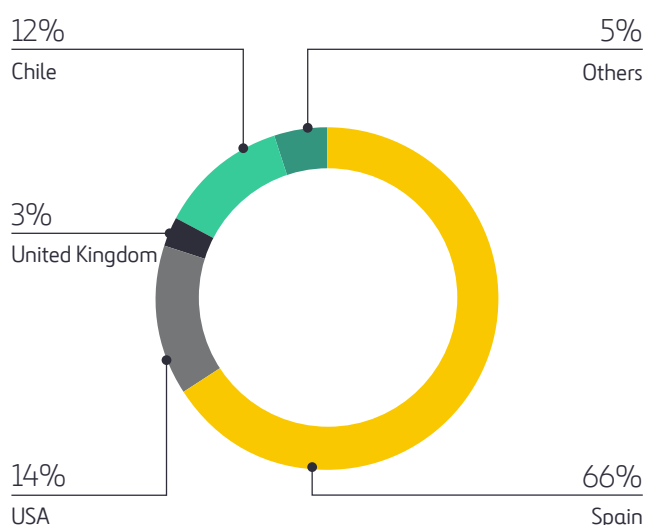
During 2021**, 85 complaints were received through the corporate ethics mailbox, of which 50 were anonymous and 35 were identified.

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.

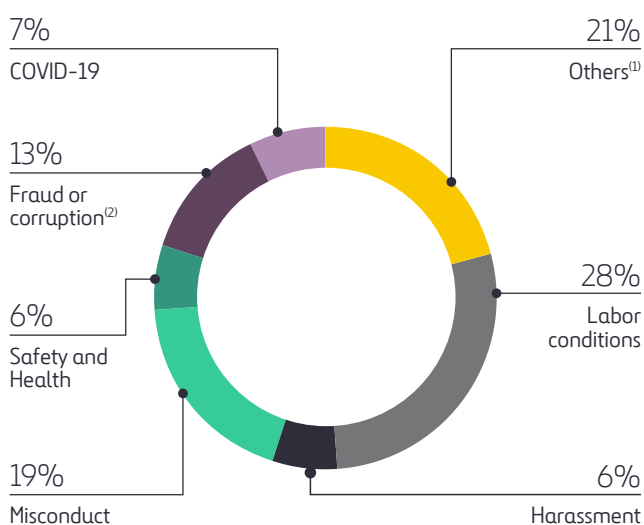
All communications have been investigated and resolved within an average of 67 days. A total of 22% of the complaints received were considered substantiated and appropriate corrective measures were adopted, in some cases imposing disciplinary sanctions and in others correcting deficiencies or revising 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

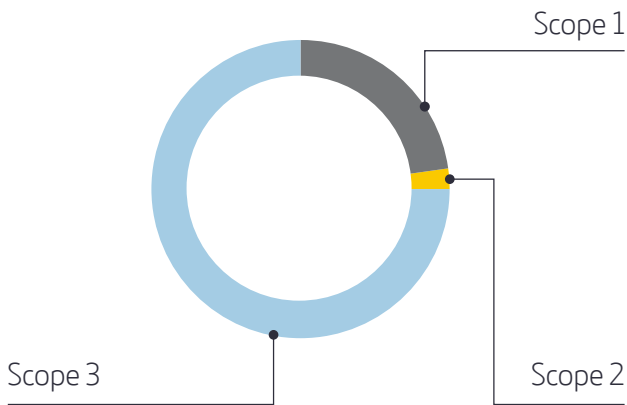
78%

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*

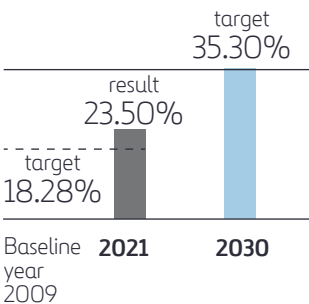
In absolute terms, by category of source



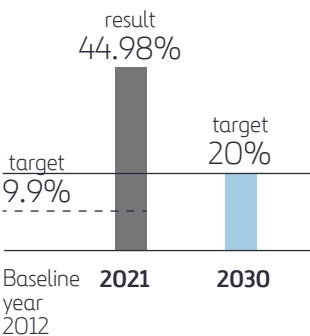
761,314 Scope 1 (tCO ₂ eq)			
257,863 Stationary	231,445 Mobile	271,764 Diffuse	
36,752 Scope 2 (tCO ₂ eq)			
2,849,892 Scope 3 (tCO ₂ eq)			
445,526 Investments	249,853 Use of Product	552,731 Upstream transport and distribution	1,601,782 Other

REDUCTION TARGETS

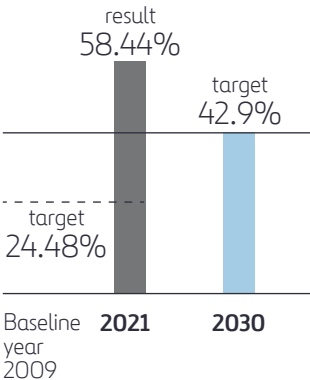
Scope 1&2 in absolute terms
% reduction



Scope 3
% reduction

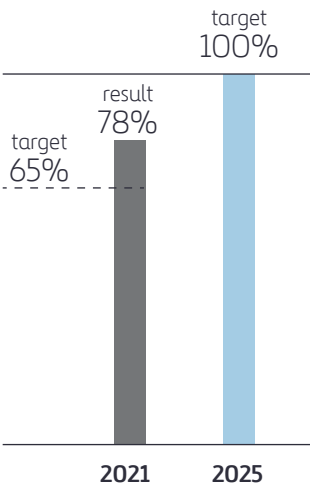


Scope 1&2 in terms of intensity
% reduction



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.

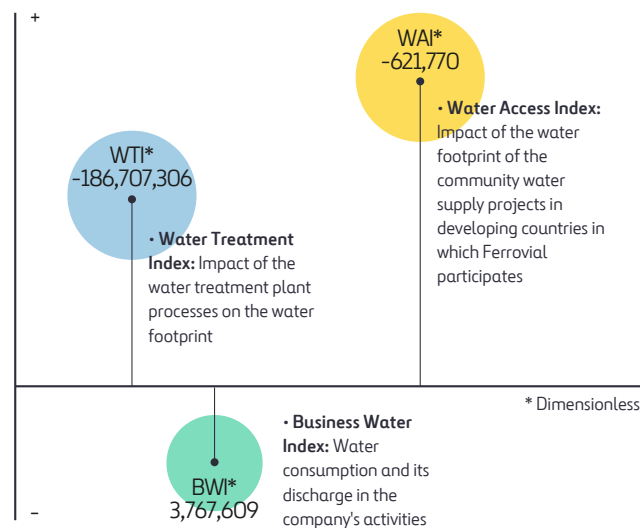
WATER FOOTPRINT

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.

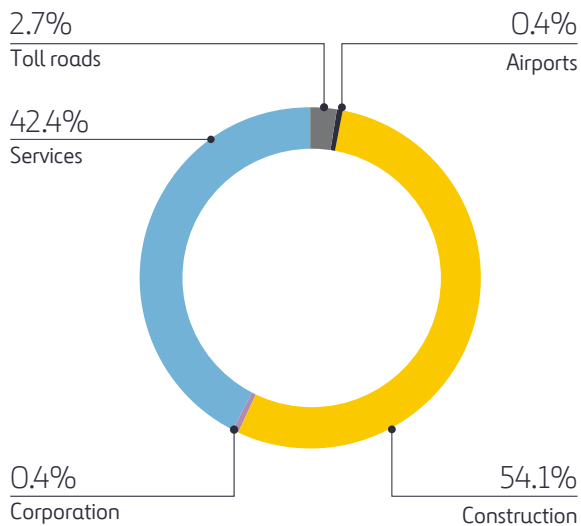
The result of the evaluations may result in a warning to the supplier, the establishment of an action plan for improvement, or even disqualification from working with Ferrovial, depending on the seriousness of the case, especially if non-compliance with the Anticorruption Policy is verified.

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.

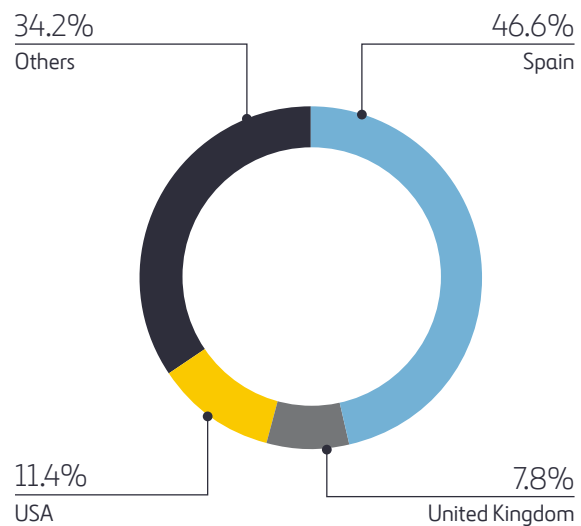
INNOVATION FOR A MORE SUSTAINABLE PROCUREMENT

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.

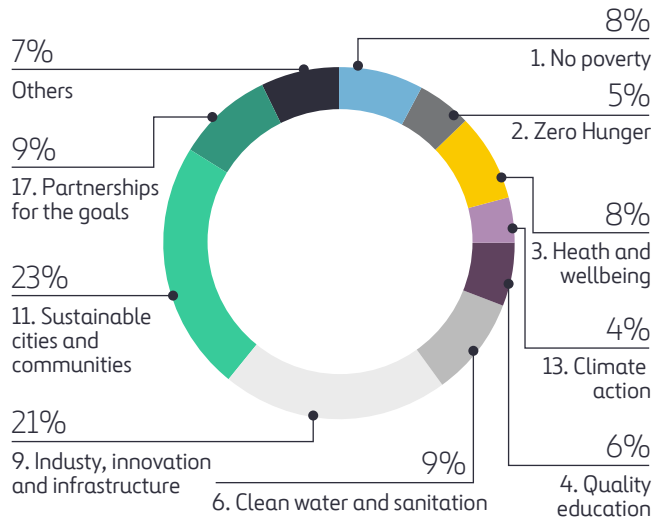
Ferrovial's commitment to education is complemented by the promotion of STEM careers, so that access to this training is equal for both gender and social background.

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.

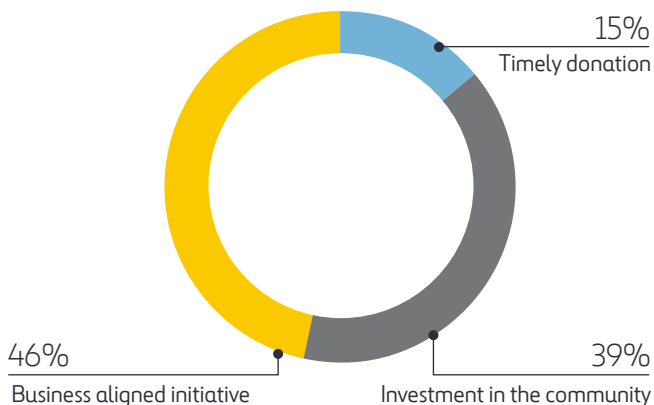
In the United Kingdom, 275 Ferrovia employees were involved in volunteer activities in 2021, most of them focused on educational

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.

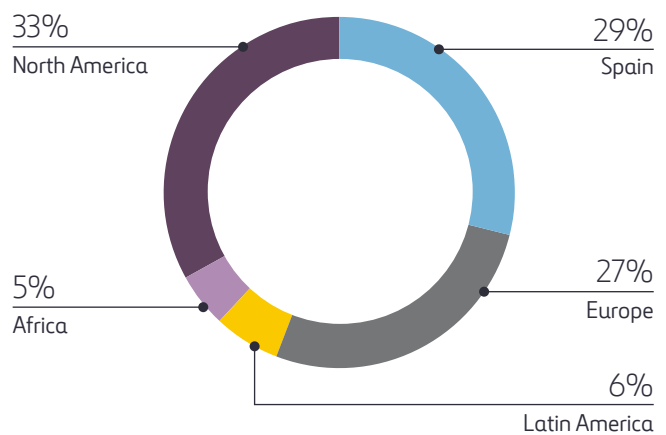
COMMUNITY INVESTMENT BY SDG



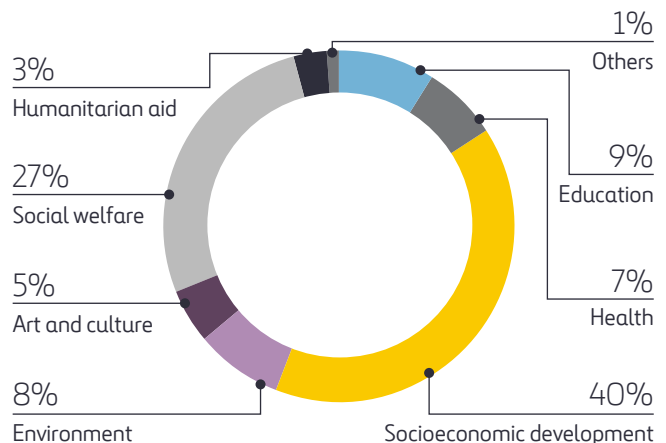
MOTIVATION



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.

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.

TOTAL TAX* (M€)

1,810

*Accrued, paid and collected

TAXES PAID PER PROFIT (M€)

158



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

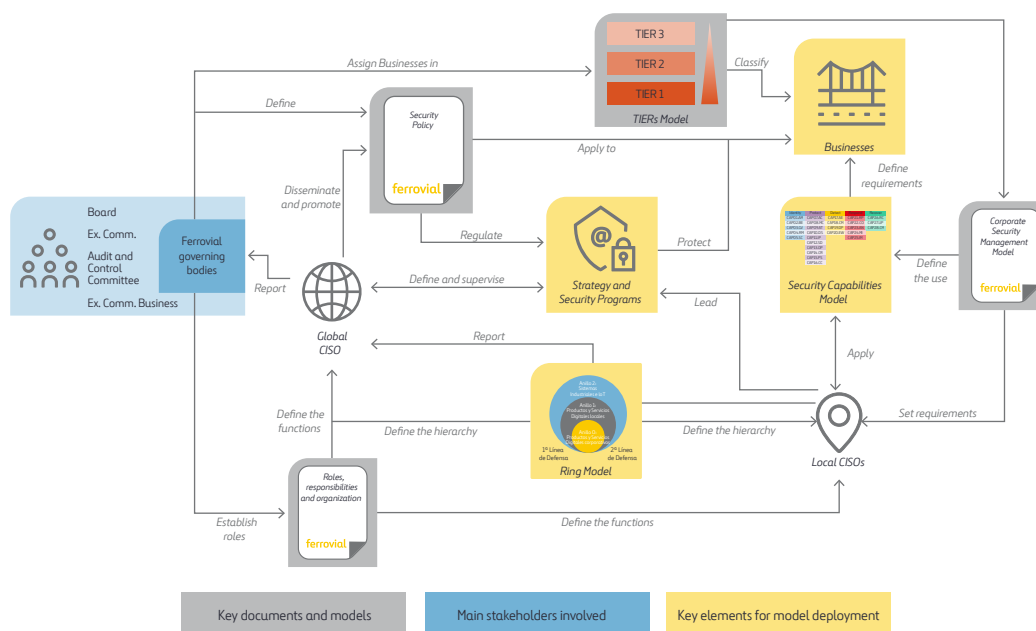
Simulated phishing emails received by employees

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.

4





Risks

4

Risks

110 Preventive culture

111 Main Risks

RISKS

Preventive culture

A risk culture embedded in all business units promotes the prevention of threats and enables the achievement of the company's objectives.

Ferrovial has a Risk Management and Control Policy, approved by the Board of Directors, which sets out the general framework for the management and control of various types of risks that the management team may encounter to attaining the business objectives, as well as the acceptable risk and the level of tolerance for each risk factor.

The Board establishes and periodically reviews the risk appetite. The last update was carried out in July 2021.

EFFECTIVE RISK MANAGEMENT. FERROVIAL RISK MANAGEMENT

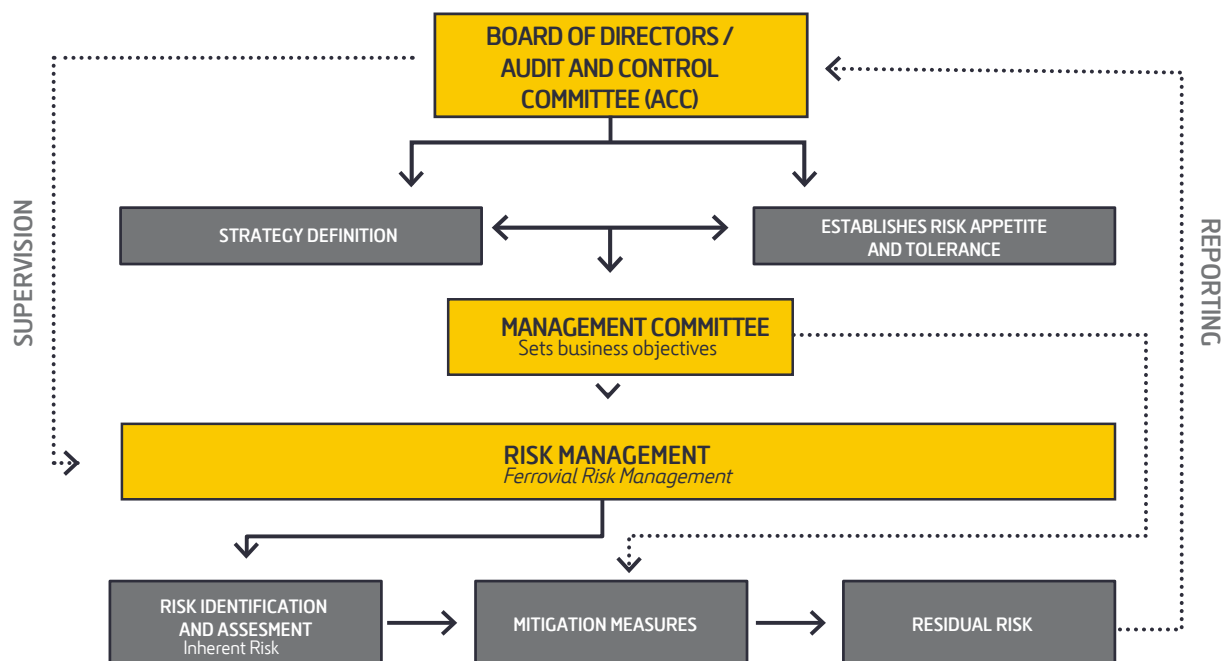
The company has a risk identification and assessment process called Ferrovial Risk Management (FRM), managed by the Compliance and

Risk Department, promoted by the Management Committee and implemented in all the company's business units, under the regular oversight of the Board of Directors' Audit and Control Committee.

Through applying common metrics, the process allows for early detection and assessment of risk events based on their likelihood of occurrence and potential impact on business objectives, including corporate reputation. This enables Ferrovial to roll out the most appropriate mitigation measures according to the nature of the risk.

For each risk event identified, two assessments are carried out: one inherent, before the specific control measures put in place to mitigate the risk, and another residual, after implementing specific control measures.

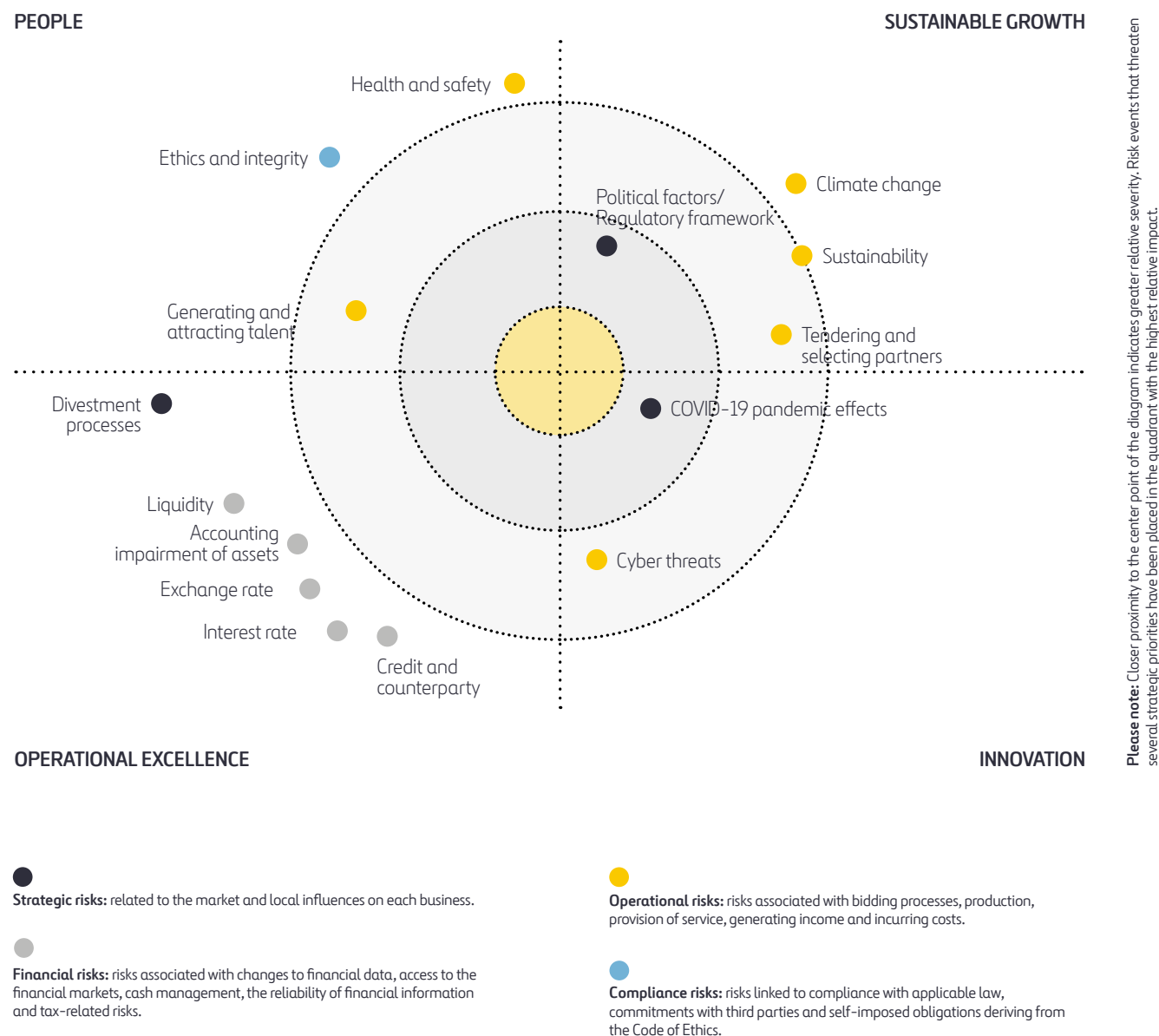
FERROVIAL RISK MANAGEMENT



Main Risks

The management on the identification, evaluation, mitigation and monitoring of risks is carried out independently by the Compliance and Risk Department under the supervision of the Audit and Control Committee of the Board of Directors.

The chart displays the most relevant risk events that threaten the execution of Ferrovial's corporate strategy.



Below is a description of the most relevant risk events, their potential impact and a list of the main control measures implemented to mitigate their impact and/or probability of occurrence.

Risk Event	Description	Potential Impact	Control Measures
COVID-19 Pandemic Effects	<p>The economic recovery is being hindered by the new mutations and the uneven vaccination rate. All this casts uncertainty on the expectations for the recovery of mobility to pre-covid levels.</p> <p>On the other hand, the pandemic is accelerating the trend towards digitization in social interaction (teleworking, e-commerce, etc.), with a potential impact on mobility patterns and, therefore, on the performance and value of the infrastructures operated by Ferrovial.</p>	<ul style="list-style-type: none"> • Damage to the integrity of employees. • Negative impact on assets valuation. • Liquidity strains. • Potential noncompliance with financial covenants. • Reductions in margins and flows in operating infrastructure projects. • Reduction of business opportunities (delays in tendering processes). 	<ul style="list-style-type: none"> • Health and safety protection measures for employees, following the recommendations of the health authorities and managed by the COVID-19 Monitoring Committee. • Measures to preserve liquidity in the short/medium term. • Negotiation of financial waivers with creditors. • Analysis and study of medium-term mobility trends, as well as review of scenarios and alternatives.
Political factors/ Regulatory framework	<p>In some of the markets in which Ferrovial operates, the recovery after the pandemic is affected by political and social movements, in some cases protectionist, which could lead to regulatory changes impacting asset management and the development of future projects.</p> <p>The negotiation of the next regulatory period for Heathrow Airport may impact the value of the asset.</p>	<ul style="list-style-type: none"> • Compliance with business plans. • Reduction of tendering processes for projects in which Ferrovial has a competitive advantage (P3). • Impact on the project's cash flows and on its liquidity in the short/medium term. • Increase in the company's tax burden. 	<ul style="list-style-type: none"> • Continuous monitoring of regulatory and legislative processes that could affect activities. • Monitoring of political movements to anticipate possible impacts. • Active negotiation of new regulatory frameworks.
Cyber Threats (see cybersecurity section pages 104-105)	<p>In a highly digitalized and interconnected economic environment, the risk of cyber threats has grown exponentially in recent years, increasing attacks against companies and critical assets (Asset Disruption, Phishing, Digital Identity Theft, etc.).</p> <p>In this context, infrastructures are exposed to threats in cyberspace (mafias, hostile government agencies, hackers, insiders, etc.), which can impact the normal operation of assets, their ability to generate the expected value and the Company's reputation.</p>	<ul style="list-style-type: none"> • Degradation or impossibility to operate the assets. • Economic loss due to the costs of recovering the activity. • Sanctions due to regulatory and/or contractual non-compliance. • Impact on the business plan with the consequent reduction in the value of the asset. • Damage to corporate reputation and competitive advantage, compromising potential business opportunities. • Loss or theft of know-how and/or intellectual and industrial property. 	<ul style="list-style-type: none"> • Global Security Model, based on NIST CSF and ISO 27002, ISO 27001 certified. Audited annually. • Security capabilities and controls based on policies, people, technologies and processes that implement the security model. • Periodic evaluation of security capabilities and controls. • Existence of a Global Cybersecurity Committee and Community made up of all BUs and subsidiaries, as a lever for the deployment of security capabilities. • Insurance coverage for various types of cyber incidents. • Establishment of formal collaboration agreements with national and international cybersecurity agencies.
Generating and attracting talent	<p>The increase in demand for skilled labor in the geographic areas (USA, UK and other western countries) where the operation and construction of transport infrastructure is concentrated makes it difficult to attract and retain talent, which could impact the company's competitiveness.</p>	<ul style="list-style-type: none"> • Loss of business opportunities due to lack of qualified staff. • Non-fulfillment of commitments with clients (deadline, quality, etc.) • Reduced margins due to increased costs. 	<ul style="list-style-type: none"> • Plan for the identification and empowerment of talent in the organization. • Promote the attraction of local talent. • Succession plan for key positions. • Measures to adapt to the new work environment.

Bidding projects and inflation	<p>Ferrovial participates in highly competitive bidding processes for large infrastructure projects with long maturity periods that require an adequate study of prices and deadlines, the availability of reliable suppliers, as well as the selection of suitable partners with sufficient technical and economic capacity.</p> <p>The risk of making mistakes in the study and in the choice of partners and suppliers may affect the established profitability and growth objectives.</p> <p>On the other hand, the inflationary stress currently being experienced by the raw materials market worldwide increases the risk of not meeting the expected profitability expectations.</p>	<ul style="list-style-type: none"> • Failure to meet growth expectations. • Reduction of margins in the execution of projects. • Contractual breaches with clients and imposition of penalties and sanctions. • Damage to corporate reputation. 	<ul style="list-style-type: none"> • Implementation of improvements in the project study and bidding processes. • Investment approval procedure, whereby the most relevant risks for each project are assessed and weighted. • Hedging of raw material prices. • Strengthening of agreements with suppliers prior to the awarding of contracts. • Negotiation of price revision clauses with clients.
Sustainability (see Environment section, pages 92-94)	<p>Both regulators and other stakeholders demand that the business objectives of organizations be sustainable, both from an environmental and social point of view, and are willing to penalize companies that do not meet their expectations.</p> <p>A misalignment between the company's strategy and the expectations of stakeholders in sustainability would compromise the fulfillment of Ferrovial's growth and investment objectives.</p>	<ul style="list-style-type: none"> • Worsening of project financing conditions. • Penalization of the company by potential investors. • Loss of positioning in sustainability indexes. • Damage to corporate reputation 	<ul style="list-style-type: none"> • Horizon 24 Strategic Plan focused on the promotion, construction and management of sustainable infrastructures. • Presence in several of the most internationally recognized sustainability indexes, among others: Dow Jones Sustainability Index, FTSE4Good, Vigeo and ISS ESG.
Health and Safety (see Health and Safety section, pages 80-81)	<p>The nature of Ferrovial's activities entails the risk of accidents that may endanger the health and safety of people (employees, customers, etc.) and may also cause damage to the company's operations.</p> <p>The current global pandemic context implies an additional risk to the health and safety of employees and the continuity of operations.</p>	<ul style="list-style-type: none"> • Physical harm to employees and third parties. • Operational impacts due to interruption in operations. • Civil/criminal liability. • Damage to corporate reputation. 	<ul style="list-style-type: none"> • Implementation of health and safety systems (adapted with anti-COVID-19 measures). • Implementation of a health and safety strategy. • Continuous health and safety training for employees. • Management systems audit plan. • Civil and professional liability coverage.
Climate Change (see Environment section, pages 92-94)	<p>Exposure to physical and transactional risks in Ferrovial's activity derived from climate change. On the one hand, extreme weather events may affect infrastructure and the development of the activity and, on the other, global trends to reduce the causes and consequences derived from climate change may entail economic (such as the increase in the cost of raw materials), regulatory, technological and/or reputational effects.</p>	<ul style="list-style-type: none"> • Disruption of operations due to physical damage to infrastructure. • Decreased productivity under extreme weather conditions. • Increased hedging premiums. • Increase in operational costs due to raw material price increases, increase in fossil fuel taxes and payment for emissions produced. 	<ul style="list-style-type: none"> • Process to identify and assess the risks associated with climate change to which Ferrovial may be exposed to anticipate them and implement programs for remediation and adaptation to the new environment. • Control and monitoring tools.

Ethics and Integrity (see Integrity section, pages 88–89)	Ferrovial is exposed to the commission of acts by its employees or collaborators that may involve a breach of the required principles of integrity, transparency and respect for legality and human rights.	<ul style="list-style-type: none"> • Criminal liability of individuals and legal entities. • Reduction of business opportunities due to non-compliance with ethical requirements. • Damage to corporate reputation. • Economic impact from sanctions. 	<ul style="list-style-type: none"> • Compliance program aimed at preventing acts contrary to ethics and integrity. • Certified criminal and anti-bribery prevention system (UNE-ISO 19601 and ISO 37001). • Specific training plan to combat crime and specifically corruption.
Financial Risks (see section Risks pages 110–114)	Ferrovial's businesses are affected by changes in financial variables, such as interest rates, exchange rates, inflation, credit, or liquidity.	<ul style="list-style-type: none"> • Loss of opportunities due to reduced project financing capacity. • Reduction of net margins. 	<ul style="list-style-type: none"> • Financial risk management policies. • Analysis and active management of the risk exposure of the main financial variables. • Sensitivity analysis to the variation of the different variables.

EMERGING RISKS AND EVOLUTION OF THE MAIN RISKS

Evolution of significant risks during the year: the risk of divestment of the Services Division has decreased, after having completed the sale in 2021 of part of the business (Environment in Spain and Portugal and Oil & Gas in North America) and reached a sale agreement on Infrastructure Services in Spain. However, the divestment of the rest of Ferrovial Services' businesses continues in the United Kingdom and Chile.

On the other hand, thanks to the Ferrovial Risk Management process, **emerging risks** caused by external agents with a potentially relevant long-term impact on the business are also identified, assessed and monitored. Among others, the following risks stand out:

Risk event	Description	Potential impact
Protection of Biodiversity and Natural (see Environment section, pages 92–94)	The degradation of ecosystems and natural capital entails operational, economic and reputational risks for the development of business activities. Specifically, Ferrovial could be affected by the loss of quality of certain ecosystem services, such as lack of water or reduced availability of certain raw materials.	<ul style="list-style-type: none"> • Reductions in margins and flows in projects. • Reduced business opportunities. • Loss of license to operate and/or stoppage of activities. • Reputational impact. <p>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 natural capital and ecosystem services.</p>
The great resignation	<p>The effects of the pandemic on the health and wellbeing of people may have a significant impact on the availability of the workforce in the medium/long term. Changes in workers' motivations and expectations may follow the lived experience, which could affect the availability of (mainly senior and skilled) professionals to fill certain positions.</p> <p>There is an increase in the rate of job abandonment compared to the pre-covenant situation in some professions which, if sustained in the long term and extended to other activities, will produce an inflationary effect in middle management and skilled positions.</p>	<ul style="list-style-type: none"> • Reduced business opportunities. • Reduction of margins in the execution of projects. • Increased attrition rate. <p>The company is analyzing new flexibility measures to adapt to changes in employee needs.</p>



5





Corporate Governance



5 Corporate Governance

120	Corporate Governance
124	Remuneration
126	Board of Directors
130	Management Committee



CORPORATE GOVERNANCE

Greater diversity

Ferrovial's Corporate Governance seeks to guarantee integrity, understood as diligent, transparent and responsible behavior towards its shareholders, employees, customers and the different agents involved in its activity. Integrity is essential to ensure the achievement of a profitable and sustainable business in the long term, aligned with the company's strategy, and to reinforce the trust that shareholders and stakeholders have in the company.

In accordance with commercial law, the Annual Corporate Governance Report (ACGR) forms part of this Management Report and has been prepared by the Board of Directors and communicated to the Spanish National Securities Market Commission (CNMV). The ACGR details all the components of Ferrovial's corporate governance and can be accessed at www.ferrovial.com.

As indicated in the ACGR, Ferrovial fully or partially complies with most of the recommendations of the Good Governance Code for Listed Companies (56 of the 58 that apply to it). The company regularly analyzes best practices and good governance regulations at national and international level to assess their application and incorporation into its internal regulations. In this regard, the Board of Directors and the Audit and Control Committee have been informed of the changes introduced in remuneration and corporate governance matters in the Capital Companies Law after its amendment by Law 5/2021, of April 12, which amends the Law and other financial regulations regarding the promotion of long-term shareholder involvement in listed companies.

In the area of corporate governance, the Board of Directors has agreed during the year:

- The amendment of its Regulations to: (i) introduce some of the changes operated in the Capital Companies Law by mentioned Law 5/2021 (mainly in matters of related-party transactions); (ii) include some technical drafting improvements; and (iii) modify the regime of the duty of loyalty to, among other things, extend the duty of secrecy of the Directors to the internal deliberations of the Board.
- The modification of the Tax Compliance and Best Practices Policy.
- The modification of the Risk Control and Management Policy.
- The approval of a Sustainability Policy, which contains the values and principles to be observed by all Ferrovial companies in the environmental, social, ethical, fiscal responsibility, innovation and human rights areas (among others).

GOVERNING BODIES

The functioning of the governing bodies and the decision-making process is described in detail in the IAGC, highlighting the functions of the General Shareholders' Meeting and the Board of Directors as the company's highest governing bodies.

General Shareholders' Meeting

In accordance with the Company's Bylaws, it is the sovereign body of the Company and has the power to decide on all matters attributed to it by law or the Company's Bylaws.

The Ordinary General Shareholders' Meeting was held exclusively by telematic means on April 9, 2021 on second call, in accordance with the exceptional regulations in force at the time of the meeting.

Board of Directors

It performs its functions with unity of purpose and independence of criteria, treats all shareholders in the same position equally and is guided by the corporate interest, understood as the achievement of a profitable and sustainable business in the long term, which promotes the continuity and maximization of the economic value of the company.

It is composed of 12 members (thus complying with recommendation 13 of the Code of Good Governance), which facilitates an efficient and participative operation. It is re-elected every 3 years, compared to the maximum of 4 years stipulated by corporate regulations. This allows shareholders to validate its management every few years.

EXTERNAL EVALUATION OF THE BOARD

7

consecutive years

VOTING RIGHTS HELD BY THE BOARD OF DIRECTORS

28.42%

LEAD DIRECTOR

1

INDEPENDENTS

66.67%

of the Directors (eight out of a total of twelve members)

BOARD MEMBERS REELECTION

Every 3 years

Business discussed by the Board of Directors

Annually, at the proposal of its Chairman, the Board of Directors prepares a schedule of dates and matters to be discussed at each of the meetings scheduled for the following year, without prejudice to other matters that may arise during the year. The main matters discussed in 2021 are detailed below (in addition to those mentioned above about corporate governance):

- Periodic financial reporting.
- Group cash position.
- Internal control system for financial information.
- Ordinary General Shareholders' Meeting (notice of meeting, proposed resolutions, reports).
- Report of the business divisions and corporate areas.
- Annual budget and amendments to the current year's budget.
- Health and safety and impact of COVID-19 on employees, which is reviewed at each Board meeting.
- Fiscal policies during the fiscal year.
- Strategy.
- Operations.
- Guarantees provided by the Group's parent companies.
- Effectiveness of the regulatory compliance program.
- Technology and cybersecurity.
- Innovation and digitalization.
- Sustainability (submitting to the General Shareholders' Meeting the approval of the Emissions Reduction Plan and approving the Climate Strategy Report for 2020).
- Social action.
- Shareholder analysis and perception of investors and analysts.
- Composition of the Board and Senior Management.
- Ferrovial's Scrip Dividend Program.
- Execution of two share buyback programs to reduce share capital and under implementation of remuneration systems.
- Acquisition of treasury stock.
- Annual evaluation of the Board and its Committees.
- Remuneration of Directors (including the submission to the Board of a Directors' Remuneration Policy).

In 2021, the Board held a total of eight meetings, with an average duration of approximately 5 hours and 30 minutes per meeting (individualized data on the attendance of the Directors at the meetings of the Board and its Committees is presented below). Additionally, on March 24 and 25, 2021, the Board of Directors adopted resolutions in writing and without a meeting.

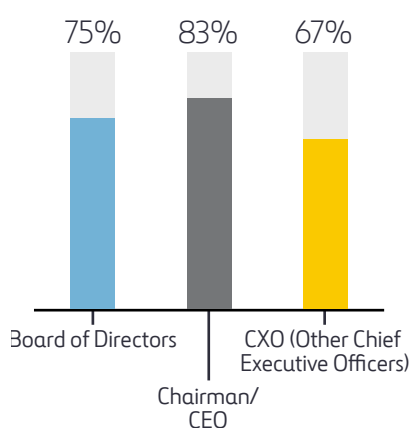
The Board annually evaluates its operation and that of its Committees, relying on the support of an external consultant of recognized prestige for the seventh consecutive year. As a result of the evaluation exercise, the Board agreed to continue its participation in the definition of the strategy; to increase the focus on sustainability, paying attention to business opportunities; and to continue improving risk control.

Executive Committee

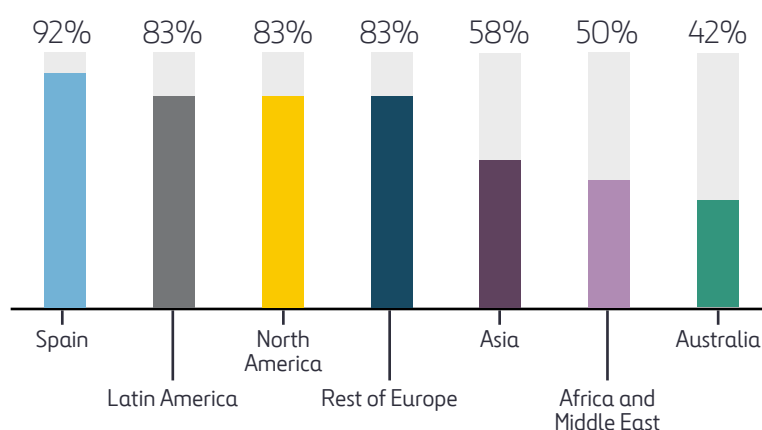
It has been delegated all the powers of the Board of Directors, except those that cannot be delegated by law or the Bylaws. It is composed of six members, four of whom are External Board Members, two of whom are Independent. Among other functions, it has monitored the group's financial information, the evolution of the main business indicators, the impact of COVID-19 on employees, as well as the status of the most relevant matters of the year. It has also approved the operations within its competence as a delegated body of the Board of Directors.

BOARD EXPERIENCE

PROFESSIONAL BACKGROUND



INTERNATIONAL EXPERIENCE





Audit and Control Committee

It comprises four Independent Board Members*, including its Chairman, who has been appointed on the basis of their knowledge and experience in accounting, auditing and financial and non-financial risk management. They have the relevant expertise in relation to the sector in which the company operates. Their powers are regulated in Articles 51 of the Company's Bylaws and 21 of the Board of Directors' Regulations (which contains the good governance recommendations).

The Committee held five meetings during 2021. The activities carried out by the Committee during the year are detailed in the report on its operation, published on Ferrovial's website. The Committee considers in its activity and operation the recommendations of the Good Governance Code for Listed Companies and those of the CNMV Technical Guide on Audit Committees of Public Interest Entities.

Appointments and Remuneration Committee

The Committee is composed of four External Directors**, three of whom are Independent Directors, including its Chairman. All of them have been appointed considering the knowledge, skills and experience appropriate for the performance of the Committee's functions. Their duties are regulated in Articles 52 of the Bylaws and 23 of the Regulations of the Board of Directors (which includes the good governance recommendations).

The Committee held five meetings during 2021. In addition, on June 17 and October 19 it adopted resolutions in writing and without a meeting. The activities carried out during the year are detailed in the report on its operation, published on Ferrovial's website (www.ferrovial.com). There is also detailed information on the Committee's activity about remunerations in the Annual Report on Directors' Remuneration, also available on Ferrovial's website. The Committee considers in its activity and operation the recommendations of the Good Governance Code of Listed Companies and those of the CNMV Technical Guide on Appointments and Remuneration Committees.

FEMALE REPRESENTATION

33.33%

(four women out of a total of twelve members)

AUDIT AND CONTROL COMMITTEE

100%

independent
(4 Directors with such category)

APPOINTMENTS AND REMUNERATION COMMITTEE

75%

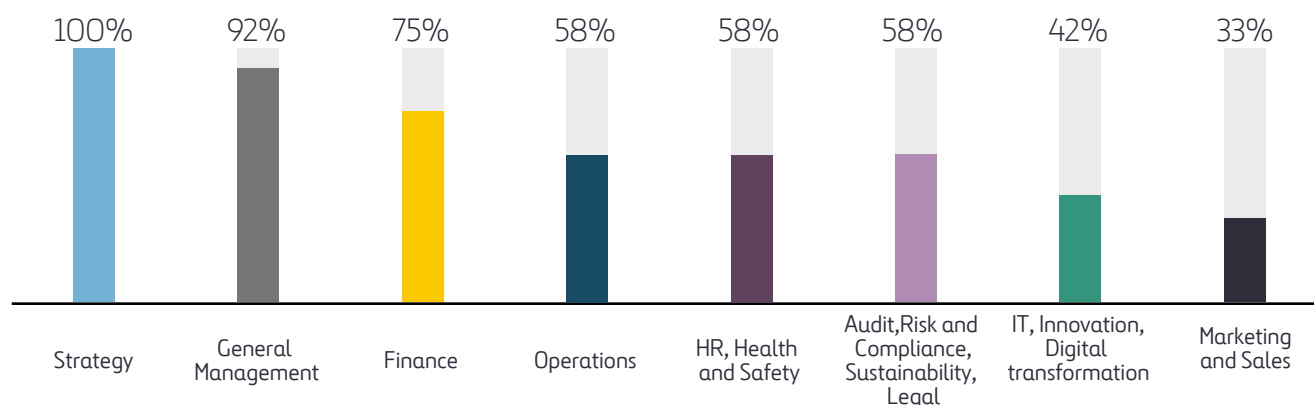
independent
(3 of the 4 Directors have this category)

*Ms. Alicia Reyes is a member of the Committee since December 16, 2021.

**Mr. Gonzalo Urquijo is a member of the Committee since December 16, 2021.

BOARD EXPERIENCE

FUNCTIONAL AREAS



POSITION		Chairman	VP	CEO	Member	Member	Member	Member	Member	Member	Member	Member	Member
Board of Directors	Executive Director	✓		✓									
	Proprietary				✓								
	Independent		✓				✓	✓	✓	✓	✓	✓	✓
	Other external					✓							
Board / Committees **	Board of Directors	(8/8)	(8/8)	(8/8)	(8/8)	(8/8)	(8/8)	(7/8)	(8/8)	(8/8)	(8/8)	(6/6)	(6/6)
	Executive Committee	✓C (6/6)	✓ (6/6)	✓ (6/6)	✓ (6/6)	✓ (6/6)				✓ (6/6)			
	Audit and Control Committee		✓C (5/5)				✓ (5/5)				✓ (5/5)		✓
	Appointments and Remuneration Committee					✓ (5/5)		✓ (5/5)	✓C (5/5)		✓		
Shareholding	% direct and indirect capital	20.27	0.00	0.01	8.14	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other data	Date of first appointment	01/09/1992	07/31/2015	09/30/2019	09/29/2006	12/03/2009	07/29/2016	05/04/2017	09/25/2018	10/02/2019	12/19/2019	05/06/2021	05/06/2021
	Nationality	SPANISH	SPANISH	SPANISH	SPANISH	SPANISH	AUSTRALIAN	DANISH	PERUVIAN	SPANISH	SPANISH	GERMAN	SPANISH
	Positions as directors at other listed companies*	0	1	0	0	0	2	4	1	0	2	1	1
	Age	63	72	56	65	74	69	56	64	69	60	55	50

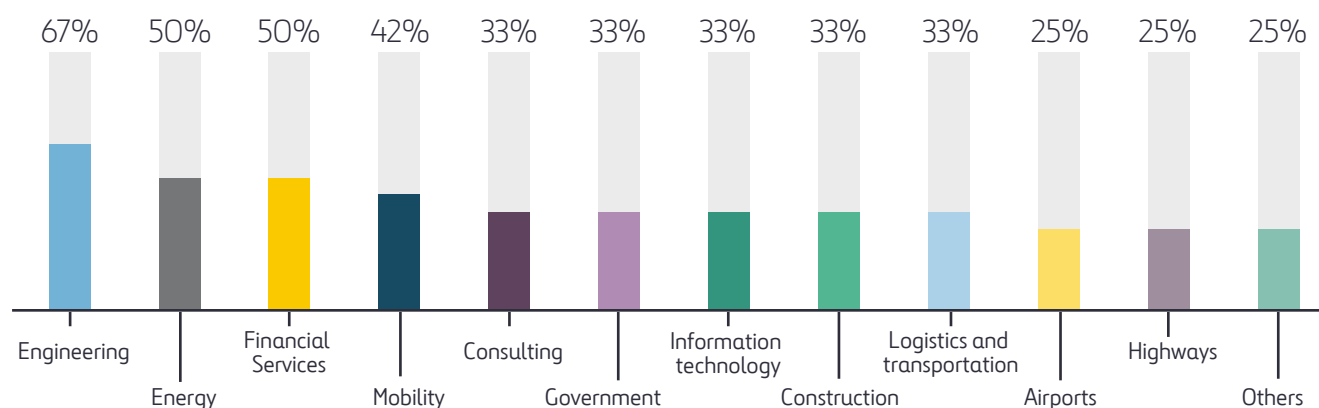
C: Chairman of the Executive Committee, Chairman of the Audit and Control Committee and Chairman of the Appointments and Remuneration Committee.

* Information updated in February 2022.

** Figures in parentheses reflect attendance of each Director at meetings of the Board and its Committees.

BOARD EXPERIENCE

INDUSTRIES

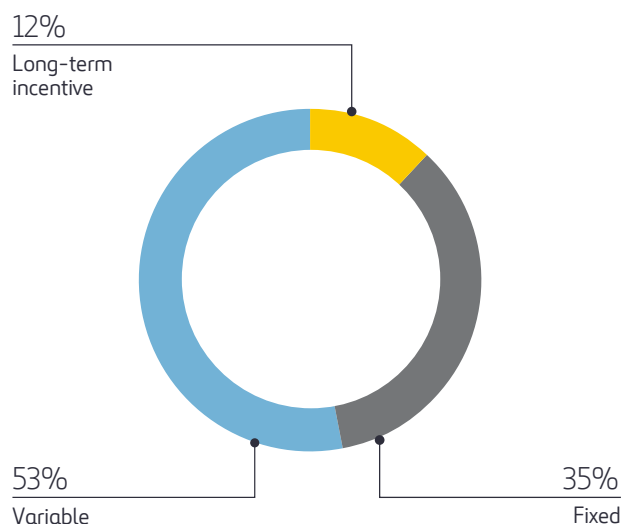


REMUNERATION

Value creation

Remuneration of Ferrovial's Board of Directors is determined on the basis of the best market practices, backed by studies on remuneration conducted by external consultants, internal rules and applicable legal regulations.

CHAIRMAN'S RETRIBUTION



The current Remuneration Policy for Ferrovial Directors is based on the following principles and criteria:

- Long-term value creation, aligning remuneration systems with the Strategic Plan, the interests of shareholders and other stakeholders and long-term sustainability.
- Attraction and retention of the best professionals.
- External competitiveness in setting remuneration with market references through analysis with comparable sectors and companies.
- Periodic participation in plans linked to action and to the achievement of certain profitability metrics.
- Responsible achievement of objectives pursuant to the Risk Management Policy.
- Maintenance of a reasonable balance between the different components of fixed and variable remuneration (annual and long term), reflecting appropriate risk-taking combined with the achievement of defined objectives.
- Transparency in the remuneration policy and in the remuneration report.

EXECUTIVE DIRECTORS' REMUNERATION (THOUSAND €)*	FIXED	VARIABLE	SHARE PLAN	OTHER ⁽¹⁾	TOTAL 2021	TOTAL 2020
Rafael del Pino y Calvo-Sotelo	1,500	2,275	490	9	4,274	4,635
Ignacio Madridejos Fernández ⁽²⁾	1,100	1,283	0	4	2,387	1,751
TOTAL	2,600	3,558	490	13	6,661	6,386

* Remuneration for their status as Executive Directors.

(1) Life insurance premiums.

(2) During 2021, the amount of 8 thousand € has been imputed to Mr. Ignacio Madridejos as remuneration in kind corresponding to a company car.

CHAIRMAN'S ANNUAL VARIABLE REMUNERATION ANNUAL VARIABLE REMUNERATION TARGET

125%
of fixed remuneration

MAXIMUM ANNUAL VARIABLE REMUNERATION

190%
of fixed remuneration

FIXED COMPONENTS

The fixed remuneration of the Executive Directors is calculated based on the market benchmarks from a comparison group of 24 national and international companies in their reference markets.

VARIABLE COMPONENTS

Only Executive Directors have variable component elements in their remuneration. It comprises an annual variable remuneration and long-term incentive plans.

a) Annual variable remuneration 2021

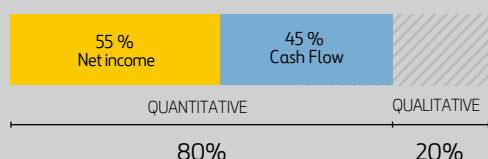
It is linked to individual performance and the achievement of specific economic-financial, industrial and operational targets, which are predetermined, quantifiable and aligned with the corporate interest and contemplated in the Strategic Plans. This is without prejudice to the possibility of considering other objectives, particularly in the areas of corporate governance and corporate social responsibility, which may be quantitative or qualitative targets.

The target amount of the annual variable remuneration of the Executive Directors, which corresponds to a standard level of achievement of the objectives, is equivalent to 125% of the fixed remuneration for the Chairman. The quantitative targets are associated with a scale for rewarding the overachieved targets up to a limit, hence the annual variable remuneration can reach up to 190% of the fixed remuneration. For the Chief Executive Officer, Mr. Ignacio Madridejos, a target variable remuneration has been set equivalent to 100% of the fixed remuneration and an over achievement of objectives up to a limit of 150% of the fixed remuneration have been established.

The quantitative targets comprise metrics to guarantee an adequate balance between the financial and operational aspects of the company's management. The qualitative targets are pegged to an assessment of the individual performance of Executive Directors.

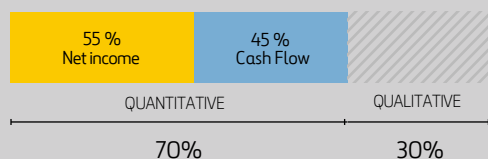
COMPONENTS OF THE VARIABLE REMUNERATION

CHAIRMAN



- Operations of the Board and the Executive Committee.
- Strategic Plan.
- Environmental, social and governance (ESG) criteria:
 - Corporate Governance.
 - Successions.
 - Institutional Relations.

CEO



- Strategic Plan.
- Environmental, social and governance (ESG) criteria:
 - Employee health and safety, measured through the Company's accident rates.
 - Promoting Innovation and Corporate Social- Responsibility - Sustainability.
 - Development of professional teams to guarantee stability in the management and achievement of strategic objectives of the organization.
 - Adjustment and monitoring of procedures linked to assuming controlled risks.
 - Relationships with stakeholders.

These objectives are shared in cascade to different members of Senior Management. For further information, please refer to the Annual Report on Directors' Remuneration available on the website: www.ferrovial.com.

b) Long-term Incentive Plans

Executive Directors participate in a long-term variable remuneration system consisting of share-based remuneration plans. The current remuneration policy establishes a limit of 150% of fixed remuneration as the incentive value at the time of grant.

They are structured in overlapping multiyear cycles (currently three years), with units being allocated each year, which are converted into shares at the end of the cycle (currently three years). For the current plan (period 2020-2022), they are determined by the relative weight of the metrics in the attached table.

SHARE PERFORMANCE PLAN 2020-2022 (ALLOCATION 2021)		% PAYOUT
ACTIVITY CASH FLOW (50%) ⁽¹⁾		
Maximum	≥1,932 M€	50%
Minimum	≤1,126 M€	0%
TOTAL STOCKHOLDER RETURN COMPARED TO A GROUP OF COMPANIES (50%)		
Maximum	Positions 1 to 3	50%
Minimum	Positions 10 to 18	0%

(1) Activity Cash Flow shall be deemed to be the sum of Operating Cash Flow before taxes and Net Cash Flow from Investment, excluding investment or divestment transactions not committed at the inception date of the Plan, as well as operating cash flows related to such investments.

New Directors' Remuneration Policy

Among other issues, and to reinforce the alignment with the Corporate Governance recommendations, the General Shareholders' Meeting approved, at its meeting held on April 9, 2021, a new Directors' Remuneration Policy, which included a new wording for the share ownership clauses, reduction and recovery clauses, and special incentives for the hiring of external candidates.

NON-EXECUTIVE DIRECTORS' REMUNERATION

The remuneration of non-Executive Directors is determined by an assignment (fixed plus supplementary) and allowances. Their remuneration is at the median of the remuneration of the non-executive directors of the Ibex 35.

Ferrovial's internal regulations establish that the remuneration of External Directors shall be such as is necessary to adequately compensate them for the responsibility and dedication required by the position, without compromising their independence.

Remuneration systems involving the delivery of shares, options, share-linked instruments or instruments pegged to the company's performance shall be limited to Executive Directors.

SENIOR MANAGEMENT REMUNERATION

SENIOR MANAGEMENT REMUNERATION (THOUSANDS OF €)	2021	2020
Fixed remuneration	5,636	5,317
Variable remuneration	5,033	3,657
Share Plan linked to objectives	1,494	4,528
Other ⁽¹⁾	48	47
Other ⁽²⁾	6,990	2,291
TOTAL	19,201	15,840

(1) Life insurance premiums / Boards in other subsidiaries.

(2) Separation of tree member of the Management Committee (figure subject to income tax) and an incorporation bonus.

Further information on the remuneration of the Board of Directors and senior management, and on the remuneration policy is available on the website: www.ferrovial.com.

Board of Directors*



RAFAEL DEL PINO
Chairman
Executive and Proprietary Director

- Civil Engineer (Polytechnic University of Madrid, 1981); MBA (Sloan School of Management, MIT, 1986).
- Chairman of Ferrovial since 2000 and CEO since 1992. Chairman of Cintra from 1998 to 2009.
- Member of the MIT Energy Initiative's External Advisory Board and the MIT Sloan European Advisory Board. He also is a member of the IESE's International Advisory Board and the Royal Academy of Engineering of Spain.
- Former Director of Zurich Insurance Group, Banesto and Uralita. Also, he was a member of the MIT Corporation and the Harvard Business School European Advisory Board.

Other information: Mr. Rafael del Pino has a controlling interest in the shareholder Rijn Capital B.V.



ÓSCAR FANJUL
Vice Chairman
External Independent Director

- Director of Ferrovial since 2015.
- Vice Chairman of Omega Capital. Director of Marsh & McLennan Companies. Trustee of the Center for Monetary and Financial Studies (Bank of Spain), of the Aspen Institute (Spain) and of the Norman Foster Foundation.
- Former founding Chairman and CEO of Repsol; Chairman of Hidroeléctrica del Cantábrico; Non-Executive Chairman of NH Hoteles and Deoleo; Non-Executive Vice Chairman of Holcim; Director of Acerinox, Unilever, BBVA, London Stock Exchange and Areva.



MARÍA DEL PINO
External Proprietary Director

- Degree in Economics and Business Administration (Universidad Complutense de Madrid); Management Development Program (IESE).
- Director of Ferrovial since 2006. Chairman of the Rafael del Pino Foundation. Legal representative of Menosmares, S.L. that holds the positions of rotating Chairman / Vice-Chairman of the Board of Directors of Casa Grande de Cartagena, S.A.U. and Vice-Chairman of the Board of Directors of Pactio Gestión, SGILC, S.A.U. Member of the Board of Trustees of the Princess of Asturias.
- Former member of the Governing Board of the Asociación para el Progreso de la Dirección and trustee of the Codespa Foundation and of the Fundación Científica de la Asociación Española contra el Cáncer.

Other information: Ms. María del Pino is majority shareholder, as well as Director and CEO, of the shareholder Menosmares, S.L.



IGNACIO MADRÍDEJOS
CEO
Executive Director

- Civil Engineer (Polytechnic University of Madrid); MBA (Stanford University).
- CEO of Ferrovial since 2019.
- Former Regional President of CEMEX USA; Regional President of CEMEX Northern Europe; global responsible of CEMEX Energy, Security and Sustainability areas; President of CEMEX Spain; and CEO of CEMEX Egypt. He previously worked at McKinsey and Agroman. He was also President of OFICEMEN (Spanish Association of Cement Manufacturers), IECA (Spanish Institute of Cement and its Applications), and CEMBUREAU (European Cement Association).

*Information updated to February 2022.



**JOSÉ FERNANDO
SÁNCHEZ-JUNCO**
Other External Director

- Degree in Industrial Engineering (Polytechnic University of Barcelona); ISMP Graduate (Harvard Business School) and member of the State Corps of Industrial Engineers.
- Director of Ferrovial since 2009. Director of Cintra from 2004 to 2009.
- Honorary Chairman of Maxam Group; Chairman of Maxam Foundation and member of the Board of Trustees of the Museo de la Minería y la Industria.
- Former Executive Chairman of Maxam Group; Managing Director of Iron and Steel and Naval Industries and Managing Director of Industry at the Ministry of Industry and Energy; Director of Dinamia, Uralita and Duro Felguera.

Fellow of the Institute of Chartered Accountants in England & Wales.

- Director of Ferrovial since 2016.
- Non-Executive Chairman of Tegel Group Holdings Limited, Sky Network Television Limited and Majid Al Futtain Properties; Non-Executive Director of its parent company, Majid Al Futtain Holding LLC and related company Majid al Futtain Capital LLC; and Non-Executive Director of Kathmandu Holdings Limited and of Better Capital PCC.
- Former Chairman of Potrero Distilling Holdings, Coral Eurobet and Liberty; Non-Executive Chairman of The Munroe Group (UK); CEO of Smiths Group, Scottish Power and Allied Domecq; and Director of Burberry Group, Berry Bros. & Rudd, Scottish & Newcastle Group, Bass, British Sky Broadcasting Group and Coles Myer.



BRUNO DI LEO
External Independent Director

- Degree in Business Administration from Ricardo Palma University and postgraduate degree from Escuela Superior de Administración de Negocios, both in Lima (Perú).
- Director of Ferrovial since 2018.
- Non-Executive Director of Cummins and Taiger; Member of the IESE's International Advisory Board in Spain and of the Deming Center Advisory Board of Columbia Business School.
- He has developed his professional career at the multinational group IBM. He served as Senior Vice-President of IBM Corporation; Senior Vice-President of Global Markets; General Manager of the Growth Markets Unit; General Manager for Global Technology Services in Southwest Europe and General Manager for Northeast Europe; General Manager for IBM Latin America and General Manager of IBM Brazil.



HANNE SØRENSEN
External Independent Director

- MsC. in Economics and Management from the University of Aarhus (Denmark).
- Director of Ferrovial since 2017.
- Non-Executive Director of Holcim, Sulzer, Tata Motors, Tata Consulting Services and Jaguar Land Rover Automotive Plc and its affiliates.
- Former CEO of Damco and Maersk Tankers; Chief Commercial Officer at Maersk Line; and CFO for the Asia Region at Maersk Line (A.P. Møller-Maersk Group). She has also been Chairman of ITOPE, Vice-Chairman of Hoegh Autoliners and Director of Delhivery, Axcel and INTTRA.



PHILIP BOWMAN
External Independent Director

- Degree with honors in Natural Science (University of Cambridge); Master in Natural Science (University of Cambridge);

**JUAN HOYOS****External Independent Director / Lead Director**

- Degree in Economics (Universidad Complutense de Madrid); Master in Business Administration in Finance and Accounting (Columbia Business School).
- Director of Ferrovial since 2019.
- Director of Inmoglaciari and Gescobro.
- Former Chairman, Senior Partner of McKinsey & Company Iberia and member of the McKinsey & Company Shareholder Council worldwide; Strategy, Brand & Marketing Executive Vice President of Banco Santander Brazil; Executive Chairman of Haya Real Estate; and Director of Banco Santander Chile and Banco Santander Mexico.

and head of the sectors of Long Products, Stainless Steel, Tubes, Emerging Markets; CFO and head of the Distribution sector of Arcelor; CFO of Aceralia Corporación Siderúrgica. He previously worked at Citibank and Crédit Agricole. He was also Chairman of the ArcelorMittal Foundation and of UNESID (the Spanish union of steel companies); Director of Aceralia, Atlantica Yield, Aperam, Voco and other companies.

**ALICIA REYES****External Independent Director**

- Degree in Law, Economics and Business Administration (Madrid Universidad Pontificia de Comillas, ICADE); PhD (summa cum laude) in quantitative methods and financial markets from the same university.
- Director of Ferrovial since 2021.
- Independent Director of Banco Sabadell and Non Executive Director of its affiliate TSB Bank; Guest Professor at the Institute of Finance and Technology in the School of Engineering at University College London (UCL).
- Former CEO for the EMEA region of Wells Fargo Securities; Global Head of structuring in the investment banking division and Global Head of insurance solutions and strategic equity derivatives of Barclays Capital; Country Manager for Spain and Portugal of Bearn Stearns; Chief Investment Officer of the Abengoa group's venture capital fund specialized in technology (Telecom Ventures). She previously worked for Deutsche Bank.

**HILDEGARD WORTMANN****External Independent Director**

- Degree in Business Administration (University of Münster, Germany); MBA from the University of London.
- Director of Ferrovial since 2021.
- Member of the Board of Management of Audi AG as Head of Sales and Marketing; member of the Board of Management of Volkswagen AG as Head of Sales; Non-Executive Director of Volkswagen Financial Services AG and Non-Executive Director of the Supervisory Board of Porsche Holdings.
- Former Senior Vice President for Product Management, Senior Vice President for the Brand and CEO for the Asia-Pacific region of the BMW automotive group; Marketing Director of Unilever for Germany and the USA.

**GONZALO URQUIJO****External Independent Director**

- Degree in Economic and Political Sciences (Yale University). MBA (Instituto de Empresa, Madrid).
- Director of Ferrovial since 2019.
- CEO of Talgo; Director of Gestamp Automoción; Chairman of the Hesperia Foundation; member of the Board of Trustees of the Princess of Asturias Foundation.
- Former Chairman of Abengoa and ArcelorMittal Spain; member of the General Management of ArcelorMittal

SANTIAGO ORTIZ VAAMONDE**Secretary**

- Spanish State Attorney (on voluntary leave); PhD in Law (Universidad Complutense de Madrid).
- General Counsel and Secretary of the Board of Directors of Ferrovial since 2009.
- Former partner at two renowned law firms, in charge of Trial Law and Regulatory Law; Agent of the Kingdom of Spain before the Court of Justice of the European Union; professor at the Diplomatic School and the Carlos III University.



Executive Committee

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1. IGNACIO MADRIDEJOS Chief Executive Officer (CEO)

Civil Engineer (Polytechnic University of Madrid); MBA (Stanford University). CEO of Ferrovial since 2019. Former Regional President of CEMEX USA; Regional President of CEMEX Northern Europe; global responsible of CEMEX Energy, Security and Sustainability areas; President of CEMEX Spain; and CEO of CEMEX Egypt. He previously worked at McKinsey and Agroman. He was also President of OFICEMEN (Spanish Association of Cement Manufacturers), IECA (Spanish Institute of Cement and its Applications), and CEMBUREAU (European Cement Association).

2. DIMITRIS BOUNTOLOS

Chief Information and Innovation Officer (CIIO)

Civil Engineer (ICCP) from the University of Granada and a graduate of different senior management courses at Stanford, ESADE and IESE. During his career as an entrepreneur, he was a founder and partner of different startups in the space, drones and employee experience sector including Zero 2 Infinity, Guudjob, BlueSouth, and IllusionBox. He has taken on several management positions in Iberia, including Vice President of Customer Experience, and has contributed to the transformation and development of the airline's Hub. In addition, he was Chief Digital Officer of Latam Airlines, senior advisor to NASA's Chief Innovation Officer in Houston and advisor of digital transformation for the Travel, Transportation and Logistics sector at McKinsey.

3. LUKE BUGEJA

Chief Executive Officer of Ferrovial Airports

MBA from Deakin University and Diploma in Tourism and Travel from William Angliss College (both in Melbourne). He has spent most of his career in aviation industry and airport infrastructure with operational, commercial, and financial experience in airlines, airports and investment management. Most recently, he was an operating partner at Hermes GPE and was responsible for their transport investments. Previously, he held senior executive positions at OMERS (Ontario Municipal Employees Retirement System), Ontario Airport Investments and Macquarie Bank Limited/ MAp Airport. Over a period of 14 years, he has held senior positions at Changi Airports International in Singapore and airports in London City, Brussels and Bristol. He has 16 years of experience in the airline business, having worked at Virgin Blue and Qantas Airways. In May 2021 he was named CEO of Ferrovial Airports.

4. CARLOS CEREZO

Chief Human Resources Officer

He has a degree in Philosophy from Complutense University of Madrid, Master in Human Resources from CEU and Executive MBA from the Instituto de Empresa. He joined Ferrovial in 2006 and since 2015, he held the position of Human Resources and Communications Director of Ferrovial Services. Previously, he was the Corporate HR

Development Director and the HR Director of the Corporate Area. In 2020, he was appointed Chief Human Resources Officer. Prior to joining the company, he held various positions of responsibility in the field of consulting at IBM and PWC.

5. IGNACIO GASTÓN

Chief Executive Officer of Ferrovial Construction

Civil Engineer (ICCP) from the University of Cantabria and MBA from the London Business School. He joined Ferrovial in 1995, and during his professional career, he has held various high-level positions in the divisions of Construction and Services. In 2003, he joined Amey, and he went on to take the position of Construction Manager at Ferrovial Construction in the United Kingdom in 2007. In 2013, he was named Managing Director at Ferrovial Services Spain, a position that he held until being chosen as Chief Executive Officer at Ferrovial Construction in November 2018.

6. ERNESTO LÓPEZ MOZO

Chief Financial Officer (CFO)

He is a Civil Engineer (Polytechnical University of Madrid) and holds an MBA from The Wharton School of The University of Pennsylvania. In October 2009 he was appointed Chief Financial Officer of Ferrovial. Previously, he held various management positions at Telefónica Group, JP Morgan and Banco Santander. He worked in Civil Engineering before obtaining the MBA degree. Member of the IFRS Advisory Council (2013-2015). He is Vice President of the Audit and Control Committee and member of the Board of Directors of Aegon España, S.A.

7. GONZALO NIETO

Chief Executive Officer of Energy Infrastructure and Mobility

Gonzalo holds an MSC in Physics from the Complutense University of Madrid and an MBA from Stern School of Business, New York University. He joined the Department of Business Development of Ferrovial Services in 2004. Later on he held different positions across the Services division, being responsible for development and operations across several countries in Europe, the Americas and the Middle East. Prior to joining the company, he worked at McKinsey and Merrill Lynch. In October 2021 he was appointed CEO of Ferrovial Energy Infrastructures and Mobility.

8. SANTIAGO ORTIZ VAAMONDE

General Counsel

Spanish State Attorney (on voluntary leave); PhD in Law (Universidad Complutense de Madrid). General Counsel and Secretary of the Board of Directors of Ferrovial since 2009. Former partner at two well-known law firms, in charge of Trial Law and Regulatory Law; Agent of the Kingdom of Spain before the Court of Justice of the European Union; professor at the Diplomatic School and the Carlos III University.

9. MARÍA TERESA PULIDO

Chief Strategy Officer

BA Degree in Economics from Columbia University and MBA from MIT Sloan School of Management. She has professional experience in the United States, Spain and Venezuela. In 2011 Maria Teresa joined Ferrovial as Director of Corporate Strategy. She previously held management positions in banking at Citi, Deutsche Bank, Bankers Trust, Wolfensohn and in consulting at McKinsey. Since 2014 she has been a member of the Board of Directors of Bankinter, since 2006 she is part of MIT Sloan Executive Board (EMSAEB) and of Fundación Eugenio Mendoza.

10. ANDRÉS SACRISTÁN

Chief Executive Officer of Cintra

Civil Engineer from Madrid Polytechnical University. He began his career with Cintra in 2001 holding several positions in the car parks division, including Head of Development, before moving on to the toll roads division where he served as Head of Operations at Eurolink M4 (Ireland) and Managing Director of Radial 4 (Madrid). In 2010, he was appointed Country Manager for Spain and a member of the Executive Committee. In 2013, he became Head of Europe and also took charge of the Australian and Colombian markets in 2015. In 2017, he was appointed Director for Canada and CEO of 407 ETR. In 2020, Andrés Sacristán took over the management of Cintra US, where the company built and operates five innovative managed lanes projects. He was appointed CEO of Cintra in 2021.

6





Expected Business Performance 2022

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Expected Business Performance 2022



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Expected Business Performance

TOLL ROADS

In 2021, dividends of 469 million euros were distributed, compared to 340 million euros in the previous year. Regarding the short and medium-term impact of COVID-19 on the main toll roads assets, to the extent that the population already exceeds 80% with the full vaccination pattern and new variants do not emerge with governments imposing mobility restrictions, it is expected traffic to continue its recovery rapidly. The company will continue to focus its efforts on maximizing the quality of the service provided by optimizing its revenues and costs, within the framework allowed by the concession contracts.

- In **Canada**, the 407 ETR toll road was impacted by the mobility restrictions imposed due to the emergence of new COVID-19 variants. Despite this, the highest traffic data has been registered in the last quarter of 2021, since the outbreak of the pandemic. Heavy vehicles have shown a stronger recovery than light vehicles, boosted by growth in e-commerce and logistics. In an environment of recovery from the impacts caused by COVID-19, the 407 ETR will continue to focus on optimization and cost control measures, without abandoning the development of its strategy to generate value for the user. The toll road will maintain its investment in the Data Lab to better determine the behavior of users and to be able to personalize its value propositions, as well as improve its customer management systems, which will enable it to provide more personalized attention through loyalty plans and individualized offers. As a result of these strategic investments, 407 ETR will be in a privileged position to face the new challenges ahead.
- In the **United States**, the Managed Lanes were impacted by the mobility restrictions resulting from the COVID-19 pandemic; however, traffic recovery has been remarkable across all assets as these restrictions have been eased in the various jurisdictions. This traffic evolution demonstrates the solidity of the Managed Lanes solution and the economic strength of the environments in which the company operates, which has made it possible to mitigate the loss of revenue by taking advantage of the tariff flexibility of the Managed Lanes contracts. In addition, Cintra will continue executing projects under construction: I-66 and segment 3C of NTE35W.
- In **Australia**, Cintra will continue to manage the Toowomba toll road, which was opened to traffic in September 2019. In addition, the Western Roads Upgrade project was fully opened to traffic in November 2021.
- In the **other markets**, Cintra will continue to operate the assets already in operation, including the D4R7 highway in Slovakia, which opened in full in October 2021. It will also complete the opening to traffic of several sections of the Ruta del Cacao, in Colombia, and will continue with the execution of the construction of Silvertown, in the United Kingdom.

- Despite the sale of the Norte Litoral concessions and the planned sale of Via do Infante (Algarve), Cintra will maintain a contract with the DIF infrastructure fund to manage both assets until the end of the concessions.
- In December 2021, Cintra formalized the purchase of a 24.86% stake in IRB Infrastructure Developers Ltd and its entry into the Asian market. IRB Infrastructure Developers Ltd is listed on the Bombay Stock Exchange and manages around 24 projects and 2,000 kilometers of highways in India.

In addition, Cintra will continue its bidding activity in the company's target regions (North America, Europe, Australia, Colombia, Chile and Peru), focusing primarily on complex greenfield projects, given their high potential for value creation.

AIRPORTS

In 2022, a partial recovery in traffic is expected after the last two years impacted by COVID-19, estimating traffic of 45.5 million passengers at Heathrow and 8.8 million passengers at AGS. Heathrow is not expected to recover 2019 traffic levels over the next regulatory period, which ends in 2026. In the case of AGS, it is not expected to recover 2019 passenger levels before 2025. There is high uncertainty due to the impact on traffic of governmental or international decisions that restrict or preclude passenger flows so any estimates will need to be reviewed periodically.

Heathrow and AGS will prepare operations for the estimated increase in passengers to do so in an efficient and safe manner.

Vertiports' strategy for the 2022 financial year is focused on growth, certification processes and the creation of an innovative, versatile team with experience in the different sectors that encompass vertiports.

From a growth point of view, success will be based on the number of lands leased for the operation of landfills and on continuing to negotiate and strengthen relationships with eVTOL companies to which Ferrovial can add value through its landfills.

In terms of certification processes, Vertiports' plans to continue developing a fluid relationship with the interstate and state agencies that regulate airspace and, in this way, ensure that the certification of both vertiports and eVTOLs is on track.

Ferrovial Airports has not distributed dividends in 2021. In the coming years, the payment of dividends will largely depend on the duration and future evolution of the pandemic, passenger traffic and the evolution of the business.

During 2022 Ferrovial Airports will continue to analyze investment opportunities that arise worldwide, placing special emphasis on those identified as sustainable infrastructures with high concession value.

CONSTRUCTION

The outlook for 2022, by markets, is as follows:

In **Spain**, a similar level of sales to 2021 is expected thanks to the stable evolution of contracting in comparison with previous years, with no significant impact from the COVID-19 pandemic. Likewise, a stabilization in the prices of materials is expected, as well as the implementation of changes and measures by the Public Administrations to mitigate the impacts derived from this effect. In the medium term, a boost in the bidding process is expected as a result of the receipt of Next Generation European funds, in addition to the good dynamic of public initiatives in transport and health infrastructures.

In **international markets**, the positive profitability trend is expected to continue in 2020 and 2021, to progressively reach the 3.5% EBIT target set in the Horizon24 Strategic Plan for Construction. This consolidation of margins is based on the improvement of operational processes in all phases of the project and the differential technical capabilities of the Construction division. This is despite not counting on the positive contribution of divested businesses during 2021, the expected increase in bidding costs due to the high volume of projects to be tendered and the impact of inflationary processes. However, inflationary processes are expected to have less impact than in previous quarters due to both the bidding cycle and the price control mechanisms implemented using statistical analysis and predictive models based on artificial intelligence to estimate bid costs, the signing of long-term supply contracts with closed prices in those projects where it is possible to implement them, and the introduction of price review clauses in contracts.

- In the **USA and Canada**, the favorable investment in transport infrastructure by the provinces and states will continue, supported by the Canada's Infrastructure Plan and the recent approval of the new US Infrastructure Investment and Jobs Act, which will provide additional impetus at the federal level. Also, in the medium term, the pipeline continues to be high, with P3/DBF projects where Ferrovial is the leader together with Ferrovial Construction as a builder. A slight reduction in the level of sales is expected for 2022 due to the completion of large projects such as the Grand Parkway, and the slower execution of new contracts such as the extension of I-35 in San Antonio and a highway in Bibb County, also in Texas.
- In **Poland**, public tenders maintain good prospects thanks to the national road and railway investment plans until 2025-26. Likewise, a high level of funding allocation is expected under the new 2021-27 EU multiannual financial framework that guarantees future stability of investment in the country. In 2022, sales are expected to remain stable, maintaining the strategy of greater selectivity in contracting, prioritizing profitability.

- In the **rest of the European markets**, the United Kingdom stands out, where, despite the delays in tendering due to Brexit and COVID-19, the promotion of major infrastructure works linked to the tendering of public works programs continues. Sales in 2022 will be reduced due to the completion of projects such as the Northern Line Extension in London or the Highway D4R7 in Bratislava.
- In **Latin America and other markets** such as Australia, there is a favorable pipeline in which concession projects stand out together with other Ferrovial divisions, and other relevant metro and tunnel works, such as the recently awarded new section of the Sydney Metro. A strong increase in the level of sales is expected for 2022, supported by the execution of contracts awarded in previous years.

In summary, a stable level of sales is expected for 2022, with good bidding opportunities in the future. Finally, profitability margins are expected to consolidate, in percentage terms, thanks to the strategic discipline of project selection, the implementation of control measures and the improvement of operational processes and active management in the execution of works.

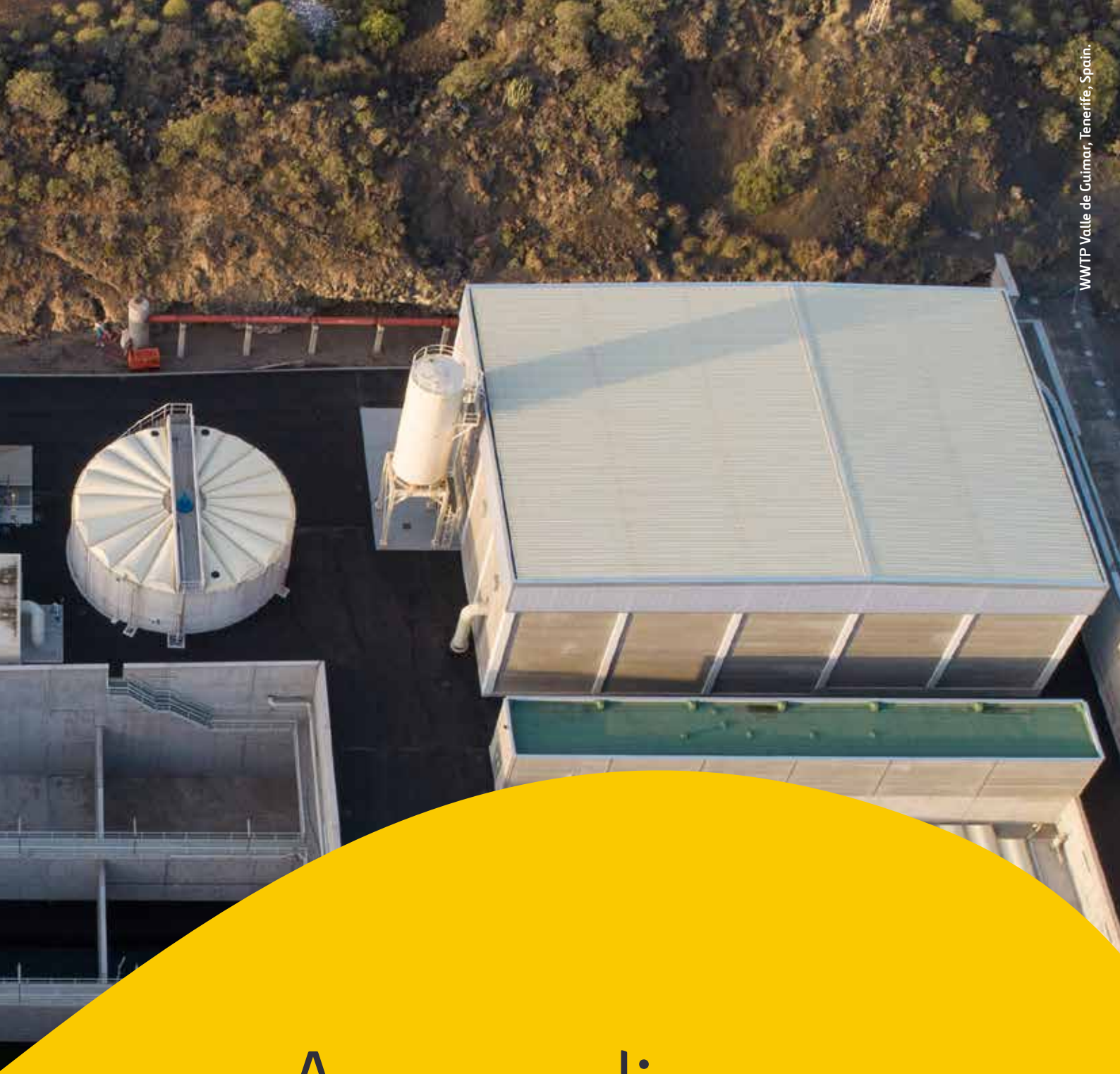
NEW BUSINESS: ENERGY INFRASTRUCTURE AND MOBILITY

In Mobility, the forecast is for 2022 to be very close to normality, after a 2021 still very much affected by COVID-19. Zity's strategy is to expand its presence in other cities and MaaS Global expects to grow in Europe and Japan. Ferrovial is also exploring other opportunities in the transition to electric vehicles and in the mobility ecosystem in North America and Europe.

In Energy Infrastructure, in the area of renewable energy, Ferrovial will begin executing greenfield projects in key markets with a technology-independent approach. Ferrovial will also actively scan the market for profitable, value-added acquisitions that will help it drive growth and navigate the learning curve efficiently. In transmission lines, the company will continue to focus on expanding its assets, mainly in Latin America, participating in public and private tenders, leveraging its existing presence and accelerating its integration throughout the value chain.

Ferrovial's capabilities and experience in innovation and value creation in transport infrastructure provide a solid foundation for participating, leading and adapting to changes in both sectors.





Appendix



Appendix

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Alternative Performance Measures

The company presents its results in accordance with generally accepted accounting standards (IFRS). In addition, in the Management Report and Consolidated Financial Statements released in December, the management provides other non-IFRS regulated financial measures, called APMs (Alternative Performance Measures) according to the directives of European Securities and Markets Authority (ESMA). Management uses those APMs in decision-taking and to evaluate the performance of the company. Below there are details of disclosures required by the ESMA on definition, reconciliation, explanation of use, comparisons and consistency of each APM. More detailed information is provided on the corporate web page: <https://www.ferrovial.com/en/ir-shareholders/financial-information/quarterly-financial-information/>. Additionally, on this web page the reconciliation of the comparable “like for like growth”, order book and proportional results are provided.

EBITDA = GROSS OPERATING RESULT

- **Definition:** operating result before charges for fixed asset and right of use of leases depreciation and amortization.
- **Reconciliation:** the company presents the calculation of EBITDA in the Consolidated P&L as: Gross Operating Profit = Total Operating Revenues – Total Operating Expenses (excluding those relative to fixed assets and right of use assets depreciation and amortization which are reported in a separate line).
- **Explanation of use:** EBITDA provides an analysis of the operating results, excluding depreciation and amortization, as they are non-cash variables which can vary substantially from company to company depending on accounting policies and the accounting value of the assets. EBITDA is the best approximation to pre-tax operating cash flow and reflects cash generation before working capital variation. Therefore, we use EBITDA as a starting point to calculate cash flow, adding the variation in working capital. Finally, it is an APM indicator which is widely used by investors when evaluating businesses (multiples valuation), as well as by rating agencies and creditors to evaluate the level of debt, by comparing EBITDA with net debt.
- **Comparisons:** the company presents comparative figures with previous years.
- **Consistency:** the criteria used to calculate EBITDA is the same as the previous year.

COMPARABLE (“LIKE-FOR-LIKE GROWTH” LFL)

- **Definition:** relative year-on-year variation in comparable terms of the figures for revenues, EBITDA, EBIT and order book. The comparable is calculated by adjusting the present year and the previous one, in accordance with the following rules:
 - Elimination of the exchange-rate effect, calculating the results of both periods at the rate in the current period.
 - Elimination from the EBIT of both periods of the impact of fixed asset impairments and results from company disposals (corresponds with the figure reported in the line “Impairments and disposals of fixed assets”).
 - In the case of company disposals and loss of control, the homogenization of the operating result is undertaken by

eliminating the operating results of the sold company when the impact occurred in the previous year, or if it occurred in the year under analysis, considering the same number of months in both periods.

- Elimination of the restructuring costs, in both periods.
- In acquisitions of new companies which are considered material, elimination, in the current period, of the operating results derived from those companies, except in the case where this elimination is not possible due to the high level of integration with other reporting units (material companies are those whose revenues represent $\geq 5\%$ of the reporting unit's revenues before the acquisition).
- In the case of changes in the accounting model of a specific contract or asset, when material, the homogenization is undertaken by applying the same accounting model to the previous year operating result.
- Elimination in both periods of other non-recurrent impacts (mainly related to tax and human resources) considered relevant for a better understanding of the company's underlying results.
- With respect to the Services division businesses that have been divested in 2021, or that are held for sale, which are presented in the Consolidated Profit and Loss Account as discontinued operations, to better explain the business performance, in the Management Report it has been included a separated breakdown of Revenues, EBITDA and Order book, despite being classified as discontinued operations.
- Note: the new contracts in the Toll Roads division coming into operation are not considered acquisitions and thus are not adjusted in the comparable.
- **Reconciliation:** the comparable growth is presented in separate columns on Business Performance section of the Management Report and its reconciliation in the Appendix included in the corporate web page.
- **Explanation of use:** Ferrovial uses the comparable to provide a more homogenous measure of the underlying profitability of its businesses, excluding those non-recurrent elements which would induce a misinterpretation of the reported growth, impacts such as exchange-rate movements or changes in the consolidation

perimeter which distort the comparability of the information. Additionally, it also allows the Company to present homogenous information, thus ensuring its uniformity, providing a better understanding of the performance of each of its businesses.

- **Comparisons:** the comparable growth breakdown is only shown for the current period compared with the previous period.
- **Consistency:** the criterion used to calculate the comparable growth is the same as the previous year.

FAIR VALUE ADJUSTMENTS

- **Definition:** the adjustments to the Consolidated P&L relative to previous results derived from: changes in the fair value of derivatives and other financial assets and liabilities; asset impairment and the impact of the two above elements in the 'equity-accounted results'.
- **Reconciliation:** a detailed breakdown of the Fair Value Adjustments is included in the Consolidated Profit and Loss Account (see the Consolidated Profit and Loss Account in the Management Report and the Consolidated Financial Statements).
- **Explanation of use:** The Fair Value Adjustments can be useful for investors and financial analysts when evaluating the underlying profitability of the company, as they can exclude elements that do not generate cash and which can vary substantially from one year to another due to the accounting methodology used to calculate the fair value.
- **Comparisons:** the company presents comparisons with previous years.
- **Consistency:** the criterion used to calculate the Fair Value Adjustments is the same as the previous year.

CONSOLIDATED NET DEBT

- **Definition:** this is the net balance of Cash and cash equivalents (including short and long-term restricted cash), minus short and long-term financial debt (bank debt and bonds), including the balance related to exchange-rate derivatives that cover both the issue of debt in currency other than the currency used by the issuing company and cash positions that are exposed to exchange rate risk. The lease liability (due to the application of the IFRS 16 standard) is not part of the Consolidated Net Debt.
- **Reconciliation:** a detailed breakdown of the reconciliation of this figure is given in the note 5.2 of the Consolidated Financial Statements and in the section Net Debt and Corporate Credit Rating in the Management Report.
- **Explanation of use:** this is a financial indicator used by investors, financial analysts, rating agencies, creditors and other parties to determine the company's debt position. In addition, Ferrovial breaks down its net debt into two categories:
 - Net debt of infrastructure projects. This is the ring-fenced debt which has no recourse to the shareholder or with recourse limited to the guarantees issued. This is the debt corresponding to infrastructure project companies.
 - Net debt ex-infrastructure projects. This is the net debt of

Ferrovial's other businesses, including the group holding companies and other companies that are not considered infrastructure projects. The debt included in this calculation is mainly with recourse, and is thus the measure used by investors, financial analysts and rating agencies to assess the company's leverage, financial strength, flexibility and risks.

- **Comparisons:** the company presents comparisons with previous years.
- **Consistency:** the criterion used to calculate the net debt figure is the same as the previous year.

EX INFRASTRUCTURE LIQUIDITY

- **Definition:** is the sum of the cash and cash equivalents ex infrastructure projects and the committed short and long term credit facilities undrawn by the end of the period, corresponding to credits granted by financial entities which may be drawn by the Company within the terms, amount and other conditions agreed in the contract.
- **Reconciliation:** a detailed breakdown of the reconciliation of this figure is given in Note 5.2 Consolidated Net Debt of the Consolidated Financial Statement.
- **Explanation of use:** this is a financial indicator used by investors, financial analysts, rating agencies, creditors and other parties to determine the company's liquidity to cope with any commitment.
- **Comparisons:** the company does not present comparisons with previous years as it is not considered relevant information
- **Consistency:** this criterion is established for the first time to explain the liquidity of the Group.

ORDER BOOK

- **Definition:** the income pending execution, which correspond to contracts which the Company has signed up to a certain date, and over which it has certainty on its future execution. The total income from a contract corresponds to the agreed price or rate corresponding to the delivery of goods and/or the rendering of the contemplated services. If the execution of a contract is pending the closure of financing, the income from said contract will not be added to the order book until financing is closed. The order book is calculated by adding the contracts of the actual year to the balance of the contract order book at the end of the previous year, less the income recognized in the current year.
- **Reconciliation:** the order book is presented under key figures under Services and Construction sections of the Management Report. There is no comparable financial measure in IFRS. However, a breakdown of reconciliation with Construction and Services sales figures is provided in Note 4.4. Information on balances from contracts with customers and other disclosures relating to IFRS 15 in the Consolidated Financial Statements. This reconciliation is based on the order book value of a specific construction being comprised of its contracting value less the construction work completed, which is the main component of the sales figure. The difference between the construction work completed and the Construction sales

figure reported in Ferrovial's Financial Statements is attributable to the fact that consolidation adjustments, charges to JVs, sale of machinery, confirming income and other adjustments are made to the latter. In addition to contracts awarded and the construction work completed, the exchange rate of contracts awarded in foreign currency, rescissions (when a contract is terminated early) or changes to the scope are all aspects that also have an impact on the movement between the original order book (corresponding to the previous year) and the end order book (for the year in question), as shown in the tables at the end of this document. Management believes that the order book is a useful indicator in terms of the future income of the company, as the order book for a specific construction will be comprised of the final sale of said construction less the net construction work undertaken.

- **Explanation of use:** The Management believes that the order book is a useful indicator with respect to the future income of the Company, due to the order book for a specific work will be the final sale of said work less the work executed net at source.
- **Comparisons:** the company presents comparisons with previous years.
- **Consistency:** the criteria used to calculate order book is the same as the previous year.

WORKING CAPITAL VARIATION

- **Definition:** measurement that explains the conciliation between the EBITDA and the operating cash flow before taxes. It is the result of the non-cash-convertible gross income primarily from changes in debt balance and commercial liabilities.
- **Reconciliation:** in Note 5.3 Cash flow of the Consolidated Financial Statement, the company provides a reconciliation between the working capital variation on the balance (see description on Section 4 Working Capital of the Consolidated Financial Statement) and the working capital variation reported in the Cash Flow Statement.
- **Explanation of use:** the working capital variation reflects the company's ability to convert EBITDA into cash. It is the result of company activities related with inventory management, collection from customers and payments to suppliers. It is useful for users and investors because it allows a measurement on the efficiency and short-term financial situation of the company.
- **Comparisons:** the company presents comparative reports from previous years.
- **Consistency:** the criteria employed for calculating the working capital variation is the same as the previous year.

TOTAL SHAREHOLDER RETURN

- **Definition:** sum of the dividends received by shareholders, revaluation/depreciation of the shares and other payments such as the delivery of shares or buy-back plans.

- **Reconciliation:** the total shareholder return is presented under the share part of section 1.1 of the Management Report. There is a breakdown of the reconciliation with the shareholder return in the financial statements.
- **Explanation of use:** it is a financial indicator used by investors and financial analysts, to evaluate the performance that shareholders have received throughout the year in exchange for their contribution in capital of the Company.
- **Comparisons:** the company presents comparative reports from previous years.
- **Consistency:** the criteria employed for calculating shareholder return is the same as the previous year.

MANAGED INVESTMENT

- **Definition:** managed investment is presented under Toll Roads in section 1.2 of the Management Report. During the construction phase, it is the total investment to make. During the operating phase, this amount is increased by the additional investment. Projects are included after signing the contract with the corresponding administration (commercial close), on which date the provisional financing terms and conditions, which will be confirmed after the financial closing, are normally available. 100% of investment is considered for all projects, including those that are integrated by the equity method, regardless of Ferrovial's participation. Projects are excluded with criteria in line with the exit from the consolidation scope.
- **Reconciliation:** Managed investments at the end of December 2021 came to approximately 22.4 billion euros (20.8 billion euros at December 2020) and are made up of 26 concessions in 9 countries. The composition of managed investments by asset type is as follows:
 - Intangible Assets projects under IFRIC 12 (in operation), 11,056 million euros (7,133 million euros at 31, December 2020). The managed investment matches with the balance sheet gross investment in these projects included in the table of section 3.3.1 of the Consolidated Annual Accounts, except for the future investment commitments and fair value adjustments: 10,527 million euros of USA Toll Roads I-66, NTE, NTE35W, LBJ and I-77 (5,553 million euros at December 31, 2020). Additionally, 713 million euros are included in Spain (mainly Autema project) and 391 million euros from Azores are included in Other Toll roads.
 - Intangible Assets IFRIC 12 (under construction), no current projects under construction.
 - Accounts receivable projects under IFRIC 12: no current projects under development.
 - Consolidation using the equity method, 11,130 million euros (13,625 million euros at December 31, 2020). Includes both projects in operation and under construction that are

consolidated using the equity method, such as 407ETR and extensions 4,582 million euros of 100% managed investment (4,182 million euros at December 31, 2020). In the consolidated statement of financial position, these projects are included under Investments in associates, meaning the investment cannot be reconciled with the balance sheet.

- **Explanation of use:** data useful by Management to indicate the size of the portfolio of managed assets.
- **Comparisons:** the company presents comparisons with previous years.
- **Consistency:** the criteria employed for calculating the managed investment is the same as the previous year.

PROPORTIONAL RESULTS

- **Definition:** the Ferrovial proportional results are calculated as described below:
 - Infrastructure divisions (Toll Roads and Airports): the proportional results include the infra projects consolidated results in the proportion of Ferrovial's ownership in those projects, regardless to the applied consolidation method.
 - Rest of divisions: the proportional results include the figures reported in the consolidated profit and loss account, as the difference of applying the proportional method would not be relevant.

This information is prepared to Revenues and EBITDA.

- **Reconciliation:** a reconciliation between total and proportional figures is provided in the web.
- **Explanation of use:** the proportional results can be useful for investors and financial analysts to understand the real weight of business divisions in the operative results of the group, especially keeping in mind the weight of certain assets consolidated under the equity method as 407 ETR from Toronto and the airport of Heathrow. It is an indicator that other competitors with significant subsidiaries in infrastructure projects consolidated under the equity method present.
- **Comparisons:** the company presents comparisons with previous years.
- **Consistency:** the criteria employed for calculating proportional results is the same as the previous year.

COVID-19 IMPACT

- **Definition:** COVID-19 impact in Ferrovial businesses has been calculated considering the following premises for each business division:
 - Infrastructures divisions (Toll Roads and Airports): COVID-19 impact has been estimated as the traffic drop when comparing current figures with the same period of year 2019 (pre-pandemic). In terms of cash flow, as the reduction in

dividends received from infrastructure assets, when comparing to year 2019 (pre-pandemic).

- Construction and Services divisions: Activities carried out by Construction and Services divisions have been slightly affected by the pandemic in 2021.
- **Reconciliation:** a breakdown of COVID-19 impact for infrastructure businesses is included in the note 1.2 of the Consolidated Financial Statements.
- **Explanation of use:** Ferrovial reports COVID-19 impact to provide a more reliable measure of the underlying profitability of its infrastructure businesses, taking into account that those businesses are affected by the non-recurrent impact directly related to the pandemic.
- **Comparisons:** As in 2020, the comparison is made against the year 2019 (pre-pandemic).
- **Consistency:** the criteria employed for calculating the Covid 19 impact in the infrastructure businesses is the same as the previous year. In the Construction and Services divisions this impact has not been estimated, as these businesses have not been affected significantly.

Sustainability management

Ferrovial understands sustainability and corporate responsibility (CR) as a voluntary but essential commitment to participate in the economic, social and environmental development of the communities where it operates. The CR Policy is based on the principles of the Global Compact and internationally accepted agreements and resolutions related to the subject. Ferrovial's Board of Directors is responsible for ensuring compliance with these principles, which the company has voluntarily assumed. The policy is available at www.ferrovial.com.

The content of this document constitutes a Sustainability Policy report in itself. It provides stakeholders with detailed information on the policy's support instruments to enforce compliance; the Sustainability Strategy, formulated in the Strategic Sustainability Plan; and specific sustainability and CR practices, which are mentioned in the corresponding sections.

COMMITTEE

The Sustainability Committee is chaired by the Sustainability Director and is composed of representatives from the business areas (Toll Roads, Airports, Construction, Energy Infrastructures and Mobility) and the corporate areas (Human Resources, General Secretariat, Occupational Health and Safety, Risks, Innovation, Corporate Social Responsibility, Strategy and Investor Relations). On an annual basis, the Chairman of the Committee reports to the Board of Directors.

The Sustainability Committee is the link between the business areas and the corporation and Senior Management, reporting on the progress and results, and proposing actions to the Management Committee, as well as transmitting the approval of proposals and results to the rest of the company.

The main objective of this committee is to define the Strategic Sustainability Plan and ensure its monitoring. Its functions can be summarized as follows:

- Design, update and, if necessary, improve the Sustainability Strategy.
- Supervise and evaluate the company's performance in the area of sustainability based on established indicators and action plans.
- Propose working groups on specific issues.
- Share best practices from each of the areas on sustainability issues.
- Provide information for sustainability reporting (both internal and external).
- Analyze and assess sustainability trends, new business risks and opportunities.

STRATEGIC PLAN

The Strategic Plan is the indispensable tool to ensure that CR and sustainability are effective in fulfilling its mission and contributes to business development, the generation of trust among its stakeholders and the fulfillment of the objectives in the medium and long term.

The Sustainability Committee has promoted the new Plan, Sustainability Strategy 2030, drawn up taking into account the main global macro-trends, the regulatory and normative environment (United Nations Agenda 2030, Climate Change and the European Green Deal), the main economic and financial frameworks (Task Force on Climate-Related Disclosures. TCFD), Taxonomy and the European Next Generation Plan), social challenges (new urban agenda, new mobility habits, post-COVID-19 effects such as teleworking and the rise of e-commerce), technological factors (energy transition and digitalization), environmental factors (climate change, water scarcity, biodiversity loss and public health), ESG investor requirements, major reporting frameworks (Global Reporting Initiative, Sustainability Accounting Standards Board (SASB) and the TCFD, as well as CR trend reports from various prestigious institutions. In addition, the Plan has been certified by AENOR for its contribution to the United Nations Sustainable Development Goals.

It has specific areas of action and objectives for each year, aligned with the business strategy, the Horizon 24 plan, and covers Ferrovial's value chain, from customers to suppliers. The initiatives are grouped around six global main trends that will end up irrevocably conditioning the business of any company and that Ferrovial intends to address through this plan, and are the following:

- Climate Change Strategy 2030, Decarbonization Plan.
- Water footprint.
- Natural capital.
- Circular economy.
- Sustainable mobility.
- Community investment and social impact.
- Innovation aligned with sustainability.
- Good governance and business ethics.
- Human resources.
- Health and safety.
- Alliances.

Every year, the degree of compliance with the proposed SDG contribution targets is monitored. The annual performance path is met for all targets, and for those that have not been achieved, appropriate remediation plans are established. The Governance and Ethics area, despite obtaining anti-corruption training percentages of over 80% of employees, had set a target of 100%. In order to achieve this target, the appropriate remediation courses have been deployed.



The total results of the degree of compliance for 2021 are shown in the following graph:



INDEXES

Ferrovial is periodically evaluated by analysts who take into account the company's ESG performance. In 2021, the company was included in the main sustainability indexes:

- Dow Jones Sustainability Index (DJSI): Ferrovial has been a member of this selective index for the last 20 years. It recently received the Silver distinction in the Sustainability Yearbook 2022.
- FTSE4Good: the company has been a member of this index for the last 18 editions.
- CDP (Carbon Disclosure Project): "A", highest rating for its commitment to the fight against climate change and "B" in CDP Water.
- MSCI: "A" rating.
- SUSTAINALYTICS: In February 2022, Ferrovial, S.A. received an ESG Risk Rating of 25.8 and was assessed by Sustainalytics to be at medium risk of experiencing material financial impacts from ESG factors. In addition, the Ferrovial, S.A. received a "Top-Rated" rating within the Construction and Engineering industry, placing in the top 7% of companies rated by Sustainalytics.
- VIGEO: member of the Euronext-Vigeo Eurozone 120 and Europe 120 indexes.
- STOXX: the company has been included in this index for the seventh consecutive year.
- ISS ESG: Prime category.
- GRESB: 87 points, A.

Reporting principles

INFORMATION PERIMETER

Ferrovial is constituted by the parent company, Ferrovial S.A., and its subsidiaries. For detailed information on the companies included, the scope of consolidation can be consulted in the Consolidated Annual Accounts.

During 2021 there were operations that involved changes in the perimeter due to the acquisition of companies, the awarding of new contracts or start of new businesses. There have also been company restructurings. It is worth noting the sale of the Environment division of Ferrovial Services in Spain and Portugal to PreZero for 1,133 million euros. For more information, see pages 48-76 of Business Performance.

CONSOLIDATION PROCESS

The report includes all companies in which Ferrovial has economic control, meaning as a participation of over 50%. In these cases, 100% of the information is reported. The list of subsidiaries and associated companies can be found in Appendix II of the Consolidated Financial Statements, pages 281-295. Although the Services business is treated as an activity classified as financially discontinued, as it is available for sale, in order to comply with the requirements of Law 11/2018 on non-financial information, it does include this division in its perimeter, offering a complete view of all aspects and impacts of the business. Therefore, in cases where it is considered material, data from the Services division will be disaggregated.

Likewise, following the indications of the GRI Sustainability Reporting Standards, Ferrovial provides information on indicators and material aspects "outside the organization", when these data have sufficient quality, and always separately. Ferrovial considers that the most relevant impacts are those related to the 407 ETR Toll Road in Canada and the airports in the United Kingdom, companies in which its shareholding does not reach 50%. Some indicators of interest associated with these assets are those related to indirect emissions (scope 3), user satisfaction, or the number of passengers transiting through the airports.

TRACEABILITY

Ferrovial guarantees the traceability of information relating to Corporate Responsibility thanks to a reporting system, which has been available since 2007. This provides detailed information to company level, facilitating partial consolidation by geography or business. In 2021, a thorough review of the information requested was carried out to adapt the system to the information requirements of the company's different stakeholders and the recommendations of the external and internal auditors. The software used has enabled corporate management to gather quarterly information for management and internal reporting to Senior Management.

In 2021, the reporting system enabled the collection of 640 quantitative and qualitative indicators, in 108 companies, thanks to the collaboration of more than 200 users.

REFORMULATION OF INFORMATION

During 2021 there were a number of changes in the perimeter of companies that may affect the comparability of the data contained in the Report, although these are not particularly relevant in comparison with the company as a whole. To guarantee the maximum transparency and comparability of the data, the body of the report itself indicates when any indicator from previous years has been modified or shows significant changes that affect the comparability of the information. The Report takes into account most of the requirements on the Statement of Non-Financial Information carried out by the National Securities Market Commission (CNMV).

STAKEHOLDERS

Ferrovial is committed to transparency of the information it shares with the market, through the continuous improvement of communication channels with all its stakeholders, based on innovative corporate information that, in addition to financial aspects, takes into account environmental and social variables.

The company considers stakeholders to be individuals or social groups with a legitimate interest who are affected by the company's present or future actions. This definition includes both the stakeholders that form part of the company's value chain (shareholders, employees, investors, customers and suppliers), considered as partners in the development of the business, and external stakeholders (administrations, governments, the media, analysts, the business sector, trade unions, the third sector and society in general), starting with the local communities in which the company carries out its activities.

This relationship is dynamic, as the environment is changing at an increasingly rapid pace. Ferrovial's business depends to a large extent on relations with the Public Administrations of the countries in which it operates. Ferrovial holds decision-making positions in organizations that promote Corporate Responsibility at a national and international level, such as the SERES Foundation, Forética, the Spanish Network of the Global Compact, the CEO CSR Committee and the Spanish Association for Quality (AEC). In 2021, Ferrovial held the presidency of the Spanish Group of Green Growth and the CEO of Ferrovial has become a member of the Executive Committee of the Seres Foundation. The company also collaborates with other organizations that promote sustainability in different areas, such as the Green Building Council (GBCe), Climate-KIC, Corporate Leaders Group, Pacto por la Economía Circular, EU Green Growth Group, Fundación Empresa y Clima, We Mean Business and European Climate Pact.



La Concordia Bridge, Madrid, Spain.

Ferrovial is characterized by absolute political neutrality, carrying out its activities for both public administrations and private clients in the countries where it operates. The company does not make financial or in-kind contributions to political parties or electoral candidates. However, Ferrovial is a member of business representation organizations or foundations for commercial exchange between countries linked to the development of its activity or the geographical area in which it operates. Through its presence and collaboration with these organizations, the company aims to contribute to the progress and development of all those fields of action in which it is present. Among these contributions, the contributions made to the Association of Infrastructure Contractors and Concessionaires (SEOPAN) and the World Economic Forum stand out.

Ferrovial's considerations of the principles related to the content of the report, are explained in the specific section on materiality. For more information on the AA1000, GRI and SASB standards, see pages 160-168.

	2019	2020	2021
Lobbying activities or sector associations	761,440	833,976	1,635,430
Commercial associations	173,933	99,785	154,875
Total Contribution	935,372	933,761	1,790,305

MATERIAL ISSUES

Ferrovial considers relevant issues to be all those that may have a substantial influence on the assessments and decisions of stakeholders, affecting the ability to meet their present needs without compromising future generations.

The company has established a biennial process for conducting its materiality study, the last edition of which took place in 2020. In its analysis phase, the requirements of reporting frameworks such as GRI and SASB, World Economic Forum, socially responsible investor consultations and sustainability indexes, relevant sector reports, as well as specific reports on COVID-19 prepared by prestigious consulting firms were considered.

An online survey was also conducted among Ferrovial managers, as well as representatives of the different stakeholders in the main geographies in which the company operates. In 2021, based on the previous year, the issues that were most relevant for the company and its stakeholders during the year were analyzed. In this way, the report offers a balanced and objective view of those issues that, due to their nature, have significantly affected the company.

European Taxonomy

INTRODUCTION

On June 22, 2020, Regulation (EU) 2020/852 was published to facilitate the redirection of capital flows towards more sustainable activities to respond to initiatives such as the Green Pact, the Paris Agreement, or the Sustainable Development Goals contributing to the transformation of the current economic model towards a carbon-neutral one.

The regulation establishes a taxonomy, based on science, and six environmental objectives to which such activities could contribute. The implementation of the "European Environmental Taxonomy" will be applied gradually and a specific one will be added to assess the contribution to social objectives.

In December 2021, complementary regulatory developments were published. Delegated Regulation (RD) (EU) 2021/2139 establishes the technical criteria for considering that an economic activity contributes to climate change mitigation or adaptation and determines whether it does not cause significant damage (circular economy, water and marine resources, pollution prevention and control and biodiversity). RD (EU) 2021/2178 specifies the content, presentation of information and methodology to be disclosed by companies subject to Articles 19a or 29a of Directive 2013/34/EU.

In this context, the following concepts are distinguished:

Eligible: referring to activities with alignment potential included in (RD) (EU) 2021/2139 Annex I (mitigation) and Annex II (adaptation).

Not Eligible: referring to activities not included in (RD) (EU) 2021/2139, either by:

- Generate a very significant negative impact on climate change,
- Not having a substantial contribution to climate change mitigation and adaptation,
- Integration in future developments, revisions of the EU taxonomy, or approvals by the European Parliament and Council. This is the case of the supplementary delegated act on nuclear energy and gas, which will undergo a period of scrutiny.

Eligible aligned: refers to eligible activities that meet the technical screening criteria (STS) of the environmental objective, ensure that they do not significantly impair the other objectives (DNSH) and are conducted in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (Social Safeguards).

Eligible non-aligned: eligible activities that do not comply with the alignment analysis phases (CTS, DNSH and Safeguards).

According to the provisions of RD (EU) 2021/2178, for 2022, it is required to report the percentage of INCN (Net Turnover), CapEX ("capital expenditure") and OpEX ("operation expenditure"), of the company's activities that are eligible and not eligible with information from the 2021 fiscal year.

FERROVIAL'S POSITION

According to European Commission data, the transport sector is responsible for approximately 23% of direct greenhouse gas emissions, while building construction and real estate development activities consume 40% of energy and 36% of carbon emissions. Water supply, sanitation, waste treatment and decontamination contribute to the reduction of greenhouse gas emissions¹.

Under this backdrop, new sustainable infrastructures are becoming more necessary, so Ferrovial's role is key. The Taxonomy reinforces the Horizon 24 Strategic Plan focused on the development, construction and operation of sustainable infrastructures, as well as mobility, water management and electrification.

Ferrovial's activities in construction, toll roads management, airports, energy and mobility infrastructures are a response to the objectives set by the EU. The company has the experience and capabilities to develop sustainable infrastructures that facilitate low-carbon transport, solve urban congestion and offer more innovative and cleaner mobility alternatives.

Ferrovial is incorporating digitalization solutions along with commitments to decarbonization, which coincide with the search for journey safety and travel time reliability.

FERROVIAL'S PROCEDURE

To ensure the accuracy and quality of the information, Ferrovial has appointed a Taxonomy's governance model comprising the Economic-Financial, Communication and Corporate Social Responsibility and Sustainability departments. The different business areas have also collaborated in this process.

The company has focused the reporting process on identifying eligible and non-eligible economic activities, taking into account all the companies in which it has economic control, meaning a shareholding of more than 50%. In these cases, 100% of the information is reported. In relation to the companies sold during the 2021 financial year, these would be outside the scope of the analysis as they work with consolidated data at year-end².

Although Ferrovial carries out activities that could contribute to the climate change adaptation objective, the analysis carried out has only considered the climate change mitigation objective, thus avoiding double counting in the calculation of financial indicators.

Due to the atomization of the company, in order to determine the eligibility of the activities in an exhaustive manner, the analysis has been carried out at the level of the minimum management unit (contracts) of the companies that consolidate the Group. In this sense, the financial and sustainability areas of the different group companies have assigned the percentage of INCN, CapEX and OpEX that coincides with the description of the activities listed in the RD on the basis of the type of contracts, works or services³. In order to avoid the computation of intercompany operations, these percentages have been applied to the consolidated accounting figures of the companies under analysis.

When analyzing the eligibility of the economic activities carried out by Ferrovial, the following considerations and assumptions about the descriptions of the most relevant eligible activities included in the Taxonomy are highlighted:

- **Infrastructures that facilitate low-carbon transport:** construction and operation of infrastructures that enable low-carbon road and public transport (activity 6.15), inland waterways (activity 6.16) and low-carbon airport infrastructures (activity 6.17) in accordance with the following:
 - Definition of "eligible activity" provided by the Taxonomy Regulation, these activities being included in the descriptions of Annex I mitigation activities regardless of whether they meet any or all of the technical selection criteria. In this sense, it is considered that the construction of a road, highway or any other associated infrastructure (bridges or tunnels) that facilitates the transport of zero-emission vehicles should be considered eligible, regardless of the degree of alignment or compliance with the selection criteria that such activity may have in the future. Added to the factor that the transportation of zero-emission vehicles would not be possible today without a road or highway to enable their circulation. The consequent consideration of eligible activity would allow infrastructures dedicated to this purpose to be susceptible to increase their alignment to the extent that sustainable mobility is promoted through specific strategies or packages such as "Fit for 55".
 - Likewise, this argument is reinforced by the interpretative Q&A published by the European Commission on February 2, 2022. Question 9 states that eligibility does not depend on the fulfillment of technical selection criteria, but on the basis of the description of the activity and its potential for alignment. Qualifiers such as "hypocarbon" should only be taken into account for the purpose of determining compliance with the technical screening criteria during the alignment analysis and are therefore not relevant for reporting on eligibility.

- **Construction of buildings and real estate development:** for the construction of new residential and non-residential buildings (activity 7.1) and renovation of existing buildings (activity 7.2), works for the construction or renovation of buildings for the storage of fossil fuels or industrial buildings for petrochemical or fuel refining purposes have been excluded.
- **Water supply, sanitation:** for works/services related to the management or maintenance of integral water cycles that are related to the taxonomic activities of construction, extension and operation/renewal of water collection, purification and distribution systems (activity 5.1/activity 5.2), and construction, extension and operation/renewal of wastewater collection and treatment systems (activity 5.3/activity 5.4), the most relevant activity has been considered as eligible. 1 / activity 5.2), and the construction, expansion and operation/renovation of wastewater collection and treatment systems (activity 5.3 / activity 5.4), the most relevant activity of the plant by business criteria or by the economic activity contractually indicated has been considered as eligible.

CALCULATION AND RESULTS BY KPI ANALYZED

Percentage of net turnover (INCN):

- **Calculation of numerator:** sum of the resulting product between the % associated with taxonomic activities and the consolidated net turnover values (INCN) of the companies analyzed.
- **Calculation of the denominator:** the accounting value of Ferrovial's total net turnover (INCN), in reference to the total operating income in note 2.1 of the Consolidated Financial Statements.

Percentage of CapEX:

- **Calculation of numerator:** sum of the resulting product between the % associated to taxonomic activities with the CapEX values associated with the analyzed companies that have included investments in fixed assets that are related to assets or processes associated to economic activities that fit the taxonomy.
- **Calculation of the denominator:** it has been calculated as the total CapEX of Ferrovial companies within the scope of the analysis, which includes additions to tangible and intangible assets during the year before depreciation, amortization and possible new valuations, including those resulting from revaluations and impairment, corresponding to the relevant year, excluding changes in fair value. Additions to tangible and intangible assets resulting from business combinations are also included. Additions reflected

1 Delegated Regulation (EU) 2021/2139, paragraphs 32, 33 and 36.

2 The list of subsidiaries and associates can be found in Appendix II of the Consolidated Financial Statements.

3 The exercise of assigning the INCN, CapEX and OpEX eligibility percentages has been carried out with the company's closing data as of the third quarter of 2021, extrapolating subsequently to the close of the 2021 financial year, additionally analyzing the eligibility of those variations in perimeter and significant figures that occurred in the last quarter.

in the financial statements in notes 3.2 Intangible assets, 3.3 Investments in infrastructure projects, specifically 3.3.1 Intangible assets, 3.4 Property, plant and equipment and 3.7 Rights of use for leased assets and associated liabilities. Likewise, for the calculation of CapEx, only the costs accounted for in accordance with the International Financial Reporting Standards (IFRS) adopted by Regulation (EC) No. 1126/2008 have been considered:

- IAS 16 Property, plant and equipment, paragraph 73 (e) (i) and (iii);
- IAS 38 Intangible Assets, paragraph 118, letter e), item i);
- IFRS 16 Leases, paragraph 53, letter h).

OpEX percentage:

Article 8(2)(b) of Regulation (EU) 2020/852 limits the calculation of OpEx to non-capitalized direct costs that relate to research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct costs related to the day-to-day maintenance of property, plant and equipment assets, by the company or a third party to whom activities are outsourced, and that are necessary to ensure the continued effective operation of such assets. Additionally, non-financial companies that apply national GAAP and do not capitalize right-of-use assets will include leasing costs in OpEx.

When operating expenses are not material to the business model of non-financial companies, the standard allows the non-capitalized direct costs referred to above not to be reported, if the lack of materiality of the operating expenses in their business model is analyzed and explained.

Ferrovial has proceeded to the comparative calculation of its total operating costs and "taxonomic" expenses. Of the total total operating costs for 2021 (6,182.6 million euros), the OpEx denominator, as specified in the Regulation, represents 5.5% (342.8 million euros), so it has been considered immaterial for reporting purposes. For the calculation of the OpEx denominator, all direct costs at group level related to the maintenance and repairs of property, plant and equipment as well as short-term leasing costs have been taken into account, however, due to the current limitations of the company's internal accounting, it has not been possible to extract the costs referenced above with direct "other expenses" related to the daily maintenance of property, plant and equipment, therefore they have been excluded from the calculation of the denominator.

The eligibility data for the Ferrovial Group for the 2021 financial year are shown below. It should be noted that due to the progress of the sector positions, implementation guidelines, and the future publication of the rest of the environmental objectives, the assumptions and considerations adopted regarding the interpretation of the criteria that could have an impact on the data presented may change. In this case, Ferrovial will restate the information for 2021 based on the updates that arise.

This first year of Taxonomy reporting is considered a transition year that lays the groundwork for the Ferrovial Group to prepare for eligible and aligned activity during fiscal year 2022.

Classification of Ferrovial's activities according to the Taxonomy	(Net turnover) INCN	CapEx	Ferrovial's activity within the Taxonomy Activity Value Chain
A. - ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY	89.32%	84.57%	
4 - ENERGY:	2.33%	10.45%	
4.1 Electricity generation using solar photovoltaic technology	0.12%	4.66%	• Construction and maintenance of facilities necessary for the generation of electricity from renewable energies
4.2 Electricity generation using concentrated solar power technology	0.00%	0.00%	
4.3 Electricity generation from wind power	0.34%	0.01%	• Construction and operation of electricity transmission lines
4.5 Electricity generation from hydropower	1.51%	0.05%	
4.9 Transmission and distribution of electricity	0.35%	5.65%	• Cogeneration of heat and electricity from biogas produced in wastewater treatment plants
4.15 District heating/cooling distribution	0.00%	0.08%	
4.20 Cogeneration of heat/cold and electricity from bioenergy	0.01%	0.00%	
5 - WATER SUPPLY, SANITATION, WASTE MANAGEMENT AND DECONTAMINATION	8.74%	6.08%	
5.1 Construction, extension and operation of water collection, treatment and supply systems	1.85%	0.00%	• Construction, maintenance and operation of water collection and treatment systems (water treatment and desalination plants), water distribution networks, wastewater collection and treatment systems.
5.2 Renewal of water collection, treatment and supply systems	0.09%	0.00%	
5.3 Construction, extension and operation of wastewater collection and treatment systems	4.09%	0.00%	
5.4 Renewal of wastewater collection and treatment systems	0.01%	0.00%	• Collection and transportation of non-hazardous waste.
5.5 Collection and transport of non-hazardous waste in source segregated fractions	1.93%	6.08%	• Composting of bio-waste
5.8 Composting of bio-waste	0.07%	0.00%	• Valorization of non-hazardous materials
5.9 Valorization of non-hazardous waste materials	0.69%	0.00%	
5.10 Collection and use of landfill gases	0.01%	0.00%	
6 - TRANSPORT	65.86%	67.31%	
6.13 Infrastructure for personal mobility, cycle logistics	0.30%	0.00%	• Construction and maintenance of infrastructures for personal mobility, cycle logistics, rail, road and inland waterway transport, and airport infrastructures.
6.14 Infrastructure for rail transport	14.25%	7.70%	
6.15 Infrastructure enabling low-carbon road and public transport	49.73%	57.01%	
6.16 Infrastructure enabling low-carbon inland waterway transport	0.40%	0.00%	• Operation of road transport infrastructures
6.17 Low-carbon airport infrastructure	1.18%	2.60%	
7 - CONSTRUCTION OF BUILDINGS AND REAL ESTATE DEVELOPMENT	12.13%	0.71%	
7.1 Construction of new buildings	10.32%	0.02%	
7.2 Renovation of existing buildings	1.03%	0.01%	
7.3 Installation, maintenance and repair of energy efficiency equipment	0.62%	0.01%	
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	0.00%	0.00%	• Construction of residential and non-residential buildings
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy efficiency of buildings.	0.13%	0.67%	• Energy services
7.6 Installation, maintenance and repair of renewable energy technologies	0.03%	0.00%	
8 - INFORMATION AND COMMUNICATION	0.26%	0.01%	
8.1 Data processing, hosting and related activities	0.26%	0.01%	• Toll roads collection management through data processing and related activities
9 - ACTIVIDADES PROFESIONALES, CIENTÍFICAS Y TÉCNICAS	0.00%	0.00%	
9.3 Professional services related to the energy efficiency of buildings	0.00%	0.00%	• Energy auditing and consulting services
B. - NON-ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY	10.68%	15.43%	<ul style="list-style-type: none"> • Construction and maintenance related to Natural Gas or Nuclear facilities. • Fossil fuel storage buildings • Other construction and maintenance activities of non eligible activities
(TOTAL A+B)	100%	100%	

Task Force on Climate-Related Financial disclosures (TCFD)

The contents of this Integrated Annual Report are aligned with the recommendations of the TCFD. The contents suggested by the initiative can be consulted in this index:

CONTENTS		LOCATION
GOVERNANCE	Describe the board's overview of climate-related risks and opportunities.	Climate Strategy section (page 92-93). Corporate Governance section (page 120-123).
	Describe the role of management in assessing and managing climate-related risks and opportunities.	Chapter on Risks (page 110-114). Climate Strategy section (page 92-93).
	Describe the climate-related risks and opportunities identified by the organization in the short, medium and long term.	Strategy Chapter (page 30-31). Section on risks and opportunities related to climate change (page 92-93). Risks Chapter (pg 110-114).
STRATEGY	Describe the impact of climate-related risks and opportunities on the organization's business, strategy and financial planning.	Climate Strategy section (page 92-93) and in each of the sections related to each of Ferrovial's divisions (pages 32-43).
	Describe the resilience of the organization's strategy, taking into account different future climate scenarios including a scenario of 2 °C or less.	Section on risks and opportunities related to climate change (page 92-93).
RISKS	Describe the organization's processes for identifying and assessing climate-related risks.	Risks chapter (page 110-114). Section on risks and opportunities related to climate change (page 92-93).
	Describe the organization's processes for managing climate-related risks.	Chapter on Risks (page 110-114). Section on risks and opportunities related to climate change (pg 92-93).
	Describe how the processes for identifying, assessing and managing climate-related risks are integrated with the organization's overall risk management.	Risks Chapter (pg 110-114). Section on risks and opportunities related to climate change (pg 92-93).
	Describe the metrics the organization uses to assess climate-related risks and opportunities and the risk management process.	Risks Chapter (pg 110-114). Risks and opportunities related to climate change (page 92-93).
METRICS	Break down GHG emissions, Scope 1, Scope 2 and, if appropriate, Scope 3, and associated risks.	Environment chapter (page 92-94). Appendix to GRI Standards indicators (page 169).
	Describe the organization's objectives for managing climate-related risks and opportunities and performance against those objectives.	Environment Chapter (page 92-94).

Scoreboard

Shareholders	2019	2020	2021
Revenue (M€)	6,054	6,532	6,778
Operating cash flow excluding concessionaires (M€)	810	839	607
Dividends received (M€) ¹	520	377	469
Employees	2019	2020	2021
Workforce at year-end	89,968	80,119	63,070
Total average turnover rate (%)	13.23%	17.58%	24.37%
Frequency rate	10,3	9.2	8.8
Severity rate	25	0.26	0.28
Customers	2019	2020	2021
Portfolio by business unit (M€)	-	19,318	20,550
-Services	-	8,293	8,373
-Construction	-	11,025	12,177
Investment in R&D (M€)	45	52	60
User satisfaction with Managed Lanes (NTE and LBJ) (%)	77%	70-80%	70-80%
HAH passenger experience (scale 1-5)	4.17	4.18	4.23
Certified activity (ISO 9001)	86%	89%	87%
Society	2019	2020	2021
Renewal of presence on sustainability indexes: DJSI, Vigeo, FTSE4Good, Sustainalytics, STOXX, CDP, ISS ESG	Yes	Yes	Yes
Carbon intensity: direct and indirect greenhouse gases emissions in relative terms (tCO ₂ eq /M€) ²	59%	56%	58%
Beneficiaries of potable water and sanitation projects ³	223,314	229,639	238,869
Taxes (M€) ⁴	2,087	1,785	1,810

(1) In scrip dividend and share buyback.

(2) Scope 1 & 2 compared to base year 2009.

(3) Data accumulated since 2008 (31 projects performed in Colombia, Peru, Mexico, Tanzania, Ethiopia, Uganda and Ghana).

(4) Taxes accrued, paid and collected (cash flow criteria).

Contents of Non-Financial Information Statements

11/2018 Law contents			GRI Standard	Location / additional information
Business Model	Description of the Group's business model	Brief description of the group's business model, including its business environment, organization and structure, the markets in which it operates, its objectives and strategies, and the main factors and trends that may affect its future development.	102-2, 102-4, 102-6, 102-7, 102-15	Chapter Ferrovial in two minutes (Pages 14-24). Chapter Strategy and value creation. (Pages 30-32)
Policies	Policies applied by the Group	Policies applied by the group, including due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, as well as the measures that have been adopted.	103-2 c) i	Chapter Integrity. (Pages 88-89)
Main risks	Main risks related to issues linked to the group's activities	Key risks related to issues linked to the group's activities, including, where relevant and proportionate, its business relationships, products or services that could have an adverse effect on those areas, and how the group manages those risks, explaining the procedures used to identify and assess them in accordance with national, European or international frameworks of reference for each subject. Information on the impacts that have been identified should be included, providing a breakdown of these impacts, in particular the main short, medium and long-term risks.	102-11, 102-15, 102-30, 201-2.	Chapter Risks. (Pages 110-113)
Information on environmental issues	Pollution	Current and foreseeable effects of the company's activities on the environment and, where appropriate, on health and safety.	102-15, 102-29, 102-31	Environment Chapter, (Pages 92-94) and GRI Standards Indicators Table (GRI 307).
		Environmental assessment or certification procedures	102-11, 102-29 y 102-30	Quality Chapter. (Pages 86-87)
		Resources dedicated to environmental risk prevention	102-29	Currently 346 (372 in 2020) people work in the different Quality and Environment departments of Ferrovial and its subsidiaries, which implies an approximate expenditure of 14.22 million euros (16.11 in 2020).
		Application of the precautionary principle	102-11	Chapter Risks. (Pages 110-113)
		Number of provisions and safeguards for environmental risks	307-1	Environment Chapter (Page 92-94)
		Measures to prevent, reduce or remediate CO2 emissions that seriously affect the environment.	103-2, 302-4, 302-5, 305-5, 305-7	See note 6.3 of the Consolidated Financial Statements.
		Measures to prevent, reduce or remediate emissions of all forms of air pollution (including noise and light pollution).	416-1	Environment Chapter (Page 92-94) and Annex to GRI Standards (GRI 305-7).
	Circular economy and waste prevention and management	Measures for waste prevention, recycling, reuse and other forms of waste recovery and disposal.	103-2, 301-1, 301-2, 301-3, 303-3, 306-1, 306-2, 306-3	Quality Chapter. (Pages 86-87)
		Actions to combat food waste	Not applicable	Environment Chapter (Page 92-94) and table of GRI Standards Indicators (GRI 306).
	Sustainable use of resources	Water consumption and supply in accordance with local constraints.	303-1, 303-2, 303-3	Due to the nature of Ferrovial's activities, this indicator is considered non-material.
		Consumption of raw materials and measures taken to improve the efficiency of their use.	301-1, 301-2, 301-3	Environment chapter, Water Footprint section. (Page 94) and table of GRI Standards Indicators (GRI 303).
		Consumption, direct and indirect; Measures taken to improve energy efficiency, use of renewable energies	302-1, 302-2, 302-3, 302-4, 302-5	Table of GRI Standards Indicators (GRI 301). Environment Chapter, Circular Economy section, (Page 93-94).
	Climate change	Significant elements of greenhouse gas emissions generated as a result of the company's activities (including goods and services produced).	305-1, 305-2, 305-3, 305-4	GRI Standards Indicator Table (GRI 302).
		Measures taken to adapt to the consequences of climate change.	102-15, 103-2, 201-2, 305-5	Environment Chapter, section Climate Strategy and Shadow Carbon Pricing (Page 93-94), and table of GRI Standards Indicators (GRI 305).
		Voluntary reduction targets established in the medium and long term to reduce GHG emissions and the means implemented to this end.	103-2	Environment Chapter, section Climate Strategy and Shadow Carbon Pricing (Page 93-94)
	Biodiversity protection	Measures taken to conserve or restore biodiversity.	304-3	Environment Chapter, Climate Strategy section (Page 92-93) and Airports chapter (Page 36-37)
				Environment Chapter, Biodiversity section (Page 93-94) and GRI Standards Indicators table (GRI 304)

	Impacts of activities or operations on protected areas.	304-1, 304-2 y 304-4	Environment Chapter, section Biodiversity Chapter Environment, section Biodiversity (page 93-94)
	Total number and distribution of employees by gender, age, country, and occupational classification.	102-7, 102-8, 405-1	People Chapter, (Pages 78-79) GRI Standards Indicator Table (102-8)
	Total number and distribution of employment contracts.	102-8	GRI Standards Indicator Table (102-8)
	Average annual number of permanent, temporary, and part-time contracts by gender, age, and occupational classification.	102-8	Table of GRI Standards Indicators. Year-end data are provided. Ferrovial's information systems do not allow segregation of contracts by age as this is not considered material information.
	Number of dismissals by gender, age and occupational classification.	401-1	GRI Standards Indicators Table (401-1)
	Average salaries and their evolution broken down by gender, age and occupational classification	405-2	Table of Indicators GRI Standards (405-2)
Employment	Wage gap	405-2	Table of Indicators GRI Standards (405-2)
	Remuneration for equal or average positions in the company.	202-1	Table of GRI Standards Indicators
	Average remuneration of directors and executives (including variable remuneration, allowances, indemnities, payments to long-term savings schemes and any other payments broken down by gender).	102-35, 102-36, 201-3	Remuneration Chapter (Pg 124-125) Consolidated Financial Statements, Note 6.6.
	Implementation of policies of disconnection from work	402-1	Ferrovial has an internal policy for the exercise of the right to digital disconnection in the workplace, the purpose of which is to regulate Ferrovial's internal policy regarding the right to digital disconnection in the workplace of its professionals, as well as the methods for exercising this right and the training and awareness actions for personnel on the reasonable use of technological tools, in the context of exercising this right.
	Employees with disabilities	405-1	The number of employees with disabilities in 2021 amounted to 1,481 (1,538 in 2020).
Information on social and personnel issues	Organization of working time	102-8	The company has the tools to adapt the management of working time to the business needs and demands of employees, with the aim of improving both business competitiveness and the well-being of its workforce by enabling a results-oriented company culture to be generated. In addition, it facilitates the adoption of flexibility and conciliation measures according to the needs of each employee, taking into account their life cycles. Chapter People, (Pages 76-77)
Work organization	Number of hours of absenteeism	403-9	Table of GRI Standards Indicators (403-9)
	Measures aimed at facilitating the enjoyment of work-life balance and encouraging the co-responsible exercise of work-life balance by parents.	401-3	Ferrovial has an internal policy on Flexibility and Reconciliation, to which all employees have access and whose main objective is to promote an appropriate balance between the personal and professional lives of its employees, while encouraging co-responsibility.
Health and safety	Health and safety conditions at work	103-2, 403-1, 403-3	Health and Safety Chapter (Pages 80-81)
	Occupational accidents, in particular their frequency and severity, as well as occupational diseases; disaggregated by gender.	403-9, 403-10	Table of GRI Standards Indicators. Ferrovial makes no distinction in its accident rates by gender, as health and safety measures are applied equally throughout the company, without differentiating between genders.
	Organization of social dialogue, including procedures for informing, consulting, and negotiating with employees.	103-2	Human Rights Chapter (Pages 90-91)
Social relations	Percentage of employees covered by collective bargaining agreements by country.	102-41	GRI Standards Indicator Table (102-41)

	Balance of collective bargaining agreements (particularly in the field of occupational health and safety).	403-1, 403-4	The number of company collective bargaining agreements signed in 2021 was 1,052 (629 in 2020). In the aforementioned collective bargaining agreements there are provisions, articles, chapters or even specific titles that regulate different obligations in terms of occupational risk prevention, (Occupational Safety and Health), thereby giving compliance and adaptation to the regulation in each country. In the collective bargaining held during 2021, matters and obligations relating to occupational health and safety have been renewed, or even improved in some cases, as a result of Ferrovial's commitment to the welfare of its employees and their health and safety at work.
Training	Policies implemented in the field of training.	404-2	People Chapter (Pages 78-79)
	Total number of hours of training by professional category.	404-1	Table of Indicators GRI Standards (404-1)
Accessibility	Universal accessibility of people	103-2	In order to promote workplace integration, all work centers are adapted to be accessible spaces in accordance with the commitments to the inclusion strategy as well as any particular demands that may exist due to the diversity of the workforce.
Equality	Measures taken to promote equal treatment and opportunities for women and men.	103-2	Human Rights Chapter (Pages 90-91)
	Equality plans (Chapter III of Organic Law 3/2007, of March 22, for the effective equality of women and men).	103-2	Human Rights Chapter (Pages 90-91)
	Measures adopted to promote employment	103-2, 404-2	Chapters People, Human Rights and Local Community, (Pages 78-79, 90-91 and 98-99)
	Policy against all types of discrimination and, where appropriate, integration of protocols against sexual and gender-based harassment.	103-2	Human Rights Chapter (Pages 90-91)
	Protocols against all types of discrimination and, where appropriate, diversity management protocols.	103-2, 406-1	People Chapter (Pages 78-79) and Human Rights (Pages 90-91)
Information on respect for human rights	Implementation of human rights due diligence procedures.	414-2	Human Rights Chapter (Pages 90-91)
	Prevention of risks of Human Rights violations and, where appropriate, measures to mitigate, manage and remedy possible abuses committed.	410-1, 412-1	Integrity Chapter (Page 88-89)
	Reporting of human rights abuses.	102-17, 419-1, 411-1	Integrity Chapter (Page 89). None of the complaints received were related to cases of human rights violations, neither in 2021 nor in the previous year. Human Rights Chapter (Page 90-91)
	Promotion and enforcement of the provisions of core ILO conventions concerning respect for freedom of association and the right to collective bargaining, elimination of discrimination in respect of employment and occupation, elimination of forced or compulsory labor, and the effective abolition of child labor.	103-2	Human Rights Chapter (Pages 90-91)
Information on anti-corruption and anti-bribery issues	Measures taken to prevent corruption and bribery.	103-2	Integrity Chapter (Pages 88-89)
	Measures to combat money laundering.	103-2	Responsible Tax Management Chapter (Pages 100-103)
	Contributions to foundations and non-profit organizations.	103-2, 201-1, 203-2, 415-1	Community Chapter (Pages 98-99). Contributions to non-profit entities in 2021 amounted to 4.2 million (5.7 million in 2020).
	Impact of the company's activities on employment and local development, local populations and the territory.	203-1, 203-2, 204-1, 413-1, 413-2	Community Chapter (Page 88-89)
Relationships with local community stakeholders and the methods of dialogue with them	Relationships with local community stakeholders and methods of dialogue with them.	102-43, 413-1	Most of the projects developed by Ferrovial require the prior completion of an environmental impact study. Furthermore, in certain cases, their execution entails certain impacts on the local communities where they are carried out. In these circumstances, the company promotes a two-way dialogue, informing those affected of the possible implications of each of the phases, and also in the provision of communication channels to collect complaints, suggestions or reports. The company also carries out a biennial consultation with its stakeholders as part of its materiality study, and also has an Ethics Channel available to anyone on its website.

Information on society	Partnership or sponsorship actions	102-13, 203-1, 201-1	All donation, sponsorship, patronage and partnership projects are subject to analysis under the internal regulations that establish the Procedure for the approval and monitoring of Sponsorship, Patronage and Donation projects. In 2020, sponsorship actions were linked to the promotion of arts, culture, innovation or education. The company is a member of SEOPAN and of various national and international construction and infrastructure sector associations.
	Inclusion of social, gender equality and environmental issues in purchasing policies.	103-3	Supply Chain Chapter (Pages 96-97)
	Subcontracting and suppliers	102-9, 308-1, 308-2, 407-1, 409-1, 414-1, 414-2	Supply Chain Chapter (Pages 96-97)
	Monitoring and auditing systems and their resolution.	308-1, 308-2, 414-2	Supply Chain Chapter (Page 96-97). In 2021, 12,062 suppliers were evaluated (10,205 in 2020).
	Consumers	416-1, 416-2, 417-1	Toll Roads chapter (Pages 32-33) and Innovation chapter (Pages 82-83)
	Complaint and grievance systems received and resolution of complaints.	102-17, 418-1	Quality (Pages 86-87) and Integrity (Pages 88-89). In 2021, 363 (876 in 2020) customer complaints were recorded, of which 95% (96% in 2020) were resolved in the year.
	Country-by-country profitability	201-1	Consolidated Financial Statements, note 2.8.1
	Profit taxes paid	201-1	Consolidated Financial Statements, note 2.8.1
	Government subsidies received	201-4	Consolidated Financial Statements, note 6.1
	Requirements of the Taxonomy Regulation (EU) 2020/852		24,150-153

* The GRI Standards Indicator tables (Page 161) should be used to identify the information related to each GRI indicator.

Sustainability Accounting Standards Board (SASB) indicators

The SASB indicators for the Engineering and Construction Services sector are presented below:

TOPIC	METRIC	SASB CODE	REFERENCE / DIRECT ANSWER
Environmental Impacts of Project Development	Number of incidents of non-compliance with environmental permits, standards, and regulations	IF-EN-160a.1	See GRI 307-1 indicator
	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	IF-EN-160a.2	See Environment section, pages 92-94
Structural Integrity & Safety	Amount of defect- and safety-related rework costs	IF-EN-250a.1	7.87 million euros
	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	IF-EN-250a.2	25,061.67 euros
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	IF-EN-320a.1	See appendix to GRI indicators, indicators 403-9 and 403-10.
Lifecycle Impacts of Buildings & Infrastructure	Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification	IF-EN-410a.1	See Annex to GRI indicators, indicator CRE8
	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	IF-EN-410a.2	See Environment section, pages 92-94
Climate Impacts of Business Mix			The portfolio of projects related to hydrocarbons amounts to 41.9 million euros, corresponding to gas pipelines and other fuel storage infrastructures.
	Amount of backlog for (1) hydrocarbon related projects and (2) renewable energy projects	IF-EN-410b.1	As for the renewable energy project portfolio, it amounted to 1.5 million euros. Ferrovial also has the necessary licenses and authorizations to build and operate a 50 MWp photovoltaic plant, which will come into operation in 2023.
	Amount of backlog cancellations associated with hydrocarbon-related projects	IF-EN-410b.2	There were no portfolio cancellations associated with hydrocarbon projects.
	Amount of backlog for non-energy projects associated with climate change mitigation	IF-EN-410b.3	See Taxonomy section, pages 24 and 150-153
Business Ethics	(1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	IF-EN-510a.1	Ferrovial does not develop projects in any of the 20 countries ranked in the bottom 20 of the Corruption Perceptions Index.
	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anticompetitive practices	IF-EN-510a.2	See Consolidated Financial Statements, note 6.5.
	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behavior in the project bidding processes	IF-EN-510a.3	See Integrity section, pages 88-89

GRI standards Indicators

GRI Standard	Page / reference	Scope
GRI 101 Foundation 2016		
GRI 102 General Disclosures 2016		
Organizational Profile		
102-1 Name of the organization	Note 1.1. of Ferrovial's Consolidated Financial Statements 2021	Ferrovial
102-2 Activities, brands, products, and services	16-17 and 30	Ferrovial
102-3 Location of headquarters	Note 1.1. of Ferrovial's Consolidated Financial Statements 2021	Ferrovial
102-4 Location of operations	16-17 and 30	Ferrovial
102-5 Ownership and legal form	Note 1.1. of Ferrovial's Consolidated Financial Statements 2021	Ferrovial
102-6 Markets served	16-17 and 30	Ferrovial
102-7 Scale of the organization	14-25	Ferrovial
102-8 Information on employees and other workers	77-78 and Appendix to GRI Indicators	Ferrovial
102-9 Supply Chain	96-97 and Appendix to GRI Indicators	Ferrovial
102-10 Significant changes to the organization and its supply chain	Notes 1.1.2 and 1.1.3 of Ferrovial's Consolidated Financial Statements 2021	Ferrovial
102-11 Precautionary Principle or approach	92-94 and 110-114	Ferrovial
102-12 External Initiatives	148	Ferrovial
102-13 Membership of associations	148	Ferrovial
Strategy		
102-14 Statement from senior decision-maker	9, 30-31	Ferrovial
102-15 Key impacts, risks, and opportunities	9, 110-114	Ferrovial
Ethics and integrity		
102-16 Values, principles, standards, and norms of behavior	31, 88-89 and 98-99	Ferrovial
102-17 Mechanisms for advice and concerns about ethics	88-89	Ferrovial
Governance		
102-18 Governance structure	120-123 Section C of Ferrovial's Annual Corporate Governance Report 2021	Ferrovial
102-19 Delegating authority	120-123 and 146-147 Section C of Ferrovial's Annual Corporate Governance Report 2021	Ferrovial
102-20 Executive-level responsibility for economic, environmental, and social topics	106-108 Section C of Ferrovial's Annual Corporate Governance Report 2021	Ferrovial
102-21 Consulting stakeholders on economic, environmental, and social topics	148-149	Ferrovial
102-22 Composition of the highest governance body and its committees	120-123 Section C of Ferrovial's Annual Corporate Governance Report 2021	Ferrovial
102-23 Chair of the highest governance body	120-123 Section C of Ferrovial's Annual Corporate Governance Report 2021	Ferrovial
102-24 Nominating and selecting the highest governance body	120-123 Section C of Ferrovial's Annual Corporate Governance Report 2021	Ferrovial
102-25 Conflicts of interest	120-123 Section C of Ferrovial's Annual Corporate Governance Report 2021	Ferrovial
102-26 Role of highest governance body in setting purpose, values, and strategy	120-123	Ferrovial
102-27 Collective knowledge of highest governance body	The Board of Directors is informed annually regarding environmental management issues for the company, as well as regarding monitoring of the corporate responsibility strategic plan. Furthermore, the Board, directly or via its committees, remains abreast of a series of issues on which it is required to make decisions. These include approving policies on a wide range of issues.	Ferrovial
102-28 Evaluating the highest governance body's performance	Section C.1.18 of Ferrovial's Annual Corporate Governance Report 2021	Ferrovial
102-29 Identifying and managing economic, environmental, and social impacts	120-123 Apartado E del Informe Anual de Gobierno Corporativo 2021 de Ferrovial	Ferrovial
102-30 Effectiveness of risk management processes	120-123 Apartado E del Informe Anual de Gobierno Corporativo 2021 de Ferrovial	Ferrovial
102-31 Review of economic, environmental, and social topics	120-123 Apartado E del Informe Anual de Gobierno Corporativo 2021 de Ferrovial	Ferrovial

102-32 Highest governance body's role in sustainability reporting	120-123	Ferrovial	
102-33 Communicating critical concerns	89 and 148-149	Ferrovial	
102-34 Nature and total number of critical concerns	89 and 148-149	Ferrovial	
102-35 Remuneration policies	124-125	Ferrovial	
102-36 Process for determining remuneration	124-125	Ferrovial	
102-37 Stakeholders' involvement in remuneration	124-125	Ferrovial	
102-38 Annual total compensation ratio	See Appendix to GRI Indicators	Ferrovial	
102-39 Percentage increase in annual total compensation ratio	See Appendix to GRI Indicators	Ferrovial	
Stakeholders Engagement			
102-40 List of stakeholder groups	148-149	Ferrovial	
102-41 Collective bargaining agreements	90. See Appendix y and table of contents of non-Financial Information Statements	Ferrovial	
102-42 Identifying and selecting stakeholders	2, 148-149	Ferrovial	
102-43 Approach to stakeholder engagement	146-149	Ferrovial	
102-44 Key topics and concerns raised	146-149	Ferrovial	
Reporting practice			
102-45 Entities included in the consolidated financial statements	Appendix II of Ferrovial's Consolidated Financial Statements 2021	Ferrovial	
102-46 Defining report content and topic Boundaries	2, 148	Ferrovial	
102-47 List of material topics	149	Ferrovial	
102-48 Restatements of information	148	Ferrovial	
102-49 Changes in reporting	148	Ferrovial	
102-50 Reporting period	Fiscal year 2021	Ferrovial	
102-51 Date of most recent report	Fiscal year 2020	Ferrovial	
102-52 Reporting cycle	Annual	Ferrovial	
102-53 Contact point for questions regarding the report	Back cover	Ferrovial	
102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the Comprehensive option of the GRI Standards.	Ferrovial	
102-55 GRI content index	161-168	Ferrovial	
102-56 External assurance	189-193	Ferrovial	
GRI Standard	Indicator and description	Page / Reference	Scope
GRI 103 Management approach 2016	103-1 Explanation of material issue and its limitations	149	Ferrovial
	103-2 Management approach and components	30, 149	Ferrovial
	103-3 Evaluation of the management approach	30, 149	Ferrovial
THEMATIC CONTENTS			
Economic Performance			
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	See Appendix to GRI Indicators	Ferrovial
	201-2 Financial implications and other risks and opportunities due to climate change	92-94, 110-113 Risks and opportunities are disclosed in the Carbon Disclosure Project report, which is publicly-available on the CDP website. Information for 2021 will be made available during 2022	Ferrovial
	201-3 Defined benefit plan obligations and other retirement plans	Note 6.6.4 of Ferrovial's Consolidated Financial Statements 2021 Note 6.2 of Ferrovial's Consolidated Financial Statements 2021	Ferrovial
	201-4 Financial assistance received from government	Note 6.1 of Ferrovial's Consolidated Financial Statements 2021 Note 6.4 of Ferrovial's Consolidated Financial Statements 2021	Ferrovial
Market presence			
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	The relationship between entry level wage and the local minimum wage in relevant countries by gender (Men/Women) is as follows: Spain: 1,12 / 1,12 (1,28 / 1,28 in 2020) United Kingdom: 1,74 / 1,46 (1,3 / 1,3 in 2020) USA: 1,66 / 1,66 (1,66 / 1,66 in 2020) Poland: 1 / 1 (1 / 1 in 2020) Chile: 1 / 1 (1 / 1 in 2020)	Ferrovial
	202-2 Proportion of senior management hired from the local community	In 2021, the proportion of senior management was 83.9% (84.3% in 2020)	Ferrovial

Indirect economic impacts			
	203-1 Infrastructure investments and services supported	98-99	Ferrovial
GRI 203: Indirect economic impacts 2016	203-2 Significant indirect economic impacts	16-17, 22-23, 32-36, 42, 76, 98-99	Ferrovial
Procurement practices			
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	96	Ferrovial
Anti-corruption			
	205-1 Operations assessed for risks related to corruption	88-89	Ferrovial
	205-2 Communication and training about anti-corruption policies and procedures	88-89	Ferrovial
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	88-89	Ferrovial
Anti-competitive			
GRI 206: Anti-competitive 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2021, two cases and litigations related to monopoly practices were open (two in 2020). Note 6.5 of Ferrovial's Consolidated Financial Statements 2021	Ferrovial
	207-1 Approach to tax	100-103	Ferrovial
	207-2 Tax governance, control, and risk management	100-103	Ferrovial
GRI 207: Tax 2019	207-3 Stakeholder engagement and management of concerns related to tax	100-103	Ferrovial
	207-4 Country-by-country reporting	100 Appendix to GRI Indicators	Ferrovial
GRI Standard	Indicator and description	Page / Reference	Scope
	103-1 Explanation of material issue and its limitations	149	Ferrovial
	103-2 Management approach and components	92-94	Ferrovial
GRI 103 Management approach 2016	103-3 Evaluation of the management approach	92-94	Ferrovial
Materials			
	301-1 Materials used by weight or volume	See Appendix to GRI Indicators. It is given information about the most representative used material for each division. The most significant material could change every year, so it is not comparable.	Ferrovial
GRI 301: Materials 2016	301-2 Recycled input materials used	See Appendix to GRI Indicators	Ferrovial
	301-3 Reclaimed products and their packaging materials	The activity of the company does not include the production of goods destined for sale with packaging	Ferrovial
Energy			
	302-1 Energy consumption within the organization	See Appendix to GRI Indicators	Ferrovial
	302-2 Energy consumption outside of the organization	See Appendix to GRI Indicators	Ferrovial
GRI 302: Energy 2016	302-3 Energy intensity	Energy intensity is 619.18 GJ/M€ (726.99 GJ/M€ in 2020). 2020 data have been recalculated due to the deconsolidation of part of the Services business. The denominator includes sales from continuing and discontinued operations.	Ferrovial
	302-4 Reduction of energy consumption	Energy consumption reduced 8.22% compared to 2020 (543,466 GJ)	Ferrovial
	302-5 Reductions in energy requirements of products and services	92-94	Ferrovial
Water			
	303-1 Interactions with water as a shared resource	92-94	Ferrovial
	303-2 Management of water discharge-related impacts	92-94	Ferrovial
GRI 303: Water 2016	303-3 Water withdrawal	See Appendix GRI Indicators	Ferrovial
	303-4 Water discharge	See Appendix GRI Indicators	Ferrovial
	303-5 Water consumption	See Appendix GRI Indicators	Ferrovial

Biodiversity			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	In 2021, Ferrovial worked on 5 projects subject to Environmental Impact Statement (or equivalent figures), according to the legal framework of each country (18 in 2020)	Construction business and Ferrovial Services Spain
	304-2 Significant impacts of activities, products, and services on biodiversity	The most significant impacts on biodiversity have been contemplated in the respective Environmental Impact Statements or equivalent figures, according to the legal framework of each country, of the activities that so require. Likewise, compensation actions are carried out in those cases in which this has been required in accordance with the provisions of said declarations or equivalent figures	Ferrovial
	304-3 Habitats protected or restored	Ferrovial carries out the ecological restoration of habitats affected by the construction and operation of its infrastructures in accordance with the regulations in force in each country, introducing wherever possible improvements over the minimum requirements as well as ecological restoration criteria that ensure better long-term results.	Ferrovial
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	See Appendix GRI Indicators	Ferrovial
Emissions			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	92. See Appendix GRI Indicators	Ferrovial
	305-2 Energy indirect (Scope 2) GHG emissions	92. See Appendix GRI Indicators	Ferrovial
	305-3 Other indirect (Scope 3) GHG emissions	92. See Appendix GRI Indicators. Scope 3 emissions are limited to the scope described in table 305-3 of the GRI Indicators Appendix.	Ferrovial
	305-4 GHG emissions intensity	Greenhouse emissions intensity is 67,48 tCO ₂ /M€ in 2021 (72,01 tCO ₂ /M€ in 2020)	Ferrovial
	305-5 Reduction of GHG emissions	92-93. See GRI Indicators Appendix.	Ferrovial
	305-6 Emissions of ozone-depleting substances (ODS)	This data is not considered material because Amey no longer has operational control over centers using refrigeration equipment, which use refrigerants based on fluorinated gases or ozone depleting substances.	Ferrovial
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	See Appendix to GRI Indicators.	Ferrovial
Effluents and Waste			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	93-94	Ferrovial
	306-2 Management of significant waste-related impacts	93-94	Ferrovial
	306-3 Waste generated	See Appendix to GRI Indicators.	Ferrovial
	306-4 Waste diverted from disposal	See Appendix to GRI Indicators.	Ferrovial Servicios España
	306-5 Waste directed to disposal	See Appendix to GRI Indicators.	Ferrovial Construction
Environmental Compliance			
GRI 307 Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	The most significant penalties paid in 2021 for non-compliance with environmental legislation were €17,002 (€19,228 in 2020), corresponding to one case imposed in 2021, and €33,961 corresponding to two cases imposed in previous years (€76,551 in 2020).	Ferrovial
Supplier Environmental Assessment			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	96-97	Ferrovial
	308-2 Negative environmental impacts in the supply chain and actions taken	In Construction, the negative environmental impacts had by the supply chain are evaluated, identifying potential risks and substandard work. The measures adopted range from expulsion from the project and/or rejection of the supplier, to warnings that improvements are required in less serious cases. In the Services division, face-to-face audits are carried out on a sample of suppliers.	Ferrovial

GRI Standard	Indicator and description	Page / Reference	Scope
GRI 103 Management approach 2016	103-1 Explanation of material issue and its limitations	149	Ferrovial
	103-2 Management approach and components	78-81	Ferrovial
	103-3 Evaluation of the management approach	78-81	Ferrovial
Employment			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	See Appendix to GRI Indicators	Ferrovial
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social benefits for each country and business are offered equally to full-time employees and part-time employees. In some cases, employees need to have held their posts for at least one year to be eligible for certain social benefits.	Ferrovial
	401-3 Parental leave	Ferrovial does not consider this a risk, as the countries where it operates have protectionist legislation in place for such matters. Such information is therefore not subject to specific managerial procedures.	Ferrovial
Labor Relations			
GRI 402: Labor Relations 2016	402-1 Minimum notice periods regarding operational changes	Ferrovial complies with the advance notice periods established in labor legislations or those enshrined, if applicable, in the collective agreements pertinent to each business, with no corporate advance notice periods having been established.	Ferrovial
Occupational Health and Safety			
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	80-81	Ferrovial
	403-2 Hazard identification, risk assessment, and incident investigation	80-81	Ferrovial
	403-3 Occupational health services	80-81	Ferrovial
	403-4 Worker participation, consultation, and communication on occupational health and safety	80-81	Ferrovial
	403-5 Worker training on occupational health and safety	80-81	Ferrovial
	403-6 Promotion of worker health	80-81	Ferrovial
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Risk of developing occupational diseases is detected through risk assessments conducted by the Safety and Health Department and controlled through the health surveillance, where relevant relevant protocol according to the risk exposure of the workers are defined and applied.	Ferrovial
	403-8 Workers covered by an occupational health and safety management system	See Appendix to GRI Indicators	Ferrovial
	403-9 Work-related injuries	See Appendix to GRI Indicators	Ferrovial
	403-10 Work-related ill health	See Appendix to GRI Indicators	Ferrovial
Training and education			
GRI 404 Training and education 2016	404-1 Average hours of training per year per employee	See Appendix to GRI Indicators	Ferrovial
	404-2 Programs for upgrading employee skills and transition assistance programs	All training and development programs are aimed at improving the employability of the candidate. In the case of early retirement or restructuring plans (e.g. redundancy packages) specific training plans may be negotiated as part of other outplacement plans	Ferrovial
	404-3 Percentage of employees receiving regular performance and career development reviews	The percentage of employees receiving regular assessments of Ferrovia's performance and professional development is 29,41% (31,94 % in 2020)	Ferrovial
Diversity and Equality of Opportunities			
GRI 405: Diversity and equality of opportunities 2016	405-1 Diversity of governance bodies and employees	See Appendix to GRI Indicators Section C of Annual Corporate Governance Report 2021	Ferrovial
	405-2 Ratio of basic salary and remuneration of women to men	See Appendix to GRI Indicators	Ferrovial

No discrimination			
GRI 406: No discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	89. Information about complaints received through the Corporate Whistleblowing Channel in Spain is given.	Ferrovial
Freedom of association			
GRI 407 Freedom of association 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	96-97	Ferrovial
Child Labor			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	96-97	Ferrovial
Forced or compulsory labor			
GRI 409 Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	96-97	Ferrovial
Security practices			
GRI 410 Security practices 2016	410-1 Security personnel trained in human rights policies or procedures	Security guards at Ferrovial offices are hired via a company that certifies that said personnel have received the due training	Ferrovial headquarters
Rights of indigenous people			
GRI 411: Rights of indigenous people 2016	411-1 Incidents of violations involving rights of indigenous peoples	During 2020 and 2021 there hasn't been detected incidents of violations involving rights of indigenous people	Ferrovial
Human Rights Assessment			
GRI 412 Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	90-91	Ferrovial
	412-2 Employee training on human rights policies or procedures	88	Ferrovial
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	88-91,98-99	Ferrovial
Local Communities			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	98-99	Ferrovial
	413-2 Operations with significant actual and potential negative impacts on local communities	During 2020 and 2021 there has not been detected situations in which Ferrovial activities had caused a negative impact on local communities.	Ferrovial
Supplier Social Assessment			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	96-97	Ferrovial
	414-2 Negative social impacts in the supply chain and actions taken	96-97	Ferrovial
Public Policy			
GRI 415: Public Policy 2016	415-1 Political contributions	149	Ferrovial
Customer Health and Safety			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	86-87	Ferrovial
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	In 2021, no cases and litigation related to the safety of workers subcontractors and users were open (0 in 2020). Note 6.3 of Ferrovial's Consolidated Financial Statements 2021 Note 6.5 of Ferrovial's Consolidated Financial Statements 2021	Ferrovial
Marketing and labeling			
GRI 417: Marketing and labeling 2016	417-1 Requirements for product and service information and labeling	86-87	Ferrovial
	417-2 Incidents of non-compliance concerning product and service information and labeling	There has not been identified non-compliance incidents on this subject in 2020 and 2021	Ferrovial
	417-3 Incidents of non-compliance concerning marketing communications	There has not been identified non-compliance incidents on this subject in 2020 and 2021	Ferrovial

Customer Privacy			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	There has not been identified non-compliance incidents on this subject in 2020 and 2021	Ferrovial
Socioeconomic Compliance			
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	In 2021, no cases and litigation related to the safety of workers subcontractors and users were open (0 in 2020). Note 6.3 of Ferrovial's Consolidated Financial Statements 2021 Note 6.5 of Ferrovial's Consolidated Financial Statements 2021	Ferrovial

REPORTING PRINCIPLES

AA1000 AP2018 Standard

The standard is based on four fundamental principles:

- **Inclusiveness:** This principle analyzes whether the company has identified and understood the relevant aspects of its sustainable performance and presents sufficient information in terms of quality and quantity. For more information, please refer to the “Material Issues” section in this chapter.
- **Materiality:** The information must be the information required by the stakeholders. In other words, it ensures disclosure of all those material aspects whose omission or distortion could influence its stakeholders’ decisions or actions. For more information, please refer to the GRI Standards Indicators Table.
- **Responsiveness:** This report includes the information relating to Ferrovial’s response to stakeholder expectations.
- **Impact:** the company monitors the impact of its activity on its surroundings, not only in economic terms but also from a social and environmental point of view. It also evaluates the return on investment of its social action programs. For more information, see the sections in two minutes, environment and community

GRI STANDARDS GUIDELINES

The GRI Guidelines principles applied are:

Establishing report contents:

- **Materiality:** Aspects that reflect the significant social, environmental and economic impacts had by the organization or those that could have a substantial influence on stakeholder decisions.
- **Stakeholder engagement:** Identifying stakeholders and describing in the report how their expectations and interests have been addressed.
- **Sustainability context:** Presenting the company’s performance within the broader context of sustainability.
- **Completeness:** Coverage should enable stakeholders to assess the performance of the reporting organization

Establishing the quality of the report:

- **Balance:** The report must reflect both the positive and the negative aspects of the company’s performance.
- **Comparability:** Stakeholders should be able to compare the information over time and with other companies.
- **Accuracy:** The published information must be accurate and detailed.
- **Clarity:** The information must be presented in a way that is clear and accessible to everyone.
- **Reliability:** The information must be of high quality and it should establish the company’s materiality.



Appendix to GRI Standard Indicators

102-8. Information on employees and other workers

Number of employees at year-end by type of workday and gender

	Total		2020	2021
Full Time	50,109	Men	49,712	37,156
		Women	16,670	12,953
Part Time	12,961	Men	4,452	3,237
		Women	9,285	9,724

Number of employees at year-end by type of employment contract and gender

	Total		2020	2021
Temporary contract	11,315	Men	12,804	7,494
		Women	6,055	3,820
Undefined contract	51,756	Men	41,359	32,899
		Women	19,901	18,856

Average number of employees by gender, type of contract and professional category

Category	Permanent		Temporary		Total	Total 2021	Total 2020
	Men	Women	Men	Women			
Executives	125.9	12.9	8.0	2.0	133.9	148.9	167.0
Senior Manager	601.3	115.1	14.6	2.7	615.9	733.7	653.6
Manager	3,143.3	855.5	136.3	16.8	3,279.5	4,151.9	4,117.8
Senior Professional / Supervisor	2,432.5	1,060.0	110.1	43.0	2,542.6	3,645.5	3,493.4
Professional	6,391.8	2,150.0	580.9	301.8	6,972.8	9,424.5	10,583.0
Administratives / Support	560.9	998.0	140.5	189.1	701.4	1,888.4	2,686.1
Blue Collar	29,727.8	15,166.6	8,937.7	4,709.4	38,665.5	58,541.4	62,604.8
Total	42,983.5	20,358.0	9,928.1	5,264.7	52,911.5	78,534.2	84,305.7

Data for 2020 can be found in the 2020 Integrated Annual Report, page 149

Number of employees at year-end by region and gender

	2020	Men	Women	2021
Spain	42,892	15,059	15,640	30,698
United Kingdom	15,245	9,939	4,222	14,161
United States	5,946	4,480	674	5,154
Canada	783	705	60	765
Poland	6,368	4,557	1,442	5,999
Latin America	4,732	4,464	518	4,982
Other countries	4,153	1,190	121	1,311
TOTAL	80,119	40,394	22,677	63,070

102-9. Significant changes to the organization and its supply chain

Due to the diverse nature of Ferrovial's activities, the supply chains are different for each. Around 97% of suppliers are concentrated in Construction and Services, registering the largest volumes of orders. The Global Purchase Committee, composed of the highest representatives of business purchases, coordinates this activity, looking for possible synergies and sharing best practices.

In the Construction area, the vast majority of purchases are destined for works in progress at any time. A small part goes to the offices, departments and services that support the execution of the same. The supply chain is made up of suppliers (manufacturers and distributors) and subcontractors. The specific characteristics of the construction supply chain are: high number of suppliers; degree of significant subcontracting, which varies depending on the type and size of the work and the country in which it is carried out; high percentage of local suppliers, since the sector is closely linked to the country / area in which each work is executed; very diverse supplier typology, from large multinationals with global implantation and highly technified, to small local suppliers (mainly subcontractors) for less qualified jobs; and need to adapt to the requirements of each local market.

In the Services business, the supply chain includes all the main and secondary suppliers (suppliers of raw materials, industrial supplies or energy, suppliers of capital goods, machinery and finished product) as well as the subcontractors and service providers involved in the company's activities, evaluating them to ensure adequate training. In Spain, from the Procurement and Fleet department, guidelines are drawn up for the different business areas regarding contracting with third parties and all the critical suppliers involved in the provision of services and supply of products for the company are managed. In the international part, each country has its procurement procedure, based on the Global Procurement Procedure defined by the Global Procurement Committee. In the United Kingdom, the typology of the supply chain is very diverse due to the wide range of activities that are carried out.

102-38. Annual total compensation ratio

	2019	2020	2021
TOTAL Ferrovial	117.05	143.60	142.84
USA	7.39	8.59	8.61
Spain	26.18	29.41	24.93
Poland	30.97	30.21	17.95
United Kingdom	21.76	25.59	22.99
Chile	15.09	16.34	16.69

102-39. Percentage increase in annual total compensation ratio

	2019	2020	2021
TOTAL Ferrovial	-15.91%	-0.69%	-5.85%
USA	-8.91%	-1.64%	-0.66%
Spain	19.38%	-2.22%	18.64%
Poland	-14.75%	1.71%	38.81%
United Kingdom	7.81%	-2.26%	2.34%
Chile	5.41%	-0.07%	18.54%

102-41. Collective bargaining agreements

	Total Workforce	Employees represented	% 2021	% 2020
Spain	30,698	30,478	99.3%	99.6%
United Kingdom	14,161	3,829	27.0%	25.5%
UNITED STATES	5,154	351	6.8%	5.8%
Canada	765	152	19.9%	20.8%
Poland	5,999	4,907	81.8%	81.1%
Latin America	4,982	3,130	62.8%	66.9%
Rest of the world*	1,311	133	10.1%	32.2%
TOTAL	63,070	42,980	68.1%	70.8%

201-1. Direct economic value generated and distributed

ECONOMIC VALUE GENERATED(M€)	2019	2020	2021
a) Revenues:			
Sales revenue	6,054	6,532	6,778
Other operating income	2	2	1
Financial income	101	43	24
Disposals of fixed assets	423	16	0
Income from companies accounted for by the equity method	269	-424	1,197
TOTAL	6,849	6,169	8,000

ECONOMIC VALUE DISTRIBUTED (M€)	2019	2020	2021
b) Consumption and expenses (1)			
Consumption	949	990	1,077
Other operating expenses	3,959	3,926	3,815
c) Salaries and employee benefits			
Personnel expenses	1,027	1,212	1,209
d) Financial expenses and dividends			
Dividends to shareholders	238	119	190
Treasury stock transactions (2)	282	259	434
Financial expenses	328	243	334
e) Taxes			
Corporate income tax	39	-34	-9
TOTAL	6,822	6,715	7,050

ECONOMIC VALUE RETAINED (M €)	27	-546	950
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(1) The Group's social action expenses, recorded under Other Operating Expenses are detailed in the Community Chapter.

Foundation expenses are detailed in the Community Chapter.

(2) Capital reduction through cancellation of treasury stock. For further information, see note 5.1.Shareholders' Equity of the Consolidated Financial Statements.

207-4. Tax: country by country report

The following table reflects the amounts paid by Ferrovial in 2020 in euros.

The data for 2020 are published instead of those for 2021, in accordance with the obligation to communicate the Country-by-Country Report to the Spanish Tax Agency (the report for the previous year is communicated in November of each year).

2020 (M€)								
Jurisdiction¹	Number of employees²	Third parties	Revenue³	Profit before income tax³	Income tax (paid)₃	Income tax (accrued)³	Tangible Assets³	
Germany	872	46.31	0.00	46.31	5.42	-0.93	-0.99	0.07
Saudi Arabia	416	15.16	0.32	15.48	-2.56	0.00	0.00	0.34
Australia	49	883.42	4.92	888.35	-1.98	0.00	-1.46	0.24
Brazil	1	0.37	0.00	0.37	0.31	-0.11	-0.08	0.00
Canada	518	268.77	1.09	269.86	168.68	-13.46	-6.01	5.28
Chile	4,524	224.52	1.01	225.53	6.33	-9.58	-6.56	88.20
Colombia	241	60.18	0.00	60.18	-0.22	-4.36	-0.57	4.39
United Arab Emirates	0	0.00	0.00	0.00	0.02	0.00	0.00	0.00
Slovakia	188	240.68	0.19	240.87	-17.30	0.00	-0.28	4.85

Spain	37,517	2,814.55	216.98	3,031.54	12.47	3.12	-4.87	1,225.91
United States of America	6,082	2,717.78	18.64	2,736.42	-80.82	-0.78	-1.62	5,630.55
France	32	52.63	0.00	52.63	12.24	-5.72	-3.52	0.18
Greece	0	0.00	0.00	0.00	0.00	0.00	0.00	0.01
India	0	0.01	0.00	0.01	-0.03	0.00	0.00	0.00
Ireland	3	0.02	7.06	7.07	6.70	-1.05	-1.54	0.00
Mauritius Islands	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Italy	2	0.32	0.00	0.32	0.21	0.00	0.00	0.00
Luxembourg	0	2.44	0.00	2.44	1.86	0.00	0.00	0.00
Lithuania	33	25.37	0.00	25.37	-34.70	0.00	0.00	0.06
Malaysia	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Morocco	1	0.00	0.00	0.00	-3.48	0.00	-0.02	0.00
Mexico	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Zealand	0	0.00	0.02	0.02	0.01	0.00	0.00	0.89
Oman	14	1.56	0.15	1.71	0.41	0.00	0.00	0.00
Netherlands	15	37.79	12.64	50.43	-406.18	0.70	-0.55	0.00
Peru	12	3.64	0.00	3.64	-1.85	-0.07	-0.10	0.26
Poland	6,339	1,808.12	0.07	1,808.19	187.98	-70.03	-63.16	545.09
Portugal	2,139	150.47	1.48	151.95	-19.66	-1.14	-1.97	305.38
Puerto Rico	194	38.64	0.54	39.18	1.11	-0.94	-0.28	0.93
Dominican Republic	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Qatar	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
United Kingdom	14,057	3,004.88	1.37	3,006.25	-517.75	6.86	-0.07	125.94
Singapore	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tunisia	1	0.00	0.00	0.00	-0.03	0.00	0.00	0.00
Total	73,250	12,397.66	266.48	12,664.14	-682.82	-97.48	-93.67	7,938.57

(1) In the Consolidated Financial Statements for the fiscal year 2021, Appendix II, the entities comprising the business group, their residence, as well as the activities they carry out are detailed.

(2) Regarding the number of employees, an estimate of the total number of employees has been made on a full-time equivalent basis. The information is homogeneous across jurisdictions and does not change from year to year..

(3) The average exchange rate for the year is used for revenues, income and taxes in foreign currencies and the year-end exchange rate for tangible assets.

Income Tax: legal vs. effective rate by jurisdiction

The following table reflects the qualitative explanation of the differences between the statutory and effective income tax rates with respect to the jurisdictions in which Ferrovial paid income tax in 2020 and 2019. Unlike the previous table, the following table only reflects the amounts paid for income tax by fully consolidated companies.

2020				
Income tax				
Jurisdiction	Legal tax rate	Effective tax rate	Difference	Explanation
Germany	25%	18%	7%	Effective and nominal rates are aligned.
Saudi Arabia	20%	0%	20%	Country in which losses have been generated and therefore no tax is payable.
Australia	30%	-74%	104%	Despite the overall losses generated in the year, current tax is recorded for companies that generate tax payable.
Brazil	34%	27%	7%	Effective and nominal rates are aligned.
Canada	27%	4%	23%	The effective rate is lower than the nominal rate due to the inclusion of exempt income (dividends) in its calculation base.

				There are companies with profits (mainly FC Chile, SA) that are taxed on the amount accrued, and others that are in loss and do not accrue current tax expense. These profits and losses are not offset for tax purposes, causing the effective rate to be higher than the nominal rate.
Chile	27%	77%	-50%	
Colombia	32%	-260%	292%	Despite the pre-tax loss, current tax expense is generated due to the limitation of tax deductibility of financial expenses and other tax adjustments.
United Arab Emirates	0%	0%	0%	Effective and nominal rates are aligned.
Slovakia	21%	-2%	-23%	Despite the overall loss generated in the year, current tax is recorded for companies that generate tax payable.
Spain	25%	39%	-14%	If we exclude from the total expense the impact of withholding taxes paid abroad, the rate is below the nominal rate due to the application of tax credits.
United States of America	21%*	-2%	23%	Despite the losses generated in the year, current tax is recorded for state taxes.
France	29%	29%	0%	Effective and nominal rates are aligned.
Greece	29%	0%	29%	Country in which losses have been generated and therefore no tax is payable.
India	30%	-1%	31%	Despite the losses generated in the fiscal year, current tax is recorded for local taxes.
Ireland	25%**	23%	2%	Effective and nominal rates are aligned. Effective rate of 25% of investment income.
Mauritius Islands	15%	0%	15%	Country in which no activity has been developed.
Italy	27.9%	0%	27.9%	The effective rate is lower than the nominal rate because losses not capitalized in accounting are included in the calculation base.
Lithuania	15%	0%	15%	Country in which losses have been generated and therefore no tax is payable.
Luxembourg	25%	0%	25%	There are tax adjustments that mean that there is no taxable income.
Malaysia	24%	0%	24%	Country in which no activity has been developed.
Morocco	30%	-1%	31%	Despite the losses generated in the year, current tax is recorded for the minimum tax.
Mexico	30%	0%	30%	Country in which no activity has been carried out.
New Zealand	28%	0%	28%	The effective rate is lower than the nominal rate because losses not capitalized in accounting are included in the calculation base.
Oman	15%	0%	15%	The effective rate is lower than the nominal rate because losses not capitalized in accounting are included in its calculation base.
Netherlands	25%***	0%	25%	The effective rate is much lower than the nominal rate because portfolio provisions that are not tax deductible are included in the calculation basis.
Peru	29.5%	-6%	36%	Consortiums in Peru are taxed independently for corporate income tax purposes. The accrued expense corresponds to a construction consortium with a positive taxable base.
Poland	19%	34%	-15%	The effective rate is much higher than the nominal rate due to the inclusion in its calculation base of non-deductible expenses that constitute permanent differences.
Portugal	23%	-10%	33%	Despite the pre-tax loss, a current tax expense is generated due to the limitation on the tax deductibility of financial expenses and the limitation on the use of tax losses.
Puerto Rico	29%	25%	4%	Effective and nominal rates are aligned.
Qatar	10%	0%	10%	Country in which no activity has been developed.
United Kingdom	19%	0%	19%	Country in which losses have been generated and therefore no tax is payable.
Dominican Republic	27%	0%	27%	The effective rate is lower than the nominal rate because losses not capitalized in accounting are included in the calculation base.
Tunisia	25%	0%	25%	Country in which losses have been generated and therefore no tax is payable.

* The federal/national tax rate is considered.

** Investment income is taxed at a rate of 25%.

*** The first 200 thousand euros are taxed at a rate of 20%.

301-1. Materials used by weight or volume

	2019	2020	2021
Paper (kg)	706,053	325,575	349,310
Wood (m3)	31,861	14,832	85,027
Bitumen (t)	250,806	182,067	464,342
Concrete (t)	5,951,699	6,145,987	7,178,860
Corrugated steel (t)	180	173369.7	182,651

301-2. Recycled input materials used

	2019	2020	2021
Total recycled material (t)	2,541,258	2,395,827	2,514,949

302-1. Energy consumption within the organization

		2009	2019	2020	2021	
Fuels used in Stationary and Mobile sources (total) (GJ)	Stationary	Diesel	851,446	1,403,343	1,528,742	1,202,402
		Fuel	344,186	137,269	100,551	77,191
		Gasoline	13,447	7,328	7,236	8,397
		Natural Gas	400,727	207,710	144,565	86,015
		Coal	0	361,701	268,802	309,389
		Kerosene	4,097	1,995	1,559	807
		Propane	17,540	22,793	20,972	35,733
		LPG	175	58	2	64
	Mobile	Diesel	3,629,217	2,825,602	2,683,716	2,501,469
		Fuel	219	0	0	0
		Gasoline	664,171	557,001	622,083	645,343
		Natural Gas	473,922	94,895	93,218	87,629
		Ethanol	0	0	0	3,177
		LPG	932	4,542	3,258	2,919
		TOTAL	6,400,080	5,624,238	5,474,704	4,960,535
Electricity Consumption from Non-Renewable Sources (GJ)	Construction	761,769	261,867	218,961	130,383	
	Corporation	5,359	4,239	3,837	3,926	
	Infrastructure	230,072	61,360	18,901	10,817	
	Airports	30	4	0	0	
	Services	360,101	148,033	98,511	98,934	
	TOTAL	1,357,331	475,503	340,210	244,060	
Electricity Consumption from Renewable Sources (GJ)	Construction	599	313,748	297,444	315,124	
	Corporation	0	0	0	0	
	Infrastructures	0	4,058	28,356	33,150	
	Airports	0	0	0	0	
	Services	25,772	438,589	469,646	514,025	
	TOTAL	26,371	756,395	795,445	862,299	

Energy consumption by region (GJ)	Non-renewable source	Renewable source
Spain	1,978,369	582,961
United States	1,061,270	33,150
United Kingdom	594,005	231,884

Poland	796,533	0
Latin America	383,602	0
Others	390,805	14,303
TOTAL	5,204,585	862,299

ENERGY PRODUCED (GJ)	2019	2020	2021
Electrical energy from biogas recovery	207,541	378,689	377,889
Thermal energy from biogas recovery	31,349	62,459	56,214
Electrical energy generated in Water Treatment Plants	120,155	110,829	143,106
Electrical energy generated in thermal drying plants	285,752	368,328	408,248
Energy generated in incineration plants	763,254	734,500	732,135
TOTAL	1,408,051	1,654,805	1,717,593

302-2. Energy consumption outside of the organization

	2019	2020	2021
Consumption of energy acquired, by primary sources (GJ)	Coal	111,796	97,800
	Diesel	34,287	30,009
	Gas	115,668	101,266
	Biomass	11,651	10,387
	Waste	3,311	2,901
	Others	410,503	362,591
	TOTAL	687,216	604,955

303-3. Water withdrawal

	2019		2020		2021*	
	Total water withdrawal	Water withdrawal in water-stressed areas	Total water withdrawal	Water withdrawal in water-stressed areas	Total water withdrawal	Water withdrawal in water-stressed areas
Rainwater (m3)	65,796	65,796	43,592	43,592	30,968	30,968
Wastewater (m3)	38,504	38,504	57,556	55,955	26,092	26,092
Fresh surface water (m3)	160,067	160,067	309,488	309,488	293,027	293,027
Cadagua Fresh surface water (m3)	2,414	2,414	23	23	95	95
Pretreated water in Cadagua (m3)	2,601,519	2,601,519	2,518,935	2,518,935	2,585,563	2,585,563
Supply network (m3)	2,546,235	1,777,071	2,442,426	1,987,990	2,280,905	1,716,305
Groundwater (m3)	338,730	182,103	184,178	184,178	172,412	172,412
TOTAL (m3)	5,753,266	4,827,475	5,556,198	5,100,161	5,389,061	4,824,461

*The data reported for 2021 include estimates based on the best information available at the date of preparation of the Report. The main consumptions have been estimated based on average water consumption prices per country.

303-4. Water discharge

	2019		2020		2021	
	Total water discharge	Water discharge in water-stressed areas	Total water discharge	Water discharge in water-stressed areas	Total water discharge	Water discharge in water-stressed areas
TOTAL (m3)	1,084,985	840,240	923,361	684,811	978,121	751,952

Note: water discharge data have been calculated based on standard discharge indicators for certain activities published by various sources, and do not constitute real discharge measurements.

303-5. Water consumption

	2019	2020	2021
Total water consumption (m3)	4,668,281	4,632,838	4,410,941
Water consumption in water-stressed areas (m3)	3,987,234	4,415,350	4,072,509

304-4. IUCN Red List species and national conservation list species with habitats in areas affected by operations

Conservation status of the species	IUCN Red List	Regional list
Critically endangered (CR)	2	
Endangered (EN)	13	
Vulnerable (VU)	33	
Near Threatened (NT)	35	
Least Concern (LC)	375	
Other categories		39
TOTAL	458	39

305-1. Direct (Scope 1) GHG emissions (tCO₂ eq)

BY BUSINESS	2009 (base-year)	2019	2020	2021
Infrastructure	6,024	2,053	2,018	1,784
Construction	163,232	192,325	192,539	169,737
Airports	41	17	13	13
Corporation	375	219	151	166
TOTAL without Services	169,672	194,614	194,722	171,699
Services	722,624	694,356	600,795	589,614
TOTAL with Services	892,296	888,971	795,517	761,314

BY SOURCE	2009 (base-year)	2019	2020	2021
Mobile	338,830	249,539	243,264	231,445
Stationary	223,316	288,449	289,668	257,863
Fugitive	185	128	136	243
Diffuse	329,965	350,855	262,449	271,764
TOTAL	892,296	888,971	795,517	761,314

Biogenic CO ₂ (tCO ₂ /eq)	2009 (base-year)	2019	2020	2021
Construction	768	54,678	128,792	62,404
Servicios	729,776	733,912	941,046	649,827
TOTAL	730,544	788,590	1,069,838	712,231

305-2. Energy indirect (Scope 2) GHG emissions (tCO₂ eq)

BY BUSINESS	2009 (base-year)	2019	2020	2021
Infrastructures	20,006	7,563	1,936	886
Construction	88,143	35,126	31,335	21,836
Airports	4	1	0	0
Corporation	521	360	365	373
TOTAL without Services	108,674	43,049	33,636	23,095
Servicios	42,286	17,512	13,639	13,657
TOTAL with Services	150,959	60,562	47,276	36,752

GHG Emissions (Scope 1 + Scope 2) (tCO₂ eq/revenues (M€))

	2009 (base-year)	2019	2020	2021
Relative emissions (tCO₂ eq/M€)	162.36	75.55	72.01	67.48

305-3. Other indirect (Scope 3) GHG emissions (tCO₂ eq)

The activities, products and services included in Scope 3 are as follows:

- Purchased goods and services: include emissions related to the life cycle of materials purchased by Ferrovial that have been used in products or services that the company offers. This is limited to emissions derived from the purchase of paper, wood, water and other relevant materials (concrete and asphalt) described in indicator 301-1. Data from subcontractors are not included.
- Capital goods: Includes all upstream emissions (i.e., cradle to gate) from the production of capital goods purchased or acquired by the company in the year, based on the information contained in the Consolidated Financial Statements.
- Fuel and energy related activities: this section includes the energy required to produce the fuels and electricity consumed by the company and the loss of electricity in transportation.
- Upstream transportation and distribution: includes emissions from the transportation and distribution of the main products acquired during the year.
- Waste generated in operations: Emissions in this section are related to waste generated by the company's activity.
- Business travel: Includes emissions associated with business travel: train, plane and cabs reported by the main travel agency with which the group works in Spain.
- Employee commuting: Includes emissions from employee commuting from their homes to their workplaces at the head offices in Spain.
- Investments: Investments include emissions related to investments in British airports and toll roads over which the Group does not have operational control. All airports carry out independent external verification of their emissions. At the date of publication of this report, data for 2021 is not available, so emissions for 2020 have been considered.
- Use of sold products: Ferrovial calculates emissions from the use of land transport infrastructures managed by Cintra.
- End of life treatment of sold products: This category includes exclusively emissions from the disposal of waste generated at the end of the useful life of products sold by Ferrovial in the reporting year. Only emissions derived from products (wood, paper, asphalt and concrete) reported in the Purchased goods and services category have been taken into consideration.
- Upstream leased assets: Includes emissions related to the electricity consumption of those client buildings where Amey carries out maintenance and cleaning and manages consumption.

	2012 (base-year)	2019	2020	2021
Investments	1,364,372	864,782	774,570	445,526
Purchased goods and services	1,756,724	1,102,148	1,021,375	1,144,190
Use of sold product	478,824	499,904	209,022	249,853
Capital Goods	569,407	118,081	411,535	191,884
Upstream transportation and distribution	560,420	477,374	476,642	552,731
Waste generated in operations	191,948	141,389	125,990	99,220
Fuel and energy related activities	191,927	136,217	121,965	102,406
End of life treatment of sold products	57,368	31,667	23,152	59,894
Business travel	6,606	7,232	1,796	2,515

Upstream leased	1,405	0	0	0
Employee commuting	792	1,763	1,645	1,673
TOTAL	5,179,792	3,380,558	3,167,692	2,849,892

305-5. Reduction of GHG emissions

	2019	2020	2021
AVOIDED EMISSIONS FROM TRIAGE AND BIOGAS CAPTURE ACTIVITIES			
GHG avoided by triage activity (t CO2eq)	899,577	827,682	936,992
GHG avoided by biogas capture (t CO2eq)	778,721	872,055	792,742
GHG avoided from biogas capture at treatment plants (t CO2eq)	422,724	406,842	502,028
AVOIDED EMISSIONS FROM ENERGY GENERATION			
In landfills (t CO2eq)	18,760	35,490	35,410
In water treatment plants (t CO2eq)	34,429	45,533	52,435
At waste incineration plants (t CO2eq)	54,191	47,567	43,182
AVOIDED EMISSIONS FROM THE PURCHASE OF ELECTRICITY FROM RENEWABLE SOURCES			
Electricity purchased from third parties (t CO2eq)	55,891	62,184	67,567
TOTAL	2,264,293	2,297,354	2,430,356

305-7. Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

	NOx (Tn)	CO (t)	COVNM (t)	SOx (t)	Particles (t)
Emissions from boilers	65.03	25.65	5.95	79.16	15.60
Emissions caused by motor vehicles	863.53	2,218	270.89	0	100.84
Emissions caused by electricity	39.55	15.35	0.31	61.93	3.37
	NOx (g/Kg)	CO (g/Kg)	COVNM (g/Kg)	SOx (g/kg)	Particles (g/Kg)
Emissions caused by mobile equipment used in construction works	898.87	204.17	61.44	0	73.84

Data for 2020 can be found in the 2020 Integrated Annual Report, page 158.

306-3. Waste generated

306-4. Wastes diverted from disposal

306-5. Waste directed for disposal

Type of waste	Treatment	2019	2020	2021
Construction and demolition waste	VALORIZATION (t)	2,077,954	1,920,764	2,252,047
	Reuse (t)	124,314	222,575	352,495
	Recycling (t)	1,664,996	1,409,544	1,899,552
	Other valorization (t)	288,645	288,645	0
	DISPOSAL or unknown treatment	449,903	641,204	550,947
	Landfill (t)	442,665	633,966	550,947
	Other disposal or unknown treatment (t)	7,238	7,238	0

Non-hazardous waste	VALORIZATION (t)	441,627	287,762	260,545
	Recycling (t)	0	0	192,061
	Other valorization (t)	441,627	287,762	68,484
	DISPOSAL or unknown treatment	243,691	131,762	33,122
	Landfill (t)	56	109	4,427
	Incineration (t)	0	0	582
	Other disposal or unknown treatment (t)	243,635	131,652	28,113
Hazardous waste	VALORIZATION (t)	33	24	2,357
	Recycling (t)	0	0	2,173
	Other valorization (t)	33	24	184
	DISPOSAL or unknown treatment	24,118	24,993	12,545
	Other disposal or unknown treatment (t)	24,118	24,993	12,545
TOTAL	VALORIZATION (t)	2,519,614	2,208,550	2,514,949
	Reuse (t)	124,314	222,575	352,495
	Recycling (t)	1,664,996	1,409,544	2,093,786
	Other valorization (t)	730,304	576,431	68,668
	DISPOSAL or unknown treatment	717,713	797,959	596,613
	Landfill (t)	442,721	634,075	555,374
	Incineration (t)	0	0	582
	Other disposal or unknown treatment (t)	274,992	163,883	40,657
Soil	2019	2020	2021	
Soil moved (m3)	31,132,853	19,030,312	26,237,981	
Soil reused (m3)	30,576,926	18,292,732	24,576,583	

CRE8. Type and number of sustainability certifications, ratings and labeling systems for new construction, management, occupancy and reconstruction.

Sustainable building certifications obtained in Spain, Poland and Chile:

DESCRIPTION	REGION	CERTIFICATION
Headquarters Pº Pereda Banco Santander	Spain	BREEAM
81 Residences El Peral Valladolid	Spain	BREEAM
160 Rivas Rc8 River Park Residences Madrid	Spain	BREEAM
14 single-family homes and 58 homes. Nolita Kronos. Phase I	Spain	BREEAM
Fractal Rivas Hotel Building	Spain	BREEAM
58 Homes in Paseo De La Habana	Spain	BREEAM
Puerto Seco UTE	Spain	BREEAM
Marchamalo 2 Logistics Platform	Spain	LEED
Hotel Giralda Center Sevilla	Spain	LEED
Velázquez 88 Building Madrid	Spain	LEED
Citrus Pozuelo Office Building	Spain	LEED
Claudio Coello Office Refurbishment	Spain	LEED
Bensell Manóteras Offices	Spain	LEED Y WELL
Cen Chile Building	Chile	LEED
Commercial and Office Building IKEA Poznań	Poland	BREEAM

401-1. New employee hires and employee turnover

Throughout 2021, the total number of new hires was 28,676 (33,616 in 2020), which corresponds to a total hiring rate of 45.47% (41.96% in 2020), compared to the year-end workforce. The breakdown by country, gender and age is as follows:

		<30	30 - 45	>45	Subtotal	TOTAL
Spain	Men	1,947	2,552	2,243	6,742	12,835
	Women	1,519	1,890	2,685	6,093	
United Kingdom	Men	407	441	391	1,239	1823
	Women	200	195	189	584	
USA	Men	1,034	1,393	1,166	3,593	4,098
	Women	108	219	178	505	
Canada	Men	111	191	353	655	697
	Women	10	16	16	42	
Poland	Men	240	302	159	701	909
	Women	119	74	15	208	
Latam	Men	2,020	2,452	1,368	5,840	6,176
	Women	112	168	56	336	
Rest of countries	Men	554	830	583	1,967	3,047
	Women	377	366	337	1,080	
TOTAL	Men	6,073	7,859	6,104	20,036	28,676
	Women	2,326	2,854	3,461	8,640	
	Subtotal	8,398	10,713	9,565		

The voluntary and involuntary turnover rate (%) for 2021, broken down by professional category, age and gender, is as follows:

	Voluntary						Involuntary*						Total						Total by category
	Men			Women			Men			Women			Men			Women			
	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	
Executives	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.02
Senior Manager	0.00	0.02	0.05	0.00	0.01	0.01	0.00	0.01	0.02	0.00	0.00	0.00	0.00	0.02	0.06	0.00	0.01	0.01	0.11
Manager	0.02	0.24	0.19	0.01	0.06	0.03	0.00	0.05	0.04	0.00	0.01	0.01	0.02	0.29	0.23	0.01	0.07	0.04	0.66
Senior Professional / Supervisor	0.04	0.13	0.10	0.02	0.07	0.03	0.01	0.05	0.07	0.00	0.02	0.01	0.05	0.18	0.17	0.02	0.08	0.04	0.55
Professional	0.33	0.56	0.38	0.15	0.20	0.08	0.04	0.13	0.11	0.02	0.03	0.02	0.37	0.69	0.49	0.17	0.23	0.09	2.04
Administratives / Support	0.09	0.04	0.02	0.08	0.06	0.07	0.04	0.05	0.01	0.05	0.05	0.02	0.13	0.08	0.04	0.13	0.11	0.09	0.57
Blue Collar	1.94	2.55	1.86	0.56	0.72	0.66	2.54	4.23	3.57	0.39	0.66	0.74	4.48	6.78	5.43	0.94	1.38	1.40	20.42
Subtotal by age	2.42	3.53	2.60	0.82	1.12	0.87	2.64	4.51	3.83	0.46	0.76	0.80	5.06	8.04	6.43	1.27	1.89	1.67	
Subtotal by gender	8.55		2.81				10.98			2.02			19.53			4.83			24.37
Total	11.37						13.00						24.37						

* The total number of layoffs in 2021 was 10,208 (7,593 in 2020).

Note: turnover data are given as ratios only, as they reliably represent the variations in headcount during the year.

403-1. Occupational health and safety management system

	2019	2020	2021
Percentage of employees represented in Health and Safety Committees	70.3	67.5	74.6

403-8 Workers covered by an occupational health and safety management system

	2019	2020	2021
403-8 Workers covered by an occupational health and safety management system (%)	92	93	93

403-9. Work-related injuries

403-10 Work-related ill health

	2019	2020	2021
Frequency rate	10.3	9.2	8.8
Frequency rate (including contractors)	7.7	7.2	6.7
Total recordable frequency rate	2.3	2.0	1.9
Total recordable frequency rate (including contractors)	1.8	1.6	1.4
Severity rate	0.25	0.26	0.28
Absenteeism rate	5.54	7.13	6.64
Occupational Disease Frequency Rate	0.39	0.26	0.29
Absenteeism hours (mill.hours)	9.52	10.85	9.28
Number of employee fatalities	5	2	2
Number of contractor fatalities	9	3	6

Frequency rate = number of accidents with sick leave*1,000,000/No. hours worked

Total recordable frequency rate = total recordable accidents*200,000/No. hours worked

Severity rate = number of lost days*1,000,000/no. hours worked

Note: accident rate data are given as ratios only, as they are a reliable representation of the company's health and safety performance.

404-1 Average hours of training per year per employee

	2021											Hours per division 2021	
	2019	2020	Executives	Senior Manager	Manager	Senior Professional / Supervisor	Professional	Adminis- tratives / Support	Blue Collar	Subtotal	Hours per employee and category 2021		
Corporation	19,453	9,209	Men	391	785	1,163	6,395	338	6	0	9,078	37.8	43.1
			Women	51	576	1,465	6,703	341	558	0	9,692	49.5	
Toll Roads	14,446	6,819	Men	12	1,051	1,326	831	976	79	2,840	7,115	22.7	20.6
			Women	0	455	303	801	543	377	35	2,514	16.3	
Airports	2,518	630	Men	144	311	249	74	0	0	0	778	25.9	22.0
			Women	1	176	10	39	0	9	0	235	14.7	
Construction	200,800	186,602	Men	1,322	7,592	13,288	16,379	25,283	7,415	21,885	93,164	6.5	6.9
			Women	195	423	3,861	6,101	8,671	5,578	864	25,693	9.1	
Services	648,730	517,926	Men	432	2,513	13,767	26,501	34,436	3,192	385,804	466,644	18.3	14.1
			Women	252	1,165	7,963	11,416	8,494	4,365	134,964	168,619	8.7	
Subtotal			Men	2,301	12,252	29,793	50,181	61,033	10,692	410,529	576,779	14.3	12.4
			Women	499	2,794	13,602	25,059	18,049	10,887	135,863	206,753	9.1	
TOTAL	885,947	721,186	783,532										12.4

405-1 Diversity of governance bodies and employees

		2021								TOTAL
		Executives	Senior Manager	Manager	Senior Professional / Supervisor	Professional	Administratives / Support	Blue Collar	Subtotal	
Corporation	Men	41	43	27	115	9	5	0	240	436
	Women	10	23	30	100	12	21	0	196	
Toll Roads	Men	2	34	50	39	35	4	149	313	467
	Women	0	8	17	29	34	20	46	154	
Airports	Men	1	8	12	4	5	0	0	30	46
	Women	0	3	1	3	4	5	0	16	
Construction	Men	69	296	1,756	1,279	2,258	490	8,160	14,308	17,134
	Women	4	30	376	545	1,134	481	256	2,826	
Services	Men	18	224	1,329.85	951.97	4,299.77	130	18,549.01	25,503	44,987
	Women	4	49	424	320.95	1,195.54	559.77	16,931.44	19,485	
TOTAL	Men	131	605	3,175	2,389	6,607	629	26,858	40,394	63,070
	Women	18	113	848	998	2,380	1,087	17,233	22,677	

Data for 2020 can be found in the 2020 Integrated Annual Report, page 161..

405-2 Ratio of basic salary and remuneration of women to men

Gender pay gap 2021 (expressed in local currency). Data as of 12.31.2021 - Base salary + salary supplements:

Country	Gender	% of employees	Median salary	Average salary	% gender pay gap (median salary)	% gender pay gap (average salary)
Spain	Men	50.9%	€22,030	€25,393	21.69%	20.78%
	Women	49.1%	€28,131	€32,055		
United Kingdom	Men	29.9%	£21,583	£23,614	35.53%	34.34%
	Women	70.1%	£33,475	£35,963		
USA and Canada	Men	13.2%	\$68,812	\$73,406	-16.97%	(1.42)%
	Women	86.8%	\$58,828	\$72,376		
Poland	Men	24.0%	96,480 zł	111,202 zł	-22.19%	1.22%
	Women	76.0%	78,960 zł	112,575 zł		
Chile	Men	8.8%	14,521,201 CLP	16,136,709 CLP	-11.83%	-8.30%
	Women	91.2%	12,984,501 CLP	14,899,985 CLP		

Gender pay gap 2021 (expressed in local currency) by professional category. Data as of 12.31.21 -Base salary + salary supplements:

Country	Professional Category	Gender	% employees	Average salary
Spain	Executives/Senior Manager/Manager	Women	19.2%	€80,197
		Men	80.8%	€104,622
	Senior Professionals/Supervisors	Women	33.3%	€44,628
		Men	66.7%	€50,819
	Professionals	Women	25.7%	€35,328
		Men	74.3%	€43,432
	Administratives/Support	Women	37.4%	€31,112
		Men	62.6%	€31,521
	Blue Collars	Women	54.1%	€23,858
		Men	45.9%	€25,133
	TOTAL 2021	Women	50.9%	€25,393
		Men	49.1%	€32,055
	TOTAL 2020	Women	40.5%	€27,861
		Men	59.5%	€33,006
United Kingdom	Executives/Senior Manager/Manager	Women	22.5%	£50,891
		Men	77.5%	£61,413
	Senior Professionals/Supervisors	Women	21.7%	£31,739
		Men	78.3%	£35,035
	Professionals	Women	20.8%	£32,957
		Men	79.2%	£37,280
	Administratives/Support	Women	82.6%	£22,753
		Men	17.4%	£23,117
	Blue Collars	Women	37.1%	£11,769
		Men	62.9%	£23,405
	TOTAL 2021	Women	29.9%	£23,614
		Men	70.1%	£35,963
	TOTAL 2020	Women	29.0%	£30,724
		Men	71.0%	£40,725

USA and Canada	Executives/Senior Manager/Manager	Women	23.5%	\$146,893
		Men	76.5%	\$194,795
	Senior Professionals/Supervisors	Women	22.5%	\$96,259
		Men	77.5%	\$119,233
	Professionals	Women	28.0%	\$76,537
		Men	72.0%	\$90,050
	Administratives/Support	Women	66.2%	\$55,525
		Men	33.8%	\$73,032
	Blue Collars	Women	6.0%	\$51,978
		Men	94.0%	\$58,929
	TOTAL 2021	Women	13.2%	\$73,406
		Men	86.8%	\$72,376
Poland	Executives/Senior Manager/Manager	Women	17.8%	181,583 zł
		Men	82.2%	214,446 zł
	Senior Professionals/Supervisors	Women	40.7%	143,242 zł
		Men	59.3%	164,705 zł
	Professionals	Women	45.9%	88,151 zł
		Men	54.1%	93,926 zł
	Administratives/Support	Women	72.9%	63,300 zł
		Men	27.1%	71,591 zł
	Blue Collars	Women	1.2%	44,812 zł
		Men	98.8%	52,851 zł
	TOTAL 2021	Women	24.0%	111,202 zł
		Men	76.0%	112,575 zł
Chile	Executives/Senior Manager/Manager	Women	21.1%	67,013,233 CLP
		Men	78.9%	91,218,955 CLP
	Senior Professionals/Supervisors	Women	14.9%	26,276,995 CLP
		Men	85.1%	31,642,239 CLP
	Professionals	Women	19.9%	20,438,597 CLP
		Men	80.1%	21,357,040 CLP
	Administratives/Support	Women	43.4%	12,334,353 CLP
		Men	56.6%	12,357,158 CLP
	Blue Collars	Women	6.6%	12,219,487 CLP
		Men	93.5%	13,358,640 CLP
	TOTAL 2021	Women	8.8%	16,136,709 CLP
		Men	91.2%	14,899,985 CLP
Chile	TOTAL 2020	Women	8.1%	16,380,451 CLP
		Men	91.9%	15,120,235 CLP

Gender pay gap 2021 (expressed in local currency) by age. Data as of 12.31.21 -Base salary + salary supplements:

Country	Age group	Gender	% employees	Average salary
Spain	0-30	Women	44.1%	€22,624
		Men	55.9%	€23,042
	30-45	Women	44.1%	€26,317
		Men	55.9%	€30,323
	>45	Women	56.6%	€25,257
		Men	43.4%	€35,476
	TOTAL 2021	Women	50.9%	€25,393
		Men	49.1%	€32,055
United Kingdom	0-30	Women	32.4%	£25,847
		Men	67.6%	£27,630
	30-45	Women	31.7%	£32,945
		Men	68.3%	£39,275
	>45	Women	28.0%	£25,629
		Men	72.0%	£39,323
	TOTAL 2021	Women	29.9%	£23,614
		Men	70.1%	£35,963
USA and Canada	0-30	Women	12.3%	US\$62,510
		Men	87.7%	US\$52,393
	30-45	Women	15.6%	US\$75,976
		Men	84.4%	US\$78,679
	>45	Women	11.1%	US\$76,609
		Men	88.9%	US\$79,053
	TOTAL 2021	Women	13.2%	US\$73,406
		Men	86.8%	US\$72,376
Poland	0-30	Women	36.6%	78,976 zł
		Men	63.4%	74,574 zł
	30-45	Women	25.6%	116,405 zł
		Men	74.4%	126,315 zł
	>45	Women	10.7%	162,675 zł
		Men	89.3%	108,257 zł
	TOTAL 2021	Women	23.8%	111,202 zł
		Men	76.2%	112,575 zł
Chile	0-30	Women	8.8%	12,385,597 CLP
		Men	91.2%	11,100,124 CLP
	30-45	Women	9.7%	17,717,368 CLP
		Men	90.3%	14,547,569 CLP
	>45	Women	7.2%	12,320,251 CLP
		Men	92.8%	16,738,389 CLP
	TOTAL 2021	Women	8.8%	16,136,709 CLP
		Men	91.2%	14,899,985 CLP

En 2020 se reporta por primera vez la información de salarios medios por grupo de edad, género y país al haberse adaptado los sistemas informáticos para su recogida.



Glossary of terms

ACI: Airports Council International is the only global trade representative of the world's airports. Established in 1991, ACI represents airport's interests with Governments and international organizations such as ICAO; develops standards, policies and recommends practices for airports, and provides information and training opportunities to raise standards around the world.

AGS: Aberdeen, Glasgow and Southampton. AGS Airports is the United Kingdom-based owner of Aberdeen, Glasgow and Southampton Airports. The company was formed in September 2014 by Ferrovial and Macquarie Group. The company acquired Aberdeen, Glasgow and Southampton Airports in December 2014 from Heathrow Airport Holdings.

Alignment: an activity is considered aligned according to the EU Taxonomy if it demonstrates a substantial contribution to one of the six EU environmental objectives without having a detrimental impact on any of the other five, and also meets the minimum social safeguards and technical screening criteria.

ASQ: Airport Service Quality Survey. The Airport Service Quality is the world-renowned and globally established global benchmarking program measuring passengers' satisfaction whilst they are travelling through an airport. The program provides the research tools and management information to better understand passengers' views and what they want from an airport's products and services.

BAME: acronym in English of black, Asian and minority ethnic.

BIM: It is a collaborative work methodology for the creation and management of a construction project (both building and infrastructure). Its objective is to centralize all project information in a digital information model created by all its agents. The use of BIM goes beyond the design phases, encompassing the execution of the project and extending throughout the life cycle of the building, allowing its management and reducing operating costs.

BuildUp!: Ferrovial's initiative to promote entrepreneurial talent and provide sustainable solutions to the company's internal needs.

BWI: Business Water Index. Business Water Index is related to the consumption of water and its discharge carried out in activities developed by Ferrovial.

CAA: Civil Aviation Authority. The Civil Aviation Authority is the statutory corporation which oversees and regulates all aspects of civil aviation in the United Kingdom.

CAC: Audit and Control Committee. The Audit and Control Committee is composed of four independent and external directors. It is responsible for the supervision of accounts, internal audit, financial information and risk control.

CDP: Carbon Disclosure Project. CDP is an organization based in the United Kingdom which supports companies and cities to disclose the environmental impact of major corporations. It aims to make environmental reporting and risk management a business norm, and drive disclosure, insight and action towards a sustainable economy.

CIIO: Chief Information and Innovation Officer. A chief innovation officer (CINO) or chief technology innovation officer (CTIO) is the main responsible for managing the innovation and change management process in an organization. In some cases is the person who originates new ideas but also recognizes innovative ideas generated by other people.

CNMV: Comisión Nacional del Mercado de Valores. The National Securities Market Commission is the body responsible for the supervision and inspection of Spanish securities markets and the activity of all those involved in them. The aim of the CNMV is to ensure the transparency of Spanish securities markets and the correct formation of prices, as well as the protection of investors.

CPS: Current Policies Scenario. Consider the impact of the policies and measures that are firmly established at present. This scenario would mean an increase in the global temperature of +3-4°C in 2100.

CRM: Customer Relationship Management. It is an information industry term that applies to methodologies, software and, in general, to the capabilities of the Internet that help a company manage relationships with its customers in an organized manner.

CSIC: Consejo Superior de Investigaciones Científicas. The Spanish National Research Council (CSIC) is the largest public institution dedicated to research in Spain and the third largest in Europe. Belonging to the Spanish Ministry of Economy and Competitiveness through the Secretary of State for Research, Development and Innovation, its main objective is to develop and promote research that will help bring about scientific and technological progress, and it is prepared to collaborate with Spanish and foreign entities to achieve this aim.

DBFOM: Design, Building, Finance, Operation and Maintenance.

DBF: Design, Build and Finance

DJSI: The Dow Jones Sustainability Indices (DJSI) launched in 1999, are a family of indices evaluating the sustainability performance of thousands of companies trading publicly and a strategic partner of the S&P Dow Jones Indices. They are the longest-running global sustainability benchmarks worldwide and have become the key reference point in sustainability investing for investors and companies alike. The DJSI is based on an analysis of corporate economic, environmental and social performance, assessing issues such as corporate governance, risk management, branding, climate change mitigation, supply chain standards and labor practices.

EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization. The Earnings Before Interest, Taxes, Depreciation, and Amortization is an accounting measure calculated using a company's net earnings, before interest expenses, taxes, depreciation, and amortization are subtracted, as a proxy for a company's current operating profitability (i.e., how much profit it makes with its present assets and its operations on the products it produces and sells, as well as providing a proxy for cash flow).

EIT KICs: Knowledge and Innovation Communities (Innovation Communities) EIT Innovation Communities are partnerships that bring together companies, research centers and universities that harness European innovation and entrepreneurship to find solutions to major societal challenges in areas with high innovation potential and create jobs and quality growth.

Eligibility: an activity is considered eligible under the EU Taxonomy if it demonstrates that it makes a substantial contribution to one of the six EU environmental objectives without having a detrimental impact on any of the other five.

EPD: Environmental Product Declaration. An EPD provides a reliable, relevant, transparent, comparable and verifiable environmental profile that highlights an environmentally friendly product, based on life cycle information (LCA) according to international standards and quantified environmental data.

EU Taxonomy: is a new classification system designed by the European Commission to describe whether an activity or business investment can be considered sustainable in terms of climate change adaptation or mitigation.

FRM: Ferrovial Risk Management. The Ferrovial Risk Management (FRM) is an identification and assessment process, supervised by the Board of Directors and the Management Committee, which is implemented in all business areas. This process makes it possible to forestall risks; once they have been analyzed and assessed based on their potential impact and likelihood, the most appropriate management and protection measures are taken, depending on the risk nature and location.

FTSE4Good: The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.

GECV: Grupo Español de Crecimiento Verde. The Spanish Group of Green Growth is a business association whose objective is to transfer to society and to public administration its vision of a model of economic growth which is compatible with the efficient use of natural resources.

GHG: Greenhouse Gas. A greenhouse gas is a gas in an atmosphere that absorbs and emits radiant energy within the thermal infrared range.

GRI: Global Reporting Initiative. GRI helps businesses and governments worldwide understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and social well-being. This enables real action to create social, environmental and economic benefits for everyone. The GRI Sustainability Reporting Standards are developed with true multi-stakeholder contributions and rooted in the public interest.

GWT: Global Water Tool. The Global Water Tool (GWT) is a free, publicly available resource for identifying corporate water risks and opportunities which provides easy access to and analysis of critical data. It includes a workbook (data input, inventory by site, key reporting indicators, metrics calculations), a mapping function to plot sites with datasets, and a Google Earth interface for spatial viewing.

GOP: Gross Operating Profit (RBE): See EBITDA.

HAA: Heathrow Airport Holdings. Heathrow Airport Holdings Limited, formerly BAA is the United Kingdom-based operator of Heathrow Airport. It was formed by the privatization of the British Airports Authority as BAA plc as part of Margaret Thatcher's moves to privatize government-owned assets. BAA plc was bought in 2006 by a consortium led by Ferrovial.

IAGC: Informe Anual de Gobierno Corporativo. Annual Corporate Governance Report

IFRS: NIIF. International Financial Reporting Standards, usually called the IFRS Standards, are standards issued by the IFRS Foundation and the International Accounting Standards Board (IASB) to provide a common global language for business affairs so that company accounts are understandable and comparable across international boundaries.

IRR: Internal Rate of Return. Internal Rate of Return (IRR) is a metric used in capital budgeting to estimate the profitability of potential investments. Internal rate of return is a discount rate that makes the net present value (NPV) of all cash flows from a particular project equal to zero.

IoT: Internet of Things. The Internet of things (IoT) is the network of physical devices, vehicles, home appliances and other items embedded with electronics, software, sensors, actuators, and network connectivity which enables these objects to connect and exchange data.

ILO: International Labor Organization. The International Labor Organization (ILO) is a United Nations agency dealing with labor problems, particularly international labor standards, social protection, and work opportunities for all.

ISO: International Organization for Standardization. ISO is an independent, non-governmental international organization with a membership of 162 national standards bodies. Through its members, it brings together experts to share knowledge and develop voluntary, consensus-based, market relevant International Standards that support innovation and provide solutions to global challenges.

Managed Lanes: assets developed by Ferrovial in the United States, consisting of a lane or toll lanes in addition to those already existing, in which a minimum speed is guaranteed to its users. The rates are adjusted to the traffic conditions, thereby regulating access levels.

MBA: The Master of Business Administration (MBA or M.B.A.) is a master's degree in business administration (management).

MIT: Massachusetts Institute of Technology is an educational institution focused on excellence and research and founded in Boston, Massachusetts (USA), in 1861. The mission of the Massachusetts Institute of Technology is to advance knowledge and educate students in science, technology, and other areas of scholarship. The Institute is an independent, coeducational, privately endowed university, organized into five Schools (architecture and planning; engineering; humanities, arts, and social sciences; management; and science). It has some 1,000 faculty members, more than 11,000 undergraduate and graduate students, and more than 130,000 living alumni.

NPS: New Policies Scenario. This not only incorporates the announcement of policies and measures but also the effects of their implementation. This scenario would mean an increase in the global temperature of +2-3°C in 2100.

OMEGA: Optimization of Equipment Maintenance and Asset Management.

P3: Public-Private Partnership. A public-private partnership (P3, 3P or P3) is a cooperative arrangement between two or more public and private sectors, typically of a long-term nature. Governments have used such a mix of public and private endeavors throughout history, for instance, in order to develop infrastructure projects.

PAB: Private Activity Bonds. Tax-exempt bonds issued by or on behalf of local or state government for the purpose of providing special financing benefits for qualified projects. The financing is most often for projects of a private user, and the government generally does not pledge its credit. These bonds are used to attract private investment for projects that have some public benefit. There are strict rules as to which projects qualify. This type of a bond results in reduced financing costs because of the exception of federal tax.

RCE: Risk Control Effectiveness.

SASB: Sustainability Accounting Standards Board. Is a nonprofit organization that sets financial reporting standards. SASB was founded in 2011 to develop and disseminate sustainability accounting standards.

SBTi: Science Based Targets. Science-based targets provide companies with a clearly defined pathway to future-proof growth by specifying how much and how quickly they need to reduce their greenhouse gas emissions.

SDG: Sustainable Development Goals. The Sustainable Development Goals (SDGs) are a collection of 17 global goals set by the United Nations. The SDGs cover a broad range of social and economic development issues. These include poverty, hunger, health, education, climate change, gender equality, water, sanitation, energy, environment and social justice.

SDS: Sustainable Development Scenario. This scenario is consistent with the decarbonization of the economy needed to achieve the Paris Agreement. It includes a peak in emissions that will be reached as soon as possible followed by a decrease. An increase in temperatures with respect to pre-industrial levels of 2°C or less is expected.

STEM: Science, Technology, Engineering and Mathematics. This term is typically used when addressing education policy and curriculum choices in schools to improve competitiveness in science and technology development.

TCFD: Task Force on Climate-related Financial Disclosures. The FSB Task Force on Climate-related Financial Disclosures (TCFD) develops voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders. The Task Force considers the physical, liability and transition risks associated with climate change and what constitutes effective financial disclosures across industries.

TSR (RTA): Total Shareholder Return. Total shareholder return (TSR) (or simply total return) is a measure of the performance of different companies' stocks and shares over time. It combines share price appreciation and dividends paid to show the total return to the shareholder expressed as an annualized percentage.

USPP: US Private Placement. The US Private Placement ("USPP") market is a US private bond market which is available to both US and non-US companies. The main attraction of this market is that it provides an alternative source of liquidity from the traditional bank market without the need for a formal credit rating and reporting requirements which are a prerequisite of the public bond markets.

UTE: Unión Temporal de Empresas. Temporary Joint Venture

WAI: The Water Access Index (WAI), related to water supply projects within the Social Action Program.

WBCSD: World Business Council for Sustainable Development. WBCSD is a global, CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world.

WFM: Water Footprint Assessment Manual. The manual covers a comprehensive set of definitions and methods for water footprint accounting. It shows how water footprints are calculated for individual processes and products, as well as for consumers, nations and businesses. It includes methods for water footprint sustainability assessment and a library of water footprint response options.

WRI: World Resources Institute. The World Resources Institute (WRI) is a global research non-profit organization that was established in 1982. The organization's mission is to promote environmental sustainability, economic opportunity, and human health and well-being. WRI partners with local and national governments, private companies, publicly held corporations, and other non-profits, and offers services including global climate change issues, sustainable markets, ecosystem protection, and environmental responsible governance services.

WTI: Water Treatment Index. The Water Treatment Index is related to the impact of the water treatment activity on resources (WWTP, Wastewater Treatment Plant, IWWT, Industrial Wastewater Treatment Plant, PWTP, Potable Water Treatment Plant, and SWDF, Seawater Desalination Facilities).

Verification Report

Independent Limited Assurance Report of the non-financial information
included in the Consolidated Management Report for the year ended
December 31, 2021

FERROVIAL, S.A. AND SUBSIDIARIES



Ernst & Young, S.L.
Calle de Raimundo Fernández Villaverde, 65
28003 Madrid

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

INDEPENDENT LIMITED ASSURANCE REPORT OF THE NON-FINANCIAL INFORMATION INCLUDED IN THE CONSOLIDATED MANAGEMENT REPORT

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

To the Shareholders of Ferrovial, S.A.:

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the non-financial information for the year ended December 31, 2021, of Ferrovial, S.A. and Subsidiaries (hereinafter, Ferrovial), which is part of the accompanying Consolidated Management Report of Ferrovial.

The content of the Management Report includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our review has been exclusively limited to the verification of the information shown in the table "Contents of Non-Financial Information Statements" and in the table "GRI Standards Indicators" of the accompanying Management Report.

Responsibility of the Board of Directors

The preparation of the non-financial information included in the Consolidated Management Report of Ferrovial (hereinafter, CMR) and its content is the responsibility of the Board of Directors of Ferrovial, S.A. The non-financial information included in the CMR was prepared in accordance with the content required by prevailing company law and in conformity with the criteria outlined in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards) according to comprehensive option, the principles included in Standard AA1000AP (2018) issued by AccountAbility (*Institute of Social and Ethical Accountability*) as well as other criteria described in accordance with that indicated for each subject in the table "Contents of Non-Financial Information Statements" and in the table "GRI Standards Indicators" of the accompanying Management Report.

The Board of Directors are also responsible for the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of the non-financial information included in the CMR that is free from material misstatement, whether due to fraud or error.

They are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the non-financial information included in the CMR is obtained.

Our independence and quality control

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence, diligence, confidentiality and professionalism.

Our Firm complies with the International Standard on Quality Control No. 1 and thus maintains a global quality control system that includes documented policies and procedures related to compliance with ethical requirements, professional standards, as well as applicable legal provisions and regulations.



The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. Our review has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the guidelines for verifying Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts (ICJCE) and in accordance with the AA1000AS V3 Standard under a Type 2 moderate assurance engagement.

The procedures carried out in a limited assurance engagement vary in nature and timing and are smaller in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units of Ferrovial participating in the preparation of the non-financial information included in the CMR, reviewing the process for gathering and validating the information included in the non-financial information included in the CMR, and applying certain analytical procedures and sampling review tests as described below:

- ▶ Meeting with Ferrovial personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- ▶ Analyzing the scope, relevance and integrity of the content included in the non-financial information included in the CMR based on the materiality analysis made by Ferrovial and described in "Reporting Principles" chapter, considering the content required by prevailing mercantile regulations.
- ▶ Analyzing the processes for gathering and validating the data included in the 2021 non-financial information included in the CMR.
- ▶ Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the non-financial information included in the CMR.
- ▶ Checking, through tests, based on a selection of a sample, the information related to the content of the 2021 non-financial information included in the CMR and its correct compilation from the data provided.
- ▶ Obtaining a representation letter from the Board of Directors and Management.

In addition, we reviewed the adequacy of the structure and content in accordance with the principles established in standard AA1000AP (2018), with a moderate level of Type 2 assurance.



Paragraph of emphasis

Regulation (EU) 2020/852 of the European Parliament and the Council, June 18 2020, on the establishment of a framework to facilitate sustainable investments settles the obligation to disclose information on how and to what extent the company's activities are associated with economic activities that are considered environmentally sustainable in relation to climate change mitigation and adaptation objectives for the first time for the financial year 2021, provided that the Statement of Non-Financial Information is published as of January 1 2022. Consequently, comparative information on this matter has not been included in the accompanying Consolidated Management Report. Additionally, information has been included, for which the Board of Directors of Ferrovial, S.A. has chosen to apply the criteria that, in their opinion, best enable compliance with the new obligation and which are defined within the "European Taxonomy" chapter of the accompanying Consolidated Management Report. Our conclusion has not been modified in relation to this matter.

Conclusions

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that Ferrovial non-financial information included in the Consolidated Management Report for the year ended December 31, 2021 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and in conformity with the criteria outlined in the Global Reporting Initiative Sustainability Reporting Standards (GRI standards) according to comprehensive option, described as explained for each subject matter in the table "Contents of Non-Financial Information Statements" and in the table "GRI Standards Indicators" of the Management Report.

With regard to the application of the principles established in standard AA1000AP (2018), no matter has come to our attention that would cause us to believe that the Group has not applied the principles of inclusivity, materiality, responsiveness, and impact, as explained under "Reporting Principles".

Recommendations

We have presented to Ferrovial's Management our recommendations regarding areas for improvement in relation to the application of the principles of the AA1000AP (2018) Standard. The most significant recommendations refer to:

- ▶ **Inclusivity:** Ferrovial continues to make progress in identifying and diagnosis through the management model of its stakeholders, including investees, based on its specific management model for these companies. We also recommend Ferrovial continue to update the stakeholders as it determines new strategic priorities and that it likewise persist in processing data and consulting with local communities to enhance management of local stakeholders.
- ▶ **Materiality:** Ferrovial identifies and values material matters that are relevant to its stakeholders, enabling to define its Horizon 24 Strategic Plan focused on the promotion, construction and management of sustainable infrastructures. Considering the ever-changing social and market context, it is recommended to periodically reassess material matters to ensure the inclusion of relevant aspects in the 2030 Sustainability Plan framed in said Strategic Plan.



4

- ▶ **Responsiveness:** Through its 2030 Sustainability Plan, Ferrovial monitors its areas of action and specific objectives for each effective year, aligning itself with the relevant issues of the organization. It is recommended to continue incorporating the expectations of local stakeholders in future years, focusing efforts on monitoring the initiatives that Ferrovial intends to address. On the other hand, and given the complexity of the process of consolidation and reporting of information from a large number of subsidiaries, we recommend continuing to strengthen the internal control systems for non-financial information in order to ensure the quality and integrity of the information reported.
- ▶ **Impact:** Ferrovial's 2030 Sustainability Plan supports the initiatives that are grouped around its six global macro trends, which complement the development of its Horizon 24 Strategic Plan according to its four strategic priorities. We recommend advancing in the measurement and analysis of the long-term value created by Ferrovial, developing a process to evaluate and manage the real and potential impacts of the organization in the different areas in which it has influence, as well as continuing to optimize the methodologies for calculating carbon footprint and water footprint that measure the impact of its activity.

Use and distribution

This report was prepared in response to the requirement established by prevailing company law in Spain and may not be appropriate for other uses and jurisdictions.

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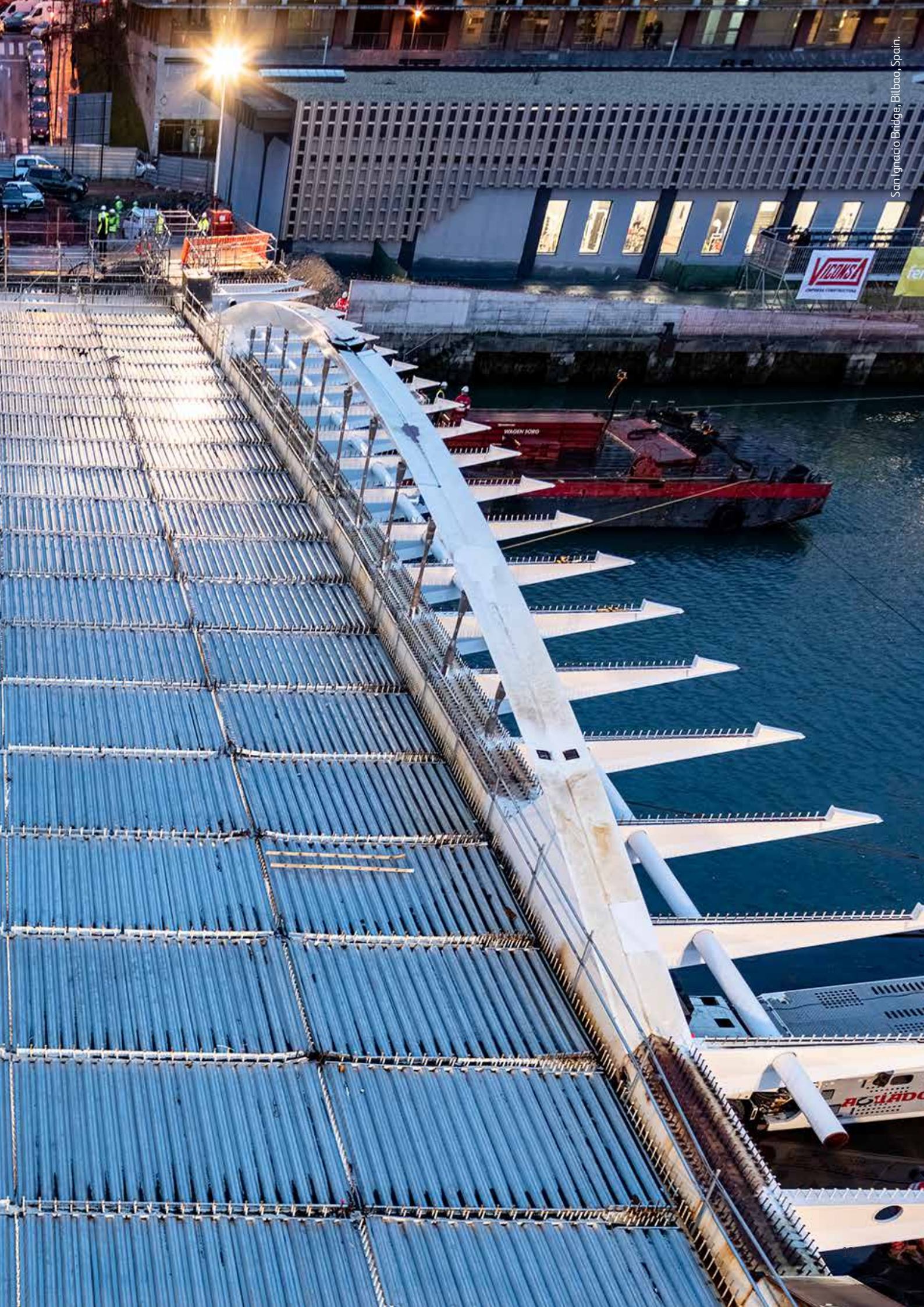
(Signature on the original in Spanish)

Alberto Castilla Vida

February 23rd, 2022



Consolidated Financial Statements



San Ignacio Bridge, Bilbao, Spain.



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A. CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR 2021 AND 2020

Assets (Millions of euros)	Note	2021	2020 (*)
Non-current assets		15,794	10,814
Goodwill on consolidation	3.1	420	220
Intangible assets	3.2	126	96
Fixed assets in infrastructure projects	3.3	11,185	6,356
Intangible asset model		11,016	6,189
Financial asset model		169	167
Investment property		0	2
Property, plant and equipment	3.4	348	341
Right of use	3.7	156	137
Investments in associates	3.5	1,838	1,727
Non-current financial assets	3.6	879	856
Loans granted to associates		227	163
Restricted cash in infrastructure projects and other financial assets	5.2	579	654
Other receivables		73	39
Deferred taxes	2.8	549	604
Long-term financial derivatives at fair value	5.5	293	475
Current assets		9,102	12,277
Assets classified as held for sale and discontinued operations	1.1.3	1,761	3,502
Inventories	4.1	405	699
Current income tax assets		78	111
Short-term trade and other receivables	4.2	1,317	1,367
Trade receivables for sales and services		1,045	1,019
Other short-term receivables		272	348
Other short-term financial assets		11	0
Cash and cash equivalents	5.2	5,515	6,526
Infrastructure project companies		207	148
Restricted cash		47	33
Other cash and cash equivalents		160	115
Ex-infrastructure project companies		5,308	6,378
Short term financial derivatives at fair value	5.5	15	72
TOTAL ASSETS		24,896	23,091
Liabilities and equity (millions of euros)	Note	2021	2020 (*)
Equity	5.1	5,839	3,790
Equity attributable to shareholders		4,048	3,150
Equity attributable to non-controlling interests		1,791	640
Deferred income	6.1	1,402	1,285
Non-current liabilities		11,078	9,584
Pension plan deficit	6.2	3	4
Long-term provisions	6.3	421	442
Long-term lease liabilities	3.7	108	93
Borrowings	5.2	9,512	8,084
Debentures and debts of infrastructure project companies		7,362	5,192
Debt securities and payables of ex-infrastructure project companies		2,150	2,892
Other payables	6.4	69	63
Deferred taxes	2.8	670	451
Financial derivatives at fair value	5.5	295	447
Current liabilities		6,577	8,435
Liabilities classified as held for sale and discontinued operations	1.1.3	1,478	2,476
Short-term lease liabilities	3.7	51	69
Borrowings	5.2	1,074	1,678
Debentures and debts of infrastructure project companies		47	48
Bank borrowings of ex-infrastructure project companies		1,027	1,630
Financial derivatives at fair value	5.5	110	52
Current income tax liabilities		69	94
Short-term trade and other payables	4.3	2,793	3,115
Trade payables		1,535	1,445
Advance payments from customers and work certified in advance		885	1,350
Other short-term payables		373	320
Trade provisions	6.3	1,002	952
TOTAL LIABILITIES AND EQUITY		24,896	23,091

The accompanying Notes 1.1 to 6.12 form an integral part of the consolidated statement of financial position for 2021 and 2020.

B. CONSOLIDATED INCOME STATEMENT FOR 2021 AND 2020

Income statement (millions of euros)	Note	2021		2020 (***)	
		Before fair value adjustments	Fair value adjustments (*)	Before fair value adjustments	Fair value adjustments (*)
		Total 2021		Total 2020	
Revenue		6,778	0	6,532	0
Other operating income		1	0	2	0
TOTAL OPERATING INCOME	2.1	6,779	0	6,534	0
Materials consumed		1,077	0	990	0
Other operating expenses	2.2	3,896	1	3,926	0
Staff costs	2.3	1,209	0	1,212	0
TOTAL OPERATING EXPENSES		6,182	1	6,128	0
EBITDA	2.4	597	-1	406	0
Fixed asset depreciation		259	0	233	0
Operating profit/(loss) before impairment and disposal of fixed assets	2.4	338	-1	173	0
Impairment and disposal of fixed assets (**)	2.5	38	1,101	15	16
Operating profit/(loss)		376	1,100	174	15
Net financial income/(expense) from financing		-220	0	-244	0
Profit/(loss) on derivatives and other net financial income/(expense)		-4	-84	-2	39
Net financial income/(expense) from infrastructure projects		-224	-84	-246	39
Net financial income/(expense) from financing		-26	0	-8	0
Profit/(loss) on derivatives and other net financial income/(expense)		-1	1	-33	5
Net financial income/(expense), ex-infrastructure projects		-27	1	-41	5
Net financial income/(expense)	2.6	-251	-83	-287	44
Share of profits of equity-accounted companies	2.7	-174	-3	-323	-50
Consolidated profit/(loss) before tax		-49	1,014	-436	9
Corporate income tax	2.8	-12	21	48	-13
Consolidated profit/(loss) from continuing operations		-61	1,035	-388	-4
Profit/(loss) from discontinued operations		361	0	19	0
Consolidated profit/(loss) for the year		300	1,035	-369	-4
Profit/(loss) for the year attributed to non-controlling interests	2.10	-153	15	-42	-9
Profit/(loss) for the year attributed to the parent company		147	1,050	-411	-13
Net earnings per share attributed to the parent company (in euros)	2.11		Basic		Basic
			Diluted		Diluted

(*) Relating to gains and losses arising from changes in the fair value of derivatives and other financial assets and liabilities (Note 5.5), asset and liability impairment (Note 2.5) and the impact of the two items on "share of profits of equity-accounted companies" (Note 2.7).

(**) "Impairment and fixed asset disposals" primarily include asset impairment and the gains or losses on the sale and disposal of investments in Group companies and associates. When such disposals result in a loss of control, the gain arising from the recognition of the ownership interest at fair value is presented in the fair value adjustments column.

(***) Restated figures (Note 1.1.5)

The accompanying Notes 1.1 to 6.12 form an integral part of the consolidated income statement for 2021 and 2020.

C. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR 2021 AND 2020

(Millions of euros)	Note	2021	2020 (**)
a) Total consolidated profit/(loss) for the year		1,335	-373
Attributed to the parent company		1,197	-424
Attributed to non-controlling interests		138	51
b) Income and expense recognized directly in equity	5.1	180	-399
Fully consolidated companies		132	-225
Impact on hedge reserves	5.5	11	-185
Impact on defined benefit plan reserves (*)	6.2	0	0
Currency translation differences		115	-88
Tax effect		6	48
Companies held for sale		27	10
Impact on hedge reserves		4	0
Impact on defined benefit plan reserves (*)		0	0
Currency translation differences		24	10
Tax effect		-1	0
Equity-accounted companies		21	-184
Impact on hedge reserves		45	-28
Impact on defined benefit plan reserves (*)		33	-38
Currency translation differences		-32	-132
Tax effect		-25	14
c) Transfers to income statement	5.1	1	46
Fully consolidated companies		12	0
Transfers to income statement		16	0
Tax effect		-4	0
Companies held for sale		3	43
Transfers to income statement		4	53
Tax effect		-1	-10
Equity-accounted companies		-14	3
Transfers to income statement		-14	4
Tax effect		0	-1
a+b+c) TOTAL COMPREHENSIVE INCOME		1,516	-726
Attributed to the parent company		1,394	-725
Attributed to non-controlling interests		122	-1

(*) The impact on reserves of defined benefit plans is the only item of income and expense recognized directly in equity that cannot subsequently be reclassified to the income statement (Note 5.1).

(**) Restated figures (Note 1.1.5)

The accompanying Notes 1.1 to 6.12 form an integral part of the consolidated statement of comprehensive income for 2021 and 2020.

D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR 2021 AND 2020

(Millions of euros)	Share capital	Share/Merger premium	Treasury shares	Other equity instruments	Measurement adjustments	Retained earnings and other reserves	Attributed to shareholders	Attributed to non-controlling interests	Total equity
Balance at 31.12.20 (*)	147	647	-13	506	-1,496	3,359	3,150	640	3,790
							0		0
Balance at 01.01.21	147	647	-13	506	-1,496	3,359	3,150	640	3,790
Consolidated profit/(loss) for the year	0	0	0	0	0	1,197	1,197	138	1,335
Income and expense recognized directly in equity	0	0	0	0	196	0	196	-16	180
Transfers to income statement	0	0	0	0	1	0	1	0	1
Total recognized income and expenses during the year	0	0	0	0	197	1,197	1,394	121	1,515
Scrip dividend agreement	3	3	0	0	0	-34	-29	0	-29
Other dividends	0	0	0	0	0	0	0	-270	-270
Treasury share transactions	-3	-432	-111	0	0	111	-434	0	-434
Shareholder remuneration	0	-429	-111	0	0	77	-463	-270	-733
Share capital increases/reductions	0	0	0	0	0	0	0	28	28
Share-based remuneration schemes	0	0	0	0	0	-22	-22	0	-22
Other movements	0	0	0	0	0	-4	-4	1	-3
Other transactions	0	0	0	0	0	-26	-26	29	3
Perpetual subordinated bond issues	0	0	0	1	0	-8	-7	0	-7
Scope changes	0	0	0	0	0	0	0	1,270	1,270
Balance at 31.12.2021	147	218	-124	507	-1,299	4,599	4,048	1,791	5,839

(Millions of euros)	Share capital	Share/Merger premium	Treasury shares	Other equity instruments	Measurement adjustments	Retained earnings and other reserves	Attributed to shareholders	Attributed to non-controlling interests	Total equity
Balance at 31.12.19	147	995	-75	505	-1,195	3,928	4,305	783	5,088
	0	0	0	0	0	0	0	0	0
Balance at 01.01.20	147	995	-75	505	-1,195	3,928	4,305	783	5,088
Consolidated profit/(loss) for the year	0	0	0	0	0	-424	-424	51	-373
Income and expense recognized directly in equity	0	0	0	0	-347	0	-347	-52	-399
Transfers to income statement	0	0	0	0	46	0	46	0	46
Total recognized income and expenses during the year	0	0	0	0	-301	-424	-725	-1	-726
Scrip dividend agreement	3	-92	0	0	0	-29	-119	0	-119
Other dividends	0	0	0	0	0	0	0	-134	-134
Treasury share transactions	-3	-256	62	0	0	-62	-258	0	-258
Shareholder remuneration	0	-348	62	0	0	-91	-377	-134	-511
Share capital increases/reductions	0	0	0	0	0	0	0	15	15
Share-based remuneration schemes	0	0	0	0	0	-9	-9	0	-9
Other movements	0	0	0	0	0	-19	-19	1	-18
Other transactions	0	0	0	0	0	-28	-28	16	-12
Perpetual subordinated bond issues	0	0	0	1	0	-8	-7	0	-7
Scope changes	0	0	0	0	0	-18	-18	-24	-42
Balance at 31.12.2020 (*)	147	647	-13	506	-1,496	3,359	3,150	640	3,790

The accompanying Notes 1.1 to 6.12 form an integral part of the consolidated statement of changes in equity for 2021 and 2020.

(*) Restated figures (Note 1.1.5).

E. CONSOLIDATED CASH FLOW STATEMENT FOR 2021 AND 2020

(Millions of euros)	NOTE	2021	2020 (*)
Net profit/(loss) attributable to parent company		1,197	-424
Adjustments to profit/(loss)		-255	1,011
Non-controlling interests		138	-51
Net profit/(loss) from discontinued operations		-361	-19
Tax		-10	-34
Profit/(loss) from equity-accounted companies		178	373
Net financial income/(expense)		334	243
Impairment and disposal of fixed assets		-1,139	-15
Depreciation/amortization		260	233
EBITDA discontinued operations	2.9	345	281
EBITDA including discontinued operations		942	587
Tax payments		-155	-101
Change in working capital (receivables, payables and other)	4.0	-249	308
Dividends from infrastructure project companies received	3.5	272	299
Cash flows from operating activities		810	1,093
Investment in property, plant and equipment/intangible assets		-124	-116
Investment in infrastructure projects	3	-239	-128
Loans granted to associates/acquisition of companies		-923	-152
Interest received	2.6	3	25
Investment of long-term restricted cash		119	253
Divestment of infrastructure projects		0	0
Divestment/sale of companies	1.1.4	1,621	501
Cash flows from investing activities		457	383
Cash flows before financing activities	5.1	1,267	1,476
Capital cash flows from non-controlling interests		57	19
Scrip dividend		-31	-122
Treasury share purchases		-432	-256
Shareholder remuneration		-463	-378
Dividends paid to non-controlling interests of investees		-270	-133
Other movements in shareholder's funds		0	-24
Cash flows from shareholders and non-controlling interests		-676	-516
Interest paid	2.6	-295	-274
Lease instalments		-131	-89
Increase in borrowings		603	2,209
Decrease in borrowings		-1,671	-804
Net change in financial borrowing discontinued operations		-51	-96
Cash flows from financing activities		-2,221	430
Effect of exchange rate on cash and cash equivalents		99	-133
Change in cash and cash equivalents due to consolidation scope changes		-109	-6
Change in cash and cash equivalents from discontinued operations	5.3	-47	24
Change in cash and cash equivalents	5.3	-1,011	1,791
Cash and cash equivalents at beginning of year		6,526	4,735
Cash and cash equivalents at year-end		5,515	6,526

The accompanying Notes 1.1 to 6.12 form an integral part of the consolidated cash flow statement for 2021 and 2020.

(*) Restated figures (Note 1.1.5)

F. NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR 2021

SECTION 1: BASIS OF PRESENTATION AND CONSOLIDATION SCOPE

This section presents the information considered necessary to know prior to reading the Ferrovial consolidated financial statements.

BASIS OF PRESENTATION AND NEW ACCOUNTING STANDARDS

The Ferrovial consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (hereinafter, IFRS) standards that apply within the European Union. The accounting policies applied are explained in Note 1.3 of this section.

Company activities

The disclosures presented in these financial statements include most notably those relating to the distinction between infrastructure project companies and non-infrastructure project companies (see Note 1.1.2 for a definition). Also noteworthy are those relating to the Group's two main assets, the 25% ownership interest in Heathrow Airports Holdings (HAH), which owns Heathrow Airport, and the 43.23% ownership interest in the company that owns the 407 ETR toll road in Toronto (Canada).

Discontinued operations

As developed in more detail in note 1.1.3, in 2021 significant progress was made with the divestment of the Services Division, primarily in Spain, United Kingdom and United States. The assets and liabilities still owned by Ferrovial are still reported as discontinued operations.

These divestments included the sale, on 1 December 2021, of the environmental services business in Spain and Portugal to PreZero (a Schwarz Group company). The total price of the shares received by Ferrovial was EUR 1,032 million, a net capital gain of EUR 335 million at the consolidated level.

In addition, in November 2021, the US services business related to oil and gas industry infrastructure maintenance was sold.

Already in 2022, the sale of the infrastructure upkeep and maintenance business in Spain to Portobello Capital was completed, and an agreement has been signed for the sale of a small business area within the Amey business related to energy and water infrastructure maintenance services.

Within the Construction business, the sale of the real estate business in Poland carried out by Budimex through its subsidiary Budimex Nieruchomości, which had been classified as discontinued, was also closed in 2021.

Finally, certain contracts included in the Services Division that will not be divested have been reclassified to continuing operations. This reclassification has also implied the restatement of the 2020 information (see Notes 1.1.3 and 1.1.5).

Consolidation scope changes

Note 1.1.4 provides detailed information on the main changes in the scope of consolidation this year, mainly highlighting the acquisition of an additional 5.704% in the capital of the concession company I-66 Express Mobility Partners Hold. LLC (hereinafter I-66). This acquisition brings Ferrovial's total stake to 55.704%, which means that Ferrovial now holds the majority of the voting rights and therefore controls the company. This means that the company is now fully consolidated and Ferrovial's previous stake in the concession (50%) is valued at fair value, which has led to the recognition of a revaluation gain of 1,117 million euro.

In addition, on 29 December 2021, Ferrovial completed the acquisition of 24.86% of the Indian company IRB Infrastructure Developers Limited, by subscribing to a preference capital increase for 369 million euro. IRB is one of the leading companies dedicated to the development and subsequent operation of toll roads in India.

On 20 September 2021, Ferrovial acquired 100% of the assets of Parque Solar Casilla S.L.U., owner of the permits to build a 49.9 MWp photovoltaic solar plant in Gerena (Seville).

Finally, it is also worth highlighting the sale of the financial stake in the Portuguese motorway Norte Litoral, as well as several divestment operations carried out in the Construction Division, which are mentioned in Note 1.1.4.

Impact of COVID-19

Note 1.2 includes an analysis of the impact that the evolution of the pandemic has had on Ferrovial in 2021. The activities carried out by Construction and Services have hardly been affected by the pandemic during 2021, and it is also noteworthy that the recovery of traffic on the main toll roads on which Ferrovial operates has been very rapid since the various countries lifted restrictions during the year. On the other hand, the Airports business is experiencing the greatest difficulties, with a slower recovery due to the greater restrictions on air traffic, aggravated at the end of the year by the omicron variant.

Judgements and estimates

This section includes the main estimates made by Ferrovial when measuring its assets, liabilities, revenues, expenses and obligations (Note 1.2.4).

Foreign exchange effect

Although Ferrovial's functional currency is the euro, a significant part of its activities is carried out in countries outside the euro zone. Note 1.3 analyses the impact on the financial statements of changes in the main currencies of these countries.

1.1. BASIS OF PRESENTATION, COMPANY ACTIVITIES AND CONSOLIDATION SCOPE

1.1.1. Basis of presentation

The consolidated annual accounts are presented in compliance with the financial reporting regulatory framework applicable to the Group, to present fairly the Group's equity, financial position, results and cash flows. The regulatory framework consists of International Financial Reporting Standards (IFRS), as established by Regulation (EC) no. 1606/2002 of the European Parliament and of the Council dated 19 July 2002.

1.1.2 Company activities

Ferrovial comprises the parent company, Ferrovial, S.A., incorporated in Spain and its subsidiaries, which are detailed in Appendix II. Its registered office is in Madrid, at Calle Príncipe de Vergara 135.

Through these companies, Ferrovial engages in the following three lines of business, which are its reporting segments pursuant to IFRS 8:

- Construction: Design and build of all manner of public and private works, including most notably the construction of public infrastructure.
- Toll roads: Development, financing and operating of toll roads.
- Airports: Development, financing and operating of airports, as well as integrated solutions.

Besides these three business lines, Ferrovial has interests in other businesses included in "Other activities" for segment reporting purposes, including the development of Energy Infrastructures (transmission lines and renewable energy generation plants), Mobility (through the ownership interest in Zity), Waste Treatment Plants in the UK Services Division and the other Services businesses that are still being divested, as explained in Note 1.1.3.

For a more detailed description of the various areas of activity in which the consolidated Group conducts its business operations, please consult the Group's website: www.ferrovial.com.

In order to better understand these financial statements, it should be noted that a part of the activity carried out by the Group's business divisions consists of the development of infrastructure projects, primarily in the toll road and airport business lines, but also in the construction and energy fields.

These projects are conducted through long-term arrangements with public authorities under which the concession operator, in which the Group generally has an ownership interest together with other shareholders, finances the construction or upgrade of public infrastructure, mainly with borrowings secured by the cash flows from the project and with the shareholders' capital contributions, and subsequently operates and maintains the infrastructure. The investment is recovered by collecting tolls or regulated charges for the use of the infrastructure, or through amounts paid by the authority awarding the contract based on the availability for use of the related asset. In most cases the construction and subsequent maintenance of the infrastructure is subcontracted by the concession operators to the Group's construction division.

From an accounting standpoint, most of these arrangements are within the scope of application of IFRIC 12.

Accordingly, and in order to aid understanding of the Group's financial performance, these consolidated financial statements separately detail the impact of projects of this nature in "fixed assets in infrastructure projects" (distinguishing between those to which the intangible asset model is applied and those to which the financial asset model is applied), in long-term financial assets and, mainly, in the net cash position and the cash flow disclosures, in which the cash flows called "ex-infrastructure projects", which combines the cash flows generated by the construction and services businesses, the dividends from the capital invested in infrastructure projects and investments in or divestments of the share capital of these projects, are presented separately from the cash flows of the infrastructure projects, which include the cash flows generated by the related concession operators. A list of the companies regarded as infrastructure project companies can be consulted in Appendix II.

It is also important to highlight that two of the Group's main assets are its 25% ownership interest in Heathrow Airport Holdings (HAH), the company that owns Heathrow Airport in London (UK), and its 43.23% ownership interest in 407 ETR, the concession operator of the 407 ETR toll road in Toronto (Canada), which are equity-accounted companies since 2011 and 2010, respectively. In order to provide detailed information on the two companies, Note 3.5, Investments in equity-accounted companies includes information relating to the changes in the two companies' balance sheets and income statements, and this is completed with information considered to be of interest in other Notes within the annual accounts.

Lastly, it should be noted that the Services business carried out by Budimex in Poland is included in the Construction segment.

1.1.3. Assets and liabilities held for sale and discontinued operations

Discontinued operations

In 2021 significant progress was made with the divestment of the Services Division, primarily in Spain, United Kingdom and United States.

In November 2021, the agreement to sell the US services business related to oil and gas industry infrastructure maintenance was completed for a price of USD 16 million (EUR 14 million).

On 1 December 2021, the sale agreement reached between Ferrovial and PreZero (company of the Schwarz Group) on 26 July 2021 for the Environment Services business in Spain and Portugal was completed once all the conditions precedent had been fulfilled. The total price of the shares received by Ferrovial was EUR 1,032 million. This transaction generated a profit of EUR 335 million.

On 31 January 2022, the sale agreement between Ferrovial and Portobello Capital for the acquisition of the infrastructure conservation and maintenance business in Spain was completed, once all the conditions precedent to which the transaction was subject had been fulfilled. The total price of the shares received by Ferrovial was EUR 171 million. Pursuant to the provisions of the sale and purchase agreement, a subsidiary of Ferrovial acquired 24.99% of the share capital of the acquiring company for a price of EUR 17.5 million.

In February 2022, an agreement was reached to sell a small business area within the Amey business related to energy and water infrastructure maintenance services.

Additionally, as mentioned in Note 1.1.5, in 2021 the UK waste treatment business (reported in "Other activities"), the contract to maintain and operate the section of the A2 toll road and the contract to maintain and operate Madrid Calle 30 (reported in "Toll Roads"), together with the US infrastructure maintenance business and the energy efficiency services business (both reported in "Construction") were reclassified as continuing operations. This decision was taken following the progress of the divestment processes and considering that certain contracts included in the Services division could fit strategically in other divisions of the Group, facilitating the execution of the divestment processes. Thus, it has been decided to exclude these contracts from the scope of sale, and in accordance with the provisions of the accounting regulations, by including these activities as a continuing activity, the information for 2020 has been restated.

As regards the other activities and as stated in the Annual General Meeting held on 9 April 2021, at the date these financial statements are authorized for issue, the Group remains committed to selling the Services Division.

In this sense, the company is still actively working on its sale, it considers it highly probable that such divestment will take place, and its assets are in conditions for immediate sale, with different advisors' mandates in force and conversations with potential investors, the objective being to sell such assets at a price that is reasonable in accordance with their current market value.

Measurement of assets at fair value

In line with the legislation in force, the assets and liabilities of each of the units included under discontinued operations must be measured at the lower of its carrying amount or fair value.

Fair value has been determined taking account of information on the latest offers received.

With respect to the carrying amount, it is important to consider that results for the year do not include fixed asset depreciation charges, as indicated in the following section.

Impact on the presentation of the financial statements

The reclassification of the Services division to discontinued operations had the following impacts on these financial statements:

- The profit/(loss) after tax generated by the Services business is not reported on each line of the income statement but on a single line named "Profit/(loss) from discontinued operations", in both 2021 and 2020 (Note 2.9). Pursuant to IFRS 5, this profit/(loss) does not include depreciation/amortization charged on the assets. This heading also includes the potential profit/(loss) of impairments incurred on the fair value adjustment to the assets, as well as the final profit/(loss) created at the moment of sale.
- For the purposes of the balance sheet, all assets and liabilities attributable to the Services business have been reclassified to "Assets/liabilities held for sale and discontinued operations".
- Note 6.5 on "Contingent assets and liabilities and investment commitments" includes information on discontinued operations.
- The following table details the different types of assets and liabilities that are classified as discontinued operations as of December 2021 and December 2020:

Services Division (millions of euros)	DEC. 2021	DEC. 2020 (*)	VAR.
Non-current assets	1,001	1,965	-964
Goodwill	117	678	-561
Intangible assets	96	115	-19
Fixed assets in infrastructure projects	66	251	-185
Property, plant and equipment	86	315	-230
Right of use	268	273	-4
Deferred taxes	205	254	-49
Other non-current assets	163	80	84
Current assets	732	1,351	-619
Inventories	14	18	-4
Short-term trade and other receivables	537	1,022	-485
Cash and cash equivalents	139	300	-161
Other current assets	42	11	31
TOTAL assets classified as discontinued operations	1,733	3,316	-1,583

Services Division (millions of euros)	DEC. 2021	DEC. 2020 (*)	VAR.
Deferred income	0	2	-2
Non-current liabilities	338	838	-499
Long-term provisions	26	256	-231
Long-term lease liabilities	94	111	-17
Borrowings	52	161	-110
Deferred taxes	148	227	-79
Other non-current liabilities	19	82	-63
Current liabilities	1,140	1,550	-411
Short-term lease liabilities	45	42	3
Borrowings	27	62	-35
Short-term trade and other payables	880	1,153	-273
Trade provisions	101	212	-111
Other current liabilities	86	81	6
TOTAL liabilities classified as discontinued operations	1,478	2,390	-912

(*) Restated figures (Note 1.1.5)

The decrease in the balance sheet items in relation to 2020 is explained mainly by the sale of the Environment Services businesses in Spain and Portugal, and the oil and gas infrastructure maintenance business in the United States, completed at the end of the current financial year.

Assets and liabilities held for sale

The net balance of assets and liabilities classified as held for sale as at December 2021 amount to EUR 28 million. This balance mainly comprises 20% of the equity-accounted Portuguese toll road Via do Infante.

The net balance of assets and liabilities held for sale stood at EUR 101 million at December 2020.

The decrease in relation to 2020 is explained by the 2021 sales of 20% of the Portuguese toll road Norte Litoral and the Group's shares in Concesionaria de Prisiones Figueras, S.A.U. and in Urbs Iudex Et Causidicus, S.A., as explained in Note 1.1.4.

Unlike the discontinued operations, results arising from held-for-sale assets are still reported on the corresponding income statement lines as they are not a business segment or activity.

The following table details the different types of assets and liabilities that are classified as held for sale at December 2021:

Assets held for sale (Millions)	DEC. 2021	DEC. 2020 (*)	VAR.
Non-current assets	28	170	-142
Fixed assets in infrastructure	0	96	-96
Property, plant and equipment	2		2
Investments in associates	26	68	-42
Deferred taxes	0	5	-5
Current assets	0	16	-16
Short-term trade and other	0	5	-5
Cash and cash equivalents	0	11	-11
TOTAL assets classified as	28	186	-158

Liabilities held for sale	DEC. 2021	DEC. 2020 (*)	VAR.
Non-current liabilities	0	82	-82
Borrowings	0	56	-56
Other payables	0	8	-8
Financial derivatives at fair	0	18	-18
Current liabilities	0	3	-3
Borrowings	0	2	-2
Current income tax liabilities	0	1	-1
TOTAL liabilities classified as	0	85	-85

(*) Restated figures (Note 1.1.5)

1.1.4. Consolidation scope changes and other disposals in investees

Below is a description of the most significant movements in the consolidation scope in 2021.

Toll roads

I-66 acquisition and takeover

Cintra, a Ferrovial subsidiary and the indirect owner of 50% of the concession operator I-66 Express Mobility Partners Hold. LLC (I-66), acquired an additional 5.704% ownership interest in that company for the sum of USD 182 million (approximately EUR 162 million) on 17 December 2021, by exercising its right of first refusal to the 10% interest put up for sale by one of the shareholders (John Laing), together with a commitment to inject additional capital until construction is finalized (EUR 36 million, approximately). The other two shareholders also exercised rights of first refusal. Payment was made in cash.

As a result, Ferrovial's total shareholding stands at 55.704% of the concession awarded by the Virginia Transport Department. It is a transformation project to design, build, finance, operate and maintain the 36-km I-66 toll road, construction of which is due for completion in December 2022, when the operating period will begin and run to 2066.

The acquisition of this additional ownership interest means that Ferrovial holds the majority of voting rights on the concession operator's Board and can therefore direct its relevant activities. Ferrovial now has control of the company pursuant to IFRS 10, paragraph 10. Consequently, the interest in the concession operator, which was equity-accounted based on significant influence, is now fully consolidated.

On taking control of the company and in accordance with IFRS 3.42, the equity-accounted interest (50%) was derecognized and measured at fair value, a capital gain being recorded in the amount of the difference.

Fair value was calculated by extrapolating the price offered by a third party to purchase 10% of the shares, which was accepted by the other shareholders owning shareholdings well below 5%. Therefore, although a 50% shareholding does not in itself give control, it assures an advantageous position justifying the addition of a control premium. The fair value of the prior 50% interest calculated as described amounts to EUR 1,448 million (USD 1,628 million), including the control premium, that represents an increase in value of 2% over the reference price of the transaction.

This valuation entailed recognizing a gain of EUR 1,101 million (USD 1,237 million) in the amount of the difference between the fair value of Ferrovial's pre-existing 50% ownership interest in the company (EUR 1,448 million) and its carrying amount (EUR 348 million), this gain has been recognized in "impairment and disposals of fixed assets".

Ferrovial had also recorded (positive) currency translation differences in reserves when this ownership interest was equity-accounted, amounting to EUR 16 million at the acquisition date. Pursuant to IFRS 3 and IAS 28, the gain accumulated in equity has been reclassified to the income statement under the heading non-current asset impairment and disposal, having a positive impact. Therefore, the total result of the operation reaches 1,117 million euros.

Full consolidation of the concession operator and fair value measurement of its assets and liabilities

IFRS 3.18 states that the acquiring company must measure the identifiable assets acquired and liabilities assumed at fair value on the acquisition date. IFRS 3.32 stipulates that the acquiring company must recognize goodwill on the acquisition date, measured as the difference between (a) the sum of (i) the consideration paid, (ii) the amount of the non-controlling interest measured at fair value, and (iii) the amount of the acquiring party's prior equity interest in the target company, also measured at fair value; and (b) the net amount of identifiable assets acquired and liabilities assumed, also measured at fair value.

The accounting standard establishes a one-year measurement period as from the acquisition date during which time the acquiring company will recognize additional assets and liabilities if new information is obtained on the facts and circumstances concurring at the acquisition date. The measurement made by the company is therefore regarded as provisional.

The following table reflects the consolidated financial statements of the concession operator I-66 Express Mobility Partners Hold. before the acquisition, the fair value adjustments made and the resulting financial statements (for simplicity, the November balance sheet was used, since the effect of 17 days to the transaction date is immaterial, as indicated later on):

Millions of EUR	DEC. 2021	FAIR VALUE ADJUSTMENTS	CONSOLIDATED FINANCIAL STATEMENTS AT
NON-CURRENT ASSETS	2,613	1,819	4,432
Fixed assets in infrastructure projects	2,613	1,819	4,432
CURRENT ASSETS	109	0	109
Short term trade and other receivables	108		108
Cash and cash equivalents	1	0	1
TOTAL ASSETS	2,722	1,819	4,542
SHAREHOLDERS' FUNDS	696	2,201	2,897
Equity attributable to shareholders	679	934	1,614
Share capital	689	0	689
Reserves	-25	-166	-192
Measurement adjustments	16	-16	0
Profit/(loss) for the year	0	1,117	1,117
Equity attributable to non-controlling interests	16	1,267	1,283
Deferred income	65	-65	0
NON-CURRENT LIABILITIES	1,844	-317	1,527
Long-term borrowings	1,844	-317	1,527
CURRENT LIABILITIES	118	0	118
Short-term borrowings	27	0	27
Trade and other payables	90	0	90
TOTAL EQUITY AND LIABILITIES	2,722	1,819	4,542

The fair value adjustments made are briefly explained below:

a. Fixed assets in infrastructure projects: The fair value of this asset is obtained from the equity value corresponding to 100% of the company (2,897 million euros, including the control premium), calculated using the cash flows of the concession project discounted at a market rate of 9%. To this amount is added the financial debt valued at fair value, cash and working capital are deducted and the fair value of the intangible asset is obtained, amounting to 4,433 million euros.

b. Deferred grant income. This balance sheet item did not represent an actual liability for the company. Therefore, in accordance with IFRS 3, fair value is deemed to be zero and the amount has been adjusted (EUR 65 million).

c. Borrowings: The concession operator entered into two debt agreements in November 2018 in order to finance the toll road's construction: a senior loan comprising four fixed-rate listed bonds accruing quarterly interest payments and a subordinated loan obtained under the 1998 Transportation Infrastructure Finance and Innovation Act (TIFIA), which accrues interest of 2.8% per annum. The fair value of the bond debt was calculated based on the quoted price at the acquisition date. In the case of the TIFIA loans, the fair value was obtained by discounting flows. The resulting adjustment reduced the carrying amount of the debt by EUR 317 million.

d. The carrying amount of other assets and liabilities is equal to their fair value.

Tax effect of the transaction

The concession operator acquired is taxed under pass-through tax rules, meaning that deferred taxes are only recognized based on the percentage shareholding. The tax effects recognized by the parent company (Cintra 2 I66 Express Mobility Partners LLC) are as follows:

- Deferred tax liability due to measuring the debt at fair value: according to IAS 12, paragraphs 19 and 20, if a balance sheet item is recognized in a business combination at fair value when the tax value has not changed, deferred tax must be recorded in the amount of the difference (EUR -317 million reduction in the carrying amount x 21% (tax rate) x 55.704% (ownership interest in the concession) = EUR 37 million). The deferred tax will be taken to the income statement as per the debt repayment schedule.
- Deferred tax liability for the intangible asset and the grant: the fair value adjustment to the intangible asset amounts to EUR 1,820 million, giving rise to a deferred tax liability of EUR 212 million in the shareholder, replicating the calculation mentioned in the previous point. Another deferred tax liability of EUR 8 million is also recognized due to the derecognition of deferred income (grant). These taxes will be taken to the income statement as the asset is amortized.

The goodwill recognized on the acquisition amounts to EUR 254 million and is essentially a balancing item for the tax effects described above and recognized by the parent company pursuant to IAS 12, paragraph 66.

No contingent assets or liabilities have been recognized in connection with this business combination. As the acquisition took place very near to the year end and the costs incurred by the concession are capitalized during the construction phase, the impact of the transaction on the income statement would have been the same if the acquisition was done on 1 January 2021.

No goodwill was attributed to non-controlling interests and transaction costs were immaterial.

The following table shows the impact on the Group's consolidated balance sheet and income statement of the full consolidation of the company I66, also considering the effects recognized by the parent company.

	DEC. 2021 Group total pre- I66 acquisition	DEC. 2021 I66 + Holding	DEC. 2021 Total
NON-CURRENT ASSETS	11,454	4,339	15,794
Goodwill	166	254	420
Fixed assets in infrastructure projects	6,753	4,432	11,185
Investments in associates	2,186	-348	1,838
Other non-current assets	2,350	1	2,350
CURRENT ASSETS	9,155	-53	9,102
Short term trade and other	1,210	108	1,317
Cash and cash equivalents	5,676	-161	5,515
Other current assets	2,269	0	2,269
TOTAL ASSETS	20,609	4,287	24,896
SHAREHOLDERS' FUNDS	3,455	2,384	5,839
Equity attributable to the parent company	2,947	1,101	4,048
Profit/(loss) for the year	80	1,117	1,197
Reserves and currency translation	2,867	-16	2,851
Equity attributed to non-controlling interests	507	1,283	1,791
Deferred income	1,402	0	1,402
NON-CURRENT LIABILITIES	9,294	1,784	11,078
Long-term borrowings	7,986	1,527	9,512
Deferred tax liabilities	413	258	670
Other non-current liabilities	896	0	896
CURRENT LIABILITIES	6,459	118	6,577
Short-term borrowings	1,047	27	1,074
Trade and other payables	2,702	90	2,793
Other current liabilities	2,710	0	2,710
TOTAL EQUITY AND LIABILITIES	20,609	4,287	24,896

	DEC. 2021 Group total pre-I66 acquisition	DEC. 2021 I66 + Holding	DEC. 2021 Total
TOTAL OPERATING INCOME	6,779	0	6,779
TOTAL OPERATING EXPENSES	6,183	0	6,183
EBITDA	596	0	596
Fixed asset depreciation	260	0	260
Operating profit/(loss) before impairment and disposal of fixed assets	337	0	337
Impairment and disposals of fixed assets	22	1,117	1,139
Operating profit/(loss)	359	1,117	1,476
Net financial income/(expense)	-1,451	1,117	-334
Share of profits of equity-accounted companies	-178	0	-178
Consolidated profit/(loss) before tax	-153	1,117	964
Corporate income tax	10	0	10
Consolidated profit/(loss) from continuing operations	-143	1,117	974
Profit/(loss) from discontinued	361	0	361
Consolidated profit/(loss) for the	218	1,117	1,335
Profit/(loss) for the year attributed to non-controlling interests	-138	0	-138
Profit/(loss) for the year attributed to the parent company	80	1,117	1,197

Acquisition of 24.86% of the Indian company IRB Infrastructure Developers Limited

Acquisition and significant influence

On 29 December 2021, Ferrovial completed the acquisition, through its Dutch subsidiary Cintra INR Investments BV, of 24.86% of the Indian company IRB Infrastructure Developers Limited by subscribing for a preferred capital increase. The amount paid reached to EUR 369 million. The transaction price has been established in accordance with applicable rules, by considering the average price weighted by the trading volume of the two weeks prior to the closing.

IRB Infrastructure Developers was founded in 1998, is listed on the Bombay Stock Exchange and is one of India's leading infrastructure companies. It has 23 toll road concessions representing a share of around 20% of the so-called Golden Quadrilateral, the road network that connects the country's main economic development hubs. The most significant assets include the Mumbai-Pune toll road, regarded as one of India's most important highways. Revenue in the past year totaled EUR 630 million and EBITDA reached EUR 310 million. The company's construction division, which currently works exclusively for its own concession projects, has executed a total of 14,000 kilometers of toll roads.

Virendra D. Mhaskar (his family and his holding company) is the majority shareholder of IRB Infrastructure Developers and will carry on managing the business. The ownership interest acquired does not therefore give Ferrovial control. However, the shareholding acquired, together with Ferrovial's presence on the Board of Directors, means that Ferrovial has significant influence in IRB (IAS 28.5 and 28.6). Consequently, under AS 28.10, the shareholding is equity accounted.

IRB's financial statements and subsequent accounting treatment

IRB's latest available financial statements relate to September 2021, as shown below. No results are included at 31 December 2021 because the acquisition took place on 29 December 2021.

Millones de euros	September 2021
NON-CURRENT ASSETS	4,258
Property plant & equipment	14
Intangible assets	3,252
Financial assets	973
Deferred tax assets	12
Other non-current assets	8
CURRENT ASSETS	715
Inventories	37
Financial assets	578
Current tax assets	11
Other current assets	89
TOTAL ASSETS	4,974
SHAREHOLDERS' FUNDS	839
NON-CURRENT LIABILITIES	3,445
Financial liabilities	1,997
Other non-current liabilities	1,448
TOTAL CURRENT LIABILITIES	690
Borrowings	322
Trade payables	77
Other current liabilities	278
Current tax liabilities	14
TOTAL EQUITY AND LIABILITIES	4,974

Also, since scarcely two days elapsed from the IRB acquisition date to the financial year-end, no adjustments were made to the investment's value to reflect IRB's results generated after the acquisition date, due to being immaterial.

Finally, any differences that may arise between the investment's value and the corresponding proportion of the company's net assets measured at fair value will be identified and allocated during the 12 months following the acquisition.

The IRB share price on 31/12/21 (Rs 227.4 per share) was higher than the purchase price (Rs 211.8 per share).

Construction

In February 2021, Budimex, Ferrovial's construction subsidiary in Poland, reached an agreement to sell the real estate business carried on through its subsidiary Budimex Nieruchomości. The sale, which was completed in June for the sum of PLN 1,513 million (EUR 330 million, net of transaction costs), entailed recognizing a capital gain, before non-controlling interests, of EUR 107 million on the discontinued operations line.

In addition, at year-end 2020 an agreement was reached with Aberdeen Infrastructure (Holdco) IV B.V to sell the Group's ownership interest in Urbs Iudex Et Causidicus, S.A - URBICSA - (22%) for EUR 17 million. This transaction was completed in the second quarter of 2021 and entailed recognizing a capital gain of EUR 17 million on the impairment and disposals line.

Services

As indicated in the notes on results of Discontinued Activities (Note 2.9), during 2021, sale agreements have been reached for the Environmental Services business in Spain and Portugal and for the maintenance of infrastructures of the oil and gas industry business in the United States.

Other businesses: Energy

Acquisition of 100% of the company Parque Solar Casilla

Acquisition and takeover

On 20 September 2021 Ferrovial, through its subsidiary Ferrovial Infraestructura Energéticas, acquired 100% of the assets of Parque Solar Casilla S.L.U., which holds permits to build a 49.9 MWp solar photovoltaic plant in Gerena (Seville). The plant's energy output matches Ferrovial's energy consumption in Spain and Portugal and will be destined for the wholesale market in this geographic area. The investment amounted to EUR 10.3 million.

Full consolidation of the concession operator and fair value measurement of its assets and liabilities

In this case, the difference between the price paid (EUR 10.3 million) and the net value of the assets (EUR 1.2 million) is EUR 9.1 million. This amount has been allocated entirely to an intangible asset comprising the permits and licenses obtained by the company to build and operate the plant, which will be amortized over the plant's lifetime.

1.1.5. Restatement of the comparative financial statements

As indicated in Note 1.1.3, in 2021 the decision was taken to treat the UK waste treatment business as a continuing activity. Although the Group will carry on with the divestment process in the future, it is likely to take more than 12 months.

In addition, the contract to maintain and operate the section of the Autovía A2 toll road and the contract to maintain and operate Madrid Calle 30 (reported in the Toll Roads activity), the US infrastructure maintenance business and the energy efficiency services business (both reported in the Construction activity) have been reclassified as continuing operations.

The 2020 information of all these activities that have been reclassified to continuous activity has been restated.

In the first quarter of 2021, the Group's real estate business in Poland was reclassified as a discontinued operation. Therefore, under IFRS 5, paragraph 4.1, the income statement for the comparative period has been reclassified. The sale was completed on 5 June, as explained in Note 1.1.4.

This restatement had the following impact on the consolidated financial statements:

	DEC. 2020		DEC. 2020
(Millions of euros)	Audited	Adjusted	Restated
Non-current assets	10,462	352	10,814
Intangible assets	60	36	96
Fixed assets in infrastructure projects	6,200	156	6,356
Property, plant and equipment	272	69	341
Deferred taxes	586	18	604
Investments in associates	1,710	17	1,727
Other non-current assets	1,634	56	1,690
Current assets	12,666	-389	12,277
Assets classified as held for sale	4,071	-569	3,502
Short-term trade and other receivables	1,292	75	1,367
Cash and cash equivalents	6,432	94	6,526
Other current assets	871	11	882
TOTAL ASSETS	23,128	-37	23,091

	DEC. 2020		DEC. 2020
(Millions of euros)	Audited	Adjusted	Restated
Equity	3,827	-37	3,790
Deferred income	1,245	37	1,282
Non-current liabilities	9,320	264	9,584
Borrowings	7,970	114	8,084
Other long-term payables	16	47	63
Deferred taxes	428	23	451
Financial derivatives at fair value	419	28	447
Other non-current liabilities	487	52	539
Current liabilities	8,736	-301	8,435
Liabilities classified as held for sale	2,958	-482	2,476
Borrowings	1,657	21	1,678
Short-term trade and other payables	3,029	86	3,115
Trade provisions	892	60	952
Other current liabilities	200	14	214
TOTAL LIABILITIES	23,128	-37	23,091

	DEC. 2020		DEC. 2020
(Millions of euros)	Audited	Adjusted	Restated
Operating income	6,344	190	6,534
Total operating expenses	-5,935	-193	-6,128
EBITDA	409	-3	406
Fixed asset depreciation	198	35	233
Operating profit/(loss) before fixed asset impairment and disposals	211	-38	173
Profit/(loss) from impairment and disposals of fixed assets	15	1	16
Operating profit/(loss)	226	-37	189
Net financial income/(expense)	-232	-11	-243
Share of profits of associates	-378	5	-373
Consolidated profit/(loss) before tax	-384	-43	-427
Corporate income tax	28	6	34
Profit/(loss) from continuing operations	-356	-37	-393
Net profit/(loss) from discontinued operations	-3	23	20
Consolidated profit/(loss) for the year	-359	-14	-373
Profit/(loss) for the year attributed to non-controlling interests	-51	0	-51
Profit/(loss) for the year attributed to the parent company	-410	-14	-424

1.2 IMPACT OF COVID-19

Almost two years after the World Health Organization declared the COVID-19 global pandemic, progress towards herd immunity thanks to vaccination has allowed the countries in which Ferrovial operates to partially raise the restrictions on mobility and on economic activities that have been in force since the start of the pandemic, although at an uneven rate depending on the country, and with ups and downs caused by successive waves, with a particularly negative impact due to the Omicron variant in the final weeks of the year. This has therefore allowed a recovery in demand for Ferrovial's services, though uneven and uncertain as regards the end of the wave caused by Omicron, as explained below.

The Construction and Services activities were hardly affected by the pandemic during 2021, while traffic on the main toll roads operated by Ferrovial recovered quickly as soon as the countries began to lift restrictions over the course of the year. In contrast, the Airports business is clearly experiencing the greatest difficulties and recovering more slowly due to the air traffic restrictions, exacerbated at the end of the year by the omicron variant.

With the aim of presenting the global impact of the pandemic and in line with ESMA's recommendations, this note provides an explanation of the impact on the financial statements for 2021 (focused on the infrastructure business), a description of the analysis performed to conclude that the Company can continue to do business under the going concern principle, an analysis of the possible impact of COVID-19 on the impairment of assets and an assessment of the potential impact on the main financial risks, including an analysis of the risk of breach of covenants included in financing agreements.

1.2.1 Impact on the financial statements for 2021 and mitigating measures adopted

The effects of COVID-19 on Ferrovial's business results are described below:

Airports Division

During 2021, the number of passengers both at Heathrow and at AGS (the holding company of Aberdeen, Glasgow and Southampton airports), which are equity-accounted companies, has remained at extremely low levels compared to those prior to the start of the pandemic, as detailed in the following table:

Passenger trends (*)	Mar-21	Jun-21	Sep-21	Dec-21	2021 (**)
Heathrow	-92%	-87%	-62%	-53%	-76%
Aberdeen	-74%	-64%	-51%	-46%	-62%
Glasgow	-97%	-86%	-66%	-50%	-77%
Southampton	-98%	-90%	-74%	-74%	-85%
TOTAL AGS	-92%	-82%	-64%	-52%	-74%

(*) Compared with the same month of 2019

(**) As compared with 2019

However, passenger volumes improved overall compared to 2020, except for the first quarter of the year, which in 2020 was pre-pandemic. The trend is shown below:

Passenger trends (*)	Mar-21	Jun-21	Sep-21	Dec-21	2021 (**)
Heathrow	-83%	173%	105%	173%	-12%
Aberdeen	-50%	118%	74%	87%	11%
Glasgow	-92%	1,057%	102%	411%	7%
Southampton	-88%	338%	153%	524%	-11%
TOTAL AGS	-81%	312%	97%	249%	6%

(*) Compared with the same month of 2020

(**) As compared with 2020

The passenger trend was directly related to the evolution of the pandemic during the year:

- The first few months of 2021 were adversely affected by new outbreaks in certain geographies.
- But from the second quarter onwards, following successful vaccination campaigns and the reopening of borders, Heathrow and AGS saw a steady increase in traffic as mobility restrictions were lifted and entry requirements were simplified. Specifically, in May the UK government began to gradually open up international air traffic, establishing a traffic light system, classifying countries of origin into three categories (green, amber and red) based on progress in vaccination, infection levels and the incidence of particularly worrying variants.
- On 4 October, the British government announced the end of this system, which led to a significant improvement in passenger volumes until December, when fear of the spread of the new Omicron variant led the UK government to significantly increase restrictions.

Heathrow Airport's passenger volumes for the year totaled 19.4 million. AGS passengers numbered 3.5 million, split between 2.1 million at Glasgow airport, 1.1 million at Aberdeen and 0.3 million at Southampton.

This trend had a negative effect on Ferrovial's results, the Airports Division having contributed EUR -254 million, of which EUR -238 million related to Heathrow Airport.

Toll Roads Division

Toll road traffic recovered in 2021 as mobility restrictions were lifted, although traffic in the last fortnight of the year suffered following the rapid expansion of the Omicron variant. Generally speaking, trends have been more positive in the US toll roads, particularly in the Dallas area thanks to the swift lifting of restrictions since March. Traffic in December was above 2019 levels (pre-pandemic) at the NTE and NTE 35W toll roads, but LBJ is still below.

The Canadian 407 toll road recovered more slowly in the first half due to the quarantine in Toronto until the end of May and then improved quickly from June onwards, as restrictions were lifted, although the delay in the return to the office in some sectors meant a new setback in the recovery that had begun in August.

Traffic trends on the main toll roads in North America in 2021 (compared with pre-pandemic levels in 2019) are analyzed below:

Traffic trends (*)	Mar-21	Jun-21	Sep-21	Dec-21	2021 (**)
407 ETR	-47%	-42%	-21%	-23%	-38%
NTE	1%	6%	8%	5%	-1%
LBJ	-17%	-14%	-22%	-19%	-24%
NTE 35W	18%	19%	11%	8%	9%

(*) Compared with the same month of 2019

(**) As compared with 2019

The trend compared with the previous year is shown below:

Traffic trends (*)	Mar-21	Jun-21	Sep-21	Dec-21	2021 (**)
407 ETR	-13%	37%	27%	50%	13%
NTE	47%	55%	36%	31%	34%
LBJ	18%	59%	36%	36%	24%
NTE 35W	53%	42%	24%	20%	28%

(*) Compared with the same month of 2020

(**) As compared with 2020

Toll Roads Division traffic was irregular. Assets such as NTE 35W or NTE were close to or above 2019 pre-pandemic levels, while LBJ and 407 ETR were still below. However, traffic volumes on all the tolls roads were well above 2020 levels. As a result, Ebitda reached EUR 415 million, having improved considerably in relation to 2020 by EUR 280 million, although without reaching the EUR 436 million recognized for the same period of 2019 (pre-pandemic). Similarly, the contribution by equity-accounted businesses, particularly 407 ETR (EUR 52 million), was above the 2020 figure (EUR 33 million) but below the EUR 153 million reached in 2019.

Impact on cash flows

The impact of the pandemic on cash flows in the infrastructure businesses is quantified in terms of the change in dividends received (mainly due to the 407 ETR and Heathrow assets). Set out below is the trend in dividends since 2019 (pre-pandemic). It may be observed that the overall volume of dividends is above 2020 but below 2019, due primarily to the amounts that were not received from the Airports Division.

Dividends received	2021	2020	2019	2021 vs.	
				2020	2019
407 ETR	164	160	309	4	-145
HAH	0	29	145	-29	-145
LBJ	167	109	0	57	167
NTE	53	25	166	28	-112
M-203	73	0	0	73	73
Other	92	134	109	-42	-16
TOTAL	550	458	729	92	-179

1.2.2 Going concern assessment

Ferrovial is confronting 2022 in a position of very high liquidity. In December 2021, ex-infrastructure projects, liquidity reached EUR 6,421 million, including EUR 132 million relating to the Services Division, as well as lines available at the ex-infrastructures level in the amount of EUR 991 million. The ex-infrastructures net cash position stood at EUR 2,182 million at end-December 2021 (including the Services Division). It should also be noted that the Group's short-term assets and liabilities, including cash and debt position, show a positive balance at end-December 2021.

As in the prior financial years, in order to conclude as to the Company's capacity to continue as a going concern, the Group has analyzed future cash needs, focusing on the financial years 2022 and 2023, also including a pessimistic scenario with a series of stress assumptions regarding the Company's cash flow, most notably:

- Assumption that there will be no additional dividends received from infrastructure projects in 2022 or in 2023.
- Construction business cash projections for 2022 and 2023 are calculated as a 50% decline in 2021 working capital (excluding provisions and lease payments), estimated at around EUR -100 million per annum.
- Delay in sale processes currently under way, until after 2023.

The conclusion drawn from the analysis demonstrates that, although the scenario would entail a deterioration of the Company's cash position, cash resources would continue to be sufficient to meet commitments. Therefore, based on the available information, no material uncertainties have been identified with respect to events or conditions that could raise significant doubts regarding the Group's capacity to continue operating under the going concern principle for 12 months following the date these financial statements were signed.

1.2.3 Impact on asset impairment

As previously mentioned, the Construction and Services businesses were largely unaffected by the pandemic in 2021. The favorable outlook for the Toll Roads business leaves potential impairment risks in the Airports Division.

Nonetheless, it should be noted that, at December 2021, the value of the ownership interest in Heathrow had fallen to zero (the value of the investment in AGS has also been zero since December 2020) due to the absorption of losses (Note 5.4), so no additional impairment is possible.

1.2.4 Impact on financial risks

As mentioned in the previous point, financial risks relate primarily to the Airports Division.

To bolster its liquidity position, Heathrow has issued GBP 1,600 million in debt since the start of the year. The liquidity position and cost reduction plans have been recognized by Standards and Poor's and Fitch, which confirmed the credit ratings in March 2021, although in January 2022 Moody's issued a credit opinion with a negative outlook on Heathrow Finance as part of its annual review.

On 18 June, AGS entered into an agreement with a syndicate of banks to modify and extend the facility agreement concluded in February 2017 in the amount of GBP 757 million (the entire amount having been drawn). The main terms and conditions of the agreement are explained in Note 5.4.

1.3. ACCOUNTING POLICIES

1.3.1. New accounting standards

1.3.1.a) New standards, amendments and interpretations adopted by the European Union mandatorily applicable for the first time in 2021

The same accounting policies have been applied when preparing these consolidated annual accounts as were applied to the consolidated annual accounts for the financial year ended 31 December 2020, as none of the standards, interpretations or amendments that are applicable for the first time in the current year has had a significant impact on the Group's accounting policies.

The purpose of the interest benchmark rate reform is to replace the indices used as benchmarks for the average interest rate at which a certain number of financial institutions would grant unsecured interbank funding for different periods and currencies, such as the LIBOR. The reform consisted of two phases:

- The phase-one changes in force as from 1 January 2020 allowed entities to continue to apply hedge accounting to hedging relationships affected by the reform.
- The phase-two changes approved in August 2020 and applicable as from 1 January 2021 allow changes made to financial instruments to be recognized by adjusting the effective interest rate on floating-rate instruments, provided this is necessary to adapt them to the reform and the new cash flow calculation bases are economically equivalent to the previous bases. They also allow hedge accounting to continue.

The financial instruments affected by the interest rate benchmark reform are shown below by hedge type:

Benchmark	Derivative financial instruments		financial liabilities	
	Notional (M EUR)	Notional (M Local Currency)	Notional (M EUR)	Notional (M Local Currency)
Libor GBP	742	624	742	624
IRS	742	624	742	624
Libor USD	483	549	227	258
IRS	483	549	227	258

1.3.1.b) New standards, amendments and interpretations mandatorily applicable in annual reporting periods subsequent to 31 December 2021:

The new standards, amendments and interpretations approved by the IASB but not yet mandatorily applicable at 31 December 2021 that might have an effect on the Group are as follows:

Standard, interpretation or amendment	Date published in the EU Official	Date applicable in the EU	IASB applicable date
Amendment to IFRS 4 Insurance contracts – deferral of IFRS 9	16 December 2020	01 January 2021	01 January 2021
IFRS 17 – Insurance contracts	Pending	Pending	01 January 2023
Amendment to IAS 1 Presentation of financial statements: classification of financial liabilities as current or non-current	Pending	Pending	01 January 2024
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosures of Accounting Policies	12 February 2021	01 January 2023	01 January 2023
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	Pending	Pending	01 January 2023
Amendments to IAS 12 Income taxes: Deferred taxes related to assets and liabilities arising from a single transaction	Pending	Pending	01 January 2023
Amendments to: IFRS 3 Business combinations IAS 16 Property, plant and equipment IAS 37 Provisions, contingent liabilities and contingent assets Annual improvements 2018 – 2020	Pending	Pending	01 January 2022
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest rate benchmark reform – phase 2.	Pending	Pending	01 January 2021

Although the Group is currently evaluating the impact, the analyses carried out to date indicate that first-time adoption is not expected to have a material impact on the consolidated annual accounts, except for the amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest rate benchmark reform – phase 2.

1.3.2. Basis of consolidation

In 2021 and 2020 the reporting dates of the individual annual accounts of all the companies included in the consolidation scope were either the same as, or were temporarily brought into line with, that of the parent company.

In this regard, to calculate the degree of control, joint control or significant influence existing at each company in the Group, a review has been carried out of the consistency between the stake held and the number of votes controlled in each company under their articles of association and shareholder agreements.

In the case of business activities with companies in which the existence of joint control is identified, the general basis of consolidation is the equity method.

In relation to these jointly controlled businesses, apart from the situations in which there are two venturers, each with a 50% ownership interest, the cases requiring a more in-depth analysis are those relating to infrastructure projects in which Ferrovial is the shareholder with the largest ownership interest (less than or equal to 50%) and has the right to propose the Chief Executive Officer or other executives of the investee, while the other shareholders, mainly infrastructure funds, have a direct participation on the Board of Directors.

In all these cases, it has been concluded that the projects in question should be equity-accounted, because Ferrovial does not have the right to nominate the majority of the Board of Directors of these companies, and the decisions of the said Boards (including the appointment of the main executive positions) always require a simple or qualified majority, when Ferrovial does not itself have a casting vote in the event of a tie. Notable cases in this regard are the stakes held in the companies that own the following Toll Road projects (the percentage stake held in each is shown in brackets): 407 ETR (43.23%), Slovakia (35%), Toowoomba (40%) and OSARs (50%).

Contracts that are undertaken through temporary consortia (UTES) or similar entities that meet the IFRS 11 requirements to be classified as "Joint arrangements" are proportionately consolidated.

It is considered that, in these cases of joint operations, the partners have direct control over the assets, liabilities, income and expenses of these entities and joint and several liability. Operations of this nature contributed to the consolidated Group assets, profit/(loss) and revenues of EUR 65 million, EUR -27 million and EUR 1,127 million, respectively (2020: EUR 29 million, EUR -126 million and EUR 1,074 million). Particularly worthy of note due to their materiality (sales representing more than 0.5% of consolidated sales) are the following companies relating to construction projects:

PROJECT	ACTIVITY	% SHAREHOLDING	REVENUE (€M)
Northern Line / Thames Tideway Tunnel	Design and construction of the Thames Tideway tunnel and Northern Line extension of the London Underground	50%	162
HS2 Enabling Works	Preliminary ground and enabling works for the HS2 high speed line in the UK	37%	124
Bucaramanga Toll Road (Ruta del Cacao)	Engineering, procurement and construction of the Bucaramanga-Barrancabermeja-Yondó project	70%	43
Tokamak Iter	Construction of the Tokamak reactor located in Cadarache (France)	30%	17
The Daivões dam and hydroelectric plant	Construction of the Daivões dam and hydroelectric power plant	50%	38
Riverlinx	Design, construction, financing, operation and maintenance of the Silvertown Tunnel in East London.	40%	57
HS2 Main works	Works on 80 km of the HS2 between Chilterns and Warwickshire, including 15 viaducts, 5 km of green tunnels, 22 km of road diversions, 67 bridges and 30 million cubic meters of excavation.	15%	122
TOTAL			563

The companies over which Ferrovial, S.A. exercises significant influence or joint control and which do not meet the requirements in IFRS 11 to be classified as "joint operations" are equity accounted. A breakdown of the equity-accounted companies can be found in Note 3.5. and in Appendix II.

Certain companies are also consolidated using the equity method, in which it holds a direct or indirect stake of less than 20%, so long as Ferrovial can appoint one of the members of the Board of Directors.

Intra-Group balances and transactions are eliminated on consolidation. However, the transactions recognized in the income statement in relation to construction contracts performed by the Construction Division for infrastructure project concession operators are not eliminated on consolidation, since it is considered that the Group performs work for the concession grantor or regulator in exchange for the right to operate the infrastructure under the terms pre-established by the grantor or regulator. The grantor or regulator thus controls the asset from inception and grants the above-mentioned right in exchange for the work performed, and, therefore, the conclusion may be reached that at Group level the work is performed for third parties. This is in line with IFRIC 12.

The non-elimination of these transactions had an impact of EUR 6 million on the income statement, after taxes and non-controlling interests (2020: EUR -19 million). The detail of the transactions not eliminated on the basis of the foregoing is shown in Note 6.8, related party transactions.

Appendix II contains a list of subsidiaries and associates.

Finally, as regards transactions for the purchase or sale of a percentage stake that does not lead to any change of control in the company in question, the minority stake is measured at its proportional value in the identifiable net assets of the company being acquired or sold. Changes in a parent's ownership interest in a subsidiary that do not give rise to a loss of control are equity transactions.

1.3.3. Accounting policies applied to each line item in the consolidated statement of financial position and consolidated income statement

Set forth below is a detail of only those accounting policies adopted by the consolidated Group in preparing these consolidated annual accounts with respect to which there is an option permitted by IFRS or, as the case may be, on the basis of the specific nature of the industry in which it operates or of its materiality.

1.3.3.1. Property, plant and equipment, investment property and intangible assets

- Subsequent to initial recognition, the items included under "intangible assets", "investment property" and "property, plant and equipment" are measured at cost less any accumulated depreciation and any accumulated impairment losses.
- The straight-line method is used to calculate the depreciation/amortization charge for the assets included under "intangible assets", "investment property" and "property, plant and equipment", except in the case of certain machinery in the construction business, which is depreciated using the diminishing balance method.

The consolidated companies depreciate "property, plant and equipment" over the following useful lives:

	YEARS OF USEFUL LIFE
Buildings and other structures	10-50
Machinery, installations and tooling	2-25
Furniture and fittings	2-15
Vehicles	3-20
Other fixed assets	2-20

1.3.3.2. Investments in infrastructure projects

This line item includes investments in infrastructure made by companies that hold these projects within the scope of IFRIC 12 (mainly toll roads), where remuneration consists of an unconditional right to receive cash or other assets, or a right to charge the corresponding fees based on the degree to which the public service is used.

The assets acquired by the concession operator to provide the concession services but which do not form part of the infrastructure (vehicles, furniture, computer hardware, etc.) are not included in this line item because they are not returned to the concession grantor. Assets of this nature are classified under “property, plant and equipment” and are depreciated over their useful life, using a method that reflects their economic use.

IFRIC 12 Intangible Asset Model

All initial investments relating to the infrastructure that is subsequently returned to the grantor, including compulsory purchase costs and borrowing costs capitalized during construction, are amortized on the basis of the expected pattern of consumption applicable in each case (normally forecast vehicle numbers in the case of toll roads) over the term of the concession.

The investments contractually agreed on at the start of the concession on a final and irrevocable basis for being made at a later date during the term of the concession, and provided they are not investments made to upgrade infrastructure, are considered to be initial investments. For investments of this nature, an asset and an initial provision are recognized for the present value of the future investment, applying a discount rate to calculate the present value that is equal to the borrowing costs associated with the project. The asset is amortized based on the pattern of consumption over the entire term of the concession and the provision is increased by the related interest cost during the period until the investment is made.

Where a payment is made to the grantor to obtain the right to operate the concession, this amount is also amortized based on the pattern of consumption over the concession term.

A provision is recognized systematically for replacement investments over the period in which the related obligations accrue, which must have been set up in full by the time the replacement becomes operational. The provision is recognized on the basis of the pattern of consumption over the period in which the obligation arises and applying financial criteria.

Infrastructure upgrade investments are those that increase the infrastructure's capacity to generate revenue or reduce its costs. In the case of investments that will be recovered over the concession term, since the upgrade investments increase the capacity of the infrastructure, they are treated as an extension of the right granted and, therefore, they are recognized in the consolidated balance sheet when they come into service. They are amortized from the date on which they come into service based on the difference in the pattern of consumption arising from the increase in capacity.

However, if, on the basis of the terms and conditions of the concession, these investments will not be offset by the possibility of obtaining increased revenue from the date on which they are made, a provision is recognized for the best estimate of the present value of the cash outflow required to settle the obligations related to the investment that will not be offset by the possibility of obtaining increased revenue from the date on which the investments are made. The balancing entry is an addition to the acquisition cost of the asset.

In the case of the proportional part of the upgrade or increase in capacity that is expected to be recovered through the generation of increased future revenue, the general accounting treatment used for investments that will be recovered in the concession term will be applied. The main assumptions used in relation to these arrangements correspond to vehicle number and replacement investment estimates, which are updated each year by technical departments.

Set forth below is a detail of the main toll road concessions in force to which the intangible asset model is applied, showing their duration, status and the accounting method applied:

Toll road concessions	COUNTRY	STATUS	FIRST YEAR OF CONCESSION	FINAL YEAR	ACCOUNTING METHOD
NTE Mobility Partners, LLC	USA	Operational	2014	2061	Full consolidation
NTE Mobility Partners Seg 3 LLC	USA	Operational	2018	2061	Full consolidation
LBJ Infr. Group LLC	USA	Operational	2014	2061	Full consolidation
I-66 Mobility Partners LLC	USA	Construction	2016	2066	Full consolidation
I-77 Mobility Partners LLC	USA	Operational	2019	2069	Full consolidation
Euroscut Azores	Portugal	Operational	2011	2036	Full consolidation
Eurolink Motorway Operations (M4-M6)	Ireland	Operational	2005	2033	Equity-accounted
Autopista Terrassa Manresa, S.A.	Spain	Operational	1989	2036	Full consolidation
Autovia de Aragón, S.A. (**)	Spain	Operational	2007	2026	Full consolidation

(*) First year of the concession (if in service) or year of commencement of construction (if at the construction phase).

(**) In 2021, the maintenance and operation contract for the A2 highway section was classified as a continuing operation.

Financial Asset Model IFRIC 12

This line item includes the service concession arrangements related to infrastructure in which the consideration consists of an unconditional contractual right to receive cash or another financial asset, either because the grantor guarantees to pay the operator specified or determinable amounts or because it guarantees to pay the operator the shortfall between amounts received from users of the public service and specified or determinable amounts. Therefore, these are concession arrangements in which demand risk is borne in full by the grantor. In these cases, the amount due from the grantor is accounted for as a loan or receivable under assets in the consolidated balance sheet.

To calculate the amount due from the grantor, the value of the construction, operation and/or maintenance services provided and the financial return in arrangements of this nature are taken into consideration.

Revenue from the services (mainly construction and maintenance) provided in each period increases the amount of the related receivables with a balancing entry in sales. The financial return on the consideration for the services provided also increases the amount of the receivables with a balancing entry in sales. Amounts received from the grantor reduce the total receivable with a balancing entry in cash.

When reporting this financial income in concessions of this type it is classified as ordinary income, since it forms part of the ordinary concession activity and is earned on a regular and periodic basis.

At 31 December 2021 and 2020, the financial income included in sales revenue amounted to EUR 15 million and EUR 18 million, respectively.

Also, the borrowing costs associated with the financing of concessions to which the financial asset model is applied amounted to EUR 22 million in 2021 and EUR 26 million in 2020.

Below is a detail of the main toll road concession arrangements to which the financial asset model is applied, showing their duration, status and the accounting method applied:

Toll road concessions accounted for using the financial asset model

CONCESSION OPERATOR	COUNTRY	STATUS	FIRST YEAR OF CONCESSION (*)	FINAL YEAR	ACCOUNTING METHOD
Auto-Estradas Norte Litoral (***)	Portugal	Operational	2006	2031	Equity-accounted
Autoestrada do Algarve, S.A. (***)	Portugal	Operational	2004	2030	Equity-accounted
Eurolink M3	Ireland	Operational	2010	2052	Equity-accounted
A66 Benavente - Zamora	Spain	Operational	2015	2042	Equity-accounted
407 East Extension	Canada	Operational	2016	2045	Equity-accounted
Scot Roads Partnership Project Limited (**)	UK	Operational	2017	2047	Equity-accounted
Nexus Infr. Unit Trust (Toowoomba)	Australia	Operational	2019	2043	Equity-accounted
Blackbird Infrastructure Group (407 East Phase 2)	Canada	Operational	2019	2047	Equity-accounted
Ruta del Cacao S.A.S	Colombia	Construction	2015	2040	Equity-accounted
Zero Bypass Ltd.	Slovakia	Construction	2016	2050	Equity-accounted
Netflow OSARs Western	Australia	Construction	2017	2040	Equity-accounted
Riverlinx, Ltd.	UK	Construction	2019	2050	Equity-accounted

(*) First year of the concession (if in service) or year of commencement of construction (if at the construction phase).

(**) Owned 20% through Cintra and 20% through Amey

(***) Sold in 2021.

Other concession arrangements accounted for using the financial asset model

The other arrangements to which the financial asset model is applied relate to the Construction Division. Below is a breakdown of the most significant:

CONCESSION OPERATOR	COUNTRY	STATUS	FIRST YEAR OF CONCESSION (*)	FINAL YEAR	ACCOUNTING METHOD
Concesionaria de Prisiones Lledoners	Spain	Operational	2008	2038	Full consolidated
Conc. Prisiones Figueras S.A.U. (**)	Spain	Operational	2011	2040	Full consolidated
Depusa Aragón, S.A.	Spain	Construction	2017	2037	Full consolidated
Wroclaw Budimex Car Park	Poland	Operational	2012	2042	Full consolidated
Urbica Ciudad de la Justicia (**)	Spain	Operational	2008	2039	Equity-accounted
Concesionaria Vía Olmedo Pedralba	Spain	Operational	2013	2041	Equity-accounted
FBSerwis SA - IM009 DDS	Poland	Operational	2016	2021	Full consolidated

(*) First year of the concession (if in service) or year of commencement of construction (if at the construction phase).

(**) Sold in 2021.

1.3.3.3. Other line items in the balance sheet and income statement

Cash and cash equivalents of infrastructure project companies: Restricted cash (Note 5.2.1).

This heading includes investments of the same type and maturity that are assigned to the financing of infrastructure projects, the availability of which is restricted under the financing contracts as security to cover certain obligations relating to the interest or principal on the borrowings and to infrastructure maintenance and operation.

Fair value measurement

In such derivative measurements, the credit risk of the parties to the related agreement is considered. The impact of credit risk will be recognized in profit and loss, unless the derivatives qualify as effective cash flow hedges, in which case the effect will be recognized in reserves. The Group uses appropriate measurement methods based on the circumstances and on the volume of inputs available for each item, attempting to maximize the use of relevant observable inputs and avoiding the use of unobservable inputs. The Group establishes a fair value band that categorizes the inputs to measurement methods used to measure fair value into the following three levels:

- Level 1: Quoted prices for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly.
- Level 3: Unobservable market inputs for the asset or liability.

As indicated in Note 5.5, "financial derivatives", all the Group's financial derivatives are categorized as Level 2.

Financial instruments

Impairment of financial assets

IFRS 9 is based on an expected loss model whereby the loss provision is calculated based on the coming 12-month or lifetime expected losses for the financial instruments, depending on the significance of the related increase in risk.

This model applies to all financial assets, including commercial assets contracted under IFRS 15, non-trade assets and receivables under the IFRIC 12 model. For its calculation, the Group has developed a method whereby certain rates are applied to financial asset balances that reflect expected credit losses based on the credit profile of the counterparty (the customer, in the case of trade and other receivables and the awarding entity for financial assets under IFRIC 12). These percentages reflect the probability that payment obligations will not be met and the percentage lost, which, in the event of non-payment, would ultimately be irrecoverable.

The assignment of ratings and trends in the rates are overseen by the financial risk department, which performs an update at each year end based on credit risks. If during the analysis a significant increase in risk is identified with respect to that initially recognized, the expected loss is calculated considering lifetime probability of default.

The Group applies the simplified approach to trade and other receivables. In order to calculate expected loss, an average rating is obtained for customers by business and geographic area and is used to generate the rates to be applied to the balances, depending on whether the customer is a public or private entity and on its business sector (only in the case of private sector customers).

Moreover, if the customer is declared insolvent, a claim is filed against it or it defaults on payment, a breach is deemed to have occurred and the entire trade receivable will be provisioned. To this end, the Group has defined payment periods per type of customer that trigger a breach and thus the posting of a provision.

In the case of receivables under the IFRIC 12 model (Note 3.3.2), the expected loss provision is calculated individually for each asset based on the awarding entity's credit quality. If the credit risk has not increased significantly, the calculation will be made based on the same amount as the expected credit losses over the next 12 months. The risk is deemed not to have increased significantly if the awarding entity has a rating above investment grade and has maintained this level since initial recognition.

Classification and measurement of financial assets.

According to IFRS 9 the classification and measurement method is based on two aspects, these being the features of the contractual cash flows from the financial asset and the entity's business model. This sets out three potential measurement methods: amortized cost, fair value through other comprehensive income (equity) and fair value through profit or loss. The Group's financial assets are mainly assets held to maturity, the cash flows of which are only payments of principal and interest, so, on this basis, financial assets are carried at amortized cost. We would solely note that for its equity instruments that are measured by default at their fair value with changes reported in profit/(loss), there is an option to report changes in fair value in other comprehensive income from the outset. This decision cannot be revoked and must be taken for each asset individually.

Hedge accounting. IFRS 9 attempts to align hedge accounting more closely with risk management, and the new requirements establish a principle-based approach.

Other equity instruments

These are perpetual bonds with payment at the discretion of the party that issues the coupon in question. They do not meet the conditions to be considered as a financial liability for accounting purposes, because they do not include any contractual obligation to make payment in the form of cash or any other financial asset, nor do they include any obligation to exchange financial assets or liabilities. They are therefore entered as part of the company's equity, in other equity instruments.

Non-refundable grants related to assets

Non-refundable capital grants are measured at the amount granted under "deferred income" (Note 6.1) in the consolidated statement of financial position. They are taken to profit or loss gradually in proportion to the period of depreciation on the assets financed with these grants, which is recognized under "depreciation and amortization charge". From the cash flow standpoint, the amount of the grants collected in the year is presented as a reduction of the amount of the investments made.

Trade payables

"Trade payables" include the balances payable to suppliers under reverse factoring arrangements with banks.

These balances are classified as trade payables and the related payments as cash flows from operating activities, since the payments are made to the banks under the same conditions as those agreed with the supplier, the company bound by the obligation to make payment does not agree an extension with the banks beyond the due dates agreed with the supplier, and there are no special guarantees to secure the payments to be made.

1.3.3.4 Revenue recognition

In order to ensure that policy is standardized across all its different lines of business, Ferrovia has prepared a common revenue recognition policy adapted to IFRS 15 "revenue from contracts with customers".

i) General revenue recognition criteria

The first step in the revenue recognition process involves identifying the relevant contracts and the performance obligations that they contain.

Generally speaking, the performance obligations in the Construction and Services activities carried out by Ferrovia are met over time, rather than at a specific moment, since the customer simultaneously receives and consumes the benefits offered by the company's performance as the service is provided.

As regards the criterion for recognizing revenues over time (the method of measuring the progress of performance of an obligation), Ferrovia has established certain criteria that are consistently applied in respect of similar performance obligations.

In this regard, the Group has chosen the output method as its preferred method for measuring the value of assets or services for which control is transferred to the customer over time, which is applied whenever the progress of the work performed can be measured on the basis and over the course of the contract.

In contracts for the provision of different, highly interrelated goods or services required to produce a combined output, which often occurs in contracts for construction activities, the applicable output method is that of measurement of units produced ("surveys of performance" under "output methods"), in which the revenue recognized relates to the work units completed, based on the price assigned to each unit. In accordance with this method, the units produced under each contract are measured and the output for the month is recognized as revenue. The costs of carrying out works or service projects are recognized on an accrued basis, and the costs actually incurred in producing the units of output are recognized as an expense together with those which, because they might be incurred in the future, have to be allocated to the units produced to date (see Note 1.3.3.4. v) relating to provisions for deferred expenses).

In routine or recurring service contracts (in which the services are substantially the same), such as maintenance and cleaning services, which are transferred with the same pattern of consumption over time and whose remuneration consists of a recurring fixed amount over the term of the contract (e.g. monthly or annual payment), in such a way that the customer receives and consumes the benefits of the services as the entity provides them, the method selected by the Group to recognize revenue is the "time elapsed output method". Under this method, revenue is recognized on a straight-line basis over the term of the contract and costs are recognized on an accrual basis.

Only in those contracts that are not for routine or recurring services and for which the unitary price of the units to be performed cannot be determined, use of the stage of completion measured in terms of the “costs incurred” (input method) is permitted. Under this method, the company recognizes revenues based on the costs as they accrue, as a percentage of the total costs forecast for completion of the works, taking account of the expected profit margins for the whole project, according to the most recently updated budget. This method entails measuring the costs incurred as a result of the work completed to date as a proportion of the total costs forecast and recognizing revenues in proportion to the total revenues expected. As indicated above, this method only applies to those complex, lump-sum construction or services contracts in which it is not possible to break down the price and measure the units to complete.

Finally, as regards determining whether the company acts as a principal or agent, Ferrovial is the principal in both construction and service contracts if it provides goods and services directly to the customer and transfers control of them without involving intermediaries.

In the case of concession agreements in which Ferrovial both builds and operates the toll road, the construction company is the principal if it is ultimately responsible for fulfilling the commitment to execute the work in accordance with the concession agreement specifications and assumes the contractual obligations in the event of a claim or delay.

ii) Recognition of revenue from contract modifications, claims and disputes

Modifications are understood to mean changes to the scope of the work that are not provided for in the original contract and that could result in a change to the revenues attached to the contract in question. Changes to the initial contract require the customer’s technical and financial approval prior to the issue of billings and collection of the amounts relating to additional work.

The criterion applied by the Group is not to recognize any revenue from this additional work until the additional work has been approved by the client. In cases where the work has been approved but its measurement remains pending, the “variable consideration” requirement (as explained below) will apply. This entails recognizing revenue in an amount that will be most likely not to suffer any significant reversal. Any costs associated with the units completed or services rendered will be recognized at the time at which they are incurred, regardless of whether or not the modification has been approved.

A claim is a request seeking payment or compensation from the customer (for example, cases involving compensation, reimbursement of costs, legally mandatory inflation-linked review), subject to the submission of a direct application to the customer. The criterion followed by the Group with regard to claims is to apply the method mentioned above in relation to changes, when such claims are not covered by the contract, or to apply the variable consideration method, when they are covered by the contract but need to be quantified. A dispute is the result of an incident of non-compliance or rejection after a claim has been made to the customer under the terms of the contract, the result of which is pending in a procedure being pursued directly with the customer or in court or arbitration proceedings. In line with the criteria followed by the Group, in the event that the revenues relating to a dispute in which the enforceability of the amount being claimed are in doubt, these revenues will not be recognized and any recognized earlier will be cancelled, since the dispute shows that the customer has not given its approval for the completed work.

In the event that the customer questions the value of the work completed revenues will be recognized on the basis of the criteria applied in cases of “variable consideration”, as explained below.

Only in cases in which a legal report confirms that the rights forming the subject of the dispute are clearly enforceable and, therefore, at least the costs directly associated with the service relating to the dispute are recoverable, revenues may be recognized up to the maximum amount of the costs incurred.

(iii) Determination of the transaction price

The purpose of the entity is to allocate the price to each performance obligation (or distinct good/service) for an amount that represents the consideration to which the entity expects to be entitled in exchange for the transfer of goods or services committed to the customer.

In order to fulfil the allocation purpose, the transaction price of each performance obligation identified in the contract is allocated as a selling price that is separate in relative terms.

The best evidence of a separate selling price is the observable price of a good or service when the entity sells that good or service separately in similar circumstances and to similar customers.

Variable consideration

If the consideration promised in a contract includes a variable amount, this amount is recognized only to the extent that it is highly probable that a significant reversal in the amount recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. For example, it is stipulated that a bonus may only be recognized once a high percentage of completion of the contract has been reached.

Financing component

Generally speaking, in order to calculate the price of a performance obligation, an implicit financing component is calculated, in cases in which between the date on which the goods or services are delivered and the date on which the customer is expected to pay for the goods or services is greater than a year. This component is treated as financial income.

Where a performance obligation involves a period of less than one year between the date on which the company transfers goods that have been promised to the customer and the date on which the customer pays, the practical solution permitted under the regulations is applied to avoid adjusting the financial amount of the consideration.

In cases in which there is a contractual or legal right to charge late payment interest for a payment that is delayed with regard to the contractually agreed terms, this late payment interest is only recognized when it is highly probable that it will be effectively paid.

iv) Balance sheet items related to revenue recognition

Works completed pending certification/work certified in advance

Unlike revenue recognition, the amounts billed to the customer are based on achievement of the various milestones established in the contract and on acknowledgement thereof by the customer, through a contractual document referred to as a progress billing certificate. Thus, the amounts recognized as revenue for a given year do not necessarily coincide with the amounts billed to or certified by the customer.

In contracts in which the revenues recognized exceed the amount billed or certified, the difference is recognized in an asset account "Work completed pending certification" (since it is an asset under the contract) under "Trade receivables for sales and services", while in contracts in which the revenues recognized are lower than the amount billed or certified, the difference is recognized in a liability account "Work certified in advance" (since it is a liability under the contract) under "Short-term trade and other payables".

Bidding and mobilization costs

In addition to the balance sheet entries described above, the Group also recognizes assets connected with the cost of obtaining contracts (bidding costs) and the costs incurred in order to comply with contracts, or the start-up costs (mobilization costs) that relate directly to the main contract, provided that they are recoverable during the performance of the contract. These amounts are included in a different account on the assets side of the balance sheet, under "inventories" (Note 4.1).

Bidding costs are only capitalized when they are directly related to a contract, it is probable that they will be recovered in the future, and either the contract has been awarded or the company has been selected as preferred bidder.

The costs incurred, regardless of whether or not the contract is won, are recognized as an expense, unless they are explicitly recoverable from the customer in any case (whether or not the contract is won). They are amortized systematically as the goods and services connected with the asset are transferred to the customer.

Any costs that are necessary in order to implement a contract, mobilization costs, are capitalized whenever it is probable that they will be recoverable in the future and when they do not include costs that would normally be generated for the company if the contract had not been won. They are gradually recognized as an expense on the basis of the proportion of actual output to estimated output under each contract. Otherwise, the expenses are entered directly to profit or loss.

v) Provisions from customer contracts

The main provisions relating to customer contracts are provisions for deferred expenses and for budgeted losses.

- Provisions for deferred expenses. These cover expenses that are expected to be generated at the end of a contract, such as the removal of construction machinery or dismantling costs, together with estimates of the repairs that will be required during the warranty period. These provisions are connected with an existing obligation set out in the contract, on the basis that the company will probably allocate resources to complying with the obligation, the amount of which can be reliably estimated. The provisions are allocated on the basis of the best possible estimates of total costs. They may be calculated as a percentage of the total revenues expected from the contract, if there is historical information from similar contracts.

As regards the warranty obligations included in this type of provision, these will not be treated as a separate performance obligation, unless the customer has the option of engaging the warranty separately, meaning that the obligation will be entered in accordance with IAS 37 on provisions.

- Provisions for budgeted losses. These provisions are recognized as soon as it becomes obvious that the total costs expected to be incurred in a contract exceed total expected revenues. For the purposes of calculating this provision, where necessary, the criteria set out in paragraph 14 (b) of IAS 37 are applied. In this way, the estimate of the total contract budget will include the forecast revenues that are considered probable.

These criteria are different from those set out in IFRS 15, mentioned above in Note 1.2.3.4 "revenue recognition", under which the revenues are only recognized when considered highly probable.

Likewise, in the event that the total profit expected from a contract is lower than the amount recognized according to the rules set out above for revenue recognition, the difference is entered as a provision for negative margins.

vi) Specific criteria for revenue recognition by segment

Construction business

For construction contracts, as a general rule, single performance obligation will be identified owing to the high degree of integration and customization of the various goods and services to provide a combined output that is transferred to the customer over time.

As mentioned above, the Group has chosen the "measured work unit" ("output method") as its preferred method. This is applied whenever the progress of the work can be measured as it is being carried out, and a price has been allocated to each work unit.

It is only with regard to contracts in which it is not possible to determine a unit price for the units to be completed that the input method known as "measure of progress based on costs incurred" may be applied.

Services business

In the case of the Services business, there is no single type of contract, given the wide diversity of services offered. In general, contracts include a range of different tasks and unit prices, in which revenues are taken to the income statement when the services are provided, based on time elapsed, i.e. when the customer simultaneously receives and consumes the benefits provided by the performance of the service as it is being provided. This happens, for example, with recurring or routine services such as facility management, street cleaning or waste collection services.

Certain contracts include different types of activities, subject to a scale of fixed unit tariffs for the provision of the services that are provided and that form part of the contract as a whole. In these contracts, the customer requests each service by submitting work orders, which are classified as independent performance obligations, and any associated revenues will be recognized on the basis of the specific requirements set out for approval in each contract.

In the case of complex, long-term contracts that include the provision of various services involving different performance obligations (construction, maintenance, operation, etc.), payment of which is made regularly and for which the price relating to the obligations in question is indicated in the contract or can be calculated, revenues are recognized for the recurring services on an elapsed time basis, using the progress achieved criterion for the more complex performance obligations in which it is not possible to allocate a price to each of the units completed.

Lastly, it should be noted that the revenue from certain contracts that fall within the scope of IFRIC 12 is recognized as described in Note 1.3.3.2.

Toll roads business

The contracts included in this line of business are accounted for in accordance with IFRIC 12, which provides for the classification of the contract assets on the basis of the intangible asset model and the financial asset model (mixed models could also be applied) (Note 1.3.3.2).

In the case of concession arrangements accounted for using the intangible asset model, the customer is the user of the infrastructure and, therefore, each use made of the infrastructure by users is considered a performance obligation, and the related revenue is recognized at a point in time. In the case of concession arrangements accounted for using the financial asset model, in which the customer is the concession grantor, revenue recognition depends on the various services provided (e.g. operation or maintenance), which will be accounted for as different performance obligations, to which market prices have to be allocated. In cases in which an isolated sale price cannot be directly identified, it is estimated on the basis of the best possible estimate, applying the margin expected for this business.

Airports business

Generally speaking, these are short-term services rendered to the customer (airlines or airport users), in which regulated revenues will be recognized at a specific moment. It should be noted that the revenue from certain contracts that fall within the scope of IFRIC 12 is recognized as described in Note 1.3.3.2.

Energy distribution business

These are contracts with a series of services that are substantially the same and are transferred using the same standard model. The monthly tariff reflects the value of the services rendered. This type of contract will only have a performance obligation that is transferred over time, and revenues are recognized using the output method.

1.3.3.5 Non-current assets held for sale

Non-current assets are classified as assets held for sale if it is considered that their carrying amount will be recovered when sold, rather than via continued use.

This condition is only met when the sale is highly probable, and they are available for immediate sale in their current condition, and that the sale is likely to be completed in the space of one year from the classification date. The period may be extended if the delay is caused by events and circumstances beyond the company's control and there is sufficient evidence of the commitment to the sales plan. The total of these assets is registered in one line and valued at the lower value of their carrying amount and their fair value, less the costs to sell them, and are not subject to depreciation from the moment they are classified as held for sale. The profit/(loss) contribution of these assets to the Group's profit/(loss) is registered in the income statement, classified by type.

An entity that is committed to a sale plan that entails the loss of control of a subsidiary will classify all that subsidiary's assets and liabilities as held for sale when the requirements indicated in the previous paragraph are met, irrespective of whether or not the entity retains a non-controlling interest in its former subsidiary following the sale.

1.3.3.6 Discontinued operations

Discontinued operations are those that have been sold or otherwise disposed of or have been classified as held for sale and represent a full segment for the consolidated Group, or form part of a single plan or relate to a subsidiary acquired solely for resale. The profit/(loss) generated from discontinued operations, both for the current financial year, as well as those presented alongside it, is presented in a specific line in the income statement after tax, with the total comprising the follow amounts:

- Profit/(loss) after tax of the activities and/or discontinued operations.
- Profit/(loss) after tax recognized for the fair value measurement, less sales costs, or for divestment.

1.3.4. Accounting estimates and judgements

Estimates have been made when preparing the 2021 consolidated annual accounts to measure some of the assets, liabilities, income, expenses and commitments recognized. These estimates basically relate to the following:

- i. The estimate made to calculate the fair value of the purchase of an additional 5.704% of I-66 (Note 1.1.4).
- ii. The estimates relating to recognizing revenues from customer contracts (Note 1.3.3.4), particularly important being those relating to:
 - determining whether there are enforceable rights to recognize revenue;
 - determining whether the modification of a contract has been approved;
 - establishing whether the criteria have been met to recognize revenue as variable consideration;
 - recognizing revenues in relation to an amendment, claim or dispute;
 - establishing whether there are one or more performance obligations and the price to be allocated to each of them;
 - defining the method applicable to each performance obligation in order to recognize revenues on the basis of time, bearing in mind that, according to the accounting policy established by the company, the preferred method is the output method (analysis of work completed), based on either percentage completed or time elapsed, while the input method (measure of progress based on costs) is applied in cases in which the services rendered do not represent recurrent and routine services in which it is not possible to determine the unit price for the units to be completed;
 - in the case of contracts entered under the criterion of examination of work completed, measurement of the units completed and the price to be allocated to them;
 - in the case of contracts entered using the input method (measure of progress based on costs), defining the degree to which costs have been incurred and the margin expected to be obtained from the contract;
 - determining capitalization of bidding and mobilization costs;
 - assessment of whether to act as principal or agent;
 - estimates relating to the calculation of provisions for expected losses and deferred expenses.
- iii. The judgement regarding meeting the conditions to classify the assets and liabilities of the Services Division as discontinued operations in line with IFRS 5, and for the fair value estimation of those assets (Note 1.1.3).
- iv. Estimates made for the purposes of the going concern assessment (Note 1.2)

- v. Estimates made in 2021 regarding the impact of COVID-19 (Note 1.2)
- vi. Assessment of possible legal and tax contingencies (Note 6.5 on contingent liabilities and Note 6.3 on provisions).
- vii. The recognition for accounting purposes of the subordinated guaranteed hybrid bond (Note 5.1.2 equity instruments).
- viii. Estimates regarding derivative measurements and the expected cash flows associated with them in order to determine the existence of accounting hedges (Note 5.5, financial derivatives at fair value).
- ix. The measurement of possible impairment losses on certain assets, especially in 2021 with relation to the assets in the Airports business (Notes 2.1, Impact of COVID-19, Note 3.1, Goodwill, 3.6. Non-current financial assets and Note 3.5, Investments in associates).
- x. Business performance projections that affect the estimates of the activation of tax assets and the possible recoverability of the same (Note 2.8 on tax matters).
- xi. Estimates that take account of the future vehicle numbers on toll roads for the purpose of preparing financial information for toll roads pursuant to IFRIC 12 (Note 3.3, investments in infrastructure projects, and Note 6.3, provisions).
- xii. The assumptions used in the actuarial calculation of liabilities due to pensions and other commitments to employees (Note 6.2, pension plan deficit).
- xiii. The measurement of share award plans (Note 6.7, share-based remuneration schemes).
- xiv. Estimation to determine the term of lease agreements when they include cancellation or extension options; or the assessment of whether the exercise of such options, which affect the value of the right-of-use asset and the lease liability, is reasonably certain (Note 1.2.1.a).

These estimates were made using the best information available at 31 December 2021 on the events analyzed. However, it is possible that events that may take place in the future might make it necessary to change these estimates. Changes in accounting estimates would be applied prospectively in accordance with the requirements of IAS 8.

1.3.5. Disclosures

It should also be noted that in preparing these consolidated annual accounts the Group has omitted any information or disclosures which did not require disclosure due to their qualitative importance and were considered to be immaterial under IFRS.

1.4. EXCHANGE RATE

As indicated above, Ferrovial engages in business outside the eurozone through various subsidiaries. The exchange rates used to convert these financial statements for their inclusion in the Group's consolidated financial statements are as follows:

Balance sheet items (exchange rates at 31 December 2021 and at 31 December 2020 for the comparative period):

Closing exchange rate	2021	2020	Change 21/20 (*)
Pound sterling	0.8413	0.8956	-6.05%
US dollar	1.1370	1.2225	-6.99%
Canadian dollar	1.4373	1.5609	-7.92%
Australian dollar	1.5647	1.5888	-1.52%
Polish zloty	4.5869	4.5678	0.42%
Chilean peso	968.9800	868.6600	11.55%

(*) A negative change represents an appreciation of the reference currency against the euro and vice versa.

Items in the income statement and cash flow statement (cumulative average rates at December 2021 and at December 2020 for the comparative period):

Average exchange rate	2021	2020	Change 21/20 (*)
Pound sterling	0.8590	0.8887	-3.39%
US dollar	1.1796	1.1465	2.89%
Canadian dollar	1.4790	1.5377	-3.82%
Australian dollar	1.5785	1.6593	-4.87%
Polish zloty	4.5656	4.4673	2.20%
Chilean peso	901.4610	906.6242	-0.57%

(*) A negative change represents an appreciation of the reference currency against the euro and vice versa.

As detailed in the previous tables, during 2021 the main currencies in which Ferrovial operates appreciated against the euro.

The impact recorded in this regard on shareholders' funds attributable to the parent company is EUR 106 million (see Note 5.1.1 Changes in equity).

Note 5.4 explains how exchange rate risk is managed.

In addition, the impact caused by exchange rates is also analyzed in the Notes where this is a relevant issue.

1.5. INFORMATION BY SEGMENT

Appendix III contains the statements of financial position and the income statement for each business segment, both for 2021 and for the comparative period.

It also includes a breakdown by segment of the sections in which this information is important or required under accounting legislation.

SECTION 2: PROFIT/(LOSS) FOR THE YEAR

This section comprises the Notes relating to the profit/(loss) for the year.

The net profit for the year that amounts to EUR 1,197 million was primarily affected by the capital gain in the concession operator I-66 Express Mobility Partners Hold. LLC, due to the restatement of the pre-existing shareholding following the acquisition of an additional 5.704%. As a result, Ferrovial's total shareholding stands at 55.704% of the concession awarded by the Virginia Transport Department.

The acquisition of this additional ownership interest means that Ferrovial holds the majority of voting rights on the concession operator's Board so the toll road is now fully consolidated. This transaction entails recognizing a capital gain of EUR 1,101 million on the "impairment and disposals" line due to measuring Ferrovial's pre-existing 50% interest at fair value, together with the gain of EUR 16 million on the recycling of currency translation differences (Note 1.1.4.), resulting a total impact of EUR 1,117 million.

In addition, net profit/(loss) for the year was impacted by a profit of EUR 361 million (EUR 299 million impact on net income) from discontinued operations relating mainly to two divestment transactions:

– The profit of EUR 246 million from the Services business (Notes 1.1.3 and 2.9), relating primarily to the Environment activity (Spain and Portugal) sold on 1 December, as explained in Note 1.1.4, with an impact of EUR 335 million.

– The profit from the sale of the Budimex Group's Polish real estate business (B.N.I.) on 22 February at a gain of EUR 107 million before non-controlling interests, recognized on the discontinued operations line, and EUR 53 million in net profit/(loss) (after non-controlling interests).

Other non-recurring effects on the impairment and disposals line amounting to EUR 22 million relate basically to sale transactions in the Construction Division, particularly the gain on the divestment of the 19.86% ownership interest in Nalanda, the sale of 22% of Urbica and the divestment in Figueras.

Setting aside all these impacts, together with others relating to the measurement of ineffective derivatives and the regularization of prior-year taxes, the group's result would be EUR -226 million, as broken down in the accompanying table.

This result is still affected by the impact of COVID-19 on the Airports business, particularly on Heathrow Airport (HAH), the investment carried in equity-accounted assets at 31 December 2020 (EUR 205 million) having fallen to zero after losses for the year; and the impact of the AGS airports, for which losses of EUR 20 million have been recognized, also reducing the ownership interest to zero.

Finally, the Tolls Roads and Construction businesses improved compared with 2020 from an operational viewpoint, as explained in more detail in the Management Report.

Non-recurring impacts	Profit/(loss) before tax	Balances at 31/12/2021
		Net profit/(loss)
Net income	964	1,197
I-66 Capital gain (Note 2.5)	1,117	1,117
Services discontinued	0	299
Other Capital gain	21	14
Other impacts	-116	-7
Net income Like – for -Like	-58	-226

NOTES ON PROFIT/(LOSS) FOR CONTINUING OPERATIONS

2.1. OPERATING INCOME

The detail of the Group's operating income at 31 December 2021 is as follows:

(Millions of euros)	2021	2020 (*)
Revenue	6,778	6,532
Other operating income	1	3
Total operating income	6,779	6,534

(*) Restated figures (Note 1.1.5)

The Group's revenue at 31 December 2021 relating to contracts with customers, as interpreted by IFRS 15, amounts to EUR 6,678 million (Note 4.4).

Revenue includes the financial income for the services provided by the concession operators that apply the financial asset model, amounting to EUR 15 million in 2021 (2020: EUR 18 million).

"Other operating income" includes the impact of the grants related to income received in 2021 amounting to EUR 1 million (2020: EUR 3 million).

The breakdown of revenue by segment and the comparison with the prior year is as follows:

2021				
(Millions of euros)	External sales	Intersegment sales	Total	Var. %
Construction	5,044	1,033	6,077	2%
Toll roads	587	1	588	34%
Airports	1	1	2	100%
Other activities	129	148	277	18%
Adjustments	0	-166	-166	31%
Total	5,761	1,017	6,778	4%

2020			
(Millions of euros)	External sales	Intersegment sales	Total
Construction	4,955	1,029	5,984
Toll roads	438	1	439
Airports	1	0	1
Other activities	115	120	235
Adjustments	0	-127	-127
Total	5,508	1,024	6,532

The inter-segment sales that are not eliminated in the Group's consolidated financial statements are the sales made by the Construction Division to the infrastructure concession operators, as discussed in Notes 1.2.2 and Note 6.8.

In "Other activities", sales relate to the Energy Infrastructure, Mobility and Waste Treatment Plants businesses, as mentioned in Note 1.1.2

The breakdown of sales by geographical area is as follows:

(Millions of euros)	2021	2020 (*)	Var. 21/20
USA	2,639	2,558	81
Poland	1,735	1,726	9
Spain	1,092	981	111
UK	644	524	120
Canada	80	87	-7
Other	589	656	-67
TOTAL	6,778	6,532	246

(*) Restated figures (Note 1.1.5)

The Ferrovial Group's sales in its five main markets account for 91% of total sales.

2.2. OTHER OPERATING EXPENSES

Operating expenses mainly include work carried out by other companies and changes in provisions for the year:

Millions of euros	2021	2020 (*)	Var.
Subcontracted work	2,824	2,922	-98
Leases	228	235	-7
Repairs and maintenance	66	68	-2
Independent professional services	323	276	46
Changes in provisions for liabilities (Note 6.3)	51	157	-106
Other operating expenses	404	267	137
Total other operating expenses	3,897	3,926	-30

(*) Restated figures (Note 1.1.5)

2.3. STAFF COSTS

The detail of staff costs is as follows:

(Millions of euros)	2,021	2020 (*)	VAR.
Wages and salaries	1,036	1,025	-11
Social security	142	143	1
Pension plan contributions	10	10	-1
Share-based payments	-10	10	20
Other welfare expenses	30	24	-6
TOTAL	1,208	1,212	3

(*) Restated figures (Note 1.1.5)

Compared to the previous year, the impact on the income statement in relation to remuneration systems based on the delivery of shares stands out, which has generated an income of 10 million euros (-10 million euros spent in 2020) with a counterpart in net worth. The recognition of this income is due to the partial reversal of the provision endowed in previous years, since both in the plan that expired in 2021 and the one that expires in 2022, the degree of compliance with the conditions entitled to receive remuneration has been lower than that initially considered.

The detail of the number of employees at 31 December 2021 compared to 2020, by professional category and gender, is broken down by continuing and discontinued operations in the following tables:

CONTINUING OPERATIONS CATEGORY	31/12/2021			VAR. 21/20
	MEN	WOMEN	TOTAL	
Executive directors	2	0	2	0%
Senior managers	12	1	13	0%
Executives	99	13	112	17%
Managers/Professionals/Supervisors	6,178	2,386	8,564	129%
Administrative/Support personnel	500	536	1,036	42%
Manual workers	8,623	330	8,953	-88%
TOTAL	15,414	3,266	18,680	-1%

CONTINUING OPERATIONS	31/12/2020 (*)		
	MEN	WOMEN	TOTAL
Executive directors	2	0	2
Senior managers	13	1	14
Executives	143	10	153
Managers/Professionals/Supervisors	6,562	2,319	8,881
Administrative/Support personnel	554	585	1,139
Manual workers	8,459	276	8,735
TOTAL	15,733	3,191	18,924

(*) Restated figures (Note 1.15)

DISCONTINUED OPERATIONS CATEGORY	31/12/2021			VAR. 21/20
	MEN	WOMEN	TOTAL	
Executive directors	0	0	0	0%
Senior managers	0	0	0	0%
Executives	18	4	22	-21%
Managers/Professionals/Supervisors	6,598	1,952	8,550	-3%
Administrative/Support personnel	129	551	680	-44%
Manual workers	18,235	16,903	35,138	-31%
TOTAL	24,980	19,410	44,390	-27%

DISCONTINUED OPERATIONS CATEGORY	31/12/2020 (*)		
	MEN	WOMEN	TOTAL
Executive directors	0	0	0
Senior managers	0	0	0
Executives	23	5	28
Managers/Professionals/Supervisors	6,502	2,353	8,855
Administrative/Support personnel	356	862	1,218
Manual workers	31,549	19,546	51,095
TOTAL	38,430	22,766	61,196

(*) Restated figures (Note 1.15)

At 31 December 2021, there were 2,963 employees with a disability rating of 33% or more, including continuing and discontinued operations, accounting for 4.7% of the total workforce at year-end.

The average workforce by business division for the two periods being compared is as follows:

BUSINESS	31/12/2021			VAR. 21/20
	MEN	WOMEN	TOTAL	
Construction	14,344	2,777	17,121	2%
Toll roads	316	152	469	-3%
Airports	32	14	46	-5%
Other	743	257	1,000	-3%
TOTAL CONTINUING OPERATIONS	15,435	3,200	18,636	1%
TOTAL DISCONTINUED OPERATIONS	37,476	22,424	59,899	-9%
TOTAL	52,911	25,624	78,535	-7%

BUSINESS	31/12/2020 (*)		
	MEN	WOMEN	TOTAL
Construction	14,132	2,722	16,853
Toll roads	328	154	482
Airports	31	18	49
Other	773	254	1,027
TOTAL CONTINUING OPERATIONS	15,264	3,148	18,411
TOTAL DISCONTINUED OPERATIONS	42,298	23,596	65,895
TOTAL	57,562	26,744	84,306

(*) Restated figures (Note 1.15)

2.4. EBITDA AND EBIT BEFORE IMPAIRMENTS AND DISPOSALS

EBITDA at 31 December 2021 amounted to EUR 596 million (31 December 2020: EUR 406 million), representing an increase of 47% compared to the previous year, primarily due to the improvements in the Toll Roads and Construction Divisions.

Fixed asset depreciation charges for 2021 totaled EUR 259 million as compared with EUR 233 million in the previous year.

The Management Report provides a detailed analysis of the way these line items have performed by business.

2.5. IMPAIRMENT AND DISPOSALS

The following section contains a breakdown of the main gains and losses relating to impairment and disposals:

Profit/(loss) recognized in 2021:

The amount recognized in respect of impairment and disposals in 2021 came to a total of EUR 1,139 million and primarily related to the following transactions:

- Acquisition by Cintra of an additional 5.704% of the concession operator I-66 Express Mobility Partners Hold. LLC (Note 1.14.). Following this acquisition, the ownership interest stands at 55.704% and the toll road is now fully consolidated since Cintra has control. This transaction entails recognizing a capital gain of EUR 1,101 million due to measuring Ferrovial's pre-existing 50% interest at fair value. The Total profit the operation is 1,117 million, as it includes 16 million recycling of conversion differences.
- Capital gain of EUR 17 million on the divestment of Ferrovial Construcción S.A.'s 19.86% interest in Nalanda to Nadina Luxco S.A.R.L. (EUR 17 million in Net profit).
- Sale of Ferrovial Construcción S.A.'s 22% interest in Urbicsa at a gain of EUR 16 million (EUR 16 million in Net profit).
- Capital loss of EUR -9 million incurred in September 2021 on the divestment of Figueras. Figueras was classified as held for sale up until August.

(Millions of euros)	Impact on profit/(loss) before tax			Impact on net profit/(loss)
	Before fair value adjustments	Fair value adjustments	Total 2021	
Acquisition of 5.704% of I-66	16	1,101	1,117	1,117
Nalanda sale	17	0	17	17
Urbicsa sale	17	0	17	17
Nevasa sale	1	0	1	1
Figueras sale	-9	0	-9	-9
Income from capital gains and disposals	41	1,101	1,141	1,141
Impairment losses FB Serwis	-3	0	-3	-3
Impairment gains/(losses)	-3	0	-3	-3
TOTAL IMPAIRMENT AND DISPOSALS	38	1,101	1,139	1,139

The gains/(losses) relating to impairment and disposals in 2020 essentially related to the following:

(Millions of euros)	Impact on profit/(loss) before tax			Impact on net profit/(loss)
	Before fair value adjustments	Fair value adjustments	Total 2020 (*)	
Sale of Zity ownership interest	2	5	7	7
Sale of the stake in the Portuguese toll roads	-2	0	-2	-1
Income from capital gains and disposals	0	5	5	6
Autema	0	10	10	6
Impairment gains/(losses)	0	10	10	6
TOTAL IMPAIRMENT AND DISPOSALS	0	15	15	12

(*) Restated figures (Note 1.1.5)

2.6. NET FINANCIAL INCOME/(EXPENSE)

The following table gives a detailed, item-by-item breakdown of the changes in net financial income/(expense) in 2021 and 2020. The profit/(loss) generated by the infrastructure project companies is presented separately from the result of non-infrastructure project companies (see the definition in Note 1.1.2) and in each of them a further distinction is made between the financial income from financing (which includes the finance costs on credits and loans with credit institutions and bonds, and the returns on financial investments and loans granted) and the net financial income/(expense) from derivatives and other items, which includes the impact of the fair value measurement of ineffective hedges and other income and expenses not directly related to financing.

Millions of euros	2021	2020 (*)	Change (%)
Financial income from infrastructure project financing	0	8	-100%
Financial expense from infrastructure project financing	-220	-252	13%
Net financial income/(expense) from infrastructure project financing	-220	-244	10%
Profit/(loss) on derivatives and other fair value adjustments from infrastructure projects (*)	-84	39	287%
Other net financial income/(expense) from infrastructure projects	-3	-2	-50%
Other net financial income/(expense) from infrastructure projects	-87	37	305%
Total net financial income/(expense) from infrastructure projects	-307	-207	-43%
Financial income from other company financing	24	43	-44%
Financial expense from other company financing	-50	-51	2%
Net financial income/(expense) from other company financing	-26	-8	-225%
Profit/(loss) on derivatives and other fair value adjustments from other companies (*)	1	5	-80%
Net financial income/(expense) from other companies	-2	-33	-97%
Other net financial income/(expense) from other companies	-1	-28	-100%
Total net financial income/(expense) from other companies	-27	-36	-28%
NET FINANCIAL INCOME/(EXPENSE)	-334	-243	-33%

(*) Included in the fair value column in relation to the net financial income/(expense) in the consolidated income statement for a total amount of EUR -83 million in 2021 and EUR 44 million in 2020.

(*) Restated figures (Note 1.1.5)

The following table provides a breakdown of infrastructure project companies financial expense, breaking down capitalized expenses from toll roads under construction:

Infrastructure project financing expenses from infrastructures (Millions of euros)	2021	2020 (*)
Accrued financial expenses	-257	-270
Expenses capitalized during the construction period	37	26
Financial expenses in P&L	-220	-244

(*) Restated figures (Note 1.1.5)

The change in profit/(loss) from financing is explained mainly by the increase in capitalized expenses compared to 2020 (EUR 11 million), of which EUR 7 million relates to the concession company I-66, which was previously equity-accounted method and is now controlled and fully consolidated following the acquisition of an additional 5.704%.

- The main effect recognized under gains/(losses) on derivatives and other fair value adjustments to infrastructure projects relates to the speculative part of the index-linked swap (ILS) associated with the Autema project carried at a fair value of EUR -84 million (EUR -64 million in net profit/(loss)).
- The financial income from ex-infrastructure project companies in 2021 amounted to EUR -26 million (31 December 2020: EUR -8 million), relating to external borrowing costs (EUR -50 million) and financial income primarily obtained from financial investments (EUR 24 million). The change over 2020 is primarily due to the lower return from cash resources in Canada compared to the previous financial year.

- Other net financial income/(expense) from ex-infrastructure projects include the impact of derivatives and other fair value adjustments primarily relating to the impact of the derivatives not designated as hedges, including most notably, equity swaps arranged by the Group to hedge the impact on equity of variable share-based remuneration schemes (Note 6.7) with an impact of EUR 14 million due to the good performance of the share price in 2021, as well as the negative impact from the exchange rate hedges that the Group has contracted in Canadian dollars, pound sterling and US dollars.

Excluding the effects caused by derivatives, the remaining net financial income/(expense) from ex-infrastructure project companies are shown below:

Other net financial income/(expense) from ex-infrastructure project companies (Millions of euros)	2021	2020 (*)	Var. 21/20
Cost of bank guarantees	-29	-27	-2
Financial provision for transition to IFRS 9	-1	0	-1
Late-payment interest	6	9	-3
Foreign exchange differences	12	-27	39
Interest on tax assessments	-6	-7	1
Security deposit income, associates	12	19	-7
Other	5	0	5
TOTAL	-1	-33	32

(*) Restated figures (Note 1.1.5)

The main change in relation to the previous year is explained by foreign exchange differences (EUR 39 million compared to December 2020), due basically to the company's US dollar cash resources and specifically to the adverse impact of the dollar's depreciation and trend during 2020. This year, the impact was positive due to the dollar's appreciation against the euro (Note 1.4). The "Other" sub-caption includes in 2021 the amount of the invoicing of guarantees for projects accounted for using the equity method (EUR 5 million).

Impact on cash flow: as can be observed in the following table, the difference between the net financial income/(expense) on financing and the interest cash flows reported in the cash flow statement is EUR 12 million.

	NET FINANCIAL INCOME/(EXPENSE) E) NOT CAPITALISED	INTEREST CASH FLOW	DIFFERENCE
Infrastructure projects	-257	-253	-4
Ex-infrastructure project	-26	-42	16
TOTAL	-283	-295	12

This difference at the project level arose mainly in the US toll roads (NTE, LBJ, NTE Segment 3, I-77 and I-66), whose financing arrangements allow for the compounding of interest in the first years of the concession, as a result of which the interest is added to the principal and does not give rise to a cash outflow during the year, as well as accrued unmatured interest.

2.7. SHARE OF PROFITS OF EQUITY-ACCOUNTED COMPANIES

The share of the net profit of equity-accounted companies in 2021 amounted to EUR -178 million (2020: EUR -373 million). The detail of the most significant companies is as follows:

Profit/(loss) of equity-accounted companies (Millions of euros)	2021	2020
HAH	-238	-396
407 ETR	52	33
AGS	-20	-51
Other	28	41
TOTAL	-178	-373

The loss of EUR -238 million contributed by HAH to Ferrovial, does not reflect 25% of the loss reported by HAH due to the application of IAS 28, which states that if the share of an associate's losses equals or exceeds the interest in the associate, the investor must not recognize its share of further losses, unless there are legal or constructive obligations justifying the recognition of a liability for additional losses once the investment value is reduced to zero.

The 407 ETR toll road improved in relation to December 2020 (EUR 19 million) due to the effect on traffic of the gradual lifting of Covid-19 mobility restrictions during the year.

EUR -20 million (EUR -51 million in 2020) of the loss contributed for the year by AGS relates to the capital injection of GBP 17.5 million carried out following closure of the agreement to amend and extend the facility agreement on 18 June, whereby the shareholders undertook to make capital contributions and loans in proportion to their shareholdings (50%).

EUR 28 million on the "Other" line relates mainly to the results of the Slovakian toll road Zero-Bypass (EUR 5 million) and the Australian toll road Netflow OSARs (EUR 4 million), as well as the maintenance contract for Madrid Calle 30 (EUR 5 million) and the cleaning and maintenance services at Doha Airport in Qatar (EUR 4 million). The remaining projects had an impact of EUR 10 million.

Note 3.5 provides greater detail on the profit/(loss) of these companies.

2.8. CORPORATE INCOME TAX AND DEFERRED TAXES

2.8.1. Explanation of the corporate income tax expense for the year and the applicable tax rate

In 2021, income tax income was recognized in the amount of EUR 9 million (income of EUR 34 million in 2020).

To explain the reasonableness of this tax revenue is necessary to consider two effects:

- Income tax expense or income that is not related to the result for the year. Eliminating these impacts, we arrive at the adjusted tax expense for the year (EUR 26 million).
- Results that do not generate tax impact. Eliminating these effects, we would arrive at the Fiscal Result for the year (EUR -84 million).

Adjusted tax expense:

- Excluding an expense of EUR 17 million (EUR 44 million in 2020), which corresponds to items not related to the result for the year, and to regularizations of prior years' taxes (including regularization of deferred tax assets and liabilities) and provisions for tax litigation.

Excluding these impacts, the adjusted income tax income in relation to the results for the year would be EUR 26 million.

Tax results

Excluding from profit before tax (EUR 964 million) the result of the companies accounted for using the equity method (net loss of EUR -178 million), the positive result from the fair value revaluation of 50% of I-66 Express Mobility Partners amounting to EUR 1,117 million (see note 1.1.4) which has no tax impact and the remaining permanent differences (EUR -109 million), we would arrive at a tax result of EUR -84 million.

The aforementioned permanent differences mainly correspond to expenses or income for the year which, in accordance with the tax regulations applicable in each country, are not deductible (expenses) or taxable (income) in the year, nor are they expected to be deductible or taxable in future years. The cumulative balance of this item is EUR -109 million, the most significant adjustments being as follows:

- Losses primarily generated in international construction projects for which, in accordance with the prudence principle of accounting, no tax credit has been recognized (EUR 28 million).
- Non-taxable income due to the use of tax-loss carryforwards amounting to EUR -46 million.
- Exempt capital gains on the sale of shareholdings in the Construction Division (Urbicsa, Nalanda, Figueras), the Mobility Division (Car Sharing) and the Services Division (Nevasa) amounting to EUR -39 million (Note 1.1.4).
- Profit/(loss) on consolidation with no tax impact. This item relates to profit/(loss) derived from applying accounting consolidation criteria, which do not have any tax implication. The accumulated balance for this concept is an of EUR -38 million that primarily relates to losses in concession project companies in the US and Canada, and which are fully consolidated. However, the associated tax credit is recognized solely at Ferrovial's percentage of ownership as these companies are taxed under pass-through tax rules; the shareholders of these companies are the taxpayers, at the percentage of ownership that they hold.

This tax result of -84 million euro would compare with adjusted income tax income of 26 million euro for the year, resulting in an effective income tax rate of 31%, which is in line with the rate applicable in the main countries in which Ferrovial operates.

DECEMBER 2021 (Million euros)	SPAIN	UNITED KINGDOM	UNITED STATES	POLAND	CANADA	REST OF COUNTRIES	TOTAL
Profit/(loss) before tax	-86	-263	1,144	123	62	-17	964
Profit/(loss) from equity-accounted companies	-8	253	0	0	-54	-14	178
Purchase of 5.704% of I-66 Express Mobility Partners LLC			-1,117				-1,117
Other permanent differences	-39	-17	-42	-20	1	6	-109
Taxable income	-132	-26	-15	104	10	-25	-84
Taxable expense for the year	57	6	10	-19	-3	-41	9
Other adjustments	-23	-1	-6	0	0	47	17
Adjusted tax expense	34	5	4	-20	-3	6	26
Effective rate applicable to taxable income	25%	20%	25%	19%	26%	24%	31%
Effective national tax rate (*)	25%	19%	23%	19%	26.5%		

(*) The country's effective tax rate is the result of combining the tax rates and taxes (federal, state and municipal) applicable in each country.

The following table includes the detail of the calculation of the effective tax rate for 2020.

2020 (Millions of euros)	SPAIN	UK	US	POLAND	CANADA	OTHER COUNTRIES (*)	TOTAL
Profit/(loss) before tax	-72	-460	-76	115	45	21	-427
Profit/(loss) from equity-accounted companies	-9	447	0	0	-35	-31	373
Permanent differences	-1	18	13	28	4	36	98
Profit/(loss) on consolidation with no tax impact	0	0	20	0	2	8	30
Taxable income	-82	5	-44	143	16	35	74
Tax expense for the year	56	0	23	-25	-5	-14	34
Change to the prior-year tax evaluation	-37	-1	-11	-2	1	6	-44
Adjusted tax expense	20	-1	11	-27	-4	-9	-10
Effective rate applicable to taxable income	24%	19 %	26%	19%	25 %	25%	13%
Effective national tax rate	25%	19 %	23%	19%	27 %		

(*) The country's effective tax rate is the result of combining the tax rates and taxes (federal, state and municipal) applicable in each country.

2.8.2 Detail of the current and deferred tax expense and the tax paid in the year

The breakdown of income tax expense for 2021 and 2020 distinguishes between current tax, deferred tax and changes due to the re-estimation of the recoverability of deferred tax assets, recovery being deemed probable based on the total balance of deferred tax liabilities in each jurisdiction (Note 2.8.1).

(Millions of euros)	2021	2020
Tax expense for the year	9	34
Current tax expense	-31	-70
Deferred tax expense	44	66
Tax effect of consolidation adjustments on equity	6	-6
Change to the prior-year tax evaluation	-10	44

The corporate income tax paid in the year, both for continuing and discontinued operations amounted to EUR 155 million, as shown in the note on cash flows (Note 5.3).

2.8.3. Movements in deferred tax assets and liabilities

The detail of the movements in the deferred tax assets and deferred tax liabilities in 2021 is as follows:

ASSETS

(Millions of euros)	2020	Change to prior-year tax and others	Charged/C redited to profit and loss	Charged/C redited to equity	Foreign exchange effect	2021
Tax credits	129	5	47	0	9	191
Differences between tax and accounting approach	348	-19	-21	-8	2	305
Equity measurement differences	110	4	4	-29	0	90
Other items	16	9	-61	0	1	-36
TOTAL	604	-1	-31	-36	13	549

LIABILITIES

(Millions of euros)	2020	Change to prior-year tax and others	Charged/C redited to profit and loss	Charged/C redited to equity	Foreign exchange effect	2021
Deferred taxes, goodwill	35	7	-12	-11	1	21
Deferred tax adjustment fair value I-66	0	257	0	0	-3	255
Differences between tax and accounting approach	317	0	-59	1	14	271
Equity measurement differences	66	4	0	-26	0	45
Other items	33	49	-4	0	1	80
TOTAL	451	318	-75	-36	13	670

Existing deferred taxes as of December 31, 2021 are mainly due to mainly derive from:

Deferred Tax Assets:

a) Tax credits

These are tax credits that have not yet been used by companies in the Group.

This line item does not include all the existing tax credits, but rather only those that, based on the Group's projections, are expected to be able to be used in the short or medium term. The total balance recognized amounts to EUR 191 million, of which EUR 189 million relate to tax credits for tax loss carryforwards and EUR 2 million to tax credits.

Set out below is a breakdown of tax-loss carryforwards pending offset, distinguishing between continuing and discontinued operations, and showing the maximum tax credit and the tax credit capitalized:

Continuing operations

(Millions of euros) Country	Tax-loss carryforwards	Time-bar period	Maximum tax credit	Tax credit carried forward
Spanish consolidated tax group	508	No expiry date	127	0
US consolidated tax group	1,091	No expiry date	229	146
Canada	105	2023-2042	28	11
UK	208	No expiry date	39	16
Portugal	72	2025-2032	16	2
Other	254	2022-No expiry date	60	14
Total	2,238		500	189

Discontinued operations

(Millions of euros) Country	Tax-loss carryforwards	Time-bar period	Maximum tax credit	Tax credit carried forward
UK	616	No expiry date	117	0
Other	4	No expiry date	1	1
Total	619		118	1

Spanish tax consolidated group:

For the purpose of assessing the recoverability of tax loss carryforwards, a model has been made based on the latest available projections of expected results of the Group companies, from which, based on a prudent criterion, it has been decided not to record for accounting purposes all the tax credits, in view of the reasonable doubts that they may be recovered in the short or medium term. In 2021, unlike in 2020, this does not give rise to the accounting recognition of tax credits that would be permitted under IAS 12, as there is no excess of temporary differences on the liability side over temporary differences on the asset side (EUR 31 million in 2020).

US consolidated tax group:

Similarly to what is indicated in the previous paragraph, in order to assess the recoverability of tax loss carryforwards, a model has been used based on the latest available projections of expected results of the Group companies, on the basis of which it has been decided to record and provide for the difference between deferred assets and deferred liabilities. However, in 2021 and in accordance with the provisions of IAS 12, an amount of tax credits equivalent to the excess of temporary differences on the liability side over temporary differences on the asset side, amounting to EUR 17 million euros (EUR 14 million in 2020), has been recognized for accounting purposes.

UK:

Considering that tax loss carryforwards generated from April 1, 2017 can be used by any UK company of the Group, tax loss carryforwards of 16 million have been capitalized in continuing operations.

b) Assets and liabilities arising from temporary differences between accounting and tax criteria

This item relates to the tax impact resulting from the fact that the timing of recognition of certain expenses or income is different for accounting and tax purposes.

The recognition of an asset means that certain expenses have been recognized for accounting purposes before their recognition for tax purposes and therefore the company will recover the income or expense for tax purposes in future years.

The deferred tax assets include most notably:

- Provisions recognized for accounting purposes which do not have a tax effect until they are materialized (EUR 182 million).
- Deferred tax assets of EUR 134 million arising as a result of differences between the tax and accounting methods used to recognize income, mainly in the Construction Division.
- Accelerated depreciation and amortization for accounting purposes (EUR 4 million).

c) Deferred taxes arising from equity measurement adjustments

This reflects the cumulative tax impact resulting from measurement adjustments recognized in reserves. The impact appears as an asset or liability since there is generally no direct tax effect until the amount in reserves is recognized in profit/(loss).

The asset balance relates to accumulated losses in reserves that will have a tax impact when they are recognized in profit/(loss). Deferred tax assets primarily relate to financial derivatives amounting to EUR 90 million.

Deferred tax liabilities:**a) Deferred taxes on goodwill**

Deferred tax liabilities related to the tax deduction of goodwill are included, amounting to EUR 21 million, mainly related to the amortization of the goodwill of Webber, LLC.

b) Deferred tax liabilities due to fair value adjustment I-66 Mobility Partners

Deferred tax liabilities related to differences between tax and book values are included:

- €218 million recognized for the difference between tax and book values following the revaluation on the assets of the I-66 toll road.
- EUR 37 million recognized as a result of valuing the concession debt at fair value.

These EUR 220 million and EUR 37 million have been recorded, as indicated in paragraph 66 of IAS 12, with a balancing entry of goodwill for the same amount (see note 1.1.4).

c) Assets and liabilities arising from temporary differences between accounting and tax criteria

A liability for this concept represents an expense recognized for tax purposes prior to its recognition for accounting purposes, or income recorded for accounting purposes prior to its recognition for tax purposes.

The balance of the liabilities relates mainly to:

- Deferred tax liabilities resulting from differences between tax and accounting amortization (EUR 176 million).
- Deferred tax assets of EUR 54 million arising as a result of differences between the tax and accounting methods used to recognize income in accordance with IFRIC 12, mainly in the Toll Road Division.

d) Deferred taxes arising from equity measurement adjustments

This reflects the cumulative tax impact resulting from measurement adjustments recognized in reserves. The impact appears as an asset or liability since there is generally no direct tax effect until the amount in reserves is recognized in profit/(loss).

The existence of deferred liabilities corresponds to profits pending to be realized for tax purposes. Most of these relate to deferred liabilities for financial derivatives amounting to EUR 45 million.

Deferred taxes on other items**e) Deferred taxes relating to dividends pending payment by investees**

The Group has recognized EUR 41 million as a deferred tax liability relating to withholding tax on the repatriation of future dividends from Canada.

The detail of the

(Millions of euros)	2019	Change to prior-year tax and others	Charged/Credited to profit and loss	Charged/Credited to equity	Foreign exchange effect	2020
Tax credits	54	15	67	0	-6	129
Differences between tax and Equity measurement differences	337	14	15	0	-19	348
Other items	115	-4	0	0	-1	110
TOTAL	-3	15	5	3	-1	16
TOTAL	502	39	87	3	-27	604

LIABILITIES

(Millions of euros)	2019	Change to prior-year tax and others	Charged/Credited to profit and loss	Charged/Credited to equity	Foreign exchange effect	2020
Deferred taxes, goodwill	38	2	-2	0	-2	35
Differences between tax and Equity measurement differences	311	-5	26	1	-16	317
Other items	115	-1	0	-47	0	66
TOTAL	12	28	-2	-4	0	33
TOTAL	475	23	21	-50	-18	451

2.8.4. Years subject to tax inspection

In accordance with prevailing legislation, taxes may not be deemed to be finally settled until the returns filed have been inspected by the tax authorities or the limitation period established by law has elapsed.

At present, the consolidated group is not undergoing a tax inspection by the Spanish authorities and has not been notified of the start of any inspection.

The following inspections are in progress internationally:

- The Canadian tax authorities have initiated an inspection of income tax for 2013 to 2017 on the company 4352238 Canada Inc. The Canadian tax inspectors question the deductibility in Canada of intragroup charges made by Cintra Services (Spain) for the provision of financial services, the transaction having been reclassified as a dividend. The regularization pending payment is estimated at EUR 5.73 million (CAD 8.3 million), including the non-deductible expense, withholding tax under the treaty, interest and penalties. The claim in the Canadian courts is currently suspended pending the outcome of the mutual agreement procedure initiated.

- The Dutch tax authorities have questioned the existence of Ferrovial's horizontal tax consolidated group in the Netherlands in 2019 and the first two months of 2020. The potential impact of regularization was the view to be taken that all the Group's Dutch companies should be taxed under the individual scheme has been estimated at EUR 2.7 million (2020 CIT).

- The Chilean tax authorities have initiated an inspection of the Chilean company Transchile Charrua Transmisión SA for 2018 and 2019 in which they have questioned the deductibility of financial expenses on third-party financing transferred to the shareholder through intragroup loans, although no regularization proposal has currently been issued.

At 31 December 2021, the years that are not statute barred are open to inspection by the tax authorities in respect of corporate income tax and the other main taxes to which the companies of the tax consolidated group are subject. In Spain, the last four financial years are generally open to inspection for the main applicable taxes. The foreign companies are subject to a statute of limitations of between three and five years in most of the countries in which the Group has operations. In view of the different interpretations to which tax regulations lend themselves, any inspections that may be undertaken in the future by the tax authorities for the years open to inspection could give rise to tax liabilities the amount of which cannot currently be objectively quantified. Nonetheless, the likelihood that significant liabilities in addition to those recognized could have a material impact on the Ferrovial Group's equity is regarded as remote.

NOTES ON PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

2.9. PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

Income from discontinued operations for the year amounted to EUR 361 million (EUR 20 million in 2020), mainly related to the Services Division (EUR 246 million) and the Construction Division (EUR 115 million).

As discussed in Note 1.1.3, at 31 December 2021, and as in 2020, the Services division is classified to discontinued operations, the impact on the income statement of this line of business is now reported in one line item "net profit/(loss) from discontinued operations". This line also includes an impairment loss equal to the difference between the estimated fair value of the assets and their carrying amount.

The main impact recognized in discontinued operations relates to the divestments of the Environment Services business (Spain and Portugal), completed at the end of 2021, which generated a net capital gain of EUR 335 million, as described in Note 1.1.4. The Environment Services revenue includes the profit for the year of EUR 119 million.

For a better understanding of the results of the Services business and the way in which they have been included in the Group's consolidated results, the accompanying table provides a breakdown by line of profit/(loss) from this discontinued operation:

(Millions of euros)	2021	2020 (*)	VAR.
Revenue	5,079	5,528	-448
Operating profit/(loss)	265	-70	335
Net financial income/(expense)	-25	-40	15
Share of profits of equity-accounted companies	9	9	-1
Consolidated profit/(loss) before tax	248	-101	349
Corporate income tax	-48	-25	-23
Profit/(loss) after tax	200	-126	326
Profit/(loss) for the year attributed to non-controlling interests	-3	-2	-1
Profit/(loss) for the year attributed to the parent company	197	-129	326
Adjustments to discontinued operations	49	113	-63
Profit/(loss) from discontinued operations	246	-16	262

(*) Restated figures (Note 1.1.5)

Comparability of the various components of profit/(loss) from discontinued operations with respect to 2020 is affected, on the one hand, because 2020 only includes six months of the Services Australia business, and on the other hand, because 2021 does not include a full year of the Environment Services business or the oil and gas extraction services, sold at the end of 2021.

Construction Division

On 22 February, an agreement was reached to sell the real estate business of the Budimex Group (B.N.I.), which was included in discontinued operations.

The result generated of EUR 115 million incorporates both the result until the company was removed from the consolidation perimeter (EUR 8 million) and the capital gain generated by the sale transaction (EUR 130 million) in the caption of impairment and disposal of fixed assets (EUR 107 million net of taxes). The impact for Ferrovial, net of the effect of minority interests, was EUR 53 million.

For a better understanding of the results of the Construction business and the way in which they have been included in the Group's consolidated results, the accompanying table provides a breakdown by line of profit/(loss) from this discontinued operation:

Construction Division of euros)	(millions DEC. 2021	DEC. 2020 (*)
Revenue	56	151
EBITDA	9	44
Fixed asset depreciation	0	-1
Operating profit/(loss) before impairment and disposal of fixed assets	9	43
Impairment and disposal of fixed assets	130	0
Operating profit/(loss)	139	43
Net financial income/(expense)	0	1
Share of profits of equity-accounted companies	0	0
Consolidated profit/(loss) before tax	139	44
Corporate income tax	-24	-9
Profit/(loss) after tax	115	35
Profit/(loss) from discontinued operations	115	35

(*) Restated figures (Note 1.1.5)

These results of EUR 115 million include both the amount recognized up to the company's exclusion from the consolidation scope (EUR 8 million) and the capital gain (EUR 130 million) generated by the transaction (EUR 107 million net of tax), on the line impairment and disposal of fixed assets. The impact for Ferrovial was EUR 53 million net of non-controlling interests.

NOTES ON PROFIT/(LOSS) FROM NON-CONTROLLING INTERESTS, NET PROFIT/(LOSS) AND EARNINGS PER SHARE

2.10. PROFIT/(LOSS) FROM NON-CONTROLLING INTERESTS

In 2021 the profit/(loss) attributed to non-controlling interests amounted to EUR -138 million (December 2020: EUR -51 million).

This figure relates to the profits obtained by Group companies that may be allocated to other partners with a stake in the said companies. The figures shown as positive numbers refer to loss-making companies, while negative amounts relate to companies that generate profits.

(Millions of euros)	2021	2020	VAR. 21/20	NON-GROUP %
Budimex Group	-109	-54	-56	44.90%
Autop.Terrasa Manresa, S.A.	14	-11	25	23.70%
LBJ Infrastructure Group	2	20	-18	45.40%
NTE Mobility Partners	-25	-12	-13	37.1%
NTE Mobility Partners Segments 3	-20	-8	-12	46.3%
FAM Construction LLC	7	16	-10	30.0%
Sugar Creek Construction LLC	-1	8	-9	30.0%
Other companies	-2	-6	5	
TOTAL continuing operations	-134	-48	-86	
TOTAL discontinued operations	-3	-3	0	
TOTAL	-138	-51	-87	

The main change with respect to the previous year is the improvement in the Budimex Group's results (EUR 56 million) both due to the sale of the real estate business (BNII), as well as the favorable trend in the civil works business. Also of note is that US toll roads are performing positively, after traffic improved as mobility restrictions were lifted. This was all offset by the worsening of results recognized by Autema (down EUR 25 million) due to the fall in value of the inflation derivative when the speculative portion (37%) was taken to the income statement.

2.11. NET PROFIT/(LOSS) AND EARNINGS PER SHARE

The calculation of earnings per share attributed to the parent company is as follows:

(Millions of euros)	2021	2020 (*)
Net profit/(loss) attributable to parent company (millions of euros)	1,197	-424
Perpetual subordinated bond, net cost	-8	-8
Net adjusted profit/(loss) attributed to the parent company (millions of euros)	1,189	-432
Weighted average number of shares outstanding (thousands of shares)	736,882	739,102
Less average number of treasury shares (thousands of shares)	-5,110	-6,826
Average number of shares to calculate basic earnings per share	731,772	732,277
Basic earnings per share (euros)	1.62	-0.59
Net adjusted profit/(loss) from continuing operations	966	-401
Basic earnings per share, continuing operations (euros)	1.32	-0.55
Net profit/(loss) from discontinued operations	361	20
Basic earnings per share, discontinued operations (euros)	0.49	0.03

(*) Restated figures (Note 1.1.5).

Basic earnings per share have been calculated by dividing profit for the year attributed to the parent company's shareholders, adjusted for the net coupon for the year on the subordinated perpetual bonds issued by the group and taken directly to equity (Note 5.1.2.d), by the weighted average number of ordinary shares outstanding, excluding the average number of treasury shares held during the year.

As regards diluted earnings per share, it should be noted that the Group did not have any dilutive potential ordinary shares, since no convertible debt instruments were issued and the share-based remuneration schemes described in Note 6.7 will not give rise to any share capital increases at the Group. Consequently, no dilutive impact is envisaged when employee rights under the plans are exercised. Hence there is no difference between the basic and diluted earnings per share.

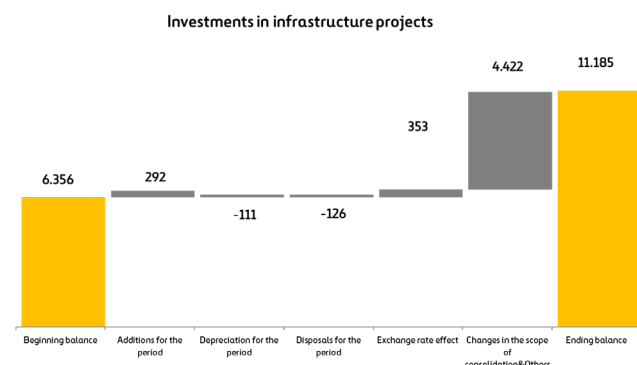
The earnings by business segment are shown in Appendix III.

SECTION 3: NON-CURRENT ASSETS

This section includes the Notes on non-current assets in the balance sheet, excluding deferred tax assets (Section 2) and financial derivatives (Section 5).

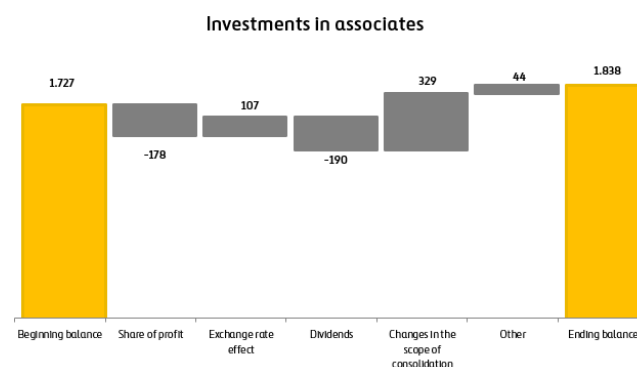
The main components of the non-current assets at December 2021 at Ferrovial are "fixed assets in infrastructure projects" amounting to EUR 11,185 million, accounting for 71% of total non-current assets (Note 3.3), "investments in associates" amounting to EUR 1,838 million (relating mainly to the investments in HAH and 407 ETR), accounting for 12% of total non-current assets (Note 3.5). The "goodwill on consolidation" (EUR 420 million) accounts for 3% of total non-current assets.

The main variation in "non-current assets" during the year relates to the takeover of the I66 toll road (Note 1.14), as a result of which the assets are fully consolidated and the relevant items are restated to fair value. This transaction increased Infrastructure Project Fixed Assets by EUR 4,432 million, also significant additions during the year (EUR 292 million) were mainly in the US toll roads, notably the North Tarrant Express Extension, the I-77 Mobility Partners LLC toll road and the I-66 Express Mobility Partners LLC toll road.



Besides the addition of I66, other changes in relation to the previous year relate primarily to the effect of the euro-US dollar exchange rate.

Investments in associates increased by EUR 111 million due to movements in capital caused by the acquisition of 24.86% of the company IRB Infrastructure Developers Limited (EUR 374 million), the change of consolidation method applied to the I66 toll road, which is now fully consolidated (EUR -45 million), the share of the losses of these companies (EUR -178 million), dividend payments of EUR -190 million (mainly 407 ETR) and the foreign exchange effect (EUR 107 million) due to the euro's depreciation against sterling and against the Canadian dollar.



As regards changes in goodwill, there was an increase of EUR 201 million, primarily from the acquisition of an additional 5.704% stake in the I-66 toll road (EUR 254 million).

3.1. GOODWILL AND ACQUISITIONS

The table below details the movements in goodwill in 2021:

(Millions of euros)	BALANCES AT 31/12/2020 (*)	OTHER	EXCHANGE RATE	BALANCES at 31/12/2021
Construction	169	-60	6	115
Budimex	64	0	0	64
Webber	105	-60	6	50
Toll roads	0	254	-3	251
I-66 Express Mobility Partners Hold. LLC	0	254	-3	251
Energy efficiency	39	0	3	42
Transchile	39	0	3	42
Services	12	0	1	13
Ferrovial Services Infrastructure, Inc.	12	0	1	13
TOTAL	220	194	6	420

(*) Restated figures (Note 1.1.5)

3.1.1. Movements over the year

The following is a description of the main changes by type of movement:

Other

The main impact in the "Other" column relates to the goodwill on the fair value measurement of the concession asset following the acquisition of an additional 5.704% in the **concession operator I-66 Express Mobility Partners Hold. LLC** on 17 December 2021 (Note 1.1.4). The goodwill recognized on the acquisition, which amounts to EUR 254 million is essentially a balancing item for the tax effects described in Note 1.1.4, and Note 2.8, pursuant to IAS 12, paragraph 66.

In addition, as a result of the sale of the asphalt plant owned by Webber's company Southern Crushed Concrete, goodwill decreased by EUR 60 million.

Exchange rate

The other changes relate to foreign exchange rates, mainly in the Construction business, due to the appreciation of the dollar against the euro (Note 1.4).

3.1.2. Goodwill impairment test

A. Construction Division goodwill (Webber and Budimex):

The goodwill of Webber (US) and Budimex (Poland) amounted to EUR 50 million and EUR 64 million, respectively, at 31 December 2021 (31 December 2020: EUR 105 million and EUR 64 million, respectively).

In accordance with accounting legislation, the pertinent analyses were conducted and the conclusion was drawn that there are no indications of impairment.

Methodology

In the case of Webber, the impairment test carried out indicates that there have been no significant changes in the operating assumptions of the business or in the determining factors of fair value, so it is estimated a level of slack similar to the one existing in previous years.

In the case of Budimex, since it is listed on the Warsaw Stock Exchange, the goodwill was tested for impairment by ascertaining whether the closing market price at 31 December 2021 of the Budimex share was higher than its carrying amount plus the allocated goodwill. The test did not show the existence of any impairment.

Impairment test results:

The quoted market price of the Budimex share at 31 December 2021 was 445% higher than its carrying amount, which amounts to EUR 122 million (compared to 716% in 2020).

B. Transchile goodwill:

There is also goodwill in Transchile, the company owning the power transmission lines in Chile.

Based on the goodwill impairment test findings, the buffer is 99% with respect to the carrying amount of EUR 60 million (2020: 58%). The flows were discounted at a 6.7% cost of equity (7.4% before taxes), which is in line with the rates used to calculate goodwill impairment in 2020.

C. Ferrovial Services Infrastructure Inc (FSNA) goodwill

Besides the Budimex, Webber and Transchile goodwill, there is goodwill relating to the company Ferrovial Services Infrastructure Inc., which is engaged in the maintenance of US infrastructures and was reclassified to continuing operations during the year, within the Construction segment.

Based on the goodwill impairment test findings, the existing buffer is 196% with respect to the carrying amount of EUR 40 million. The flows have been discounted at a 6.8% discount rate (7.0% before taxes).

D. Toll Roads Division goodwill (I-66):

As the restatement of the shareholding took place on the acquisition date (17 December 2021), there are no signs that the recoverable amount of the goodwill is below the value allocated as a result of the restatement.

3.2. INTANGIBLE ASSETS

At year-end 2021, the balance of intangible assets other than infrastructure projects amounted to EUR 126 million (2020: EUR 96 million).

This heading includes:

- "Rights on concessions" includes the rights to operate the concessions that are not classified as projects (see definition in Note 1.1.2). At 31 December 2021, the carrying amount of EUR 24 million (EUR 25 million at 31 December 2020) relates to the UK Waste Treatment activity.
- "Computer software" with a net value of EUR 16 million (31 December 2020: EUR 6 million), which primarily relates to Ferrovial Corporación S.A.
- "Customer contracts and commercial relations", relating to the net value of the commercial order book, customer databases and other intangible assets, in the amount of EUR 33 million (31 December 2020: EUR 37 million) essentially derived from the Budimex Services business included in the Construction Division (EUR 25 million).
- "Other intangible assets" consist primarily of licenses for the Parque Solar Casilla photovoltaic plant amounting to EUR 9.1 million, the easements of the Chilean power transmission lines amounting to EUR 33 million (EUR 18 million at 31 December 2020) and an intangible related to the UK waste treatment business (EUR 10 million).

- During the financial year, no significant fully depreciated assets have been written down.

The impact on cash flows (Note 5.3) from additions to intangible assets amounted to EUR -36 million.

3.3. INVESTMENTS IN INFRASTRUCTURE PROJECTS

3.3.1. Intangible asset model

(Millions of euros)	BALANCE AT 01/01	TOTAL ADDITIONS	TOTAL DISPOSALS	FOREIGN EXCHANGE EFFECT	CONSOLIDATION SCOPE CHANGES AND TRANSFERS	OTHER	BALANCE AT 31/12
Spanish toll roads	715	0	-5	0	3	0	713
US toll roads	5,553	292	-118	369	4,432	0	10,527
Other toll roads	391	0	0	0	0	0	391
Toll road investment	6,658	292	-123	369	4,435	0	11,632
Accumulated depreciation/amortization	-484	-111	0	-21	-2	0	-617
Net investment in toll roads	6,174	181	-123	348	4,433	0	11,014
Investment in other infrastructure projects	15	0	0	0	-12	-3	0
Depreciation/amortization of other infrastructure projects	0	0	0	0	0	0	0
Total net investment in other infrastructure	15	0	0	0	-12	-3	0
TOTAL INVESTMENT	6,674	292	-123	369	4,421	-3	11,632
TOTAL DEPRECIATION/AMORTISATION AND PROVISION	-484	-111	0	-21	-2	0	-617
TOTAL NET INVESTMENT	6,190	181	-123	348	4,419	-3	11,014

- The most significant changes in 2021 were as follows:
 - Exchange rate fluctuations resulted in a change of EUR 348 million (2020: EUR -471 million) in the balances of these assets, the full amount of which was attributed to the change in the euro/US dollar exchange rate at the US toll roads (Note 1.4).
 - In the US Toll Roads activity, and as mentioned previously, there was an increase of EUR 4,432 million in the company I-66 Express Mobility Partners LLC, which was consolidated using the full consolidation method instead of the equity method during the year (Note 1.1.4).
 - There were gross Toll road additions of EUR 292 million, relating to US toll roads. Of these, the most significant involve the North Tarrant Express Extension for EUR 224 million (2020: EUR 128 million) and the I-77 Mobility Partners LLC toll road for EUR 18 million (2020: EUR 7 million) and the I-66 Express Mobility Partners LLC toll road for EUR 48 million.

In the case of the infrastructure project companies, all their concession assets have been pledged as security for the existing borrowings (Note 5.2). The borrowing costs capitalized in this connection in 2021 are detailed in Note 2.6.

The movements to these assets in 2020 were as follows:

(Millions of euros)	BALANCE AT 01/01	TOTAL ADDITIONS	TOTAL DISPOSALS	FOREIGN EXCHANGE EFFECT	CONSOLIDATION SCOPE CHANGES AND TRANSFERS	BALANCE AT 31/12 (*)
Spanish toll roads	0	0	0	0	715	715
US toll roads	5,905	141	-4	-490	0	5,553
Other toll roads	391	0	-0	-0	0	391
Toll road investment	6,296	141	-4	-490	715	6,658
Accumulated depreciation/amortization	-305	-66	1	20	-135	-484
Net investment in toll	5,991	76	-2	-469	580	6,174
Investment in other infrastructure projects	5	12	0	-2	0	15
Depreciation/amortization of other infrastructure projects	0	0	0	0	0	0
Total net investment in other infrastructure projects	5	12	0	-2	0	15
TOTAL INVESTMENT	6,301	153	-4	-492	715	6,674
TOTAL DEPRECIATION/AMORTISATION AND PROVISION	-305	-66	1	20	-135	-484
TOTAL NET INVESTMENT	5,996	88	-2	-471	580	6,190

(*) Restated figures (Note 1.1.5).

3.3.2. Financial asset model

The assets accounted for using the financial asset model pursuant to IFRIC 12, mainly relate to long-term receivables (more than twelve months) from governments in return for services rendered or investments made under a concession arrangement. The movements in the years ended 31 December 2021 and 2020 were as follows:

MOVEMENTS (Millions of euros)	RECEIVABLES INFRASTRUCTURE PROJECTS 2021	RECEIVABLES INFRASTRUCTURE PROJECTS 2020 (*)
OPENING BALANCE	166	883
Additions	0	6
Disposals	-4	-9
Transfers and other	0	-689
Foreign exchange effect	5	-5
Other	1	0
Reclass. to held for sale	1	-19
YEAR-END BALANCE	169	166

Note: balances shown net of provisions

(*) Restated figures (Note 1.1.5).

The 2020 comparative figures were restated due to the reclassification from discontinued to continuing operations of the UK Waste Treatment business in a net amount of EUR 76 million.

	BALANCES AT 31/12/2021		
CONCESSION OPERATOR	LONG-TERM RECEIVABLES	SHORT-TERM RECEIVABLES	TOTAL
(Millions of euros)	(Note 4.2)		2021
Concesionaria de Prisiones Lledoners	56	1	57
Depusa Aragón	24	1	24
Budimex Parking Wrocław	10	0	10
CONSTRUCTION	91	2	92
AmeyCespa WM (East) Ltd	80	0	80
WASTE UK	80	0	80
TOTAL GROUP	170	2	172

CONCESSION OPERATOR	BALANCES AT 31/12/2020 (*)		
	LONG-TERM RECEIVABLES	SHORT-TERM RECEIVABLES	TOTAL
	(Note 4.2)		2020
(Millions of euros)			
Concesionaria de Prisiones Lledoners	57	2	59
Depusa Aragón	24	1	25
Budimex Parking Wrocław	10	0	10
CONSTRUCTION	92	3	95
AmeyCespa WM (East) Ltd	76	0	76
WASTE UK	76	0	76
TOTAL GROUP	168	3	171

(*) Restated figures (Note 1.1.5)

3.3.3 Impact on cash flows

The cash flow impact of the additions to projects, primarily accounted for using the intangible asset model amounted to EUR -239 million (Note 5.3), which differs from the additions recognized in the balance sheet, primarily due to the following reasons:

- In projects in which the intangible asset model is applied, due to differences between the accrual basis and cash basis of accounting, as well as the capitalization of the borrowing costs attributable to projects under construction, which do not generate cash outflows.
- In projects in which the financial asset model is applied, due to the increases in receivables as a balancing entry to income for services rendered, which do not generate cash inflows either.
- The impact on cash flows reflects movements associated with the discontinued operation, which are not recognized in the balance sheet due to being reclassified to held for sale.

3.4. PROPERTY, PLANT AND EQUIPMENT

The movements in “property, plant and equipment” in the statement of consolidated financial position were as follows:

Movements during 2021 (millions of euros)	Land and buildings	Plant and machinery	Other installations, tooling and furniture	Total
Investment: Balance at 01.01.2021 (*)	104	479	255	838
Additions	4	43	61	108
Disposals	-12	-114	-42	-168
Consolidation scope changes	-2	-7	-7	-16
Foreign exchange effect	4	10	12	26
Balances at 31.12.2021	98	411	279	788
Accumulated depreciation and impairment losses at 01.01.2021 (*)	-22	-313	-162	-497
Depreciation charge	-6	-28	-25	-59
Disposals	0	70	49	119
Consolidation scope	0	6	4	10
Foreign exchange effect	-1	-4	2	-3
Impairments	-	-	-10	-10
Balances at 31.12.2021	-29	-269	-142	-440
Carrying amount 31.12.2021	69	142	137	348

(*) Restated figures (Note 1.1.5)

The most significant changes in 2021 were as follows:

Additions:

Of the total additions, amounting to EUR 108 million, the most significant arose at the Construction Division amounting to EUR 73 million in relation to specific construction machinery acquisitions and other installations, tooling and furniture.

The detail, by business segment, of the additions to property, plant and equipment is as follows:

(Millions of euros)	2,021	2,020
	2021	2020
Construction	73	63
Toll roads	2	3
Other	33	3
TOTAL	108	69

Impact on cash flow: The impact on cash flows arising from additions to property, plant and equipment amounted to EUR -121 million, of which EUR -50 million relates to the Construction Division and EUR -66 million arose from the Services Division. As outlined in Note 5.3, the cash flow reported includes cash flows from operating activities, investment and financing for discontinued operations and assets held for sale.

Disposals and withdrawals:

Disposals or retirements amounted to -168 million euro; of this amount, approximately 83 million euro relates to sales of property, plant and equipment at Webber, which reached an agreement for the sale of a substantial part of the assets of its subsidiary Southern South Concrete (SCC) for 43 million euro, and the sale of a tunnel boring machine at Ferrovia Construcción S.A. for 43 million euro. The remaining amount relates mainly to the disposal or retirement of fully depreciated or obsolete assets, with no significant impact on the consolidated income statement.

Other disclosures relating to property, plant and equipment:

The property, plant and equipment not used in operations are not material with respect to the final consolidated balances. Impairment losses on other items of property, plant and equipment total EUR 6 million (2020: EUR 15 million), associated with the Construction Division.

The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are subject and the claims that might be filed against it for carrying on its business activities. These policies are considered to adequately cover the related risks.

The property, plant and equipment in the course of construction amount to EUR 55 million (2020: EUR 14 million).

At 31 December 2021, no significant property, plant or equipment items were subject to ownership restrictions or pledged as collateral for liabilities.

The following table shows the movements that occurred during 2020:

Movements during 2020 (millions of euros)	Land and buildings	Plant and machinery	Other installations, tooling and furniture	Total
Investment: Balance at 01.01.2020	84	485	204	773
Additions	2	37	30	69
Disposals	-17	-73	-26	-116
Consolidation scope changes	39	54	49	142
Foreign exchange effect	-5	-21	-7	-33
Balances at 31/12/2020	103	482	250	835
Accumulated depreciation and impairment losses at 01.01.20	-20	-316	-137	-473
Depreciation charge	-3	-24	-20	-47
Disposals	9	56	22	87
Consolidation scope changes	-8	-41	-25	-74
Foreign exchange effect	1	9	4	14
Balances at 31/12/2020	-22	-316	-156	-493
Carrying amount 31.12.2020	82	166	94	341

3.5. INVESTMENTS IN ASSOCIATES

The breakdown of investment in equity-accounted companies at 2021 year-end and of the movements therein are shown in the table below. Due to their significance, the investments in 407 ETR (43.23%), Heathrow Airport Holdings (HAH -25%), AGS (50%) and IRB (24.86%) are presented separately.

2021 (millions of euros)	HAH (25%)	407 ETR (43.23%)	AGS (50%)	IRB (24.86%)	OTHER	TOTAL
Balance at 31.12.20 (*)	205	1,205	0	0	317	1,727
Share of profit/(loss)	-238	52	-20	0	28	-178
Dividends	0	-175	0	0	-15	-190
Foreign exchange differences	5	100	0	4	-2	107
Pensions	23	0	0	0	0	23
Scope changes	0	0	0	369	-45	324
Other	5	0	20	5	-4	26
Balance at 31.12.21	0	1,181	0	378	280	1,838

(*) Restated figures (Note 1.1.5)

The heading Scope changes reflects an impact of EUR 324 million due to the purchase of a 24.86% ownership interest in the Indian company IRB Infrastructure Developers for EUR 369 million, minus the effect of the change of consolidation method applied to I-66 (EUR -45 million) following the purchase of an **additional 5.704%** of the company, resulting in full consolidation.

Movements for the year also include the consolidated HAH losses, as indicated in Note 2.7. In 2021, the investment in that project was reduced to zero as losses for the year exceeded the carrying amount of the investment.

Impact on cash flow: The difference between the dividends of EUR 190 million in the foregoing table and the dividends of EUR 272 million disclosed in the cash flow statement (Note 5.3) relates mainly to interest received on loans granted to equity-accounted companies, recognized under non-current financial assets in the balance sheet (Note 3.6), to the effect of certain exchange rate hedges related to dividends received, as well as dividends received from Services projects.

The movements in this heading in the balance sheet in 2020 were as follows:

2020 (millions of euros)	HAH (25%)	407 ETR (43.23%)	AGS (50%)	OTHER	TOTAL
Balance at 31.12.19	690	1,422	57	405	2,575
Share of profit/(loss)	-396	33	-51	42	-373
Dividends	-29	-158	0	-17	-205
Foreign exchange	-33	-92	-3	-5	-133
Pensions	-30	0	-1	0	-31
Scope changes	0	0	0	-160	-160
Other	3	0	-2	52	53
Balance at 31.12.20	205	1,205	0	317	1,727

(*) Restated figures (Note 1.1.5)

3.5.1. Disclosures relating to HAH

b. Movements in the balance sheet and income statement 2021-2020

In view of the importance of this investment, the following is a summary of the balance sheet and income statement for this Group of companies, adjusted to bring them into line with Ferrovial's accounting policies, together with comments on the changes therein over the course of 2021.

The balance sheet figures shown relate to the full balances of HAH and are presented in pound sterling. The exchange rates used in 2021 are EUR 1=GBP 0.841330 (2020: GBP 0.895550) for the balance sheet figures and EUR 1=GBP 0.858575 (2020: GBP 0.888733) for the income statement figures.

Balance sheet	Dec. 2021	2020.12	Var.
Non-current assets	16,373	16,823	-450
Goodwill	2,753	2,753	0
Fixed assets in infrastructure projects	12,542	13,076	-534
Rights of use of leased assets	270	285	-15
Non-current financial assets	44	42	2
Pension plan surplus	343	12	332
Deferred taxes	0	0	0
Financial derivatives	421	656	-235
Other non-current assets	0	0	0
Current assets	3,144	4,572	-1,427
Trade and other receivables	186	462	-276
Financial derivatives	24	146	-122
Cash and cash equivalents	2,920	3,949	-1,029
Other current assets	13	14	-1
TOTAL ASSETS	19,517	21,395	-1,877
HAH (100%) Millions of GBP	Dec. 2021	Dec. 2020	Var.
Equity	-2,914	-1,586	-1,328
Non-current liabilities	21,057	20,637	420
Pension provisions	30	31	-1
Borrowings	18,031	18,461	-430
Deferred taxes	434	652	-218
Financial derivatives	2,226	1,134	1,092
Other non-current liabilities	337	359	-22
Current liabilities	1,374	2,344	-970
Borrowings	1,000	1,921	-921
Trade payables	352	386	-35
Financial derivatives	19	21	-2
Other current liabilities	4	16	-12
TOTAL LIABILITIES	19,517	21,395	-1,877

Equity

As indicated previously, the investment in this company was reduced to zero since the losses for the year exceeded the carrying amount and there is no commitment to inject additional funds (pursuant to IAS 28).

The following table shows movements in the 25% equity interest in the company, including both results for the year and results not consolidated because losses for the year exceeded the investment's value, relating mainly to pensions and derivatives.

2021 (millions of euros)	HAH (25%)
Balance at 31.12.20	205
Share of profit/(loss)	-238
Pensions	23
Foreign exchange differences	5
Other	5
Balance at 31.12.21 under IAS 28	0
Result not consolidated under IAS 28	-246
Other equity effects not consolidated under IAS 28	70
Balance at 31.12.21 without IAS 28	-176

Borrowings

The borrowings of HAH (short and long-term) amounted to GBP 19,031 million at 31 December 2021, an decrease of GBP 1,351 million with respect to the prior year (31 December 2020: GBP 20,382 million). This change is explained mainly by the following impacts:

- The GBP 1,600 million funding plan for 2021 was completed in early October, with a CAD 325 million drawdown on the 12-year Class A bond issued at the start of the year and a GBP 50 million Class B private placement. These successful transactions reflect continued investor confidence in the airport's strength and resilience. The additional funding means that forecast commitments to February 2023 in the extreme no-revenue stress scenario, or well into 2025 based on traffic levels currently forecast. This includes forecast operating costs and capital investments, debt servicing, debt maturities and reimbursements. This liquidity position takes into account GBP 2,625 million in cash resources, undrawn debt and Heathrow Finance plc's liquidity at 31 December 2021.
- Amortization and a bond issue in the amount of GBP -1,119 million and GBP 1,582 million respectively, as well as a net variation of GBP -1,526 million in bank borrowings.
- Decrease of GBP -351 million as a result of fair value adjustments to and the exchange rate of foreign currency bonds issued.
- Other movements amounting to GBP 62 million (mainly accrued unmatured interest and fees).

Financial derivatives at fair value

The notional principal amount of HAH's derivatives portfolio at 31 December 2021 totaled GBP -18,634 million, including interest rate derivatives (IRSs) with a notional amount of GBP 7,500 million (hedging floating-rate borrowings), cross-currency swaps (hedging bonds issued in foreign currencies) with a notional amount of GBP 5,427 million and index-linked swaps (ILSs) with a notional amount of GBP 5,707 million. The purpose of inflation derivatives is to convert fixed-rate debt into debt that has a variable rate based on inflation, for the purpose of hedging variations in the regulatory asset base (RAB) caused by changes to the inflation rate.

Income statement 2021-2020

The following table shows HAH's income statement movements in 2021 and 2020.

HAH (100%) Millions of GBP	2021	2020	Var.
Operating income	1,214	1,175	39
Operating expenses	-858	-1,087	229
EBITDA	357	89	268
Fixed asset depreciation	-828	-848	20
Operating profit/(loss) before impairment and disposals	-472	-759	288
Impairment and disposal of fixed assets	0	0	0
OPERATING PROFIT/(LOSS)	-472	-759	288
Net financial income/(expense)	-1,509	-855	-654
Profit/(loss) before tax	-1,981	-1,614	-367
Corporate income tax	319	206	113
Profit/(loss) from continuing operations	-1,662	-1,408	-254
Profit/(loss) from discontinued operations	0	0	0
Net profit/(loss)	-1,662	-1,408	-254
25% Profit/(loss) attributable to Ferrovial (millions of euros)	-484	-396	-88
Profit/(loss) attributable to Ferrovial under IAS 28 (millions of euros)	-238	-396	158

Note 2.7 and the Management Report describe in detail the various items explaining HAH's results. The amount of EUR -484 million corresponds to Ferrovial before applying IAS 28.

3.5.2. Disclosures relating to 407 ETR

As with HAH, given that Ferrovial's stake in the 407 ETR was remeasured when control was lost, and the implicit existence of goodwill was considered, pursuant to the contents of page 40 et seq. of IAS 28, the possible existence of indications of impairment is assessed on an annual basis.

a. Impairment analysis

This asset performed well in 2021, with revenue growing by 13%, and EBITDA growing by 16%. In 2021, vehicle traffic has continued to be affected by COVID-19 (Note 1.2), although the trend was positive as restrictions were lifted and the situation improved, despite the new variants. December 2021 was +49.7% up on December 2020, but still well below 2019 (-23.0%)

The measurement that Ferrovial made of this concession, which includes estimated pandemic effects, shows a very large buffer over its book value. Sensitivity to increased revenues and the discount rate has been measured, and a broad buffer is maintained.

The recoverable amount of a concession operator with an independent financial structure and limited duration was calculated by discounting the cash flows to be received by shareholders until the end of the concession term, 2098 in the case of 407 ETR. The Group considers that value in use must be obtained using models that cover the entire concession term, as the asset is in different phases of investment and growth and there is sufficient visibility to use a specific economic and financial plan during the concession term.

The cost of own resources (or equity cost) was calculated in accordance with the CAPM model. To calculate the discount rate, a risk-free rate was used, which referenced the 30-year bond in Canada, a beta coefficient reflecting the asset's leverage and risk, and a market premium of 6.0% (same as last year) are used. The result is a discount rate after tax (equity cost, or K_e) of 6.0% (7.4% before taxes).

Based on the evaluation performed, as well as the sensitivity analyses (primarily focusing on revenue growth and an increase in the discount rate), no signs of impairment were identified.

b. Movements in the balance sheet and income statement 2021-2020

These figures relate to the full balances of the Company and are presented in millions of Canadian dollars. The exchange rates used in 2021 are EUR 1=CAD 1.43726 (2020: CAD 1.56087) for the balance sheet figures and EUR 1=CAD 1.47898 (2020: CAD 1.53765) for the income statement figures.

Balance Sheet 2021-2020

407 ETR (100%) (Millions of CAD)	2021	2020	Var.
Non-current assets	4,574	4,598	-24
Fixed assets in infrastructure projects	3,995	4,016	-20
Non-current financial assets	522	580	-59
Deferred taxes	57	2	55
Current assets	767	1,054	-288
Short-term trade and other receivables	229	173	56
Cash and cash equivalents	537	881	-344
Total assets	5,341	5,652	-312
Equity	-5,092	-4,703	-388
Non-current liabilities	9,918	10,154	-236
Borrowings	9,354	9,603	-249
Deferred taxes	564	551	12
Current liabilities	514	201	313
Borrowings	427	124	302
Short-term trade and other payables	87	77	11
Total liabilities	5,341	5,652	-312

Below is a description of the main changes in the balance sheet of 407 ETR at 31 December 2021 compared to the previous year:

Equity

Equity fell by CAD 388 million with respect to 2020, as a result of the inclusion of the profit for the year of CAD 212 million and the reduction of CAD 600 million due to the payment of dividends to shareholders.

43.23% of the shareholders' funds of the subsidiary does not relate to the consolidated carrying amount of the holding, since the latter also includes the amount of the gain arising from the remeasurement at fair value of the investment retained following the sale of a 10% ownership interest in this company in 2010, recognized as an addition to the value of the investment, and the goodwill that arose in 2009 as a result of the merger of Grupo Ferrovial, S.A. and Cintra Concesiones de Infraestructuras de Transportes, S.A. Therefore, in order to obtain the consolidated carrying amount at Ferrovial, it is necessary to increase the 43.23% of shareholders' funds presented above (CAD -2,201 million) by the amounts of the aforementioned gain and of the goodwill (CAD 2,579 million and CAD 1,319 million, respectively), giving a total of CAD 1,697 million which, translated at the year-end exchange rate (EUR 1 = CAD 1.43726), is equivalent to the investment of EUR 1,181 million.

Borrowings

Overall financial debt (short and long term) increased in relation to December 2020 by USD 54 million due to the effect of rising inflation on index-linked debt instruments.

Income statement 2021-2020

The following table shows the income statement movements of 407 ETR in the years ended December 2021 and December 2020:

407 ETR (100%) (Millions of CAD)	2021	2020	Var.
Operating income	1,023	909	115
Operating expenses	-164	-169	5
EBITDA	859	740	119
Fixed asset depreciation	-102	-97	-5
Operating profit/(loss)	757	642	114
Net financial income/(expense)	-465	-441	-24
Profit/(loss) before tax	291	201	90
Corporate income tax	-79	-53	-26
Net profit/(loss)	212	148	65
Profit/(loss) attributable to Ferrovial (millions of CAD)	92	64	28
Adjustment to depreciation/amortization following loss of control (Millions of CAD)	-15	-13	-1
Adjusted net profit/(loss) attributable to Ferrovial (43.23% in millions of CAD)	77	51	26
Adjusted net profit/(loss) attributable to Ferrovial (43.23% in millions of EUR)	52	33	19

The main change in the income statement relates to operating income (CAD 115 million) as a result of the growth in traffic during the year as restrictions were lifted, despite the new variants.

It should be noted that the profit/(loss) attributable to Ferrovial also includes the depreciation and amortization over the concession term of the remeasurement recognized following the loss of control of the company as a result of the sale in 2010 mentioned above.

Therefore, CAD -15 million of amortization would have to be deducted from the 43.23% of the local profit (CAD 92 million). Translating the resulting CAD 77 million at the average exchange rate (USD 1 = CAD 1.47898) gives the EUR 52 million allocable to Ferrovial in 2021 (Note 2.7). In 2020 (EUR 1 = CAD 1.53765) gives the EUR 33 million attributed to Ferrovial the year before (Note 2.7).

3.5.3. Disclosures relating to AGS

Under other equity-accounted assets, the most noteworthy is the 50% ownership interest in the share capital of the company AGS, which owns Aberdeen, Glasgow and Southampton airports in the UK.

The three airports have been significantly affected by COVID-19, although, as mentioned in Note 1.2, passenger volumes have increased slightly (6%) on 2020.

The integration of these losses incurred from these impacts reduced the shareholding value to zero at both December 2020 and December 2021. However, in June, as a result of the debt renegotiation process, Ferrovial increased its contribution to the company's capital by GBP 17.5 million, an amount that has been fully impaired in accordance with IAS 28, paragraph 36 ("If an investor's share of losses of an associate equals or exceeds its interest in the associate, the investor discontinues recognizing its share of further losses").

The following table shows movements in the 50% equity interest in the company, including both results for the year and results not consolidated because losses for the year exceeded the investment's value, relating mainly to pensions and derivatives.

2021 (millions of euros)	AGS (50%)
Balance at 31.12.20	0
Share of profit/(loss)	-20
Other	20
Balance at 31.12.21 under IAS 28	0
Result not consolidated under IAS 28	-71
Other equity effects not consolidated under IAS 28	10
Balance at 31.12.21 without IAS 28	-60

In addition, as indicated in Note 3.6, the company was granted a subordinated loan from Ferrovial for a nominal amount of GBP 123 million falling due in June 2024, excluding the provision for expected losses, recorded in accordance with IFRS9 for a cumulative amount of GBP 9.8 million. The shareholders made a commitment to grant additional funding of GBP 25 million each, which was paid in 2021 (see point iii. below).

Agreement to modify and extend the AGS syndicated loan

On 18 June, AGS entered into the agreement with a syndicate of banks to modify and extend the facility agreement concluded in February 2017 in the amount of GBP 793 million (the amount of GBP 757 million having been drawn). The main terms and conditions of the agreement are as follows:

- The loan amount is reduced to the amount drawn down.
- The maturity date is put back to June 2024.

The shareholders will contribute capital and loans in proportion to their ownership interest (50%). In the case of Ferrovial's 50% interest, this entails injecting capital of GBP 17.5 million and a shareholder loan of the same amount. The total value of the loan granted by Ferrovial is therefore GBP 123 million: An initial GBP 98 million plus the additional GBP 17.5 million resulting from the financing process, together with interest of GBP 7 million accrued during the period (see Note 8.1.1 on recoverability).

iv. On 18 June, AGS repaid the loan of GBP 50 million (GBP 25 million for Ferrovial) granted in November 2020 and drawn down during the first quarter of 2021.

v. An additional commitment to inject GBP 15 million (by each shareholder) to cover the fulfilment of certain liquidity conditions to the 2024 maturity date of the loan granted. It is important to note that this is Ferrovial's only commitment to contribute additional capital.

vi. A monthly minimum liquidity requirement is stipulated.

vii. The interest rates are revised and tied to SONIA, plus certain spreads over the term of the debt extension.

viii. Compliance with the financial covenants is waived for 30 June 2021, 31 December 2021 and 30 June 2022.

Following the refinancing operation, the Company has reassessed the recoverability of the total shareholder loan, concluding that it is recoverable on the basis of projections updated to account for the refinancing agreement.

3.5.4 Consolidation of IRB

On 29 December 2021 Ferrovial completed the acquisition, through its Dutch subsidiary Cintra INR Investments BV, of 24.86% of the Indian company IRB Infrastructure Developers Limited by subscribing for a preferred capital increase in the amount of EUR 369 million.

IRB's financial statements as at September 2021 can be found in Note 1.1.4.

3.5.5. Other disclosures relating to associates

a) Movements relating to the remaining associates

The associates breakdown, showing their consolidated percentage and the main data is disclosed in Appendix II.

The movements in 2021 in the investments in these companies were as follows:

2020	OTHER
Balance at 31.12.20	317
Share of profit/(loss) (Note 2.7)	28
Dividends	-15
Foreign exchange differences	-2
Consolidation scope change	-45
Other	-3
BALANCE AT 31.12.21	280

The share of profit/(loss) most notably includes the contributions of the joint ventures of Portuguese toll roads (EUR 28 million), the maintenance and cleaning contract at Doha Airport (FMM Company, EUR 4 million) less the contribution of mobility (EUR -6 million).

Dividends received relate to Toll Roads in the amount of EUR 12 million (primarily from Empresa de Mantenimiento y Explotación M-30, S.A., EuroScut Algarve, S.A. and A66 Benavente-Zamora), as well as to Airports (EUR 3 million relating to FMM Company).

b) Other information

There are no significant restrictions on the capacity of associates to transfer funds to the parent company in the form of dividends, debt repayments or advances, other than such restrictions as might arise from the financing agreements of those associates or from their own financial position, and there are no contingent liabilities relating to associates that might ultimately be assumed by the Group.

There are no significant companies in which the ownership interest exceeds 20% that are not equity accounted.

The guarantees provided by Group companies to equity-accounted companies are detailed in Note 6.5.

3.6. NON-CURRENT FINANCIAL ASSETS

The movements at 31 December 2021 were as follows.

MOVEMENTS IN 2021 (Millions of euros)	LONG-TERM LOANS IN ASSOCIATES	RESTRICTED CASH FROM INFRASTRUCTURE PROJECTS AND OTHER FINANCIAL ASSETS	FINANCIAL INVESTMENTS CARRIED AT FAIR VALUE	OTHER LONG-TERM RECEIVABLES	TOTAL
BALANCE AT 01.01.2020 (*)	164	654	15	25	857
Additions	63	17	24	14	117
Disposals	-3	-136	0	-12	-151
Transfers and cancellations	0	0	0	0	0
Foreign exchange effect	4	45	2	6	56
Scope changes	0	0	0	0	0
BALANCE AT 31/12/2021	228	579	40	32	879

Note: balances shown net of provisions

(*) Restated figures (Note 1.1.5)

- The item “Long-term loans to associates” relates essentially to the loans of GBP 123 million granted to AGS (EUR 146 million) (Note 3.6.1.), and to other ordinary loans to associates totaling EUR 93 million (EUR 64 million in 2020); the variation relates to the loan granted to Zero Bypass by Cintra Slovakia.
- “Restricted cash relating to infrastructure projects and other financial assets” relates primarily to deposits made at toll road concession operators, the use of which is limited to certain purposes established in the concession arrangement, such as payment of future investments or operating expenses and debt servicing. Specifically, the net reduction of EUR -75 million primarily relates to NTE Mobility Partners Segments 3 LLC (EUR -64 million, due essentially to payments on segment 3C investments) and to LBJ Infrastructure Group (a net amount of EUR -27 million due to project dividend payments of USD 360 million, once the contractual deadlines were met allowing payout).
- The Note on the net cash position provides details of the main balances and changes recognized in relation to this line item.

- The main movement under “Financial investments carried at fair value” is mainly due to cash disbursement of EUR 18.5 million and fair value adjustments of EUR 4.3 million. Cash disbursement included the acquisition of a 0.5% interest in the institutional tranche of Lilium’s US flotation for EUR 12.6 million. Fair value adjustments are due to the positive valuation of funds related to technology and innovation sectors in which the Group has invested (EUR 7.8 million), less the value of Lilium (EUR -3.5 million).
- Lastly, “Other receivables” includes:
 - Other trade receivables, mainly from various public authorities in connection with long-term contracts.
 - Interests in investment funds amounting to EUR 14 million, particularly the Credit Suisse (Lux) Supply Chain Finance Fund, which invested in supplier invoices insured by companies with an investment grade rating (average of AA-). This fund is currently in liquidation. The amount invested is regarded as recoverable, EUR 14 million having been reclassified to the long term, representing the portion of the fund that is expected to be recovered after more than one year. The item “Other short-term financial assets” includes an additional EUR 6 million that is expected to be recovered in less than one year, so the total investment in the fund pending recovery is EUR 20 million.
 - Long-term deposits and guarantees amounting to EUR 5 million (December 2020: EUR 15 million).

3.6.1. Loan granted to AGS

As indicated in Note 3.5.3, Ferrovial has granted a subordinated loan of GBP 123 million (EUR 146 million) to the company AGS, not including the provision for expected losses recognized under IFRS 9 in a cumulative amount of GBP 9.8 million (EUR 11.6 million). The company’s other shareholder has granted a loan on the same terms.

Given the impact of the COVID-19 crisis on the Company, a recoverability analysis of the loan was carried out, including expectations of the asset’s future performance, the company’s liquidity forecasts for the next twelve months, and the status of the bank borrowings following the agreement on the above-mentioned loan:

- Future asset trends: The company owns the assets, so operations are not subject to a concession period. Accordingly, a model was prepared in which traffic is assumed to progressively recover as the vaccination process takes effect. The assumptions in this model are consistent with forecasts of air traffic trends obtained from different sources. The model shows a total value for AGS that is above the carrying amount of the current investment.
- Liquidity: The contingency plans adopted during 2020 and 2021 have allowed the Company to end the year with a positive position of liquidity. Projections show that the available liquidity would be sufficient to keep running the business based on estimated traffic levels.
- Bank borrowing situation: Following the agreement of 18 June to amend and extend the loan granted by a syndicate of banks, AGS will have until June 2024 to repay it.

On the basis of the three factors analyzed, the amounts borrowed by the company are likely to be recovered, in view of the information currently available.

The above notwithstanding, an expected loss provision of GBP 1.5 million (EUR 2.4 million) has been set up in accordance with IFRS 9.

For information purposes, the movements in these line items in 2020 are detailed below:

MOVEMENTS IN 2020 (Millions of euros)	LONG-TERM LOANS IN ASSOCIATES	RESTRICTED CASH FROM INFRASTRUCTURE PROJECTS AND OTHER FINANCIAL ASSETS	OTHER LONG- TERM RECEIVABLES	TOTAL
BALANCE AT 01.01.2019	170	970	106	1,246
Additions	16	1,614	12	1,642
Disposals	-11	-1,868	-1	-1,880
Transfers and other	0	0	-76	-76
Foreign exchange effect	-11	-63	-1	-75
Reclassification to discontinued operations	0	0	0	0
BALANCE AT 31/12/2020 (*)	164	654	40	857

(*) Restated figures (Note 1.1.5)

3.7. RIGHTS OF USE OF LEASED ASSETS AND ASSOCIATED LIABILITIES

This Note details the right-of-use assets recognized under IFRS 16 Leases and the liabilities associated with them.

Note 1.3.1.b) details the accounting policy affecting lease agreements. IFRS 16 affects the group for those agreements in which it acts as a lessee.

Set out below are movements in right-of-use assets in the balance sheet:

MOVEMENTS IN 2021 (Millions of euros)	LAND	BUILDINGS	VEHICLES	PLANT AND MACHINERY	OFFICE EQUIPMENT AND OTHER	TOTAL
BALANCE AT 31/12/2020	5	52	63	14	3	137
Additions	9	34	24	13	3	83
Disposals	-1	-1	-2	-2	-0	-6
Transfers and other	0	0	0	0	0	0
Depreciation/amortization	-2	-19	-27	-14	-2	-63
Consolidation scope changes	-0	-1	-0	-0	0	-1
Foreign exchange effect	0	1	4	1	0	6
BALANCE AT 31/12/2021	12	67	62	12	1	156

The Group primarily has lease agreements for buildings, vehicles and technical installations and machinery. Buildings provide the greatest right-of-use asset value and primarily relate to the offices of the different long-term businesses.

The most significant variations in the heading relates to additions totaling EUR 83 million, of which EUR 38 million is associated with Construction Division leases (essentially in Webber, United Kingdom and Spain).

As a balancing item for the rights of use in the amount of EUR 156 million, the lease liabilities amount to EUR 159 million, of which EUR 108 million is carried as a long-term item and EUR 51 million as a short-term item.

The movements in 2021 related to lease liabilities associated with contracts in force were as follows:

	LEASE LIABILITIES
BALANCE AT 31/12/2020	161
Additions due to new contracts	81
Associated financial expenses	6
Disposals due to payments	-74
Foreign exchange effect	6
Consolidation scope changes and other	-20
BALANCE AT 31/12/2021	159
Long-term lease liabilities	108
Short-term lease liabilities	51

Financial expenses associated with lease agreements amounted to EUR 6 million at 31 December 2021. Lease payments in 2021 amounted to EUR -74 million (Note 5.3).

Below, future debt maturities are analyzed in each business area at 31 December 2021.

	2022	2023	2024	2025	2026	2027 AND BEYOND	TOTAL
Corporation	2	2	2	2	2	10	21
Construction	37	22	12	6	3	10	90
Toll roads	1	1	0	0	0	0	2
Airports	0	0	0	0	0	1	2
Services	11	10	9	8	4	-4	38
Energy Infr. & Mobility	0	0	0	0	0	4	4
Waste Treatment	0	0	1	0	0	0	1
TOTAL LEASE LIABILITIES	51	35	25	17	10	21	159

At 31 December 2021, lease expenses in the income statement amounted to EUR 228 million (2020: EUR 221 million) and relate to the following items:

a. Lease expenses that although comply with the definition of leases under IFRS 16, fall within some of the exceptions of the application of the standard. In this regard, given the nature of the Group business, assets are normally leased for periods of less than one year or are considered to be low value, to undertake the different phases of a project (less than EUR 5,000).

b. Lease expenses that are not within the scope of IFRS 16, primarily because the rented assets are not identified individually and are easily substitutable by the supplier.

This amount includes the variable payments not included in the value of the liability, which amounts to EUR 1 million.

SECTION 4: WORKING CAPITAL

This section contains the Notes on inventories (Note 4.1), short-term trade and other receivables (Note 4.2), as well as short-term trade and other payables (Note 4.3). The net balance of these items is called working capital.

Section 4.4 includes a more detailed analysis of the items in the balance sheet relating to recognition of revenues from contracts with customers in the Construction business, including the disclosures required under IFRS 15 in relation to these contracts.

Millions of euros	2020 (*)	Exchang e rate	Consolidat ion scope changes	Other	2021
Inventories	699	13	-357	50	405
Short term trade and other receivables	1,367	10	-29	-31	1,317
Short-term trade and other payables	-3,115	-56	461	-83	-2,793
TOTAL	-1,049	-33	75	-64	-1,071

(*) Restated figures (Note 1.1.5)

4.1. INVENTORIES

The inventories balance at 31 December 2021 and 2020 is as follows:

Millions of euros	2020 (*)	Exchange rate	Consolidation scope changes	Other	2021
Goods purchased for resale	377	0	-357	22	42
Raw materials and other supplies	264	9	0	3	276
Bidding and mobilization costs	58	4	0	25	87
Inventories	699	13	-357	50	405

(*) Restated figures (Note 1.1.5)

As regards inventories of goods purchased for resale, of particular note is the impact of the scope exclusion of the Polish real estate activity (EUR 357 million). A balance of EUR 42 million is recognized in the balance sheet at 31 December 2021, relating primarily to the Construction business (EUR 30 million).

EUR 276 million of raw materials and other supplies primarily relate to the Construction Division, mainly at its subsidiaries in the US, amounting to EUR 139 million (2020: EUR 140 million) and at Budimex amounting to EUR 93 million (2020: EUR 93 million).

Both for bid and mobilization costs, amortization is carried out systematically, in accordance with the transfer of goods and services to which the asset corresponds. In 2021, EUR 15 million of bidding costs and EUR 1 million of mobilization costs were amortized.

4.2. SHORT-TERM TRADE AND OTHER RECEIVABLES

The detail of "short-term trade and other receivables" at 31 December 2021 and 2020 is as follows:

Millions of euros	2020 (*)	Exchange rate	Consolidation scope changes	Other	2021
Trade receivables for sales and services	1,019	9	-25	42	1,045
Other receivables	348	1	-4	-73	272
TOTAL RECEIVABLES	1,367	10	-29	-30	1,317

(*) Restated figures (Note 1.1.5)

a) Trade receivables for sales and services

The detail of "balances with customers" at 31 December 2021 and 2020 is as follows:

Millions of euros	2020 (*)	Exchange rate	Consolidation scope changes	Other	2021
Trade receivables	869	8	-25	-51	801
Bad debt provisions	-211	-1	0	2	-209
Net trade receivables	659	7	-25	-49	592
Net completed work pending certification	266	0	0	66	332
Withholdings as security	95	3	0	24	122
TRADE RECEIVABLES FOR SALES AND SERVICES	1,019	9	-25	42	1,045

(*) Restated figures (Note 1.1.5)

The change in "Other" (EUR 42 million), is explained primarily by the increase in this line item in Construction (EUR 36 million), as a result of business activity.

It should also be noted that scope changes during the year relate to the change of consolidation method applied to the I-66 toll road (Note 1.1.4) and the scope exclusion of the Polish real estate business.

Finally, at 31 December 2021 and 31 December 2020 there is no balance sheet items relating to factoring agreements.

The following details the main trade receivables, broken down by type of debtor:

	CONSTRUCTION		OTHER AND ADJUSTMENTS		TOTAL	
Public sector	518	51%	81	n.a.	598	57%
Private sector	309	30%	13	n.a.	322	31%
Group companies and associates	191	19%	-66	n.a.	125	12%
TOTAL	1,017	100%	28	N.A.	1,045	100%

In order to manage customer credit risk, the Group has implemented pre- and post-contracting measures. Pre-contracting measures include the consultation of debtor registers, ratings, solvency studies, etc., while post-contracting measures during the execution of construction work include the follow-up of contractual incidents, non-payment events, etc.

The changes in trade provisions were as follows:

(Millions of euros)	2021	2020 (*)
Opening balance	211	225
Amounts charged to the income statement:	-3	5
Allocations	6	13
Reversals	-9	-8
Applications	-1	-21
Foreign exchange effect	1	-2
Transfers and other	-1	4
CLOSING BALANCE	209	211

(*) Restated figures (Note 1.1.5)

Group management considers that the carrying amount of trade receivables approximates their fair value.

b) Other receivables

The detail of "other receivables" at 31 December 2021 and 2020 is as follows:

Millions of euros	2020 (*)	Exchange rate	Consolidation scope changes	Other	2021
Advance payments to suppliers	60	1	0	-12	50
Sundry receivables	168	-1	-2	-82	82
Infrastructure project receivables	3	0	0	-1	2
Receivables from public authorities	117	0	-2	23	138
OTHER RECEIVABLES	348	1	-4	-72	272

(*) Restated figures (Note 1.1.5)

The change in “Sundry receivables” with respect to December 2020 is due mainly to the collection of the receivable that the Madrid Regional Government had with Cintra in relation to the administrative proceeding involving Autopista M-203 (Note 6.5.1.b) in the amount of EUR 73 million.

Lastly, “receivables from public authorities” includes tax receivables other than income tax receivables.

4.3. SHORT-TERM TRADE AND OTHER PAYABLES

The detail of “short-term trade and other receivables” at 31 December 2021 and 2020 is as follows:

Millions of euros	2020 (*)	Exchang e rate	Consolidat ion scope changes	Other	2021
Trade payables	1,445	31	0	59	1,535
Work certified in advance	821	22	-130	-21	692
Advance payments	529	0	-305	-31	193
Other non-trade payables	320	3	-26	76	373
TRADE AND OTHER PAYABLES	3,115	56	-461	83	2,793

(*) Restated figures (Note 1.1.5)

a) Trade payables

The detail of the trade payables at 31 December 2021 and 2020 is as follows:

Millions of euros	2020 (*)	Exchang e rate	Consolidati on scope changes	Other	2021
Trade payables	979	27	2	45	1,054
Trade payables sent for reverse factoring	217	0	0	9	226
Withholdings made from suppliers	249	3	-3	5	255
TRADE PAYABLES	1,445	31	0	59	1,535

(*) Restated figures (Note 1.1.5)

The line item “trade payables” increased by EUR 90 million compared to the balance recognized at 31 December 2020. Excluding the foreign exchange effect and scope changes, trade payables increased by EUR 59 million, primarily in the Construction Division. As regards trade payables subject to reverse factoring, that is balances pending payment to suppliers under reverse factoring arrangements (Note 1.3.3.3 on accounting policies) these increased by EUR 9 million compared to the balance at 31 December 2020.

Group management considers that the carrying amount of trade receivables approximates their fair value.

b) Disclosure obligation in relation to payments to suppliers provided for in Additional Provision Three of Law 15/2010

In compliance with the obligation to disclose the average supplier payment period laid down by Article 539 and Additional Provision Eight of the Spanish Companies Act (in accordance with the wording of Final Provision Two of Law 31/2014 reforming the Act), the Company hereby states that the average supplier payment period for all of the Group companies registered in Spain (including discontinued operations) was 41 days.

Set forth below is the breakdown required by Article 6 of the Resolution of 29 January 2016 from the Spanish Institute of Accounting and Auditing in relation to the disclosures to be provided on the average supplier payment period in 2021 and 2020:

(Days)	2021	2020
AVERAGE SUPPLIER PAYMENT PERIOD	41	41
Ratio of transactions settled	42	41
Ratio of transactions not yet settled	36	37
AMOUNT (euros)		
TOTAL PAYMENTS SETTLED	751,447,311	685,411,852
TOTAL OUTSTANDING PAYMENTS	20,385,897	21,572,506

The 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. The breakdown of the average supplier payment period for discontinued operations is as follows:

(Days)	2021	2020
AVERAGE SUPPLIER PAYMENT PERIOD, DISCONTINUED OPERATIONS	55	53
Ratio of transactions settled	54	52
Ratio of transactions not yet settled	74	72
AMOUNT (euros)		
TOTAL PAYMENTS SETTLED	327,929,700	597,633,850
TOTAL OUTSTANDING PAYMENTS	15,764,616	29,372,206

c) Work certified in advance for construction work and customer advances

This line item includes:

- Work certified in advance (see definition in Notes 4.4 and 1.2.3.4) fell by EUR 129 million compared to the balance at December 2020 due mainly to the effect of the change of consolidation method applied to the I-66 toll road, as work certified in advance relating to Group companies is eliminated due to the full consolidation of this company (Note 1.1.4).
- The balance of advance payments from customers (see definition in point 4.4) fell by EUR -336 million as compared with December 2020 due primarily to the effect of the scope exclusion of the Polish real estate business (EUR -233 million) and to the change of consolidation method applied to the I-66 toll road (EUR -72 million) referred to above. Excluding these effects and the foreign exchange effect, the variation would be EUR -31 million, due mainly to the refund of advance payments at Budimex.

d) Other non-trade payables

The detail of “other non-trade payables” is as follows:

Millions of euros	2020 (*)	Exchang e rate	Consolidati on scope changes	Other	2021
Accrued wages and salaries	159	1	-1	2	161
Payables to public authorities	118	7	0	18	143
Other payables	43	0	-24	50	69
OTHER NON-TRADE PAYABLES	320	8	-25	70	373

(*) Restated figures (Note 1.1.5)

4.4. BALANCES UNDER CONTRACTS WITH CUSTOMERS AND OTHER IFRS 15 DISCLOSURES

Information on the balance sheet from IFRS15

As mentioned in Note 1.2.3.4, relating to the policy with regard to recognizing revenues from contracts (IFRS 15), in contracts in which the performance obligations are measured over time, the difference between the revenues recognized for services rendered and the amounts actually billed to the customer are systematically analyzed on a contract-by-contract basis.

If the amount billed is lower than the revenue recognized, the difference is recognized as an asset under "trade receivables for sales and services - completed work pending certification" (Note 4.2.a.), whereas if the revenue recognized is lower than the amount billed, a liability is recognized under "short-term trade and other payables - Progress billing for construction work" (Note 4.3).

Also, in certain construction contracts, advances are agreed upon that are paid by the customer when work is commenced on the contract, the balance of which is offset against the various progress billings as the contract work is performed.

These amounts are included on the liabilities side of the balance sheet, under "trade payables" (Note 4.3.a).

In contrast to the advance payments, in some contracts the customer retains a portion of each progress billing to guarantee certain contractual obligations are met. These "retentions" are not reimbursed until the contract is definitively settled. These amounts are included on the assets side of the balance sheet, under "trade receivables for sales and services" (Note 4.2.a).

Unlike completed work pending certification and work certified in advance, the advances and retentions are balances that will have an impact on future cash flows, since in the case of the advances a lower amount will be collected in the future as the advances are discounted from the progress billings, whereas the retentions will give rise to higher collections in the future, since the customer will reimburse the related amounts as and when the contract work is settled.

The detail of the amounts recognized in this connection at 31 December 2021 and 2020 is as follows:

Millions of euros	2020 (*)	Exchang e rate	Consolidat ion scope changes	Other	2021
Completed work pending certification	266	0	0	66	332
Withholdings	93	3	0	24	119
Total assets from customer contracts	359	2	0	91	451
Work certified in advance	821	22	-130	-21	692
Advance payments	530	0	-305	-31	193
Total liabilities from customer contracts	1,350	22	-434	-52	885

(*) Restated figures (Note 1.1.5)

The balance at 31 December 2021 of work completed and pending certification relates almost entirely to amounts relating to revenues from the main contract signed with the customer, since, in line with the general policy established by the Group, only works that are due and payable may be recognized, i.e. amounts that have been approved by the customer. The balance shown under claims includes only the cases in which it is deemed highly probable that there will be no reversal of revenues in the future.

In general, performance obligations in the construction business are fulfilled over time. Therefore, as the amounts relating to changes and claims are immaterial under the completed work pending certification heading, the balance relates basically to differences between work completed and work certified due to timing differences in the customer certification and review process, billing milestones, certification schedule, etc.

Other disclosures relating to IFRS 15:

Revenue from contracts with customers:

EUR 6,678 million of total revenue recognized in 2021 (Note 2.1, operating income) relate to revenue from contracts with customers, which represents 98.5% of revenue recognized.

(Millions of euros)	2021
Construction	5,799
Toll roads	531
Airports	2
Other segments	347
Revenue from contracts with customers	6,678

With regard to income pending recognition in relation to uncompleted performance obligations at year-end, this line item corresponds to what is generally referred to as the order book (see the definition in the section Alternative performance measures in the Management report).

The table below is a breakdown of this figure by business area and includes an estimate of the years in which it is expected that it will appear in income.

INCOME	2022	2023	2024	2025	2026+	TOTAL
Construction	5,351	3,491	1,711	719	944	12,216
Waste Treatment	58	69	68	72	720	987
Total	5,409	3,560	1,779	791	1,664	13,204

There are a total of 788 contracts in progress in the Construction businesses, as well as 4 Waste treatment contracts.

SECTION 5: CAPITAL STRUCTURE AND FINANCING

The notes in this section describe the changes in Ferrovial's financial structure, addressing both changes in equity (Note 5.1) and consolidated net debt (Note 5.2) (taken to be the balance of cash and cash equivalents net of financial debt, bank borrowings and debt securities), broken down by project companies and ex-project companies. They also describe the Group's exposure to the main financial risks and the policies for managing them (Note 5.4), as well as the derivatives arranged in connection with those policies (Note 5.5).

Equity (Note 5.1) attributed to shareholders increased in relation to the previous year due essentially to results for the year less shareholder returns.

EQUITY ATTRIBUTED TO SHAREHOLDERS

(Millions of euros)

CLOSING BALANCE AT 31/12/2020 (*)	3,150
Net profit/(loss)	1,197
Income and expense recognized directly in equity	196
Amounts transferred to the income statement	1
Shareholder remuneration	-463
Share-based remuneration scheme	-22
Other	-11
Closing balance at 31/12/2021	4,048

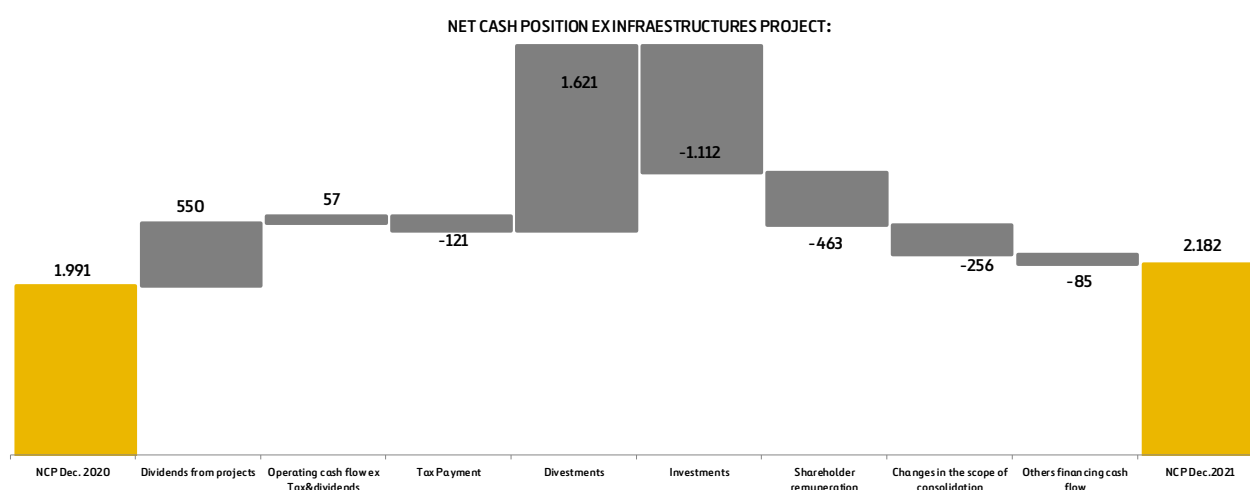
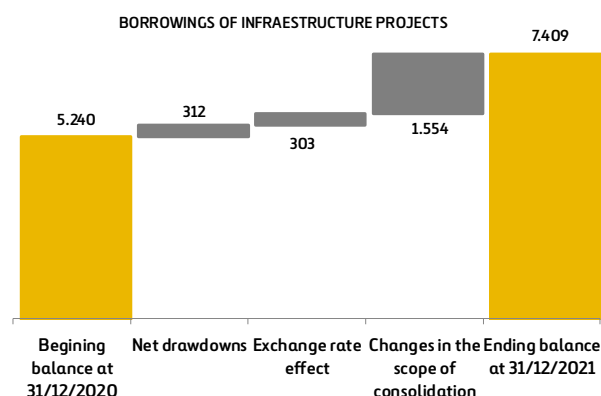
(*) Restated figures (Note 1.1.5)

The net consolidated cash (Note 5.2) of Ferrovial ex-infrastructure projects, including discontinued operations, amounted to EUR 2,182 million (2020: EUR 1,991 million).

The improvement during the year is explained by cash flows (Note 5.3), which do include movements in discontinued operations. The positive flow from operating activities before tax of EUR 1,116 million is worthy of note, due primarily to divestments during the financial year (EUR 1,621 million) and dividends received from projects (EUR 550 million), offset by investments totaling EUR 1,112 million.

This positive net figure continues to make it possible to amply achieve the objective of maintaining an investment grade rating, where the Company considers a relevant metric the ratio, for ex-infrastructure projects, of Net Debt (gross debt less cash) to gross operating profit (EBITDA) plus dividends from projects of no more than 2:1. Ferrovial's current rating stands at BBB.

As regards gross project debt, the variation on the previous year (EUR 7,409 million in December 2021 versus EUR 5,240 million in December 2020) is due primarily to the effect of scope changes relating to the change of consolidation method applied to the I-66 toll road (EUR 1,554 million) and to the foreign exchange effect of EUR 303 million.



5.1. EQUITY

5.1.1 Changes in equity

The detail of the main impacts net of taxes that affected the changes in equity in 2021 and which explain the changes in equity in the period from December 2021 to December 2020 is as follows:

	Attributed to shareholders	Attributed to non- controlling interests	Total equity
Equity at 31.12.2020 (*)	3,150	640	3,790
Equity at 01.01.2021	3,150	640	3,790
Consolidated profit/(loss) for the year	1,197	138	1,335
Impact on hedge reserves	67	-17	50
Impact on defined benefit plan reserves (**)	23	0	23
Currency translation differences	106	1	107
Income and expense recognized directly in equity	196	-16	180
Amounts transferred to the income statement	1	0	1
TOTAL RECOGNISED INCOME AND EXPENSES	1,394	122	1,516
Scrip dividend/other dividends	-29	-270	-299
Treasury share transactions	-434	0	-434
SHAREHOLDER REMUNERATION	-463	-270	-733
Share capital increases/reductions	0	28	28
Share-based remuneration scheme	-22	0	-22
Hybrid bond	-7	0	-7
Scope changes	0	1,270	1,270
Other movements	-4	1	-3
OTHER TRANSACTIONS	-33	1,299	1,266
Equity at 31.12.2021	4,048	1,791	5,839

(*) Restated figures (Note 1.1.5)

(**) Pursuant to the amendment to IAS 1 on the Presentation of financial statements, the impact on reserves of defined benefit plans is the only item of income and expense recognized directly in equity that cannot subsequently be reclassified to profit or loss.

The following is a description of the main movements in shareholders' funds in 2021, which gave rise to an increase of EUR 898 million in equity attributable to shareholders.

The consolidated profit/(loss) for the year attributed to the parent company totaled EUR 1,197 million.

Income and expense recognized directly in equity relate to:

- Hedging instruments: Recognition of the changes in value of the effective portion of derivatives designated as hedges, as detailed in Note 5.5, the positive impact of which was EUR 67 million, of which EUR 34 million relates to fully consolidated companies, EUR 31 million to equity-accounted companies and EUR 3 million to companies held for sale and discontinued operations.
- Defined benefit plans: It reflects the impact on equity of actuarial gains and losses arising from adjustments and changes to the Group's defined benefit plan assumptions (EUR 23 million net of tax for the parent company), relating essentially to HAH, due to the changes during the year that brought the value of the ownership interest to zero.

- Currency translation differences: The currencies to which Ferrovial is most exposed in terms of equity (mainly the Canadian dollar, US dollar and pound sterling), as detailed in Note 5.4, gave rise to currency translation differences of EUR 106 million attributed to the parent company, primarily Canadian dollars (EUR 93 million), US dollar (EUR 8 million), pound sterling (EUR 16 million) and Chilean peso (EUR -10 million). These translation differences are presented net of the effect of foreign currency hedging instruments arranged by the Group (Note 5.5).

Amounts transferred to the income statement:

This section reflects the impact of the reclassification from shareholders' funds to results (under IAS 21) of the amounts accumulated in equity in respect of currency translation differences and the derivatives used to hedge the following divestment transactions and acquisitions, as mentioned in Note 1.1.4: those derived from debt coverage related to the Concesionaria de Prisiones Figueras (EUR 12 million net of taxes), to the Environment Services business in Spain and Portugal (EUR 3 million net of taxes) and to the Norte Litoral toll road (EUR 2 million net of taxes), which are offset by the currency translation differences transferred to the income statement resulting from the takeover of the I-66 toll road, which is now fully consolidated, amounting to EUR -16 million.

Shareholder remuneration:

- Scrip dividend: For the eighth successive year, Ferrovial, S.A.'s Annual General Meeting held on 9 April 2021 approved a flexible shareholder remuneration scheme whereby the shareholders may freely choose to receive new bonus shares in a capital increase charged to reserves or an amount in cash by transferring to the Company (if they have not already done so in the market) of the free allotment rights to the shares held. As a result, two share capital increases were completed in 2021 as follows:
 - In May 2021, 5,615,714 new shares were issued and charged to reserves at a par value of EUR 0.20 per share, entailing a share capital increase of EUR 1.1 million (no impact on cash), and free allotment rights were purchased in the amount of EUR 12 million, representing a price per share of EUR 0.20.
 - In November 2021, 7,743,557 new shares were issued and charged to reserves at a par value of EUR 0.20 per share, entailing a share capital increase of EUR 1.5 million (no impact on cash), and free allotment rights were purchased in the amount of EUR 20 million, representing a price per share of EUR 0.31.
- The cash flow impact of shareholder remuneration in 2021 amounted to EUR 463 million (Note 5.3). The difference between the scrip dividend of EUR 29 million and the treasury share purchase of EUR 434 million are detailed in the table above, and the scrip dividend of EUR 31 million and the treasury share purchase of EUR 432 million disclosed in the cash flow statement (Note 5.3), is explained by the above-mentioned issuance of new shares against reserves in the amount of EUR 2.5 million.

Share-based remuneration schemes:

In 2021 a total of 345,000 shares were acquired, representing 0.047% of Ferrovial's share capital, for subsequent delivery, together with a part of the treasury shares recognized at the beginning of the year, under share-based remuneration schemes. The total cost of acquisition of these shares was EUR 7.3 million and the total gain on these remuneration schemes recognized in the Company's equity amounts to EUR -22 million, due to the partial reversal of the provision endowed in previous years, since both in the plan that expired in 2021 and the one that expires in 2022, the degree of compliance with the conditions entitled to receive remuneration has been lower than that initially considered.

As explained in Note 5.5, the Company has arranged Equity Swaps in order to hedge against the possible impact on equity of the exercise of share-based remuneration schemes. These instruments entail a fair value impact of EUR 14 million on net financial income/(expense).

Subordinated hybrid bond:

The movement for the year reflects the costs associated with this equity instrument described in the following Note 5.1.2 d), equating to a negative impact of EUR -7 million in 2021.

5.1.2 Equity components

The following is an explanation of each of the equity line items presented in the consolidated statement of changes in equity:

a) Share capital

At 31 December 2021, share capital stood at EUR 146,720,496.20 and was fully subscribed and paid up. Share capital consists of 733,602,481 ordinary shares in a single class with a par value of twenty euro cents (EUR 0.20) each. Movements during the year, broken down in the following table, relate to the share capital increase and reduction transactions mentioned in the preceding section.

SHARES	NUMBER	PAR VALUE
Opening balance	732,902,376	146,580,475
Scrip dividend	13,359,271	2,671,854
Share capital reduction	-12,659,166	-2,531,833
CLOSING SHARES	733,602,481	146,720,496

At 31 December 2021, the only company with an ownership interest of over 10% is Rijn Capital BV, which holds 20.248% of the shares and is controlled by the Chair of the Company's Board of Directors, Rafael del Pino y Calvo Sotelo.

The parent company's shares are traded on the Spanish Electronic Trading System (SIBE) and on the Spanish stock exchanges; they all carry the same voting and dividend rights.

b) Share premium and merger premium

At 31 December 2021, the share premium and merger premium, which arose as a result of the merger of Grupo Ferrovial, S.A. with Cintra Concesiones de Infraestructuras de Transporte, S.A. (currently Ferrovial, S.A.) in 2009, totaled EUR 218 million. Both line items are included in unrestricted reserves.

c) Treasury shares

At 31 December 2020, 634,034 treasury shares were held. Movements during 2021 were as follows:

TRANSACTION COMPLETED/PURPOSE	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES APPLIED TO	TOTAL NUMBER OF SHARES
Balance at 31.12.2020			634,034
Share capital reduction	16,990,379	-12,659,166	4,331,213
Remuneration schemes	345,000	-371,702	-26,702
Shares received - scrip dividend	133,473	0	133,473
Balance at 31.12.2021			5,072,018

The Annual General Meeting of Ferrovial, S.A. held on 9 April 2021 approved a treasury share Buy-Back Programme for a maximum amount of EUR 320 million, the purpose of which was a subsequent capital reduction by redeeming the shares. Over the course of 2021 16,990,379 treasury shares were acquired at an average price of EUR 25.39 per share, giving rise to a payment totaling EUR 434 million. Subsequently, it was resolved to reduce share capital by 12,659,166 shares, giving rise to a share capital reduction of EUR 3 million and an impact of EUR -432 million, which was recognized against unrestricted reserves (merger premium) and related to the difference between the acquisition price and the par value of the retired shares.

The market value of the treasury shares held by Ferrovial at 31 December 2021 (5,072,018 shares) was EUR 140 million.

d) Other equity instruments

Through its subsidiary Ferrovial Netherlands BV, with a guarantee from Ferrovial, S.A., the Group made a perpetual subordinated bonds issue in 2017 in the nominal amount of EUR 500 million and with an annual coupon of 2.124% until the first recalculation date (May 2023). Following this first recalculation date, the coupon will be changed to a rate equivalent to adding 2.127% to the 5-year swap rate that applies at that time. The same calculation will be made every 5 years until 2043, at which point the 5-year swap rate that applies at that time will be increased by 2.877%.

These bonds may be repaid for the first time, at the issuer's discretion, in five and a half years (2023) from the date of issue (from 14 February 2023 to 14 May 2023 inclusive), and subsequently on each coupon payment date. Ferrovial also has the right to defer the payment of coupons over time, and such payment cannot be demanded by the holders.

As mentioned in Note 1.2.3.3, when it is the issuer that has the right to decide regarding both the repayment of principal and the possibility of deferring the payment of coupons on the bond, the instrument is entered under equity.

Thus, these subordinated perpetual bonds are recognized under "other equity instruments". The costs associated with the issue of these bonds and the accrued interest and payment of the coupon, which at the end of 2021 amounted to an accumulated figure of EUR -35 million (EUR -7 million accrued in this financial year), are recognized under "reserves" and treated in a similar way to dividends.

Irrespective of this type of instrument being classified as shareholders' funds from an accounting standpoint, the method followed by the rating agencies for the purpose of analyzing the Group's debt level is to consider the hybrid bond issue fully or partially as debt and/or partially as equity, according to the current methodologies applied by each of these rating agencies.

e) measurement adjustments

"Measurement adjustments" in the consolidated statement of changes in equity, the balance of which at 31 December 2021 was EUR -1,299 million, includes the accumulated amount in reserves of the measurement adjustments made to translation differences (EUR -519 million), pension plans (EUR -455 million) and measurement adjustments made to derivatives (EUR -325 million).

As regards the requirements of IAS 1 in relation to the disclosure of "income and expenses recognized directly in equity", it is important to note that the only items that under the related accounting legislation may not be transferred in a future period to the income statement are the items relating to pension plans.

f) Retained earnings and other reserves

This line item includes prior years' retained earnings and other reserves totaling EUR 4,599 million (2020: EUR 3,359 million). The other reserves include restricted reserves of the parent company, relating mainly to the legal reserve of EUR 30 million.

Adjustments relating to share-based remuneration schemes and the impact of the subordinated perpetual bond's coupons and associated costs are also recognized under this heading.

g) Proposed distribution of profit for 2021

The Company posted a loss for the year of EUR -31,614,831.01.

The Board of Directors will propose to the Company's Annual General Meeting the following distribution of FERROVIAL, S.A.'s individual profit:

2021	
Profit of FERROVIAL, S.A. (individual company) (euros)	-31,614,831.01
Distribution (euros):	
To prior year losses	-31,614,831.01

The legal reserve is fully funded.

h) Non-group companies with significant ownership interests in subsidiaries

At 31 December 2021, the non-controlling interests in the share capital of the most significant fully consolidated Group companies were as follows:

FERROVIAL GROUP SUBSIDIARY	NON-GROUP %	NON-GROUP SHAREHOLDER
TOLL ROADS		
Autopista Terrassa-Manresa, S.A.	23.72%	Acesa (Autopista Concesionaria Española, S.A.)
LBJ Infrastructure Group Holding LLC	28.3272%-17.0689%	LBJ Blocker (APG)- Meridiam Infr. S.a.r.l. (MI LBJ)
NTE Mobility Partners Holding LLC	37.03%	Meridiam Infrastructure S.a.r.l.
NTE Mobility Partners SEG 3 Holding LLC	28.8399%-17.4949%	NTE Segments 3 Blocker, Inc. (APG) - Meridiam Infrastructure NTE 3A/3B LLC
I-77 Mobility Partners, LLC	17.45%-17.45%	Aberdeen Infr. Invest./John Laing I-77 Holco Corp.
I-66 Mobility Partners, LLC	29.746% - 14.55%	Meridiam Infrastructure S.a.r.l. - I-66 Blocker (APG)
CONSTRUCTION		
Budimex S.A.	9.8%-6.3%-33.8%	AVIVA OFE Aviva BZ WBK- Nationale Nederlanden OFE (listed on the stock exchange)

The main financial statement aggregates of the most significant Group companies in which other shareholders own interests are as follows (data on 100% terms):

2021 (Millions of euros)	ASSETS	LIABILITIES	SHAREHOLDERS' FUNDS	NCP	NET PROFIT/(LOSS)
Terrassa Manresa toll road:	829	209	620	14	-45
LBJ Infrastructure Group	2,087	2,236	-149	-1,757	-2
NTE Mobility Partners	1,643	1,614	29	-1,075	42
NTE Mobility Partners Segments 3 LLC	2,104	1,681	424	-928	23
I-77 Mobility Partners LLC	704	503	201	-231	1
I-66 Mobility Partners LLC	4,321	1,414	2,907	-1,511	16
Budimex	1,557	1,212	344	561	108

The main movements in "equity attributable to non-controlling interests" in 2021 were as follows:

Company	Balance at 31/12/2020 (*)	Profit/(loss)	Derivatives	Currency translation differences	Dividends	Share capital increase	Other	Balance at 31.12.2021
Terrassa Manresa toll road:	192	-14	-19	0	-12	0	0	147
LBJ Infrastructure Group	73	-2	0	0	-139	0	0	-68
NTE Mobility Partners	17	25	0	1	-31	0	-1	11
NTE Mobility Partners Segments 3 LLC	163	20	0	13	0	0	0	196
I-77 Mobility Partners LLC	65	1	0	5	0	0	-1	70
I-66 Mobility Partners LLC	0	0	0	-14	0	18	1,284	1,288
FAM Construction LLC (I-66)	-48	-7	0	-4	0	0	0	-59
Budimex	183	109	0	-1	-88	0	-1	202
Environmental Services	10	3	0	0	0	0	-13	0
Other	-15	3	2	1	0	10	3	4
TOTAL	640	138	-17	1	-270	28	1,271	1,791

(*) Restated figures (Note 1.1.5)

“Capital increases” reflects the impact of the increase in funds attributable to non-controlling interests of the toll road I-66 Mobility Partners LLC and D4R7 Construction S.R.O. amounting to EUR 18 million and EUR 10 million respectively.

The heading “Other movements” mainly reflects an impact of EUR 1,284 million associated with the full consolidation of the I-66 toll road (Note 1.1.4) due to the fact that the amount attributable to non-controlling interests is recognized at fair value in the same way as all the company’s assets and liabilities following the acquisition of control.

5.2. NET CONSOLIDATED DEBT

In order to present an analysis of the Group's net debt position, the following table contains a breakdown of the Net Cash Position, distinguishing between infrastructure project companies and the other companies. The net cash position is understood to be the balance of the items included under "cash and cash equivalents", together with the long-term restricted cash of infrastructure projects and other short-term financial assets, less financial borrowings (short-term and long-term bank borrowings and debt securities).

The net cash position also includes forwards totaling EUR -22 million that hedge the cash held by the Group in Australian and Canadian dollars, as well as cross-currency swaps, valued at EUR -9 million and associated with the borrowings and cash denominated in US dollars. The derivatives are accounted for in this way because they are associated in full with the aforementioned borrowings/cash and the related exchange rate effect is netted off therefrom.

31/12/2021								
Continuing and discontinued operations (millions of euros)	Bank borrowings/bonds	Cross-currency swaps	Cash and cash equivalents	Forwards	Long-term restricted cash	Net borrowing position	Intragroup position	Total
Ex-infrastructure	-3,202	-9	5,452	-22	0	2,219	-37	2,182
Infrastructure project	-7,463	0	214	0	579	-6,671	37	-6,633
Total net cash position	-10,665	-9	5,666	-22	579	-4,451	0	-4,451

31/12/2020								
	Bank borrowings/bonds	Cross-currency swaps	Cash and cash equivalents	Forwards	Long-term restricted cash	Net borrowing position	Intragroup position	Total
Ex-infrastructure	-4,598	-2	6,614	14	3	2,030	-39	1,991
Infrastructure project	-5,445	0	224	0	650	-4,571	39	-4,532
Total net cash position	-10,043	-2	6,837	14	654	-2,541	0	-2,541

The net cash position ex-infrastructure projects including discontinued operations amounted to EUR 2,182 million at December 2021 compared to EUR 1,991 at December 2020, a change of EUR 191 million. The net cash position of infrastructure projects, including discontinued operations, varied by EUR -2,102 million, from EUR -4,532 million in December 2020 to EUR -6,633 million in December 2021, due primarily to the change of consolidation method applied to the I-66 toll road (Note 1.1.4).

It is now fully consolidated so 100% of the company’s net cash position is recognized in the amount of EUR 1,511 million at December 2021. A more detailed analysis of this position, both for continuing and discontinued operations is included in Note 5.3 on cash flow and in the management report that has been formally prepared together with these consolidated financial statements.

31/12/2021								
Continuing operations (millions of euros)	Bank borrowings/bonds	Cross-currency swaps	Cash and cash equivalents	Forwards	Long-term restricted cash	Net borrowing position	Intragroup position	Total
Ex-infrastructure	-3,178	-9	5,319	-22	0	2,111	-37	2,074
Infrastructure project	-7,409	0	207	0	579	-6,623	37	-6,586
Total net cash position	-10,587	-9	5,526	-22	579	-4,512	0	-4,512

31/12/2020 (*)								
Continuing operations (millions of euros)	Bank borrowings/bonds	Cross-currency swaps	Cash and cash equivalents	Forwards	Long-term restricted cash	Net borrowing position	Intragroup position	Total
Ex-infrastructure	-4,522	-2	6,378	14	3	1,871	-39	1,832
Infrastructure project	-5,240	0	148	0	650	-4,442	39	-4,402
Total net cash position	-9,762	-2	6,526	14	654	-2,571	0	-2,571

(*) Restated figures (Note 1.1.5)

Change								
Continuing operations (millions of euros)	Bank borrowings/bonds	Cross-currency swaps	Cash and cash equivalents	Forwards	Long-term restricted cash	Net borrowing position	Intragroup position	Total
Ex-infrastructure	1,344	-6	-1,059	-36	-3	240	2	242
Infrastructure project	-2,169	0	59	0	-72	-2,181	-2	-2,183
Total net cash position	-825	-6	-999	-36	-75	-1,941	0	-1,941

A breakdown of discontinued operations of both periods is also included below:

	31.12.2021			31.12.2020			
Discontinued operations (millions of euros)	Bank borrowings/bonds	Cash and cash equivalents	Net borrowing position	Bank borrowings/bonds	Cash and cash equivalents	Net borrowing position	Var.
Ex-infrastructure project	-24	133	108	-76	236	160	-51
Infrastructure project	-54	7	-47	-205	76	-129	82
Total net cash position	-78	139	61	-281	311	30	31

5.2.1. Infrastructure projects

a) Cash and cash equivalents and restricted cash

Infrastructure project financing agreements occasionally impose the obligation to arrange certain restricted accounts to cover short-term or long-term obligations relating to the payment of the principal or interest on the borrowings and to infrastructure maintenance and operation.

Restricted cash is classified as short-term or long-term depending on whether it must remain restricted for less than or more than one year. In any event, these funds are invested in highly-liquid financial products earning floating interest. The type of financial product in which the funds may be invested is also restricted by the financing agreements or, where no restrictions are stipulated, the decision is made on the basis of the Group's policy for the placement of cash surpluses.

Short-term balances, which amount to EUR 47 million (31 December 2020: EUR 33 million), are recognized under "cash and cash equivalents" in the balance sheet whereas long-term balances, of EUR 579 million (31 December 2020: EUR 650 million), are classified as financial assets. Therefore, existing restricted cash at 31 December 2021, both short- and long-term, amounted to EUR 625 million, relating to the NTE Segment 3, LBJ, I-77 and NTE toll roads (EUR 511 million, EUR 25 million, EUR 25 million and EUR 5 million, respectively), as well as other European concessions amounting to EUR 47 million, relating mainly to treatment plants in the United Kingdom, the Aragón toll road and other European Toll Roads (EUR 21 million, EUR 16 million and EUR 10 million, respectively). The variation of EUR -58 million compared with December 2020 is explained by:

- A net decrease in the restricted cash amount of EUR -104 million (excluding exchange rate effects), essentially from the NTE Segment 3 toll road (EUR -104 million) and LBJ (EUR -29 million) primarily due to the payment of the works at NTE Segment 3.
- The exchange rate effect amounted to EUR 46 million, caused mainly by changes in the value of the US dollar (Note 1.3).

Other cash and cash equivalents relate to bank accounts and highly-liquid investments subject to interest rate risk.

b) Infrastructure project borrowings

b.1) Breakdown by project, significant changes in the year and main characteristics of the borrowings

The following is a breakdown of borrowings by project, distinguishing between bonds and bank borrowings, short- and long-term, and changes during the year.

	31.12.2021			CHANGE 21/20		
(Millions of euros)	Bonds	Bank borrowings	Total	Bonds	Bank borrowings	Total
Long term	3,890	3,472	7,362	1,461	709	2,170
US toll roads	3,890	2,237	6,128	1,461	660	2,121
Spanish toll roads	0	632	632	0	-10	-10
Portuguese toll roads	0	277	277	0	-13	-13
Other concessions	0	45	45	0	-15	-15
Airports	0	0	0	0	-52	-52
Construction	0	93	93	0	6	6
Energy and mobility infrastructures	0	131	131	0	131	131
Waste Treatment	0	56	56	0	3	3
Short term	1	46	47	-4	3	-1
US toll roads	1	0	1	-4	0	-4
Spanish toll roads	0	11	11	0	5	5
Portuguese toll roads	0	14	14	0	2	2
Other concessions	0	15	15	0	-4	-4
Energy and mobility infrastructures	0	2	2	0	2	2
Construction	0	3	3	0	0	0
Airports	0	0	0	0	-2	-2
Waste Treatment	0	1	1	0	0	0
TOTAL	3,892	3,517	7,409	1,457	712	2,169

	31.12.2020		
(Millions of euros)	Bonds	Bank borrowings	Total
Long term	2,429	2,763	5,192
US toll roads	2,429	1,577	4,006
Spanish toll roads	0	642	642
Portuguese toll roads	0	290	290
Other concessions	0	60	60
Airports	0	52	52
Construction	0	87	87
Waste Treatment	0	54	54
Short term	5	43	48
US toll roads	5	0	5
Spanish toll roads	0	5	5
Other concessions	0	20	20
Airports	0	2	2
TOTAL	2,434	2,806	5,240

The following table shows movements in gross infrastructure project borrowings, broken down into variations in borrowings with balancing entries in cash flows, exchange rate effects and scope changes, as well as movements in borrowings due to the accrual of interest, which do not affect period cash positions.

		Increase/d		Impact of changes in the consolidation scope and other	Capitalized /accrued interest	
(Millions of euros)	Dec. 2020	Foreign exchange effect				Dec. 2021
Gross borrowing position, projects	5,240	311	303	1,554	1	7,409

Infrastructure project borrowings increased by EUR 2,169 million with respect to December 2020, a change that was mainly due to the following reasons:

- Effect of scope changes related to the consolidation of 100% of the Net Cash Position of Autopista I-66 following the change of method due to the purchase of an additional 5.704% of the company, impacting debt in the amount of EUR 1,554 million (Note 1.1.4).
- Exchange rate effect amounting to EUR 303 million, mainly due to the depreciation of the euro against the US dollar.
- Increase in borrowings already arranged at the end of 2020 and capitalization and accrual of interest for a net amount of EUR 311 million. This increase primarily relates to projects in the US:
 - LBJ (EUR 257 million), due mainly to the USD 609 million bond issue and offset by the repayment of USD 301 of the TIFIA loan. This debt structure is described below in this Note.
 - NTE Mobility Partners Seg 3 LLC, NTE Mobility Partner and I-66 and I-77 (EUR 12 million), mainly due to interest capitalization and unpaid accrued interest.

US toll roads:

NTE Mobility Partners, LLC

The debt comprises a USD 871.1 million taxable bond issue maturing in 2049 at a fixed interest rate of 3.92% and a USD 331.8 million issue of PABs (Private Activity Bonds) (total of USD 400 million including the premium) at a fixed interest rate of 4.00% and 5.00% (weighted average interest rate of 4.63%), repayable from 2030 to 2039.

NTE Mobility Partners Seg 3 LLC

The borrowings for the 3A-3B segments are structured with the issue of USD 274 million of Private Activity Bonds (PABs), maturing at 25 and 30 years (7.00% fixed interest on USD 128 million and 6.75% fixed interest on USD 146 million), and a TIFIA loan of USD 531 million bearing a fixed rate of 3.84%, against which USD 641.6 million had been drawn down at 31 December 2021 (USD 531.0 million of principal and USD 110.6 million of interest added to the principal), with final maturity in 2053.

The 3C segment debt comprises a USD 653.9 million issue of PABs (Private Activity Bonds) (total of USD 750 million with the premium) repayable from 2047 to 2058, at a fixed interest rate of 5.00%.

LBJ Infr. Group LLC

The debt structure comprises a USD 537.5 million issue of PABs (Private Activity Bonds) (total of USD 615 million including the premium) at a fixed interest rate of 4.00%, repayable from 2030 to 2040; and a USD 615.5 million taxable bond issue, of which USD 7 million accrues a fixed interest rate of 2.75% and falls due in 2026, and USD 608.5 million accrues fixed interest of 3.80% and falls due in 2057.

There is also a TIFIA loan granted by the US Federal Government. After having repaid USD 300.6 million, the value of the loan at 31 December 2021 is USD 835.6 million, repayable from 2035 to 2050 and accruing interest at a fixed rate of 4.22%.

I-77 Mobility Partners, LLC

This concession operator is financed through a USD 100 million issue of PABs (5.00% fixed interest), of which USD 7 million have final maturity between 2026 and 2030, USD 13 million have final maturity in 2037 and EUR 80 million have final maturity in 2054.

It also has a TIFIA loan of USD 189 million against which USD 217.6 million had been drawn down at 31 December 2021 (USD 189.0 million of principal and USD 28.6 million of capitalized interest). This loan bears interest at a fixed rate of 3.04% and has final maturity in 2053.

I-66 Mobility Partners, LLC

The concession operator is funded by a USD 737 million PAB (Private Activity Bonds) issue (total of USD 800.4 million including the premium) at a fixed rate of 5.00%, of which USD 30.9 million falls due in 2047, USD 130.9 million in 2049, USD 222.4 million in 2052 and USD 352.8 million in 2056.

It also has a TIFIA loan of USD 1,229 million against which USD 1,312.4 million had been drawn down at 31 December 2021 (USD 1,229.1 million of principal and USD 83.3 million of capitalized interest). This loan bears interest at a fixed rate of 2.80% and has final maturity in 2057.

The difference between the total nominal debt (EUR 1,802 million) and the book balance at December 31 2021 (EUR 1,525 million) is mainly due to the fair value adjustment following the purchase of the additional percentage in the amount of €317 million (see Note 1.1.1.4), as well as capitalized interest and unpaid accrued interest in the amount of EUR 40 million.

Spanish toll roads:

Cintra Inversora Autopistas de Cataluña (A. Terrasa Manresa)

The company is funded by a loan consisting of tranche A and tranche B with limits of EUR 300 million and EUR 316 million, respectively, both of which accrue interest at the 6-month EURIBOR rate -0.544% +1.50% at the year-end. Both tranches were fully utilized and fall due in 2035. The respective balances at 31 December 2021 are EUR 294.3 million and EUR 310.0 million. The debt also includes a liquidity tranche (tranche C) with a balance of EUR 42.1 million at 31 December 2021, drawable up to a maximum of EUR 25.0 million (the year-end interest rate is the 6-month EURIBOR -0.544% +1.50%). It should also be noted that this company has a derivative with a notional amount of EUR 590.5 million, a guaranteed interest rate of 5.288% and maturity in 2035. The fair value of the derivative arranged (recognized under "derivative financial instruments", Note 5.5) was EUR -219.4 million at year-end.

Portuguese toll roads:

Euroscut Azores

Syndicated bank financing with final maturity in 2033, against which EUR 293.1 million had been drawn down at 31 December 2021 (bearing interest at the 6-month EURIBOR of -0.513% +0.85%). In relation to these borrowings, the concession operator has arranged a derivative with a notional amount of EUR 251.0 million, a guaranteed fixed interest rate of 4.115% and maturity in 2033. The fair value of the derivative arranged (recognized under "derivative financial instruments", Note 5.5) was EUR -52.6 million at year-end.

Breakdown of other projects:

	LONG TERM	SHORT TERM	2021	CHANGE 21/20
Transchile Charrúa Transmisión, S.A.	99	2	101	47
Centella Transmisión, S.A.	32	0	32	32
Conc. Prisiones Lledoners, S.A.	67	2	69	-2
Depusa Aragón, S.A.	26	1	27	8
Autovía de Aragón, Sociedad Concesionaria, S.A.	46	11	56	-11
Pilum, S.A.	0	5	5	-8
TOTAL Other infrastructure project borrowings	269	20	289	65

Other project borrowings increased by EUR 65 million as compared with December 2020. This increase is due mainly to the debt drawdowns for the Chilean Energy Infrastructure projects.

	LONG TERM	SHORT TERM	2019
Transchile Charrúa Transmisión, S.A.	52	2	54
Centella Transmisión, S.A.	0	0	0
Conc. Prisiones Lledoners, S.A.	69	2	71
Depusa Aragón, S.A.	18	1	19
Autovía de Aragón, Sociedad Concesionaria, S.A.	56	12	67
Pilum, S.A.	4	8	12
TOTAL Other infrastructure project borrowings	200	24	224

b.2) Maturities by currency and fair value of infrastructure project borrowings

	Currenc y	Fair value 2021	Carrying amount 2021	2022	2023	2024	2025	2026	2027+	Total maturities
Infrastructure project obligations		3,659	3,892	0	0	0	1	7	2,558	2,566
TOLL ROADS		3,659	3,892	0	0	0	1	7	2,558	2,566
	USD	3,659	3,892	0	0	0	1	7	2,558	2,566
	EUR	0	0	0	0	0	0	0	0	0
AIRPORTS		0	0	0	0	0	0	0	0	0
	USD	0	0	0	0	0	0	0	0	0
	EUR	0	0	0	0	0	0	0	0	0
ENERGY AND MOBILITY INFRASTRUCTURES		0	0	0	0	0	0	0	0	0
	USD	0	0	0	0	0	0	0	0	0
Bank borrowings of infrastructure project companies		2,556	3,517	44	91	56	65	192	4,541	4,989
TOLL ROADS		2,461	3,232	39	86	49	59	56	4,408	4,698
	USD	1,466	2,237	0	45	0	0	0	3,652	3,697
	EUR	995	995	39	41	49	59	56	756	1,001
AIRPORTS		0	0	0	0	0	0	0	0	0
	USD	0	0	0	0	0	0	0	0	0
CONSTRUCTION		96	96	1	1	1	2	2	91	98
	EUR	96	96	1	1	1	2	2	91	98
SERVICES		0	0	0	0	0	0	0	0	0
	GBP	0	0	0	0	0	0	0	0	0
	EUR	0	0	0	0	0	0	0	0	0
ENERGY AND MOBILITY INFRASTRUCTURES		133	133	1	1	2	2	131	0	137
	USD	133	133	1	1	2	2	131	0	137
	EUR	0	0	0	0	0	0	0	0	0
WASTE TREATMENT		57	57	3	3	3	3	3	42	57
	GBP	57	57	3	3	3	3	3	42	57
	EUR	0	0	0	0	0	0	0	0	0
TOTAL INFRASTRUCTURE PROJECT BORROWINGS		6,215	7,409	44	91	56	66	199	7,099	7,555

The differences between the total maturities of bank borrowings (EUR 7,555 million) and the carrying amounts recognized at 31 December 2021 (EUR 7,409 million) are explained mainly by the difference between the nominal values and carrying amounts of the borrowings, as certain adjustments are made in accordance with applicable accounting legislation. Thus, the accrued interest payable and the application of the amortized cost method represent an impact of EUR 171 million, considering that the maturities of the borrowings do not include interest. In addition, a fair value adjustment of EUR -317 million was made to the I-66 toll road's debt described in Note 1.1.4.

The fair value reflected in the table above is calculated as follows:

- For fixed-rate bonds, subject to changes in value due to fluctuations in market interest rates: since they are quoted in an active market, the related market value is used.
- For fixed-interest bank borrowings, also subject to changes in value due to fluctuations in rates: future cash flows are discounted using a market interest rate, calculated using an internal valuation model.
- Lastly, for floating-rate bank borrowings: no significant differences are deemed to exist between the fair value of the borrowings and their carrying amount and, therefore, the carrying amount is used.

b.3) Information on credit limits and credit drawable for infrastructure projects

Below is a comparative analysis of borrowings not drawn down at year-end:

2021

(Millions of euros)	Borrowing limit	Drawn down	Drawable	Debt recognized in the accounts
Toll roads	7,289	7,264	25	7,124
US toll roads	6,263	6,263	0	6,129
Spanish toll roads	671	646	25	643
Other concessions	354	354	0	352
Energy and mobility infrastructures	227	137	90	133
Construction	98	98	0	96
Waste Treatment	57	57	0	57
TOTAL BORROWINGS	7,670	7,555	115	7,409

2020

(Millions of euros)	Borrowing limit	Drawn down	Drawable	Debt recognized in the accounts
Toll roads	4,940	4,915	25	5,042
US toll roads	3,878	3,878	0	4,011
Spanish toll roads	677	652	25	648
Other concessions	385	385	0	383
Airports	54	54	0	54
Construction	90	90	0	90
Waste Treatment	54	54	0	54
TOTAL BORROWINGS	5,137	5,112	25	5,240

The entire drawable amount of EUR 115 million (EUR 25 million at 31 December 2020) relates to borrowings not utilized in the Chilean energy projects (EUR 90 million) and in Spanish toll roads. It should be noted that this drawable amount is associated exclusively with the projects, based on the nature and performance thereof, as discussed below.

b.4) Guarantees and covenants for project borrowings

The borrowings classified as project borrowings are without recourse to the shareholders of the projects or with recourse limited to the guarantees provided. The guarantees provided by subsidiaries of Ferrovial in relation with the borrowings of these projects are described in Note 6.5, Contingent liabilities.

At 31 December 2021, all the fully-consolidated project companies were achieving the significant covenants in force.

5.2.2. Net cash position excluding infrastructure projects

a) Borrowings excluding infrastructure projects

a.1) Breakdown between short and long-term balances, changes during the year and main characteristics

	2021			CHANGE 21/20		
(Millions of euros)	Long term	Short term	Total	Long term	Short term	Total
Corporate bonds and debentures	2,069	517	2,586	-497	-7	-504
Euro Commercial Paper	0	250	250	0	-841	-841
Corporate liquidity lines	60	241	301	-224	241	17
Other borrowings	21	20	41	-21	5	-16
TOTAL FINANCIAL BORROWINGS EXCLUDING INFRASTRUCTURE PROJECT COMPANIES	2,150	1,027	3,178	-742	-602	-1,344

2020

(Millions of euros)	Long term	Short term	Total
Corporate bonds	2,566	524	3,090
Euro Commercial Paper	0	1,091	1,091
Corporate liquidity lines	284	0	284
Other borrowings	42	15	57
TOTAL FINANCIAL BORROWINGS EXCLUDING INFRASTRUCTURE PROJECT COMPANIES	2,892	1,630	4,522

The following table shows changes to ex-infrastructure project gross borrowings, broken down into variations in borrowings with balancing entries in cash flows, exchange rate effects and scope changes, as well as changes in borrowings due to the accrual of interest, which do not affect period cash positions:

(Millions of euros)	Dec. 2020	Increase/decrease with impact on cash flow	Foreign exchange effect	Impact of changes in the consolidation scope and other	Capitalized interest	Dec. 2021
Bank borrowings/Project bonds	4,522	-1,379	18	0	17	3,178
Cross-currency swaps	2	0	6	0	0	9
Gross borrowing position, ex-projects	4,524	-1,379	24	0	17	3,186

a.1.1) Corporate debt

The corporate debt comprises the following debt instruments:

Corporate bonds:

The carrying amount of which totals EUR 2,586 million at 31 December 2021 (31 December 2020: EUR 3,090 million). These are broken down in the following table:

Issue date	(Par) value (Millions of euros)	Maturity	Annual coupon
14/9/2016	500	14/9/2022	0.375%
15/7/2014	300	15/7/2024	2.500%
29/3/2017	500	31/3/2025	1.375%
14/5/2020	650	14/5/2026	1.382%
24/6/2020	131	14/5/2026	1.382%
12/11/2020	500	12/11/2028	0.540%

All issues completed as from 2014 are traded on the AIAF Fixed Income Market (Spain). All these issues are guaranteed by Ferrovial S.A., the parent company of the Group.

In 2021, the bond issued in June 2013 for a notional amount of EUR 500 million and at an annual coupon of 2.557% was repaid as well as the associated Interest Rate Swap (Note 5.5)

Euro Commercial Paper:

In the first quarter of 2018, the company formally completed a Euro Commercial Paper (ECP) programme for a maximum amount of EUR 1,000 million, with maturities between 1 and 364 days from the issue date, allowing for greater capital markets finance sourcing diversification and more efficiency when managing available liquidity. Towards the end of 2019 this limit was increased up to EUR 1,500 million, with the carrying amount standing at EUR 250 million at 31 December 2021.

This ECP programme has been renewed annually since 2018.

Liquidity facility:

In July 2018, Ferrovial refinanced the liquidity facility, incorporating sustainability criteria. Of the current maximum limit on the facility (EUR 900 million and potential to draw down the balance in EUR, USD, CAD and GBP), USD 284 million has been drawn down at 31 December 2021.

In order to cover possible interest rate and foreign exchange fluctuations affecting the amount drawn, Ferrovial has arranged cross-currency swaps for USD 274 million, maturing in 2022, for an agreed equivalent value of EUR 250 million, the fair value of which amounts to EUR -8 million.

The variation in corporate debt compared to December 2020 (EUR -1,328 million) is explained mainly by the lower volume of ECPs issued (EUR -841 million, at an average rate of -0.29%) and by the repayment of the bond issued in 2013 for the amount of EUR 500 million referred to previously.

The Group's liquidity, including discontinued operations, amounts to EUR 6,421 million (Note 5.4.d).

Information on the credit limits and credit drawable of the corporate debt.

The detail of the limits and the amounts drawable of the corporate debt at 31 December 2021 and at 31 December 2020 is as follows:

2021				
(Millions of euros)	Borrowing limit	Drawn down (*)	Drawable	Corporate debt
Bonds	2,581	2,581	0	2,586
Syndicated facility	900	250	650	241
ECPs	250	250	0	250
Other	60	60	0	60
TOTAL CORPORATE DEBT	3,791	3,141	650	3,136

(*) The balance drawn on the syndicated facility includes the fair value of cross-currency swaps (EUR -8 million).

2020				
(Millions of euros)	Borrowing limit	Drawn down (*)	Drawable	Corporate debt
Bonds	3,081	3,081	0	3,090
Syndicated facility	900	250	650	224
ECPs	1,091	1,091	0	1,091
Other	340	60	280	60
TOTAL CORPORATE DEBT	5,412	4,482	930	4,464

(*) The balance drawn on the syndicated facilities includes the fair value of cross-currency swaps (EUR -26 million).

Company's credit rating

The credit rating agencies Standard & Poor's and Fitch maintained their opinion regarding the financial rating of Ferrovial's corporate debt in December 2021, respectively rating it at BBB and BBB with stable outlook and therefore, within the "Investment Grade" category.

a.1.2) Other borrowings

"Other borrowings" of EUR 41 million (31 December 2020: EUR 57 million) primarily include other bank borrowing balances, mainly in the Construction Division.

Information on credit limits and available credit:

As regards information on the limits and amounts available for drawdown under other borrowings, the following table shows the position at 31 December 2021 and 31 December 2020:

2021				
(Millions of euros)	Borrowing limit	Drawn down	Drawable	Consolidated debt
Construction	190	57	132	40
OTHER BORROWINGS	190	57	132	40

2020				
(Millions of euros)	Borrowing limit	Drawn down	Drawable	Corporate debt
Construction	259	84	175	58
OTHER BORROWINGS	259	84	175	58

The differences between total bank borrowings and the carrying amount thereof at 31 December 2021 are explained mainly by the difference between the nominal values and carrying amounts of the debts, as certain adjustments are made in accordance with applicable accounting legislation.

a.2) Maturities by currency and fair value of borrowings excluding infrastructure projects

Borrowings (millions of euros)	Currency	Fair value 2021	Carrying amount 2021	2022	2023	2024	2025	2026	2027+	Total maturities
Corporate debt		3,213	3,136	750	0	300	750	781	560	3,141
	EUR	3,213	3,136	750	0	300	750	781	560	3,141
Other borrowings		41	41	1	5	2	7	25	16	57
	EUR	12	12	0	0	1	0	0	1	2
	PLN	28	28	1	5	2	7	7	7	28
	Other	1	1	0	0	0	0	18	9	27
TOTAL FINANCIAL BORROWING EXCLUDING INFRASTRUCTURE PROJECT COMPANIES		3,254	3,178	751	5	302	757	806	576	3,198

The differences between the total maturities of financial borrowings and the carrying amounts of the debt at 31 December 2021 are primarily explained by the difference between the nominal values and carrying amounts of the borrowings, as certain adjustments are made in accordance with applicable accounting legislation (basically accrued interest payable and the application of the amortized cost method).

The fair value of bank borrowings excluding infrastructure project companies coincides with the related carrying amount because the borrowings are tied to floating market interest rates and, therefore, changes in the benchmark interest rates do not affect their fair value.

As regards corporate bonds: since they are quoted in an active market, the related market value is used.

In line with the aforementioned criteria, the estimated total fair value of bank borrowings and bonds excluding infrastructure project companies at 31 December 2021 is estimated at EUR 3,254 million.

The 2022 maturities amount to EUR 751 million and primarily relate to the maturity of the ECPs and corporate bonds. The borrowing maturities do not include interest.

b) Cash and cash equivalents of other companies

The general method used to classify the cash and cash equivalents at short- and long-term coincides with that used in the preparation of the Consolidated Annual Accounts for 2020.

Also, at 31 December 2021 there were certain restricted accounts totaling EUR 72 million (31 December 2020: EUR 108 million) primarily relating to Construction, for operating motives in construction projects in the US.

5.3. CASH FLOW

The consolidated cash flow statement has been prepared in accordance with IAS 7. This note provides an additional breakdown, based on internal criteria established by the Company for business purposes, which in certain cases differ from the provisions of IAS 7. The main criteria applied are as follows:

- In order to provide a clearer explanation of the cash generated, the Group separates cash flows into “Cash flows excluding infrastructure projects”, where infrastructure project concession operators are treated as financial assets and the investments in the capital of these companies are therefore included in cash flows from investing activities and the yields from the investments (dividends and capital reimbursements) are included in operations cash flow, and “cash flows from infrastructure projects”, consisting of cash flows from the operating and financing activities of infrastructure project concession operators.
- The treatment given to interest received on cash and cash equivalents differs from that in the cash flow statement prepared in accordance with IAS 7, since this interest is included in cash flows from financing activities, as a reduction of the amount of interest paid, under “interest cash flow”.
- This cash flow endeavors to present the changes in the net cash position as the net amount of financial borrowings, cash and cash equivalents and restricted cash. This method also departs from that established in IAS 7, which explains the change in cash and cash equivalents.

- In addition, with regard to the treatment of leases, as the nature of the payment is tied to business operations, the related cash flow is included in changes in working capital in cash flows from operating activities, which differs from the treatment afforded in the cash flow statement, where it is included in cash flows from financing activities. The total amount of lease instalments reported in the cash flow statement amounts to EUR -131 million at December 2021, of which EUR -74 million related to continuing operations (Note 3.7) and EUR -57 million related to discontinued operations.
- It should finally be noted that dividends received derive mainly from infrastructure projects and equity-consolidated companies. This includes both dividends and other similar items, mainly interest on subordinated borrowings and participating loans, and repayments of capital, debt and loans.
- As outlined in Note 1.1.3, the cash flow reported in this note includes flows from operating, investing and financing activities related to discontinued operations and held-for-sale assets, reflecting the main line items, thus explaining the net cash position including discontinued operations.

The change in Cash flow is also discussed in the management report that was formally prepared together with these Consolidated financial statements.

December 2021 (Millions of euros)

December 2021	Note	Cash flow excluding infrastructure project companies	Cash flow of infrastructure project companies	Removals	Consolidated cash flow
EBITDA including discontinued operations	2	442	499	0	942
IFRS-16 impact		-131	0	0	-131
EBITDA including discontinued operations and IFRS 16		311	499	0	810
Dividends receipts and other flows from equity-accounted companies	3.5	550	-2	-276	272
Change in working capital (receivables, payables and other)		-254	5	0	-249
Operating cash flow before tax		607	503	-276	834
Taxes paid in the year	2.8.1	-121	-34	0	-155
Cash flows from operating activities		486	469	-276	679
Investment	3.2, 3.3 and 3.4	-1,112	-239	65	-1,285
Divestment	1.1.3	1,621	0	0	1,621
Cash flows from investing activities		509	-239	65	336
Cash flows from operating activities		995	230	-210	1,015
Interest cash flows	2.6	-39	-253	0	-292
Capital cash flows from non-controlling interests		12	111	-65	57
Scrip dividend		-31	0	0	-31
Treasury share purchases		-432	0	0	-432
Shareholder remuneration	5	-463	0	0	-463
Dividends paid to non-controlling interests of investees		-88	-458	276	-271
Other movements in shareholder's funds		-5	5	0	0
Exchange rate effect		49	-252	0	-202
Consolidation scope changes	1.1.3	-256	-1,482	0	-1,738
Other movements in borrowings (no cash flows)		-13	-4	0	-17
Cash flows from financing activities		-804	-2,332	210	-2,926
Change in net cash position	5	191	-2,102	0	-1,911
Opening position		1,991	-4,532	0	-2,541
Closing position		2,182	-6,633	0	-4,451

Changes in working capital:

The changes in working capital disclosed in the table above (EUR - 249 million) explain the difference between the Group's EBITDA and cash flows from operating activities before tax, and they arise from the difference between the timing of accrual of the income and expenses for accounting purposes and the date on which such accruals are converted into cash, due mainly to changes in trade receivables and payables or other balance sheet items.

Thus a reduction in the balance of trade receivables will give rise to an improvement in working capital and a reduction of the balance of payables to suppliers will give rise to a worsening of working capital.

The changes in this line item do not coincide with the changes in working capital reported in Section 4 of the consolidated annual accounts as detailed in the following table:

	EX- INFRASTRUCTURE PROJECT COMPANIES	INFRASTRUCTURE PROJECTS AND ADJUSTMENTS	TOTAL
Change in working capital (Note 4)	-67	131	64
Change in working capital for discontinued operations and assets held for sale (Note 1.3)	28	-49	-21
Change in working capital including discontinued operations	-39	82	43
Changes in working capital with an impact on other lines in the cash flow statement	-145	-57	-203
Changes in provisions with an impact on EBITDA or on working capital	85	0	85
Changes in other balance sheet items with an impact on operating cash flow	-161	-19	-180
TOTAL WORKING CAPITAL REPORTED IN THE CASH AND CASH EQUIVALENTS STATEMENT (NOTE 5.3)	-259	5	-254

The differences detailed in the table relate to the following items:

- Changes in working capital with an impact on other lines in the cash flow statement (mainly investment cash flow). The working capital accounts reported in Note 4, in particular the payables to suppliers, can relate to transactions that do not affect operating cash flow, such as fixed asset purchases, as well as advances and work carried out for the concessions, which is in the cash flow from investing activities. In addition, the collection of the receivable that the Madrid Regional Government had with Cintra in relation to the administrative proceeding involving Autopista M-203 (Note 6.5.1.b) in the amount of EUR 73 million reported as dividends as it is treated as a return of the investment made.
- Changes in provisions with an impact on EBITDA or on working capital for EUR 85 million relating mainly to Construction (EUR 61 million), comprising the appropriation/reversal and application of provisions totaling EUR 60 million (Note 6.3) and other provisions and effects such as provisions for assets (doubtful receivables and inventories) amounting to EUR 1 million, and to other divisions (EUR 24 million), comprising the appropriation/reversal and application of provisions totaling EUR 23 million (Note 6.3) and other provisions and effects totaling EUR 1 million.
- Changes in other balance sheet items with an impact on operating cash flow. The changes in working capital reported in Note 4 reflect only movements in items included under "short-term trade and other receivables", "short-term trade and other payables" and "inventories". In certain cases, operating income and expenses relate not only to items shown in working capital (short-term items) but also to certain items recognized as long-term assets and liabilities, such as long-term trade receivables and long-term trade payables, or even to items in equity accounts such as operations relating to share-based remuneration schemes.

Cash flow from discontinued operations:

The cash flow from discontinued operations in the Services Division is set out below, which as commented in Note 1.1.3 is recognized in the reported cash flow lines:

(Millions of euros) 2021	EX-INFRASTRUCTURE PROJECT COMPANIES	INFRASTRUCTURE PROJECTS	ADJUSTMENTS	CONSOLIDATED
OPERATIONS CASH FLOW EX CORPORATE INCOME TAX	227	34	-25	236
Corporate income tax cash flow	-69	-4	0	-73
CASH FLOWS FROM OPERATING ACTIVITIES	158	30	-25	163
Investment	-67	-2	0	-68
Divestment	0	0	0	0
CASH FLOWS FROM OPERATING ACTIVITIES	92	28	-25	95
CASH FLOWS FROM FINANCING ACTIVITIES (NON-CONTROLLING INTERESTS)	0	-3	0	-3

(Millions of euros) 2020	EX-INFRASTRUCTURE PROJECT COMPANIES	INFRASTRUCTURE PROJECTS	ADJUSTMENTS	CONSOLIDATED
OPERATIONS CASH FLOW EX CORPORATE INCOME TAX	402	43	-23	422
Corporate income tax cash flow	-2	-1	0	-3
CASH FLOWS FROM OPERATING ACTIVITIES	400	41	-23	419
Investment	-80	-8	1	-88
Divestment	300	0	0	300
CASH FLOWS FROM OPERATING ACTIVITIES	620	33	-22	631
CASH FLOWS FROM FINANCING ACTIVITIES (NON-CONTROLLING INTERESTS)	-10	-7	0	-17

The cash flow reported in 2020 is detailed below:

December 2020 (Millions of euros)					
December 2020	Cash flow excluding infrastructure project companies	Cash flow of infrastructure project companies	Removals	Consolidated cash flow	
EBITDA including discontinued operations	2	203	384	0	587
NIIF-16		-89	0	0	-89
EBITDA including discontinued operations and IFRS 16		114	384	0	498
Dividends receipts and other flows from equity-accounted companies	3.5	458	0	-159	299
Change in working capital (receivables, payables and other)		268	40	0	308
Operating cash flow before tax		839	425	-159	1,105
Taxes paid in the year	2.8.1	-89	-12	0	-101
Cash flows from operating activities		750	413	-159	1,004
Investment		-286	-128	18	-397
Divestment	1.1	501	0	0	501
Cash flows from investing activities		215	-128	18	104
Cash flows from operating activities		965	284	-141	1,108
Interest cash flows	2.6	-21	-229	0	-250
Capital cash flows from non-controlling interests		17	20	-18	19
Scrip dividend		-122	0	0	-122
Treasury share purchases		-255	0	0	-255
Shareholder remuneration	5	-377	0	0	-377
Dividends paid to non-controlling interests of investees		-26	-266	159	-133
Other movements in shareholder's funds		-24	0	0	-24
Exchange rate effect		-95	296	0	201
Consolidation scope changes	1.1.3	-78	0	0	-78
Other movements in borrowings (no cash flows)		-2	-49	0	-51
Cash flows from financing activities		-605	-228	141	-692
Change in net cash position	5	360	56	0	416
Opening position		1,631	-4,588	0	-2,957
Closing position		1,991	-4,532	0	-2,541

5.4. MANAGEMENT OF FINANCIAL RISKS AND CAPITAL

The Group's business is affected by changes to the financial variables that have an impact on the Group's accounts, these being mainly interest rate risk, exchange rates, inflation, credit, liquidity and variable income. The policies adopted by the Group in managing these risks are explained in detail in the Management Report.

The following are specific data on the Group's exposure to each of these risks and an analysis of the sensitivity to a change in the various variables, together with a brief description of the way in which each risk is managed.

a. Exposure to interest rate variations

Ferrovial's businesses are subject to changes into interest rate fluctuations that may affect the Company's net financial expense due to the variable interest on financial assets and liabilities, as well as the measurement of financial instruments arranged at fixed interest rates.

Ferrovial manages interest rate risk to optimize the financial expense borne by the Group and achieve suitable proportions of fixed- and variable-rate debt based on market conditions. Therefore, when interest rates are low, the Group seeks to fix future levels at non-infrastructure project level, although such hedging can affect liquidity in the event of cancellation.

At infrastructure project level, the banks and rating agencies require a higher percentage of fixed-rate debt. These strategies are implemented by issuing fixed-rate debt or by arranging hedging financial derivatives, a breakdown of which is provided in Note 5.5, Financial derivatives at fair value.

The accompanying table shows a breakdown of the Group's borrowings, indicating the percentage of borrowings that is considered to be hedged (either by a fixed rate or by derivatives).

2021				
BORROWINGS (Millions of euros)	Total gross debt	% debt hedged	Net exposed debt	Impact on profit/(loss) + 100 b.p.
Ex-infrastructure project companies	3,211	92%	267	3
Toll roads	7,264	99%	99	1
Construction	96	100%	0	0
Airports	304	100%	0	0
Infrastructure projects	7,664	99%	99	1
Total borrowings	10,875	97%	377	4

2020(*)				
BORROWINGS (Millions of euros)	Total gross borrowing	% debt hedged	Net exposed debt	Impact on profit/(loss) + 100 b.p.
Ex-infrastructure project companies	4,524	87%	572	6
Toll roads	4,962	98%	101	1
Construction	90	94%	5	0
Airports	54	100%	0	0
Infrastructure projects	5,106	98%	107	1
Total borrowings	9,630	93%	683	7

(*) Restated figures (Note 1.1.5)

Accordingly, in the fully-consolidated companies, a linear increase of 100 basis points in market interest rate curves at 31 December 2021 would increase financial expenses in the income statement by an estimated EUR 4 million, of which EUR 1 million relates to infrastructure projects and EUR 3 million to ex-infrastructure project companies, entailing a net impact on Ferrovial's results of EUR 3 million (expense).

It is also necessary to take into account changes in the fair value of the financial derivatives arranged, which are indicated in Note 5.5.

As regards these interest rate hedging instruments, a linear increase of 100 basis points in the market yield curves at 31 December 2021 would, in the case of the effective hedges, have a positive impact of approximately EUR 107 million on the shareholders' funds attributable to the parent from fully consolidated companies, while a decrease of 100 basis points would produce a negative impact of approximately EUR 184 million.

As a balancing entry to this impact, it must be taken into consideration that a drop in interest rates would produce an increase in the value of the projects, as this would lead to a lower discount rate in their measurement.

b. Exposure to foreign exchange fluctuations

Ferrovial regularly monitors its expected net exposure with regard to each currency over the coming years, both for dividends receivable and as regards investments in new projects, or potential divestments.

Ferrovial establishes its hedging strategy by analyzing past changes in both short- and long-term exchange rates, establishing monitoring mechanisms such as future projections and long-term equilibrium exchange rates. These hedges are established by using foreign currency deposits or arranging derivatives (Note 5.5 for more details).

The following tables show, by type of currency, the value of assets, liabilities, non-controlling interests and shareholders' funds attributed to the parent company at December 2021, adjusted by the aforementioned currency forwards relating to each currency:

Currency (Millions of euros)	Assets	Liabilities	DEC. 2021	
			Parent company shareholders'	Non-controlling interests
Euro	3,675	2,035	1,495	145
Pound sterling	1,832	1,884	-54	1
US dollar	13,267	10,383	1,442	1,443
Canadian dollar	3,506	2,806	700	0
Australian dollar	171	128	43	0
Polish zloty	1,551	1,206	144	202
Chilean peso	314	226	88	0
Colombian peso	119	36	83	0
Indian rupee	378	327	51	0
Other	81	25	56	0
TOTAL GROUP	24,896	19,057	4,048	1,791

Note 1.4 contains a breakdown of the changes in the year in the closing exchange rates. As a result of these changes, the impact of currency translation differences on equity at 31 December 2021 was EUR 106 million for the parent company. The breakdown by currency is detailed in Note 5.1.1.

Analyzing sensitivity to exchange rate effects, Ferrovial estimates that a 10% depreciation in the value of the euro at year-end against the main currencies in which the Group holds investments would have an impact on the parent company shareholders' funds of EUR 273 million, of which 29% would relate to the impact of the Canadian dollar, 59% to the US dollar and 2% to the Indian rupee.

Note 1.4 contains a detail of the changes in the year in the average exchange rates. In this regard, the impact of a 10% appreciation of the euro against other currencies on the income statement would have amounted to a change of EUR 94 million.

c. Exposure to credit and counterparty risk

The Group's main financial assets exposed to credit or counterparty risk are as follows:

	2021	2020 (*)	Var. 21/20
Investments in financial assets (1)	1,017	2,484	-1,467
Non-current financial assets	1,048	1,023	25
Net financial derivatives (assets)	309	547	-238
Trade and other receivables	1,317	1,367	-50

(1) Included in cash and cash equivalents

(*) Restated figures (Note 1.1.5)

- Ferrovial actively and continuously monitors the risk it has with the counterparties with which it has financial transactions and performs internal credit quality analyses for each of the financial institutions with which it has exposure.
- Its internal regulations for managing surpluses sets maximum investment limits for each counterparty, based on objective criteria: a minimum acceptable risk is required in order for surplus cash to be invested, and limits are also set on the amounts invested, depending on the risk given to each of these counterparties. In addition, the Risk Department monitors the performance of each of the different counterparties, proposing the appropriate protective or corrective measures on the basis of specific events.
- Territories: Ferrovial monitors the performance of the markets (territories) in which it has a presence, along with that of its target markets. The Financial Risk Department proposes the potential action to be taken in the event that some change in risk levels is expected in a particular territory or market.

- Customers: Ferrovial analyses and monitors its customers' credit risk, using an internal methodology for the rating of Ferrovial customers that is standardized for the whole Group.

d. Exposure to liquidity risk

The Group has established the mechanisms necessary to preserve the level of liquidity that reflect the cash generation and need projections, in relation to both short-term collections and payments and obligations to be met at long term.

Ex-infrastructure project companies

At 31 December 2021, cash and cash equivalents amounted to EUR 5,319 million (2020: EUR 6,378 million). Also, at that date undrawn credit lines totaled EUR 782 million (2020: EUR 1,105 million) and forwards hedging cash denominated in currencies other than the euro in the amount of EUR -22 million (EUR 14 million in 2020).

Total liquidity therefore reached EUR 6,080 million (EUR 7,500 million in December 2020). Including discontinued operations, liquidity would total EUR 6,421 million (EUR 7,964 million in December 2020).

Infrastructure projects

At 31 December 2021, cash and cash equivalents (including short-term restricted cash) amounted to EUR 207 million (2020: EUR 148 million). Also, at that date undrawn credit lines amounted to EUR 115 million (2020: EUR 25 million), which were primarily arranged to cover committed investment needs.

Total liquidity (including long-term restricted cash) reached EUR 901 million (EUR 823 million in December 2020). Including discontinued operations, liquidity would total EUR 945 million (EUR 938 million in December 2020).

e. Exposure to variable income risk

Ferrovial is also exposed to the risk relating to the fluctuation of its share price. This exposure arises specifically in equity swaps used to hedge against risks of appreciation of share-based remuneration schemes, the detail of which is shown in Note 5.5 to these consolidated financial statements.

The market value of equity swaps, which are not considered accounting hedges, has an impact on the income statement. In this sense, an increase or decrease of 1 euro in the value of the Ferrovial share would have an impact of approximately EUR 10.9 million positive/negative on Ferrovial's net income.

f. Exposure to inflation risk

Much of the revenue from infrastructure projects is linked to tariffs that vary directly with inflation. This applies both to highway contract tariffs and HAH. Thus, a scenario of rising inflation such as the current one will have an impact on an increase in cash flow from this type of asset.

In construction contracts, the recent increase in inflation may have a negative impact on operating margins. This risk is partially mitigated in certain jurisdictions by the existence of inflation-adjustment clauses in the contracts, as is the case in Poland or in certain contracts in Spain. In the absence of such clauses, the risk is hedged by closing the main direct costs at the time of bidding. In certain cases, derivatives have also been contracted to hedge the impact of inflation, as was the case during the year in the United States. These derivatives have been considered speculative and, therefore, the variation in fair value has been recorded against the profit and loss account, with a positive impact of EUR 7 million, and they were also settled in the same year, which has generated a positive impact on cash of EUR 7 million.

In the case of the toll road concessionaire Autema, there is a derivative linked to Spanish inflation. At the end of 2020, 37% was discontinued as a result of the change in the financial model to intangible. The remainder (63%) is still considered as an accounting hedging instrument. A 100 b.p. increase in the entire inflation curve would have a negative impact on reserves of EUR -95 million and a EUR -56 million euro impact on results.

g. Capital management

The Group aims to achieve a debt-equity ratio that makes it possible to optimize costs while safeguarding its capacity to continue managing its recurring activities and the capacity to continue to grow through new projects in order to create shareholder value.

With regard to financial borrowings, Ferrovial Group's objective is to maintain a level of indebtedness, excluding infrastructure projects, in a way that will allow it to retain its "investment grade credit rating". In order to achieve this target it has established a clear and consistent financial policy in which a relevant metric refers to the maintenance of an ex-projects net debt (gross debt less cash) to EBITDA ratio, plus dividends from projects, of no more than 2:1.

At 31 December 2021, the net cash position is positive (assets exceeded liabilities) and, therefore, the difference with respect to the maximum debt-equity ratio established is very significant. For the purpose of calculating this ratio, "net debt excluding infrastructure project companies" is defined in Note 5.2 and "gross operating profit/(loss) from operations plus dividends" is the profit from operations before impairment losses, disposals and depreciation and amortization of the Group Companies other than infrastructure concession operators, plus the dividends received from infrastructure project companies.

5.5. FINANCIAL DERIVATIVES AT FAIR VALUE

a) Disclosure by type of derivative, changes, maturity dates and main features

The table below includes a detail of the fair values of the derivatives arranged at 31 December 2021 and 2020, as well as the maturity date of the notional amounts to which the derivatives relate (maturities of notional amounts are shown as positive figures and already-arranged future increases are presented as negative amounts):

TYPE OF INSTRUMENT (Millions of euros)	FAIR VALUE		NOTIONAL MATURITIES					TOTAL
	BALANCES AT	BALANCES AT	2022	2023	2024	2025	2026 and beyond	
	31/12/2020	31/12/2021						
ASSET BALANCES	309	486	398	-3	-4	-3	274	661
Cintra index-linked swaps (inflation derivatives)	299	489	-2	-3	-4	-3	78	66
Corporate IRS	0	4	0	0	0	0	0	-
Equity swaps	11	-3	65	0	0	0	0	65
Corporate Exchange rate derivatives	0	1	0	0	0	0	0	-
Other derivatives	-1	-5	334	0	0	0	196	530
LIABILITY BALANCES	405	438	5,343	344	44	48	1,064	6,843
Cintra interest-rate swaps (interest-rate derivatives)	285	374	78	23	28	35	677	842
Corporate Cross Currency Swaps	8	26	250	0	0	0	0	250
4352238 Canda Inc. Cross Currency Swaps	1	-23	198	0	0	0	0	198
Corporate IRS	31	44	0	0	0	0	350	350
Interest rate swaps Amey	16	21	0	0	0	0	0	-
Interest rate swaps Aragón Toll Road	6	9	10	10	11	12	5	48
Corporate Exchange rate derivatives	2	0	37	94	0	0	0	131
Other derivatives	55	-12	4,770	217	5	2	32	5,025
NET BALANCES (LIABILITIES)	-96	48	-4,945	-347	-48	-51	-790	-6,182

The cash flows comprising the fair value of the derivatives mature as follows:

TYPE OF INSTRUMENT (Millions of euros)	FAIR VALUE		NOTIONAL MATURITIES					TOTAL
	BALANCES AT	BALANCES AT	2022	2023	2024	2025	2026 and beyond	
	31/12/2021	31/12/2020						
ASSET BALANCES	309	486	27	14	16	17	235	308
Cintra index-linked swaps (inflation derivatives)	299	489	14	14	16	17	239	299
Corporate IRS	0	4	0	0	0	0	0	—
Corporate Cross currency swaps	11	-3	11	0	0	0	0	11
Corporate Exchange rate derivatives	0	1	0	0	0	0	0	—
Other derivatives	-1	-6	3	0	0	0	-4	-2
LIABILITY BALANCES	405	438	138	70	63	58	75	405
Cintra interest-rate swaps (interest-rate derivatives)	285	374	71	64	59	54	37	285
Corporate Cross currency swaps	8	26	8	0	0	0	0	8
Cross-currency swaps, 4352238 Canada Inc	1	-23	1	0	0	0	0	1
Corporate IRS	31	44	1	5	3	3	19	31
Interest rate swaps Amey	16	21	0	0	0	0	16	16
Interest rate swaps Aragón Toll Road	6	9	2	2	1	1	0	6
Corporate Exchange rate derivatives	2	0	2	0	0	0	0	2
Other derivatives	55	-12	53	0	0	0	3	55
NET BALANCES (LIABILITIES)	-96	48	-111	-56	-48	-41	160	-96

Toll road derivatives

Toll road interest rate swaps

In order to hedge the interest rate risk in toll road infrastructure projects, the borrowings of which bear interest at a variable rate (primarily Cintra Inversora Autopistas de Cataluña, S.A. and Euroscut Azores), the concession holders have arranged interest rate hedges on the projects' debt, establishing a fixed or increasing interest rate for a total notional amount of EUR 842 million at 31 December 2021. Overall, the fair value of these hedges increased from EUR -374 million at 31 December 2020 to EUR -285 million at 31 December 2021.

In general, the effectiveness test carried out periodically indicate that these derivatives are effective; therefore, the changes in their fair value are recognized in reserves, with an impact of EUR 89 million (EUR 65 million attributable to the parent company, after tax and non-controlling interests).

The changes in settlements and accruals gave rise to an impact on net financial income/(expense) of EUR -47 million and of EUR 47 million in cash.

Index linked swaps, Toll roads

This item relates exclusively to Autema, which in 2008 arranged an index linked swap to hedge income variability, by means of which an annual CPI of 2.50% was fixed. The hedged underlying is the toll flows and the price compensation flows received from the Generalitat de Catalunya, which are adjusted for inflation. The decrease in the underlying generated by the change in the concession regime has led to the partial discontinuation of hedging, such that 63% of the derivative is currently considered as hedging and the remaining percentage is considered speculative. The increase in inflation in 2021 had an impact on reserves during the year of EUR -107 million and an impact on results of EUR -84 million.

Toll road cross-currency swaps

In 2019, the company 4352238 Canada Inc arranged cross-currency swaps to hedge a financial investment in Canadian dollars. These instruments have a notional value of EUR 198 million (CAD 225 million), expire in 2022 and have a fair value of EUR 1 million.

Corporate business derivatives

Interest rate swaps, Corporate business

In relation to the bond issues launched in 2014, the Group arranged interest rate derivatives for a notional amount of EUR 350 million expiring in 2030. Since these derivatives, with a fair value of EUR -31 million, convert a portion of the fixed interest rate on the bonds into a floating interest rate, these derivatives constitute a partial fair value economic hedge of the aforementioned bond issues and they all qualify for hedge accounting.

This means that the fair value changes in both the derivative and the hedged item (in this case, a part of the bond) are carried at fair value through reserves. The fair value impact of these bonds amounted to EUR 13 million (2020: EUR 4 million).

Cross currency swaps, Corporate business

At 31 December 2021, the Group recorded cross-currency swaps to hedge a drawdown on the US dollar corporate liquidity line (Note 5.2.2). These instruments have a notional value of USD 274 million (with an agreed counter value of EUR 250 million), maturities in 2022 and a fair value of EUR -8 million.

Equity swaps

The Company has arranged equity swaps hedging the potential financial impact of the exercise of share-based remuneration schemes granted to employees.

These equity swap contracts are described below:

- The calculation base comprises a given number of Ferrovial shares and a reference price, which is usually the market share price on the execution date.
- During the swap term, Ferrovial pays interest at a given interest rate (EURIBOR plus a spread to be applied to the result of multiplying the number of shares by the strike price) and receives compensation equal to the dividends on those shares.
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- When the swap expires, if the share price has risen, Ferrovial will receive the difference between the market share price and the reference price. If the share price has fallen, Ferrovial will pay the difference to the bank.

At the 2021 year-end, these derivatives had a notional value equivalent to 2.7 thousand shares which, based on the strike price of the equity swaps (price at which they must be settled with the banks), represented a total notional amount of EUR 65 million.

Exchange rate derivatives, Corporate

These derivatives relate to Corporate hedges of foreign currency risk, the main aim of which is to protect against the volatility of future cash flows in foreign currencies (primarily the pound sterling, the US dollar, and the Canadian dollar). Their notional value amounted to EUR 131 million at 31 December 2021, of which EUR 77 million relate to pound sterling, EUR 49 million to the US dollar, EUR 5 million to the Canadian dollar. They expire in the short-term.

The changes in their value are recognized as translation differences and amounted to EUR -10 million in 2021 (for effective derivatives). Options, which are not classified as accounting hedges, are recognized in financial results at fair value and in 2021 represented an expense of EUR 6 million.

Other derivatives

This item includes the other derivatives contracted by the Group for a fair value of EUR -54 million, of which EUR -44 million relates to foreign exchange derivatives in the toll roads business, of which EUR -23 million hedge volatility in future Canadian dollar flows, with a notional amount of EUR 2,698 million (CAD 3,752 million) (see note 1.3). The remaining EUR -10 million essentially relates to interest rate swaps, hedging certain project borrowings in the Construction and Airports Divisions.

This heading also includes the inflation-linked derivatives for the Construction Division in the United States. These derivatives were classed as speculative and therefore the fair value change was taken to the income statement in the amount of EUR 7 million.

B) MAIN IMPACTS ON PROFIT & LOSS AND EQUITY

The movements for accounting purposes in the main derivatives arranged by fully consolidated companies, detailing the fair values thereof at 31 December 2021 and 2020, and the impact on reserves, profit/(loss) and other balance sheet items are as follows:

TYPE OF INSTRUMENT (Millions of euros)	FAIR VALUE				IMPACTS					TOTAL
	Balance at 31/12/2021	Balance at 31/12/2020	Var.	IMPACT ON RESERVES (I)	FAIR VALUE IMPACT ON PROFIT/(LOS S) (II)	IMPACT ON NET FINANC. INCOME/(EX PENSE) (III)	CASH (IV)	EXCHANGE RATE (V)	OTHER IMPACTS ON BALANCE SHEET OR INCOME (VI)	
Index-linked derivatives	299	489	-190	-107	-77	6	-22	0	10	-190
Cash flow hedges	299	489	-190	-107	-77	6	-22	0	10	-190
Interest rate derivatives	-343	-455	113	126	1	-63	50	-1	-1	113
Cash flow hedges	-343	-460	117	118	1	-55	54	-1	-1	117
Fair value hedges	0	4	-4	8	0	-8	-4	0	0	-4
Cross-currency swaps	-9	-2	-6	0	0	-24	-2	1	18	-6
Cash flow hedges	-8	-26	18	0	0	2	-2	0	18	18
Fair value hedges	-1	23	-24	0	0	-26	0	1	0	-24
Foreign exchange derivatives	-54	19	-73	1	-28	0	194	-233	-7	-73
Fair value hedges	-35	10	-45	1	-13	0	150	-182	0	-45
Net foreign investment hedges	-19	8	-27	0	-9	0	39	-51	-7	-27
Speculative	0	1	-1	0	-6	0	5	0	0	-1
Equity swaps	11	-3	14	0	14	1	-1	0	0	14
Speculative	11	-3	14	0	14	1	-1	0	0	14
TOTAL	-95	48	-143	19	-90	-80	219	-232	20	-143

Derivatives are recognized at market value at the arrangement date and at fair value at subsequent dates. Changes in the value of these derivatives are recognized for accounting purposes as follows:

- The changes in the year in the fair value of the derivatives that qualify for cash flow hedge accounting are recognized with a balancing entry in reserves (column I).
- The changes in fair value of the derivatives that do not qualify for hedge accounting or that are considered to be held for speculative purposes are recognized as a fair value adjustment in the Group income statement (column II) and are reflected separately in the income statement.
- "Impact on net financial income/(expense)" (column III) reflects the impacts on net financial income/(expense) from financing arising from the interest flows accrued during the year.
- "Impact on cash" (column IV) indicates net payments and collections during the year.
- The impact of the difference between closing currency translation differences at December 2021 and 2020 is also presented separately (column V).
- The "other impacts" column shows the impacts on operating profit/(loss), net financial income/(expense) (exchange rate) or other impacts not considered in the other columns (column VI).

C) DERIVATIVE VALUATION METHODS

All the Group's financial derivatives and other financial instruments carried at fair value are included in LEVEL 2 of the fair value measurement band, since although they are not quoted on regulated markets, the inputs on which their fair values are based are observable, either directly or indirectly.

The fair value measurements are performed by the Company using an internally developed measurement tool based on market best practices. However, they are in any event compared with the measurements received from the counterparty banks on a monthly basis.

Equity swaps are measured as the difference between the market price of the share on the calculation date and the unit settlement (strike) price agreed at inception, multiplied by the number of shares under the contract.

The other instruments are measured by quantifying the net future cash inflows and outflows, discounted to present value, with the following specific features:

- Interest rate swaps: the future cash flows with floating reference rates are estimated by using current market projections at the measurement date for each currency and settlement frequency; and each cash flow is discounted using the market zero-coupon rate that is appropriate for the settlement period and currency in question at the measurement date.
- Index-linked swaps: the future cash flows are estimated by projecting the implicit future behavior in the market curves on the valuation date for each currency and settlement frequency, for both reference interest rates and reference inflation rates. As in the cases described above, the flows are discounted using the discount rates obtained at the measurement date for each flow settlement period and currency.
- Cross-currency swaps: the future cash flows with floating reference rates are estimated by using current market projections at the measurement date for each currency and settlement frequency; and each cash flow is discounted using the market zero-coupon rate that is appropriate for the settlement period and currency in question at the measurement date, including the cross-currency basis spreads. The present value of the flows in a currency other than the measurement currency is translated at the spot exchange rate prevailing at the measurement date.
- Foreign currency derivatives: as a general rule, the future cash flows are estimated by using the exchange rates and market curves associated with each currency pair (forward points curve), and each flow is updated using the market zero-coupon rate that is appropriate for the settlement period and currency in question at the valuation date. For other more complex instruments (options, etc.), appropriate valuation methods are used for each instrument, taking into consideration the necessary market data (volatilities, etc.).

Lastly, credit risk, which pursuant to IFRS 9 was included in derivative measurements, is estimated as follows:

- In order to calculate the adjustments associated with own and counterparty credit risk (CVAs/DVAs), Ferrovial applies a methodology based on calculating the future exposure of the various financial products using Monte Carlo simulations. To this potential exposure, a probability of default and a loss given default based on the parties' business and credit quality are applied, as well as a discount factor based on the currency and applicable maturity at the valuation date.
- In order to calculate the probabilities of default of the Ferrovial Group companies, the credit risk management department assesses the rating of the counterparty (company, project, etc.) using a proprietary, rating agency-based methodology. This rating is used to obtain market spread curves according to the currency and term in question (generic curves by rating level).
- In order to calculate the probabilities of default of the balancing entries, the CDS curves of those companies are used, if available. Otherwise, the CDS curves of a similar entity (proxy) or a generic spread curve (by rating level) are used.

SECTION 6: OTHER DISCLOSURES

This section includes other notes required under the applicable legislation.

Of particular note due to its importance is Note 6.5, contingent liabilities, contingent assets, obligations and commitments, in which the main lawsuits that affect the Group companies and guarantees provided are described, with particular emphasis on the guarantees provided by ex-infrastructure project companies on behalf of infrastructure project companies.

The changes in liabilities other than current liabilities and borrowings, such as the pension obligations (Note 6.2) and provisions (Note 6.3), are also analyzed.

6.1. DEFERRED INCOME

The detail of deferred income at 31 December 2021 and 2020 is as follows:

(Millions of euros)	2021	2020 (*)	CHANGE 21/20
Capital grants	1,379	1,257	122
Other deferred income	23	24	-1
TOTAL DEFERRED INCOME	1,402	1,281	121

(*) Restated figures (Note 1.1.5)

Capital grants received from government bodies relate entirely to infrastructure projects in the Toll Roads Division.

These grants are mainly located in the following toll road projects: EUR 405 million for LBJ Infrastructure Group, EUR 490 million for NTE Mobility Partners, EUR 268 million for NTE Mobility Partners Segments 3 LLC and, lastly, EUR 204 million for I-77 Mobility Partners.

The main change during the financial year occurred at NTE Mobility Partners Segments 3, a Cintra subsidiary in the US, which received additional grants over the course of the year amounting to EUR 40 million.

The US companies have also seen their value increase by EUR 95 million due to the dollar's appreciation against the euro.

These capital grants are released to the income statement for the year at the same rate as the depreciation charged on the assets they finance, net of depreciation. The impact of these grants on cash flows is presented as an increase in investments.

6.2. PENSION PLAN DEFICIT

This line item reflects the deficit relating to pension and other employee retirement benefit plans. At 31 December 2021, the provision recognized in the balance sheet amounted to EUR 3 million and solely related to Budimex (31 December 2020: EUR 4 million).

6.3. PROVISIONS

The provisions recognized by the consolidated Group are intended to cover risks arising in the course of business. They are recognized using best estimates of the existing risks and uncertainties and related trends.

This note provides a breakdown of all the line items disclosed separately in provisions on the liabilities side of the balance sheet. In addition to these line items, there are other impairment losses and provisions that are presented as a reduction of certain asset line items and which are disclosed in the notes relating to those specific assets.

The movements in the long-term and short-term provisions presented separately in liabilities in the consolidated balance sheet were as follows:

(Millions of euros)	LITIGATION AND TAXES	REPLACEMENT AND UPGRADES IFRIC 12	OTHER LONG- TERM RISKS	TOTAL NON- CURRENT PROVISIONS	SHORT-TERM PROVISIONS	TOTAL
Balance at 31 December 2020 (*)	291	58	93	442	952	1,394
Consolidation scope changes and transfers	35	-2	-42	-9	13	4
Allocations	32	32	10	74	433	507
EBITDA	19	0	10	29	433	462
Net financial income/(expense)	4	3	0	7	0	7
Impairments and disposals	0	0	0	0	0	0
Corporate income tax	9	0	0	9	0	9
Fixed asset depreciation	0	28	0	28	1	29
Reversals:	-56	0	-3	-60	-280	-339
EBITDA	-13	0	-3	-16	-201	-217
Net financial income/(expense)	0	0	0	0	0	0
Impairments and disposals	0	0	0	0	0	0
Corporate income tax	-44	0	0	-44	-78	-122
Fixed asset depreciation	0	0	0	0	-1	-1
Applications with balancing items in working capital accounts	-28	0	0	-28	-134	-162
Applications with balancing items in other assets	0	-5	0	-5	0	-5
Foreign exchange differences	1	5	1	7	17	23
Balance at 31 December 2021	276	88	57	421	1,002	1,423

(*) Restated figures (Note 1.1.5)

The table above shows the changes in the year by detailing, on the one hand, the consolidation scope changes and transfers, the charges for the year and reversals that had an impact on the various lines in the income statement and, on the other, other changes which did not have an impact thereon, such as amounts used recognized under various headings in the balance sheet and the exchange rate effect.

Litigation provisions

At 31 December 2021, the total litigation provisions for the group amounted to EUR 276 million. This item includes the following items:

- Provisions to cover the possible risks resulting from lawsuits and litigation in progress, amounting to EUR 67 million (December 2020: EUR 104 million), largely relate to the Construction business. This provision is recognized and reversed against changes to provisions in EBITDA.
- Provisions for tax claims, amounting to EUR 209 million (31 December 2020: EUR 185 million), arising in relation to local or central government duties, income taxes and other taxes, as a result of the varying interpretations that can be made of the tax legislation in the various countries in which the Group operates (Note 6.5.1.e). These provisions are recognized and reversed against EBITDA, against net financial income/(expense) and/or against corporate income tax, depending on the nature of the tax for which the provision has been recognized (penalties, related interest, and/or contested tax assessments). During the year, EUR 41 million of the existing provision for the lawsuit related to the tax deductibility of international goodwill has been reversed (see note 6.5.1). The impact of the Services business is recognized in the net profit/(loss) from discontinued operations (see Notes 1.1.3 y 2.9).

Provision for replacements pursuant to IFRIC 12

This line item includes the provisions for investments in replacements established by IFRIC 12 (see Note 1.3.3.2), the total amount of which amounted to EUR 88 million. This provision is recognized and reversed with a charge/credit, respectively, to the depreciation and amortization charge over the period in which the obligations accrue, until the replacement becomes operational. The impact of this depreciation and amortization amounts to EUR 28 million.

Provisions for other long-term risks

This heading includes the provisions recognized to cover certain long-term risks other than those attributable to litigation or tax claims, such as third-party liability resulting from the performance of contracts, guarantees provided with enforcement risk and other similar items, which amounted to EUR 57 million at 31 December 2021 (31 December 2020: EUR 93 million).

The heading additionally contains the estimated cost of landfill closure and post-closure activities relating to the landfills operated in the Services business in Poland. The provision is calculated based on a technical estimate of the consumption to date of the total capacity of the respective landfills. This provision is reversed with a charge/credit, respectively, to changes in provisions within EBITDA, as the costs required for closure of the landfill are incurred. The balance of EUR 13 million for this heading at 31 December relates to the services business in Poland.

Finally, this total includes provision for the compulsory purchases for the Azores toll road.

Short-term provisions

At 31 December 2021, the short-term provisions balance amounted to EUR 1,002 million (31 December 2020: EUR 952 million).

This entry primarily covers provisions relating to customer contracts, such as provisions for deferred expenses (relating to the completion of works and the removal of site equipment, pursuant to the contract) and provisions for budgeted losses. In this regard, these types of provisions are mainly focused on the Construction Division for EUR 855 million (2020: EUR 733 million).

This provision is recognized and reversed against changes to provisions in EBITDA.

The change in the year was mainly due to net provisions in the Construction Division EUR 221 million, mainly in the Polish business, and the application of provisions (EUR -161 million), notably the application of budgeted losses in the US business. Also noteworthy was the reversal of the provision for corporate income tax assessments for 2003-2005, due to the non-deductibility of the portfolio of 407 Toronto Highway BV (see note 6.5.1.e).

Reconciliation with information reported in the cash flow statement

Analyzing the total effect on the income statement, of note is the net provision (expense) of EUR 245 million, which impacts gross operating profit, mainly corresponding to the Construction division (EUR 427 million of provision and EUR -206 million of reversal), mainly in the Polish activity.

In addition, provisions of EUR -162 million were recognized in working capital accounts during the year, mainly in the Construction division (EUR -161 million). The sum of provisions/reversal (EUR 245 million) and application (EUR -162 million) and other similar effects such as provisions for doubtful debts, which are not included in the detail of provisions for liabilities (EUR 2 million), are explained for working capital purposes in the cash flow, totaling EUR 85 million (see Note 5.3).

6.4. OTHER LONG-TERM PAYABLES

This heading includes:

- Participating loans granted by Spain's Central Government to various infrastructure project concession operators for an amount of EUR 49 million at 31 December 2021 (31 December 2020: EUR 47 million) in the Toll Roads Division for the Aragón toll road.
- Long-term loans with associates of the Toll Roads Division, amounted to EUR 22 million (31 December 2020: EUR 11 million).

6.5. CONTINGENT LIABILITIES, CONTINGENT ASSETS, OBLIGATIONS AND COMMITMENTS

6.5.1. Litigation and other contingent liabilities

The Group is exposed to risks derived from the resolution of lawsuits or litigation of different kinds arising in the course of business. When such risks are deemed to be probable, accounting provisions must be recorded for the lawsuits and litigation using the best estimate of the disbursements that are expected to be necessary to settle the obligation. These provisions are set out in Note 6.3. When such risks are less likely to materialize, contingent liabilities are recognized and must be disclosed in the financial statements in accordance with accounting legislation. It is not expected that any significant liabilities will arise that might represent a material adverse effect, other than those for which provisions have already been recognized

The detail of the most significant litigation, in terms of amount, in the Group's various business divisions is as follows:

s) SH-130 legal proceedings: Toll roads and construction

As indicated in the Group's six-monthly accounts, the two claims filed by the current shareholders of the project Concession Company (a lawsuit before the courts of Texas against companies owned by Ferrovial, Cintra and Ferrovial Construcción; and an arbitration proceeding before the International Chamber of Commerce against companies owned by Ferrovial Construcción) had been suspended, since the claimant and defendants had reached an initial agreement.

This initial arrangement led to the signing of an agreement on the 3rd September, putting an end to the two lawsuits. Ferrovial's contribution had been fully provisioned (USD 25 million in 2020 and an additional USD 17.4 million in 2021).

b) Other litigation relating to the toll road business

Terrassa Manresa toll road (Autema):

As indicated in the half-yearly accounts, on 19 October 2020 Autema was notified that the cassation appeal had not been given leave to proceed at the Supreme Court. As a result of this Supreme Court decision, the judgement issued by the High Court of Justice of Catalonia became final and fully applicable.

Following the non-admission of the cassation appeal, Autema changed the concession's accounting approach from the financial asset model to the intangible asset model.

Autema lodged an appeal for annulment against the non-admission of the cassation appeal, which was rejected as well. Then, Autema lodged an appeal for legal protection at the Constitutional Court, which was also not admitted on 15 June 2021.

Court proceedings instigated by the financial institutions of the radial 4 project:

In June 2013 a group of financial institutions from the banking syndicate that was financing the project filed court proceedings with Madrid Court of First Instance No. 61 against the shareholders of the concession company that had guaranteed the contribution of contingent capital in certain circumstances, namely Cintra Infraestructuras, SE – and Sacyr Concesiones, S.L.

In that lawsuit, they sought the enforcement of a guarantee that had been put in place by the shareholders, on the grounds of an alleged breach of certain ratios. This corporate guarantee amounts to a total of EUR 23 million, of which Cintra's share amounts to EUR 14.95 million.

The appeal lodged by the banking syndicate was upheld by the Provincial Court of Madrid after going into the details of the merits of the case. The defendant shareholders lodged a cassation appeal before the Supreme Court which was pending to be admitted on December 2020. There were no changes to the status of this litigation in 2021.

At year-end 2021 both the EUR 14.95 million of the guarantees given and the EUR 4.85 million in default interest accruing since the proceeding began are fully provisioned.

M-203 toll road

Legal proceedings initiated by the concession company M203 seeking compensation for the investments made (NIV) and for damages suffered due to the termination of the concession agreement due to the breach of contract by the Madrid Regional Government (CAM).

In October 2020, M203 was notified that the High Court of Justice of Madrid (TSJM) had ruled in favor of M203, ordering that the CAM shall issue the relevant NIV liquidation immediately.

At 31 December 2020, the final judgement issued by the TSJM was pending enforcement.

On 3 February 2021, M203 submitted a request to the TSJM for the enforcement of the judgement without delay.

As the CAM was still not complying with the judgement, on 2 June 2021 and then on 6 July 2021, M203 filed petitions to expedite proceedings so that the CAM fulfils the terms of the October 2020 judgement.

In 2021, M203 submitted several documents petitioning the court to take steps to sanction the CAM in order to enforce the 2020 judgement ordering the CAM to calculate and make payment of the NIV.

Finally, on 23 December 2021, the CAM notified M203 of a NIV calculation order ("NIV") stating the amounts that it agreed to pay, totaling EUR 73,388,672.44, of which EUR 68,062,634.52 relates to the principal (tax base of EUR 56,250,111.17; recognizing VAT payable of EUR 11,812,523.35) and EUR 5,326,037.92 relates to late-payment interest to 31 December 2021. On the same date, 23 December 2021, M203 cancelled the invoices issued in May 2018 (recognized as receivables) in the amount initially claimed when the CAM took possession of the works. New invoices were issued to the CAM (one for the principal plus VAT and the other for the late-payment interest recognized by the CAM). Finally, on 29 December 2021, M203 received full payment of the NIV from the CAM in the amount of EUR 73,388,672.44. M203 recognized a loss of EUR 3.8 million in the amount of the difference between the principal received (EUR 56.2 million) and the receivable recognized (EUR 60 million), which had already been provisioned.

The NIV Order can be appealed to the TSJM, so M203 will instigate a new contentious-administrative appeal to claim the difference between the amounts not recognized by the CAM in the sum paid on 29 December 2021 and those considered by M203 (initially valued at approximately EUR 4 million in principal and EUR 1 million in interest).

c) Litigation relating to the Construction business

The Construction Division is involved in a number of ongoing legal actions, relating principally to potential construction defects in the completed building work and claims for civil liability.

The main lawsuit relates to the penalty proceeding initiated by the Spanish National Market and Competition Commission (CNMC), as described below.

Construction business Spain:

In 2019, the Spanish National Markets and Competition Commission (CNMC) initiated penalty proceedings against Ferrovial Construcción, S.A. and other construction firms for alleged anti-competitive behavior.

As outlined by the CD, this behavior ostensibly consists of the exchange of certain information between companies for the purposes and/or with the effect of restricting competition during the course of the competitive tendering processes organized by Public Authorities in Spain for the construction and refurbishment of infrastructure and buildings.

In March 2020, the Competition Directorate (CD) gave notice of a proposed penalty of EUR 48 million and, in July 2020, the CNMC's Competition Court declared the proceedings to have expired and ordered the raising of new proceedings relating to the same events. Ferrovial Construcción appealed the decision at the National High Court. In January 2022, the National High Court gave the appeal leave to proceed and it is currently being processed.

In parallel to the previous appeal, in April 2021, a new list of charges drawn up by the Competition Directorate was received containing the investigation findings and a description of the facts that could constitute an infringement of competition law. In May 2021, a writ of defense allegations was presented stating that the infringements claimed by the Directorate had not taken place. In June, notification of the proposed penalty of EUR 48 million was received, for which does not end the penalty proceeding, the CNMC's board having competence to take the final decision. This proceeding had not been resolved at year-end 2021.

The Group considers that the outcome of this lawsuit is unlikely to be unfavorable and therefore no amount has been provisioned in this respect.

d) Litigation and other contingent liabilities relating to the Services business (discontinued operations)

Services business in the UK

WBHO lawsuit

On 22 December 2020, WBHO, a subcontractor to Amey Consulting Australia Pty Limited filed a lawsuit against the company in the New South Wales Supreme Court. The lawsuit seeks the payment of approximately AUD 54 million for the following items: i) ordinary damages; ii) damages relating to alleged misleading or improper conduct under the terms of Australian Consumer Law during the tendering phase; iii) compensation for alleged breaches of contract and additional expenses incurred by WBHO originating from two other subcontractors; iv) interest; and v) costs.

The basis for the legal action is that Amey failed to meet the milestones for finalization of the design, so the project took longer and WBHO incurred additional construction costs that had not been considered on the date of the contract.

There are no details of the claim and, in fact, Amey has submitted several requests to the court for additional details and the court has ordered WBHO to further specify its claim on three occasions. The revised claim is expected by 1 April 2022. The company's insurers have been notified of the claim. Amey set aside a provision of AUD 2 million exclusively to settle any amounts that might not be covered by the insurance companies (policy excess).

Services business in Spain:

Litigation relating to the penalty proceedings opened by the Spanish National Markets and Competition Commission (CNMC) in relation to the road maintenance sector:

In July 2019, the CNMC initiated penalty proceedings against Ferrosur Infraestructuras, S.A. and its Parent Ferrovial, S.A., as well as against other companies in the sector, due to alleged anti-trust practices during tendering for providing maintenance and operations services for the State Road Network, arranged by the Ministry of Public Works.

Following a procedural process, on 31 December 2020, the CNMC gave notice of its List of Established Facts, in which Ferrovial Servicios S.A.U. was also included. The corresponding allegations were submitted in February 2021.

In August 2021, notice was received of a Resolution by the CNMC's Board declaring a very serious infringement of Article 1 of the Spanish Competition Law (LDC) and Article 101 of the Treaty on the Functioning of the European Union (TFUE), although Ferrovial, S.A. is not held liable. It merely refers to FERROSER INFRAESTRUCTURAS, S.A. and, jointly and severally, its parent company FERROVIAL SERVICIOS, S.A. as the liable parties. As regards Ferrovial Servicios, the Board concludes that its involvement as a perpetrator has not been proven, but only as a party jointly and severally liable for Ferrosers' conduct. The Board has imposed a fine of EUR 5.7 million on Ferrosers. As regards the executives that took part in the conduct, the Board has requested that the Competition Directorate investigate their possible liability in a subsequent proceeding. Finally, the resolution declares that a prohibition on contracting may be imposed on the perpetrators but does not stipulate the duration or scope. These matters will be determined in a different proceeding before the Consultative Board on Administrative Procurement.

The Resolution was appealed in a contentious-administrative proceeding at the National High Court requesting precautionary measures consisting of the stay of enforcement of the appealed Resolution (suspension of payment of the penalty and of the prohibition on contracting with the government).

In December 2021, notification was received of the admission of the appeal and request for the CNMC to submit the administrative case file and summon the interested parties to appear as co-defendants. A separate decision is to be made regarding the petition for precautionary measures. On February 22, 2022 a notification has been received communicating the suspension of the sanctioning resolution, both in relation to the fine and the prohibition to enter into contract. The order conditions the suspension of the payment of the fine to the deposit of a guarantee within the usual period of two months.

Ferrosers Infraestructuras, S.A. is one of the companies sold as a result of the divestment of the infrastructure maintenance business in Spain completed on 31 January 2022 (see Note 1.1.3). Ferrovial's sale and purchase agreement grants a guarantee to the buyer relating to this lawsuit, the amount of which has been included in the fair value estimate for the assets sold.

Empresa de Mantenimiento y Explotación M-30, S.A. (EMESA).

The Group, through the company Empresa de Mantenimiento y Explotación M-30, S.A. (EMESA), in which it holds a 50% stake, operates the M-30 infrastructure maintenance contract and holds a 20% interest in the public-private financial holding company Madrid Calle 30 (MC30), which is the holder of the concession agreement for this infrastructure.

During 2017, Madrid City Council, which also holds a stake in MC30, formed a municipal Investigation Commission that (i) recommended the reversal of the MC30 management model to 100% municipal ownership and (ii) asked the City Council to determine liability for power supply payments made by MC30 until then.

In 2018, EMESA filed an appeal against the City Council's decision to approve the Report by the Investigation Commission. The appeal was disallowed on the grounds of the absence of legal standing of the appellant (EMESA), although it was stated that the Investigation Committee's rulings are mere recommendations and are not binding on EMESA, which may only be affected by any final resolutions that may be issued by the City Council.

As regards liability for power supply payments, in 2020 MC30 claimed payment of this cost by EMESA. EMESA objected to paying. MC30 sent another letter to EMESA to the effect that (i) it considered the limitation period for the claim to have been interrupted; (ii) it conditions the instigation of legal actions by MC30 on the final decisions that may be taken by Madrid City Council. EMESA decided not to set aside any provision for this matter, as the Company's legal advisors believe that the arguments are robust and consider that, for now, no amounts are likely to be payable.

e) Tax-related litigation

As indicated in Note 6.3, Ferrovial recognizes tax provisions totaling EUR 209 million (of which EUR 2 million is recognized by the companies of the former Services Division now classified as discontinued operations). These provisions relate essentially to ongoing tax litigation arising from tax assessments raised following tax inspections in Spain for a disputed sum of EUR 333 million, the most significant being corporate income tax and VAT for the periods 2002 to 2017.

The most noteworthy lawsuits are as follows:

a) The proceedings relating to the amortization for tax purposes of financial goodwill on the acquisitions of Amey and Swissport. Ferrovial has filed an appeal against the European Commission's 2014 Decision ("Third Decision") in which this tax measure is declared to be state aid. Although we feel there are sound grounds supporting the Group's procedural stance, if a favorable court judgement is not issued the amount of EUR 84.5 million will be payable to the Spanish Treasury, of which EUR 36.8 million was already settled in 2017 and EUR 3.8 million was paid in 2021. In this unfavorable scenario, there would be a negative impact of EUR 84.5 million on Ferrovial's income statement.

b) The cassation appeal filed at the Supreme Court against the settlement resolution arising from the tax assessment raised on Ferrovial, S.A. for 2006 corporate income tax. The main matter in dispute is the application of the deduction for export activities relating to the 2006 investment made to acquire the ownership interest in the former BAA (Heathrow). This contingency amounts to EUR 116 million (fully provisioned).

c) As regards Ferrovial's lawsuit relating to corporate income tax for the financial years 2003 to 2005, in which the main point of law concerns the different interpretation given to the recognition of the provision for the portfolio of shares in Toronto Highway BV, an application for legal protection was filed at the Constitutional Court against the Supreme Court's judgement dismissing the case. This contingency of EUR 77.3 million (fully provisioned) was settled in 2021 (see Note 6.3).

6.5.2. Guarantees

a) Bank guarantees and other guarantees issued by insurance companies

In carrying on its activities the Group is subject to possible contingent liabilities – uncertain by nature – relating to the liability arising from the performance of the various contracts that constitute the activity of its business divisions.

In order to cover the aforementioned liability, the Group has bank guarantees and other guarantees issued by insurance companies. At 31 December 2021, the balance amounted to EUR 7,099 million (EUR 6,728 million at 31 December 2020).

The following table contains a breakdown of the risk covered in each business area.

(Millions of euros)	Dec. 2021	Dec. 2020
Construction	5,284	4,548
Toll roads	856	1,051
Airports	42	18
Other	315	299
Total continuing operations	6,497	5,915
Services	603	813
Total discontinued operations	603	813
TOTAL	7,099	6,728

The EUR 7,099 million, by type of instrument, relate to: i) EUR 3,041 million of bank guarantees; ii) EUR 3,401 million of guarantees provided by bonding agencies and iii) EUR 657 million of bank guarantees provided by insurance companies.

These guarantees cover the liability to customers for correct performance in construction or services contracts involving Group companies. So if a project were not executed, the customer would enforce the guarantee.

Despite the significant amount of these guarantees, the impact that might arise on the consolidated financial statements is very low, since the Group Companies perform contracts in accordance with the terms and conditions agreed upon with the customers and recognize provisions within the results of each contract for risks that might arise from performance thereof (Note 6.3).

Lastly, of the total amount of the Group's bank guarantees for continuing operations listed in the above table, EUR 498 million (Note 6.5.3.) secure its commitments to invest in the capital of infrastructure projects.

b) Guarantees given by Group companies for other Group companies

As indicated previously, in general guarantees are provided among Group companies to cover third-party liability arising from contractual, commercial or financial relationships.

Although these guarantees do not have any effect at consolidated Group level, there are certain guarantees provided by non-infrastructure project companies to infrastructure project companies (Note 1.1.2.) which, due to the classification of project borrowings as being without recourse, it is relevant to disclose (see Note b.1.). Contingent capital guarantees).

Other noteworthy guarantees have also been provided to equity-accounted companies (see b.2.).

b.1) Guarantees provided by ex-infrastructure project companies to infrastructure project companies in relation to the borrowings of the latter that could give rise to future additional capital disbursements if the events guaranteed took place (contingent capital guarantees).

Guarantees provided by non-infrastructure project companies to infrastructure project companies can be classified into the following two categories:

- Guarantees that address the correct performance in construction and service contracts which have been mentioned in Note 6.5.2-a.
- Guarantees related to risks other than the correct performance of construction and service contracts, which could give rise to future additional capital disbursements if the events guaranteed take place.

The latter guarantees are the ones that are going to be explained in further detail in this section since, as mentioned in Note 5.2., net cash position, the borrowings for infrastructure projects are without recourse to the shareholders or with limited recourse to the guarantees provided and, therefore, it is relevant to distinguish those guarantees that if the guaranteed event occurs, could be executed and could result in disbursements to the infrastructure projects or holders of their debt other than the committed capital or investment mentioned in Note 6.5.3. Such guarantees are called contingent capital guarantees.

The detail, by beneficiary company, purpose and maximum amount, of the outstanding guarantees of this nature at 31 December 2021 relating to fully consolidated infrastructure project companies is as follows. It should be noted that the amounts below relate to Ferrovial:

BENEFICIARY COMPANY (PROJECT)	GUARANTTEE PURPOSE	AMOUNT
Conc. Prisiones Lledoners	Technical guarantee to repay amounts to the bank in the event of termination of the contract. Does not cover insolvency (default) or breach by the grantor	67
GUARANTEES FOR CONSTRUCTION PROJECTS		67
l66	Guarantee to cover cost overruns	13
GUARANTEES FOR TOLLROAD PROJECTS		13
Centella	Technical guarantee to cover the achievement of project milestones and payment of any fines during the initial execution period	12
GUARANTEES FOR ENERGY AND MOVILITY PROJECTS		12
TOTAL GUARANTEES FOR FULLY CONSOLIDATED INFRASTRUCTURE PROJECTS		93

There are also bank guarantees issued by third parties in the amount of EUR 3 million for possible cost overruns at the l66 project.

The detail of the amounts of the guarantees, in relation to the financing of the equity-accounted infrastructure projects and, accordingly, the borrowings of which are not included in the Group's consolidated financial statements is as follows.

BENEFICIARY COMPANY	GUARANTTEE PURPOSE	AMOUNT
Ausol	Financial guarantee covering the contribution of contingent equity.	3
Serrano Park (Cintra)	Guarantee to cover repayment of the debt	3
Auto-Estradas Norte Litoral (Cintra)	Guarantee limited to compulsory purchase overruns.	0
Bucaramanga	Guarantee limited to construction works overruns.	2
TOTAL GUARANTEES FOR EQUITY-ACCOUNTED INFRASTRUCTURE PROJECTS		8

The significant reduction in the amount of these guarantees (EUR 8 million as compared with EUR 48 million in 2020) is due to the fact that an agreement was reached at the end of the year to sell URBICSA, this project having been secured in the amount of EUR 42 million at 31 December 2020. In addition to these guarantees, there are bank guarantees issued by third parties in the amount of EUR 3 million for possible cost overruns in the Ausol project.

In addition, the Company has provided a guarantee amounting to EUR 19 million in relation to the Radial 4 toll road, which was excluded from the consolidation scope in 2015. This amount is fully provisioned at 31 December 2021 and a related cassation appeal is currently in progress (Note 6.5.1.a)).

b.2) Other guarantees provided to equity-accounted companies other than infrastructure project companies.

Certain construction and services contracts are performed by equity-accounted companies often created specifically to execute contracts previously awarded to their shareholders. In these cases, the shareholders provide performance bonds relating to those contracts. The liability secured is similar to that indicated in Note 6.5.2.a.

They include guarantees provided in the Services Division by Amey UK PLC in favor of various equity-accounted companies that it has an ownership interest in. These guarantees total EUR 369 million, the most significant of which related to the contracts with the British Ministry of Justice and the Manchester tram network. It should be noted that the aforementioned amount relates to the annual amount of contracts not yet performed in proportion to Ferrovial's percentage of ownership.

c) Security interests in assets

The security interests in assets are described in the following Notes:

- Guarantees given for fixed assets (Note 3.4)
- Security interests in deposits or restricted cash (Note 5.2).

d) Guarantees received from third parties

At 31 December 2021, Ferrovial had received guarantees from third parties totaling EUR 1,149 million (31 December 2020: EUR 1,601 million), mainly in the Construction Division in the Ferrovial Construcción companies in the United States (EUR 645 million), the Budimex Group (EUR 153 million) and other construction companies (EUR 352 million), particularly noteworthy were the companies in the UK (EUR 126 million) and Australia (EUR 161 million).

These third-party guarantees are technical guarantees that are offered by certain subcontractors or suppliers in the construction business in order to guarantee complete compliance with their contractual obligations with regard to the work they are engaged to complete, and may not be sold or pledged.

6.5.3. Commitments

As described in Note 1.1, the infrastructure projects carried out by the Group are performed through long-term contracts where the concession operator is a company in which the Group has interests, either alone or together with other partners, and the borrowings necessary for financing the project are allocated to the project itself, without recourse to the shareholders or with recourse limited to the guarantees provided, under the terms set forth in Note 5.2. From a management viewpoint, Ferrovial therefore takes into account only the investment commitments relating to the capital of the projects, since the investment in the assets is financed by the borrowings of the projects themselves.

a) Investment commitments

The investment commitments of the Group in relation to the capital of its infrastructure projects are as follows:

(Millions of euros)	2022	2023	2024	2025	2026	2027+	TOTAL
Toll roads	407	18	6	0	0	0	431
Energy and mobility	26	2	0	0	0	0	27
INVESTMENTS IN FULLY CONSOLIDATED INFRASTRUCTURE PROJECTS	432	20	6	0	0	0	458
Toll roads	25	0	0	27	0	0	52
Energy and mobility	6	0	0	0	0	0	6
Construction	1	0	0	0	0	0	1
INVESTMENTS IN EQUITY-ACCOUNTED INFRASTRUCTURE PROJECTS	31	0	0	27	0	0	58
TOTAL INVESTMENTS INFRASTRUCTURE PROJECTS	455	20	6	27	0	0	517

At 31 December 2021, the investment commitments amounted to EUR 517 million (2020: EUR 851 million). The Toll Roads Division includes EUR 349 million in relation to the I-66 project (2020: EUR 590 million). The energy and mobility investment commitments relate to a solar plant in Seville. The curtailment in investment commitments is primarily due to investments made in toll road projects in the US and Slovakia in 2021, as well as due to reaching financial closure at transmission line projects in Chile.

Under the AGS refinancing agreement described in Note 5.4.c.v, Ferrovial also committed to inject up to GBP 15 million into AGS (50% equity - 50% debt) subject to the fulfilment of certain liquidity conditions to the maturity date of the loan in 2024.

As indicated in 6.5.2.a), a part of these infrastructure project commitments, amounting to EUR 517 million, are secured by bank guarantees amounting to EUR 498 million.

There are also property, plant and equipment purchase commitments in the Services Division totaling EUR 1 million (2020: EUR 112 million). Such a large reduction in the amount of the commitments is due to the fact that they mostly related to the Environment Services business in Spain and Portugal, in respect of which a sale agreement was reached in December 2021.

(Millions of euros)	2022	2023	2024	2025	2026	2027+	TOTAL
Acquisition of property, plant and equipment	0	1	0	0	0	0	1
TOTAL SERVICES	0	1	0	0	0	0	1
TOTAL	0	1	0	0	0	0	1

In addition, there are investment commitments amounted to EUR 16 million in investments made in companies in which Ferrovial has a minority stake, and which develop innovation projects mainly related to energy and mobility.

b) Environmental commitments

Any operation designed mainly to prevent, reduce or repair damage to the environment is treated as an environmental activity.

Costs incurred to protect and improve the environment are taken to profit or loss in the year in which they are incurred, irrespective of when the resulting monetary or financial flow takes place.

Provisions for probable or certain environmental liability, litigation in progress and indemnities or other outstanding obligations of undetermined amount not covered by insurance policies are recorded when the liability or obligation giving rise to the indemnity or payment arises.

6.6. REMUNERATION OF THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

6.6.1. Bylaw-stipulated Board of Directors' remuneration

Under the Company's current remuneration scheme, regulated by Article 56 of its bylaws, the Annual General Meeting determines the maximum annual remuneration for all the members of the Board of Directors. The Directors' Remuneration Policy approved by the Company's General Shareholders' Meeting on 19 April 2021 defined the overall maximum annual amount of directors' remuneration for the duration of the policy (2021, 2022 and 2023), as a fixed sum.

Directors' remuneration comprises (i) a fixed allowance, a part of which is paid in quarterly instalments and the remainder (supplementary fixed allowance) in a single payment at the end of the financial year; and (ii) per diems for actual attendance at Board and committee meetings. Remuneration is linked to the functions and responsibilities assigned to each director, membership of Board committees and other objective circumstances that the Board of Directors deems relevant, thereby ensuring their long-term independence and commitment.

On the same date these annual accounts are authorized for issue, the Board of Directors issues and makes available to the shareholders the Annual Report on Directors' Remuneration referred to in Article 541 of the Spanish Companies Act. The report describes in greater detail aspects of the Company's remuneration policy applicable in the current year, providing an overview of how the remuneration policy was applied in 2021 and a breakdown of the individual remuneration accrued to each director in 2021. The table below shows the itemized bylaw-stipulated remuneration of the members of the Board of Directors accrued during 2021 and 2020.

Should more meetings be held than initially envisaged or, for any other reason, should the amount of the per diems plus fixed allocations exceed the total maximum remuneration payable to directors for the year in question, the difference is deducted from the amount of the additional fixed allocation proportionally for each director on the basis of Board status.

The difference between the fixed and supplementary allowances for 2021 and 2020 is explained by a partial reduction in both items agreed by the Board of Directors due to Covid-19.

This table does not include remuneration received by the executive directors for discharging executive duties at the Company, as described in Note 6.6.2.

				2021
DIRECTOR (a) (Thousands of euros)	FIXED ALLOWANCE	PER DIEMS	ADDITIONAL FIXED REMUNERATION	TOTAL
Rafael del Pino Calvo-Sotelo	35	122	92	249
Oscar Fanjul Martín	35	83	81	199
Ignacio Madridejos Fernández	35	61	46	142
María del Pino y Calvo-Sotelo	35	61	46	142
Santiago Fernández Valbuena (up to and including 4/5/2021)	12	18	16	46
José Fernando Sánchez-Junco Mans	35	76	46	157
Joaquín del Pino y Calvo-Sotelo (up to and including 4/5/2021)	12	12	16	40
Philip Bowman	35	59	46	140
Hanne Birgitte Breinbjerg Sorensen	35	50	46	131
Bruno Di Leo	35	58	46	139
Juan Hoyos Martínez de Irujo	35	61	46	142
Gonzalo Urquijo Fernández de Araoz	35	59	46	140
Hildegard Wortmann (from 6/5/2021)	23	36	30	89
Alicia Reyes Revuelta (from 6/5/2021)	23	36	30	89
TOTAL	420	792	633	1,845

(a) Continuance in the post. Full year, unless otherwise stated.

				2020
DIRECTOR (a) (Thousands of euros)	FIXED ALLOWANCE	PER DIEMS	ALLOCATION	TOTAL
Rafael del Pino Calvo-Sotelo	33	122	86	241
Oscar Fanjul Martín	33	83	70	186
Ignacio Madridejos Fernández	33	61	43	137
María del Pino y Calvo-Sotelo	33	61	43	137
Santiago Fernández Valbuena	33	69	43	145
José Fernando Sánchez-Junco Mans	33	81	43	157
Joaquín del Pino y Calvo-Sotelo	33	48	43	124
Philip Bowman	33	59	43	135
Hanne Birgitte Breinbjerg Sorensen	33	56	43	132
Bruno Di Leo	33	58	43	134
Juan Hoyos Martínez de Irujo	33	61	43	137
Gonzalo Urquijo Fernández de Araoz	33	59	43	135
TOTAL	394	819	587	1,800

(a) Continuance in the post. Full year, unless otherwise stated.

6.6.2. Individual executive directors' remuneration

a) Remuneration accrued in 2021 and 2020.

In 2021, the following remuneration accrued to the executive directors for the performance of their functions, irrespective of the remuneration referred to in the preceding section.

			2021
EXECUTIVE DIRECTORS' REMUNERATION * (Thousands of euros)	RAFAEL DEL PINO	IGNACIO MADRIDEJOS (2)	TOTAL
Fixed remuneration	1,500	1,100	2,600
Variable remuneration	2,275	1,283	3,558
Life insurance premiums	9	4	13
Share plans (1)	490	0	490
Total 2020	4,274	2,387	6,661

*Remuneration for their role as Executive Directors.

(1) In March 2021, a number of shares equivalent to the level of completion of the units allocated in 2018 were delivered, after the relevant withholdings had been made. The CNMV was notified on 22/3/2021.

(2) In 2021, the amount of EUR 8 thousand was assigned to Ignacio Madridejos as remuneration in kind relating to a company car.

The 2020 information is shown in the following table:

	2020		
EXECUTIVE DIRECTORS' REMUNERATION * (Thousands of euros)	RAFAEL DEL PINO	IGNACIO MADRIDEJOS	TOTAL
Fixed remuneration	1,405	937	2,342
Variable remuneration	1,620	810	2,430
Life insurance premiums	8	4	12
Share plans (1)	1,602	0	1,602
Total 2020	4,635	1,751	6,386

* Remuneration as executive directors

(1) In March 2020, a number of shares equivalent to the level of completion of the units allocated in 2017 were delivered, after the relevant withholdings had been made. The CNMV was notified on [*]

(2) In 2020, the amount of EUR 8 thousand was assigned to Ignacio Madridejos as remuneration in kind relating to a company car.

b) Share-based remuneration schemes

There follows a breakdown of the share-based remuneration schemes linked to objectives, entitlement to which has not yet vested:

EXECUTIVE DIRECTORS' PLAN AT 31.12.2021		UNITS	NO. OF VOTING RIGHTS	NO. OF VOTING RIGHTS
Rafael del Pino y Calvo-Sotelo	2019 allocation	70,000	70,000	0.01%
	2020 allocation	46,500	46,500	0.00%
	2021 allocation	67,500	67,500	[*]
Ignacio Madridejos Fernández	2019 allocation	14,468	14,468	0.00%
	2020 allocation	46,500	46,500	0.00%
	2021 allocation	67,500	67,500	[*]

6.6.3. Pension funds and plans or life insurance premiums

As in 2020, no contributions were made in 2021 to pension plans or funds for former or current members of the Company's Board of Directors or for directors of the Company who are members of other Boards of Directors and/or senior managers of Group companies and associates. No such obligations were acquired during the year.

As regards life insurance premiums, the Company has insurance policies covering death (for which premiums totaling EUR 13 thousand were paid in 2021; EUR 12 thousand in 2020) under which the executive directors are beneficiaries. No life insurance premiums were paid for Company directors who are members of other Boards of Directors and/or senior managers of Group companies or associates.

Lastly, the Company has arranged a third-party liability insurance policy covering the directors and managers of the Group companies, the parent company of which is the Company. Those insureds include the Company's Directors. The premium paid in 2021 under the aforementioned insurance policy amounted to EUR 1,300 thousand.

6.6.4. Advances and loans

At 31 December 2021, no advances or loans had been granted by the Company to the directors in their capacity as such or as members of other Boards of Directors or senior managers of Group companies or associates.

6.6.5. Senior management remuneration

The overall remuneration accrued to the Company's senior managers in 2021 is analyzed below:

SENIOR MANAGEMENT REMUNERATION (Thousands of euros)	2021	2020
Fixed remuneration	5,636	5,317
Variable remuneration	5,033	3,657
Performance-based share plan	1,494	4,528
Exercise of stock option plans and/or other financial instruments (see description)	0	0
Remuneration as members of administrative bodies of other Group companies, jointly-controlled entities or associates	31	30
Insurance premiums	17	17
Other (1)	6,990	2,291
Total	19,201	15,840

(1) Three senior managers leaving (figure subject to personal income tax) and an appointment bonus.

The remuneration indicated relates to the following posts: General Secretary, Chief Financial Officer, HR General Manager, Construction General Manager, Services General Manager, Airports General Manager, Toll Roads General Manager, Energy Infrastructure and Mobility General Manager, Information Systems and Innovation General Manager, Internal Audit Director, Communications and Corporate Responsibility Director, Chief Strategy Officer, Risk and Compliance Director, Mobility Director and Sustainability Director. This does not include remuneration for senior managers who were also executive directors, which was addressed in Note 6.6.2.

The Company has also implemented a "Flexible Remuneration Scheme", which allows employees to voluntarily change their remuneration package based on personal needs, replacing a portion with certain benefits in kind. These products include a life and retirement savings group insurance scheme. Participants may request that a portion of their gross annual remuneration be paid by the Company in the form of a premium under a life and retirement savings group insurance policy. The senior managers requested contributions totaling EUR 131 thousand from the Company, replacing the remuneration shown in the table above (EUR 48 thousand in 2020).

6.6.6. Other disclosures on remuneration

The agreements between the Company and the senior managers, specifically provide for the right to receive the indemnities referred to in Article 56 of the Spanish Labor Statute in the event of unfair dismissal.

In order to encourage loyalty and continuity, a deferred remuneration scheme was granted to thirteen senior managers, including one executive director. The scheme consists of extraordinary remuneration that will only be paid in any of the following circumstances:

- Exit of the senior manager by mutual agreement upon reaching a certain age.
- Unfair dismissal or exit at the Company's discretion without cause for dismissal, before the senior manager reaches the age initially agreed, if the amount exceeds the figure stipulated in the Labor Statute.
- Death or disability of the senior manager.

- To cover this incentive, each year the Company makes contributions to a group savings insurance policy under which the Company is both policyholder and beneficiary. The contributions are quantified on the basis of a certain percentage of each senior manager's total monetary remuneration. Contributions made in 2021 amounted to EUR 2,187 thousand (EUR 2,006 thousand at 31 December 2020), of which EUR 441 thousand relate to the executive director. EUR 6,912 million in "Other" in table 6.6.5 relates mainly to the amounts received by three senior managers who left the Company in 2021. This amount does not affect the income statement for the year, as the Company expenses the amounts contributed annually to the group savings insurance policy, regardless of when the amounts are received.

6.7. SHARE-BASED REMUNERATION SCHEMES

Performance-based share plan

At year-end 2021, Ferrovia has two remuneration schemes in place for the Group's executive directors, senior managers and managers, consisting of a performance-based share plan.

Long-term incentive plan approved by the Board of Directors on 28 February 2019. This plan will have a one-year term and the annual cost of the plan may not exceed EUR 22 million. The plan is tied to employees remaining at the Company for at least three years as from the grant date (barring special circumstances) and upon the achievement during the vesting period of ratios calculated on the basis of the relation between operating profit/(loss) and net productive assets and total shareholder return in relation to a comparable group.

The plan is intended for executive directors, senior managers and managers. The application of this plan to Executive Directors was authorized at the Company's Annual General Meeting held on 5 April 2019, as communicated to the CNMV on the same day.

Units were allocated for 2019 to the executive directors for the purposes of calculating plan duration and terms on 15 February 2019.

On 19 December 2019 the Board of Directors approved a new long-term incentive plan. The plan will be in force for three years (from 2020 to 2022) and consists of awarding Ferrovia, S.A. shares. The annual cost of the plan may not exceed EUR 22 million and it is conditional upon employees remaining at the Company for three years as from the date it is granted (barring special circumstances) and upon the achievement during the vesting period of ratios calculated on the basis of business cash flow and total shareholder return with respect to a comparable group.

The plan is intended for Executive Directors, Senior Executives and Executives. The plan is intended for executive directors, senior managers and managers. The application of this form of remuneration to executive directors was submitted for approval by the Company's Annual General Meeting.

There were 2,054,531 shares outstanding at 31 December 2021 relating to these plans.

Changes to the share-based remuneration schemes in 2021 and 2020 are summarized below:

	2021	2020
Number of shares at beginning of year	2,468,724	3,125,747
Plans granted	909,578	622,004
Plans settled	-292,413	-930,106
Shares surrendered and other	-954,346	-307,068
Shares exercised	-77,012	-41,853
Number of shares at year-end	2,054,531	2,468,724

This share award plan includes the plans described above in Note 6.6 on remuneration of executive directors and senior managers.

The impact on the consolidated income statement of the Group in relation to these remuneration schemes in 2021 was an income of EUR 10 million (EUR -10 million of expenses in 2020) with a balancing entry in equity. The recognition of this income is due to the partial reversal of the provision recorded in previous years, since in both the plan that expired in 2021 and the one that expires in 2022, the degree of compliance with the conditions entitling to receive the remuneration has been lower than initially considered.

Measurement of performance-based share plan.

These plans were accounted for as futures and, therefore, the value of the foreseeable dividends up to the delivery date is discounted to the value of the shares at the grant date, using a rate of return equal to the average cost of borrowings over the share award period, and they are equity settled and, therefore, they are measured when granted and the initially calculated value thereof is not re-estimated. The related amounts are recognized under "staff expenses" with a balancing entry in reserves.

6.8. RELATED-PARTY TRANSACTIONS

As regards information on related-party transactions, the following disclosures relate to transactions performed both by Ferrovia, S.A. and all of its subsidiaries.

Legislation

With regard to information on transactions that the Company (or its group companies) carries out with its related parties, International Accounting Standard 24 (the "IAS 24") must be taken into account.

Section 3 of IAS 24 establishes the requirement to include information on related party transactions, transactions, and outstanding balances (including commitments) in the consolidated and separate financial statements of a parent company, as well as in the individual financial statements. Its Section 9 defines related party transactions as any transfer of resources, services or obligations between a reporting entity and a related party, whether a price is charged.

Related-party transactions

The commercial transactions between the Company (or its Group Companies) and related parties carried out in 2021 are disclosed below, in three separate categories: a) transactions between Ferrovia, S.A and its directors and senior executives; b) transactions between subsidiaries of Ferrovia, S.A and its directors and senior executives, and c) Transactions between Group Companies.

Where the profit or loss from a transaction cannot be disclosed, as it pertains to the provider entity or individual, the transaction is marked with an asterisk (*).

[1] Note: The regulations applicable as of December 31, 2021 are described. Until the entry into effect on July 3, 2021 of Law 5/2021, of April 12, amending the revised text of the Capital Companies Law and other financial regulations, regarding the promotion of long-term shareholder involvement in listed companies, Order EHA 3050/2004, of September 15, 2004, on the information on related-party transactions to be provided by companies issuing securities admitted to trading on official secondary markets (the "EHA Order") has been considered.

a) Transactions between Ferrovial, S.A and its significant shareholders, directors or senior managers

This heading includes transactions between Ferrovial, S.A. and its directors, senior executives, their close relatives, or entities in which one or the other has control or joint control. The 2020 information also includes transactions between Ferrovial, S.A. and entities in which its directors, senior executives and their close relatives may exercise significant influence (Order EHA). If the party related to the Company was considered as such during part of the year, the transactions carried out during that period are indicated.

NAME/COMPANY NAME	2021				2020		
	TRANSACTIONS	AMOUNT	PROFIT OR LOSS	BALANCE	AMOUNT	PROFIT OR LOSS	BALANCE
Marsh	Receipt of insurance services	0	0	0	-7	0	0

Information on remuneration and loans granted to directors and senior managers can be consulted in Note 19.

b) Transactions between subsidiaries of Ferrovial, S.A. and their significant shareholders, directors or senior managers

This heading includes transactions between subsidiaries of the Company and their directors, senior executives, their close relatives, or entities in which they have control or joint control. The 2020 information also includes transactions between subsidiaries of Ferrovial, S.A. and entities in which directors, senior executives of the Company and their close relatives may exercise significant influence (Order EHA). If the party related to the Company was considered as such during part of the year, the transactions carried out during that period are indicated.

NAME/COMPANY NAME	2021				2020		
	TRANSACTIONS	AMOUNT	PROFIT OR LOSS	BALANCE	AMOUNT	PROFIT OR LOSS	BALANCE
D. Rafael del Pino y Calvo-Sotelo	Services rendered	7	0	1	7	0	1
D ^a . María del Pino y Calvo-Sotelo	Services rendered	6	1	0	8	1	0
D ^a . Ana María Calvo-Sotelo y Bustelo	Services rendered	0	0	0	45	2	4
Criu, S.L.	Services rendered	17	1	2	19	1	2
Cummins y sociedades del grupo	Services rendered	0	0	0	-1,129	0	0
Maxam Holding y sociedades de su grupo	Services rendered	0	0	0	1	0	0
Marsh y sociedades de su grupo	Receipt of insurance services	0	0	0	-6,877	0	13
Polan, S.A.	Services rendered	159	1	59	152	2	42
Fundación Centro de Innovación de Infraestructuras Inteligentes	Collaboration agreements	0	0	0	-800	0	0
	Services rendered	0	0	0	18	0	0
Haya Real Estate, S.A.	Services rendered	0	0	0	0	0	1
Holcim Ltd. y sociedades del grupo	Adquisición cemento y materiales relacionados	0	0	0	-1,724	0	-53
	Waste collection	0	0	0	52	1	18
Sidecu, S.A.	Services rendered	0	0	0	1	0	0

c) Transactions between Group companies

Also described are transactions between the subsidiaries and the Company which, in all cases form part of their ordinary businesses as regards purpose and conditions and were not eliminated on consolidation for the following reason.

As explained in detail in Note 1.2.2, the balances and transactions relating to construction work performed by the Construction Division for the Group's infrastructure concession operators are not eliminated on consolidation since, at consolidated level, contracts of this type are classed as construction contracts in which the work – to the extent that it is completed – is deemed to be performed for third parties, as the ultimate owner of the work is the grantor both from a financial and legal viewpoint.

In 2021 Ferrovial's Construction Division billed these companies for the work performed and related advances amounting to EUR 955,920 thousand (2020: EUR 974,587 thousand), recognizing sales of EUR 1,016,628 thousand (2020: EUR 1,025,252 thousand).

The result not eliminated in the consolidation process derived from these operations, which is attributable to the percentage that the Company holds in the concession companies receiving the works and net of taxes and minority interests, amounted to EUR 5,748 thousand in 2021. In 2020 it amounted to EUR -18,702 thousand.

6.9. CONFLICTS OF INTEREST

In accordance with legislation in force (Article 229 of the Spanish Companies Act), there were no direct or indirect conflicts of interest with the Company, notwithstanding the Company's transactions (or those of the Group companies) with related parties disclosed in the notes to the accounts or, where applicable, resolutions relating to remuneration or appointments.

6.10. AUDIT FEES

Pursuant to Royal Decree 1514 of 16 November 2007, approving the Spanish National Chart of Accounts, following is a disclosure of the total fees relating to the "audit services" and "other consultancy services" provided by the auditors of the 2021 and 2020 financial statements of the Group Companies, including both the lead auditor of Ferrovial S.A. and the other auditors of all its subsidiaries.

"Fees for audit services" just include strictly statutory audit services.

The "Other services whose provision by the auditors is required by the applicable regulations" only include, as the name of the heading indicates, those whose provision by the auditor is mandatory, for example, the limited review of the company's interim financial statements or the issuance of "comfort letters" in debt issues.

The total of "Other non-audit services" provided by the lead auditor represented 2.74% of the total fees for audit services in 2021.

Millions of euros	2021	2020 (*)
Fees for audit services	7	7
CONTINUING OPERATIONS	4	4
Lead auditor	4	3
Other auditors	0	1
DISCONTINUED OPERATIONS	3	2
Lead auditor	0	0
Other auditors	2	2
Other services required to be provided by statutory auditors under applicable regulations.	0	0
CONTINUING OPERATIONS	0	0
Lead auditor	0	0
Other auditors	0	0
DISCONTINUED OPERATIONS	0	0
Lead auditor	0	0
Other auditors	0	0
Other audit services	0	1
Lead auditor (**)	0	1

(*) Includes final fees related to 2020 financial statements

(**) Most of this figure corresponds to invoices received in 2020 for 2019 expat personnel services.

6.11. EVENTS AFTER THE REPORTING DATE

On 1 February 2022, the sale agreement between Ferrovial and an entity controlled by funds managed by Portobello Capital for the infrastructure upkeep and maintenance business in Spain was completed once all the conditions precedent had been fulfilled, as explained in Note 1.1.3. Assets and liabilities held for sale and discontinued operations.

The same note explains that, also in February 2022, an agreement was reached to sell two small business areas within the Amey business related to energy and water infrastructure maintenance services and to infrastructure project company administration services.

In addition, Ferrovial through its Airports division, has reached an agreement with Turkish infrastructure company YDA Group, to acquire a 60% share of the company that manages the concession of the International Airport of Dalman, in Turkey, for EUR 140 million. YDA Group that has been operating the asset since 2006 and will retain the remain 40% share of the society, has made significant improvements to its facilities.

6.12. APPENDICES

Appendix I. Information on the tax scheme provided by Articles 107 and 108 of Law 27/2014

In 2014, Ferrovial S.A. availed itself of the scheme currently provided by Articles 107 and 108 of Spanish Corporate Income Tax Act 27/2014 of 27 November 2014 (CIT Act), applicable as from 1 January 2014 and therefore throughout 2021. Under this tax scheme:

1. Dividends and capital gains obtained by Ferrovial arising from equity investments in non-resident operating companies (representing at least 5% of the share capital of these companies) are exempt from 95% of corporate income tax if the conditions laid down in Article 21 of the CIT Act ("subject but exempt income") are fulfilled.
2. Dividends paid by Ferrovial out of the above-mentioned "subject but exempt reserves" or out of income from permanent establishments abroad that qualify for the exemption provided by Article 22 of the CIT Act are treated as follows:
 - i. Where the recipient is a non-resident shareholder in Spain (and does not operate through tax havens or a permanent establishment in Spain), the dividends are not subject to withholdings or tax in Spain.
 - ii. Where the recipient is a natural person resident in Spain and subject to personal income tax, the dividends received will be treated as savings income qualifying for the international double taxation deduction under PIT legislation, with respect to the taxes paid abroad by Ferrovial.
 - iii. Where the recipient is a natural person resident in Spain and subject to personal income tax, the dividends received will be treated as savings income qualifying for the international double taxation deduction under PIT legislation, with respect to the taxes paid abroad by Ferrovial.

In 2021, all dividends were paid by Ferrovial out of "subject but exempt income".

4. Capital gains obtained by Ferrovial's shareholders by transferring their shares are treated as follows:
 - i. Where the shareholder is a non-resident in Spain (and does not operate through tax havens or a permanent establishment in Spain), the portion of the capital gain that relates to reserves charged by Ferrovial to the above-mentioned "subject but exempt income", or to value differences attributable to Ferrovial's equity interests in non-resident entities that meet the requirements to apply the foreign-source income exemption provided by Articles 21 and 22 of the Spanish Corporate Income Tax Act (CIT Act), will not be subject to tax in Spain.
 - ii. Where the shareholder is an entity subject to Spanish corporate income tax and has a qualifying equity interest in Ferrovial (5% of share capital and held for one year), the exemption provided by Article 21 of the CIT Act may be applied.
 - iii. Where the shareholder is a natural person resident in Spain and subject to personal income tax, it will be taxed for capital gains obtained under the general scheme.

The amount of subject but exempt income pursuant to Articles 21 and 22 of the CIT Act obtained by Ferrovial in 2021 and the corresponding taxes paid abroad are as follows:

A) Exemption for foreign-source dividends and income

A.1 Exemption for foreign-source dividends:

In 2021, no foreign-source dividends were obtained.

A.2 Exemption for income from permanent establishments abroad:

No income was obtained from permanent establishments abroad during the year.

B) Exemption for foreign-source capital gains

In 2021, as was the case in 2020, no tax-exempt foreign-source capital gains were obtained.

The sale of the Greek toll roads in 2018 resulted in a capital gain qualifying for the exemption provided by Article 21 of the CIT Act in the amount of EUR 84,825,069.03, the tax-exempt amounting to EUR 11,307,039.92.

In financial years prior to 2018, no capital gains were obtained to which the exemption provided by Article 21 of the CIT Act could be applied, either because (i) the sales were made between Group companies and eliminated for tax consolidation purposes or (ii) they formed part of corporate restructurings completed under the tax neutrality scheme provided by Article 76 et seq of the Spanish CIT Act. Nonetheless, capital gains that would have had tax effects, had these schemes not been applicable (tax consolidation or tax neutrality), are as follows:

B.1 Elimination of capital gains on intragroup sales of foreign companies:

None took place during the year.

B.2 Capital gains deferred in corporate restructuring processes:

(Amounts in euros)

Ferrovial, SA	2,321,000,901.55
Cintra Infraestructuras Irlanda, SLU	6,143,952.38
TOTAL	2,327,144,853.93

In order to facilitate the application of the above-mentioned tax scheme by Ferrovial's shareholders, the Company performed a market assessment of its year-end equity interests (held directly and indirectly through shareholdings in other entities applying this special tax scheme) in non-resident entities and permanent establishments abroad that qualify for the foreign-source income exemption provided by Articles 21 and 22 of the CIT Act.

This assessment found that such assets account for 92% of Ferrovial's total market value at 31 December 2021. At 31 December 2020, this percentage amounted to 90.8%.

Tax treatment of Ferrovial's scrip dividend

In 2021, Ferrovial S.A. implemented two shareholder remuneration schemes named "Ferrovial Scrip Dividend", allowing shareholders to choose (i) to receive new bonus shares; (ii) transfer in the market the free allotment rights received for the shares held; or (iii) collect a cash amount by transferring the free allotment rights to Ferrovial.

Set out below are the main tax implications of these schemes, based on tax legislation in force in Spain (excluding Navarre and the Basque Country) and on the interpretation made by the Spanish Directorate General for Taxation in responses to several binding ruling requests.

General considerations

In general, although the tax scheme applicable to shareholders residing in the historical territories, Ceuta or Melilla is similar to the national tax system, there may be some differences in the treatment afforded.

It should be noted that the tax treatment of the various options explained in relation to the capital increase set out above does not cover all possible tax consequences regarding the options in connection with the “Ferrovial Scrip Dividend” remuneration scheme. Therefore, the shareholders should consult their tax advisers on the specific tax effect of the proposed scheme and pay attention to any changes that may arise under legislation in force at the date of this transaction, related interpretations and the personal circumstances of each shareholder or holder of free allotment rights.

In particular, shareholders not resident in Spain must consult their tax advisors regarding the effects of the different capital increase alternatives, including the analysis of exemptions provided by non-resident income tax legislation, the right to apply the provisions of double taxation treaties entered into by Spain and the way the income must be declared.

Specific considerations

a) Delivery of new shares.

If the shareholders opt for the delivery of new shares, they will come under the tax scheme indicated below:

1. Shareholders subject to personal income tax and non-resident income tax without a permanent establishment in Spain.

For tax purposes, the delivery of new shares will be considered a delivery of bonus shares and therefore does not constitute income for the purposes of personal income tax (PIT), or non-resident income tax (NRIT), on the assumption that the latter (non-resident taxpayer) does not act in Spain through a permanent establishment. As indicated, the delivery of new shares is not subject to withholdings or prepayments.

The acquisition cost per share for tax purposes, of both the bonus shares and the shares from which they arise will be the result of dividing the portfolio's total acquisition cost by the number of shares, including both the original shares and the corresponding bonus shares. The age of the bonus shares will be that of the original shares.

Consequently, in the event of a subsequent transfer, the income obtained will be calculated by reference to this new value.

2. Shareholders subject to corporate income tax and non-resident income tax with a permanent establishment in Spain.

For corporate income tax (“CIT”) purposes, and for non-resident income tax (“NRIT”) purposes in the case of non-resident taxpayers with a permanent establishment in Spain (where a full business cycle is completed), the delivery of new shares under this alternative will be afforded the treatment stipulated in accounting legislation, taking into account the applicable specific provisions brought in by the Resolution of the Spanish Institute of Accounting and Auditing (ICAC) of 5 March 2019 (“ICAC Resolution”) for financial years beginning on or after 1 January 2020, which develops the approach to the presentation of financial instruments and other aspects governed by accounting legislation, and pursuant to the responses to ruling requests issued by the Directorate General for Taxation on the tax impacts of the ICAC Resolution, reference numbers V1358-2020, V1357-2020, V1809/2020, V2468-2020 and V2469-2020 (“Ruling Request Responses”). All the above is notwithstanding any rules for calculating the tax base which may be applicable, particularly the possibility of applying the exemption in the terms and limits stipulated in the current wording of Article 21 of the CIT Law.

According to the Ruling Request Responses, the delivery of fully-paid shares is not classed as income subject to withholdings or payments on account of CIT or NRIT for taxpayers with a permanent establishment in Spain.

b) Sale of free allotment rights in the market.

If the shareholders sell their free allotment rights in the market, the amount obtained will come under the tax scheme indicated below:

1. Shareholders who pay personal income tax (individuals with tax residence in Spain).

The amount obtained on the sale of the free allotment rights in the market will subject to the same scheme provided by tax legislation for pre-emptive subscription rights. As a result, the transferring shareholder will have been deemed to have made a capital gain in the tax period that the sale occurs. The amount obtained will be subject to personal income tax withholdings, at the applicable rate at that time (currently 19%).

This withholding tax will be applied by the relevant custodian (and, failing this, by the financial intermediary or public notary involved in the transfer), Ferrovial not being required to make the withholdings or supply related tax information to its shareholders. Shareholders are therefore advised to contact the relevant custodians in this regard.

2. Shareholders who pay personal income tax, without a permanent establishment in Spain.

In the case of non-resident shareholders, the amount obtained on the sale to the market of the bonus issue rights is also subject to the same rules established in tax legislation for pre-emption rights, therefore the transferring shareholder will be considered to have made a capital gain in the tax period that the sale occurs, subject to non-resident income tax at a general rate of 19%. At present, this payment is not subject to non-resident income tax withholdings and the shareholders must self-assess this income in their tax returns.

However, this income will be exempt from non-resident income tax in certain cases, such as non-resident shareholders that transfer their rights in official secondary securities markets in Spain, are residents of a State that has a double taxation treaty (DTT) with Spain containing an information exchange clause and do not operate or reside in a tax haven for Spanish purposes, notwithstanding the exemptions provided by NRIT legislation.

3. Shareholders who pay Spanish corporate income tax, or personal income tax with a permanent establishment in Spain.

Provided that a full business cycle is completed, tax will be paid in accordance with applicable accounting legislation, including the provisions of the ICAC Resolution, the Ruling Request Responses and, if appropriate, the adjustments applicable under CIT legislation and any applicable special CIT schemes.

c) Sale to Ferrovial of the free allotment rights.

Lastly, if the holders of bonus issue rights decide to avail themselves of the Ferrovial Purchase Commitment, the tax regime applicable to the amount obtained on the sale to Ferrovial of the bonus issue rights received in their capacity as shareholders will be equivalent to the regime applied to the distribution of a cash dividend and will therefore be subject to the corresponding withholding tax and taxation.

Where shareholders provide evidence of non-resident income taxpayer status, no permanent establishment in Spain and non-residence in Spain or in a territory classed as a tax haven, the dividends paid by Ferrovial and therefore the amounts received from the sale of free allotment rights to Ferrovial will not be subject to tax or tax withholdings in Spain, since for tax purposes they are paid out of the exempt income from non-resident entities envisaged in Articles 21 and 22 of CIT Law 27/2014 of 27 November.

Appendix II. Subsidiaries (fully-consolidated companies) (millions of euros)

ENTITY	TYPE	PARENT	% OWNERSHIP	NET COST OWNERSHIP	AUDIT.	ENTITY	TYPE	PARENT	% OWNERSHIP	NET COST OWNERSHIP	AUDIT.
CONTINUED OPERATIONS						UNITED STATES (Registered Office: Austin, United States)					
CORPORATION											
SPAIN (Registered Office: Madrid, Spain)											
Ferrovial Inversiones, S.A. (a)		Ferrovial, S.A. (a)	100,0 %	67		Ferrovial Holding US Corp		Cintra Infraestructuras, S.E.	100,0 %	2.314	
Can-Am, S.A. (a)		Ferrovial, S.A. (a)	100,0 %	0		Landmille US LLC		Ferrovial Holding US Corp	100,0 %	0	3
						UNITED STATES (Registered Office: Wilmington, United States)					
Ferrovial Emisiones, S.A. (a)		Ferrovial, S.A. (a)	99,0 %	0	1	Ferrovial IT US, LLC		Ferrovial Holding US Corp	100,0 %	0	
Ferrovial Corporación, S.A. (a)		Ferrovial, S.A. (a)	100,0 %	5	1	CONSTRUCTION					
						GERMANY (Registered Office: Cologne)					
Ferrofin, S.L. (a)		Ferrovial Construcción, S.A. (a)	52,0 %	165		Budimex Bau GmbH		Budimex SA	100,0 %	0	
						ARABIA (Registered Office: Riyadh)					
Ferrofin, S.L. (a)		Ferrovial, S.A. (a)	48,0 %	152		Ferrovial Agroman Company		Ferrovial Construcción, S.A. (a)	97,5 %	5	7
Temaui, S.L. (a)		Ferrovial, S.A. (a)	100,0 %	9		AUSTRALIA (Registered Office: Sidney)					
Ferrovial 001, S.A. (a)		Ferrovial, S.A. (a)	100,0 %	0		Ferrovial Construction (Australia) PTY LTD		Ferrovial Construction Holdings Ltd	100,0 %	4	1
Ferrovial 004, S.L. (a)		Ferrovial, S.A. (a)	100,0 %	0		BRAZIL (Registered Office: Bela Vista, Sao Paulo)					
Ferrovial 005, S.L. (a)		Ferrovial, S.A. (a)	100,0 %	0		Constructora Ferrovial Ltd. (Brasil)		Ferrovial Construction International S.E.	99,0 %	0	
Ferrovial 006, S.A. (a)		Ferrovial, S.A. (a)	100,0 %	0		CANADÁ (Registered Office: Markham - Ontario)					
Ferrovial Ventures, S.A. (a)		Ferrovial, S.A. (a)	100,0 %	0		Ferrovial Construction Canadá Inc.		Ferrovial Construction International S.E.	100,0 %		1
Acadia Servicios de Medioambiente, S.L. (a)		Ferrovial Internacional, S.E.	100,0 %	204		CANADÁ (Registered Office: Toronto, Canada)					
Autovía de Aragón, Sociedad Concesionaria, S.A.	P	Ferrovial, S.A. (a)	15,0 %	3	2	Ferrovial Services Canada (Holdings) Limited		Ferrovial Services International, S.E.	100,0 %	12	5
Pilum, S.A. (a)	P	Ferrovial, S.A. (a)	15,0 %	1	2	Ferrovial Services Ontario Limited		Ferrovial Services Canada (Holdings) Limited	100,0 %	0	
Ferrovial Aravia, S.A. (a)	P	Ferrovial, S.A. (a)	15,0 %	0	2	Ferrovial Services Canada Limited		Ferrovial Services Canada (Holdings) Limited	100,0 %	0	
Sitkol, S.A.U. (a)		Ferrovial 001, S.A. (a)	100,0 %	5		Ferrovial Services Alberta Limited		Ferrovial Services Canada (Holdings) Limited	100,0 %	0	
UNITED KINGDOM (Registered Office: Oxford, United Kingdom)						CHILE (Registered Office: Santiago de Chile)					
Ferrocop UK Ltd.		Ferrovial, S.A. (a)	100,0 %	1	1	Constructora Ferrovial Ltda.		Ferrovial ENTITY Constructora Ltda.	97,2 %	0	1
UNITED KINGDOM (Registered Office: London, United Kingdom)						Ferrovial Construcción Chile S.A.		Ferrovial ENTITY Constructora Ltda.	100,0 %	33	1
Ferrovial Ventures, Ltd.		Ferrovial Internacional, S.E.	100,0 %	7	1	Ferrovial ENTITY Constructora Ltda.		Ferrovial Construction International S.E.	100,0 %	24	1
IRELAND (Registered Office: Dublin, Ireland)						Siemsa Chile, SPA		Siemsa Industria S.A. (a)	100,0 %	0	1
Landmille Ireland DAC		Ferrovial, S.A. (a)	100,0 %	187	3	SLOVAKIA (Registered Office: Bratislava)					
LUXEMBOURG (Registered Office: Luxembourg)											
Krypton RE, S.A.		Ferrovial, S.A. (a)	100,0 %	8	1						
NETHERLANDS (Registered Office: Amsterdam, Netherlands)											
Ferrovial International, S.E.		Ferrovial, S.A. (a)	100,0 %	7.120	1						
Ferrovial Netherlands B.V.		Ferrovial Internacional, S.E.	100,0 %	2	1						
Ferrovial Ventures NL B.V.		Ferrovial Internacional, S.E.	100,0 %	9							

ENTITY	TYPE	PARENT	% OWNERSHIP	NET COST OWNERSHIP	AUDIT.
D4R7 Construction S.R.O.		Ferrovial Construction Slovakia S.R.O.	65,0 %	4	3
Ferrovial Construction Slovakia S.R.O.		Ferrovial Construction Holdings Ltd	99,0 %	25	3
SPAIN (Registered Office: Barcelona)					
Conc. Prisiones Lledoners, S.A. (a)	P	Ferrovial Construcción, S.A. (a)	100,0 %	16	1
SPAIN (Registered Office: Bilbao)					
Cadagua, S.A. (a)		Ferrovial Construcción, S.A. (a)	100,0 %	73	1
SPAIN (Registered Office: Madrid)					
Cocsa, S.A.		Ferrovial Construcción, S.A. (a)	100,0 %	8	1
Ditecpesa, S.A. (a)		Ferrovial Construcción, S.A. (a)	100,0 %	1	1
Tecpresa Structural Solutions, S.A. (a)		Ferrovial Construcción, S.A. (a)	99,1 %	2	
Ferroconservación, S.A.		Ferrovial Construcción, S.A. (a)	99,0 %	20	1
Ferrovial Construcción, S.A. (a)		Ferrovial, S.A. (a)	100,0 %	711	1
Ferrovial Medio Ambiente y Energía, S.A. (a)		Ferrovial Construcción, S.A. (a)	100,0 %	1	
Ferrovial Railway S.A. (a)		Ferrovial Construcción, S.A. (a)	98,8 %	0	
Siemsa Control y Sistemas S.A.U. (a)		Siemsa Industria S.A. (a)	99,0 %	1	2
Siemsa Industria S.A. (a)		Ferrovial Construcción, S.A. (a)	99,0 %	16	2
Arena Recursos Naturales, S.A.U. (a)		Ferrovial Construcción, S.A. (a)	100,0 %	0	
Urbaoeste, S.A. (a)		Ferrovial Construcción, S.A. (a)	99,0 %	0	
Autovía de Aragón, Sociedad Concesionaria, S.A.	P	Ferrovial Construcción, S.A. (a)	25,0 %	5	2
Pilum, S.A. (a)	P	Ferrovial Construcción, S.A. (a)	25,0 %	0	2
Ferrovial Aravia, S.A. (a)	P	Ferrovial Construcción, S.A. (a)	25,0 %	0	2
Ferrovial Soluciones Energéticas, S.L.U. (a)		Ferrovial Construcción, S.A.	100,0 %	12	
Ferrovial Servicios Energéticos S.L.U. (a)		Ferrovial Construcción, S.A.	100,0 %	14	
SPAIN (Registered Office: Zaragoza)					
Depusa Aragón S.A. (a)		Ferrovial Construcción, S.A. (a)	42,3 %	2	1
Depusa Aragón S.A. (a)		Cadagua, S.A. (a)	51,7 %	2	1
UNITED STATES (Registered Office: Atlanta)					

Ferrovial Construction East, LLC		Ferrovial Construction US Corp.	100,0 %	301	
UNITED STATES (Registered Office: Austin)					
Cadagua US LLC		Ferrovial Construction US Holding Corp.	100,0 %	14	
Cintra ITR LLC		Cintra Holding US Corp	44,0 %	46	1
Ferrovial Agroman 56, LLC		Ferrovial Construction Texas, LLC	100,0 %	35	
Ferrovial Agroman Indiana, LLC		Ferrovial Construction US Corp.	100,0 %	0	
Ferrovial Construction Texas, LLC		Ferrovial Construction US Corp.	100,0 %	178	
Ferrovial Construction US Corp.		Ferrovial Construction US Holding Corp.	100,0 %	574	1
Ferrovial Construction US Holding Corp.		Ferrovial Holding US Corp.	100,0 %	930	1
Grand Parkway Infrastructure LLC		DBW Construction LLC	30,0 %	0	1
Grand Parkway Infrastructure LLC		Ferrovial Construction Texas, LLC	40,0 %	0	1
Ferrovial Energy Solutions, LLC		Ferrovial Construction US Holding Corp.	100,0 %	0	
Servicios (Delaware) Inc.		Ferrovial Services International, S.E.	100,0 %	0	
Ferrovial Services U.S., Inc.		Servicios (Delaware) Inc.	100,0 %	236	
Ferrovial Services Infrastructure, Inc.		Ferrovial Services U.S., Inc.	100,0 %	35	1
Ferrovial Services Holding US Corp		Ferrovial Holding US Corp	100,0 %	31	
UNITED STATES (Registered Office: Charlotte)					
Sugar Creek Construction LLC		Ferrovial Construction East, LLC	70,0 %	67	
UNITED STATES (Registered Office: Dallas)					
Trinity Infrastructure LLC		DBW Construction LLC	40,0 %	0	
Trinity Infrastructure LLC		Ferrovial Construction Texas, LLC	60,0 %	0	
UNITED STATES (Registered Office: Fort Worth)					
North Tarrant Infrastructures		DBW Construction LLC	25,0 %	0	1
North Tarrant Infrastructures		Ferrovial Construction Texas, LLC	75,0 %	0	1
UNITED STATES (Registered Office: Georgia)					
North Perimeter Constructors LLC		Ferrovial Construction East, LLC	100,0 %	216	1
UNITED STATES (Registered Office: Katy)					

ENTITY	TYPE	PARENT	% OWNERS HIP	NET COST OWNE RSHIP	AUDIT.	ENTITY	TYPE	PARENT	% OWNERS HIP	NET COST OWNE RSHIP	AUDIT.
52 Block Builders		Webber Commercial Construction, LLC	100,0 %	0	1	Ferrovial Construction Ireland Ltd		Ferrovial Construction Holdings Ltd	100,0 %	7	2
UNITED STATES (Registered Office: Los Angeles)						MÉXICO (Registered Office: Mexico DF)					
California Rail Builders		Ferrovial Construction West, LLC	80,0 %	0	1	Cadagua Ferr. Industrial México		Cadagua, S.A. (a)	75,1 %	0	
Ferrovial Construction West, LLC		Ferrovial Construction US Corp.	100,0 %	0		Cadagua Ferr. Industrial México		Ferrovial Medio Ambiente y Energía, S.A. (a)	25,0 %	0	
Great Hall Builders LLC		Ferrovial Construction West, LLC	70,0 %	0		Ferrovial Agroman México, S.A. de C.V.		Ferrovial Construction International S.E.	100,0 %	0	
UNITED STATES (Registered Office: North Richland Hills)						NEW ZEALAND (Registered Office: Wellington)					
Bluebonnet Constructor, LLC		DBW Construction LLC	40,0 %	0		Ferrovial Construction (New Zealand) Limited		Ferrovial Construcción Australia PTY LTD	100,0 %	1	
Bluebonnet Constructor, LLC		Ferrovial Construction Texas, LLC	60,0 %	0		POLAND (Registered Office: Cracow)					
UNITED STATES (Registered Office: Suffolk)						Mostostal Kraków S.A.		Budimex SA	100,0 %	2	1
US 460 Mobility Partners LLC		Ferrovial Construction East, LLC	70,0 %	0		Mostostal Kraków Energetyka sp. z o.o.		Mostostal Kraków SA	100,0 %	0	
UNITED STATES (Registered Office: The Woodlands)						POLAND (Registered Office: Kamieński)					
DBW Construction LLC.		Webber, LLC	100,0 %	46	1	FBSerwis Kamieński Sp. z o.o.		FBSerwis SA	80,0 %	0	1
PLW Waterworks LLC		Cadagua US, LLC	50,0 %	3	1	POLAND (Registered Office: Kąty Wrocławskie)					
PLW Waterworks LLC		Webber, LLC	50,0 %	3	1	FBSerwis Wrocław Sp. z o.o.		FBSerwis SA	100,0 %	0	1
Southern Crushed Concrete LLC		Webber Equipment & Materials LLC - Sucursal en España	100,0 %	88	1	POLAND (Registered Office: Ścinawka Dolna)					
W.W. Webber, LLC		Ferrovial Construction US Holding Corp.	100,0 %	584	1	FBSerwis Dolny Śląsk Sp. z o.o.		FBSerwis SA	100,0 %	0	1
Webber Barrier Services		Webber, LLC	100,0 %	6	1	POLAND (Registered Office: Tarnów)					
Webber Commercial Construction LLC		Webber, LLC	99,0 %	7		FBSerwis Karpatia Sp. z o.o.		FBSerwis SA	100,0 %	0	1
Webber Equipment & Materials LLC		Webber, LLC	100,0 %	240	1	POLAND (Registered Office: Warsaw)					
Webber Holdings, LLC		Ferrovial Construction US Holding Corp.	100,0 %	0		Autostrada, S.A.		Ferrovial Construcción, S.A. (a)	1,3 %	0	2
Webber Management Group LLC		Webber Equipment & Materials LLC - Sucursal en España	100,0 %	41	1	POLAND (Registered Office: Warsaw)					
UNITED STATES (Registered Office: Virginia)						Budimex, S.A.		Ferrovial Construction International S.E.	50,1 %	83	1
FAM Construction LLC (I-66)		Ferrovial Construction US Corp.	70,0 %	0	1	Bx Budownictwo Sp. z o.o.		Budimex SA	100,0 %	0	1
FRANCE (Registered Office: Paris)						Bx Kolejnictwo SA		Budimex SA	100,0 %	13	1
Ferrovial Construction France, S.A.		Ferrovial Construction International S.E.	100,0 %	13		Bx Parking Wrocław Sp. z o.o.		Budimex SA	51,0 %	1	1
NETHERLANDS (Registered Office: Amsterdam)						FBSerwis SA		Budimex SA	100,0 %	65	1
Ferrovial Construction International S.E.		Ferrovial Internacional, S.E.	100,0 %	237	1	FBSerwis A Sp. z o.o.		FBSerwis SA	100,0 %	0	
INDIA (Registered Office: New Delhi)						FBSerwis B Sp. z o.o.		FBSerwis SA	100,0 %	0	
Cadagua Ferrovial India Pr Ltd		Cadagua, S.A. (a)	95,0 %	0		FBSerwis Odbiór Sp. z o.o.		FBSerwis SA	100,0 %	0	
IRELAND (Registered Office: Dublin)						FBSerwis Paliwa Alternatywne Sp. z o.o.		FBSerwis SA	100,0 %	0	
						JZE Sp. z o.o.		FBSerwis SA	100,0 %	0	
UNITED KINGDOM (Registered Office: London)						TOLL ROADS					
Ferrovial Construction (UK) Limited		Ferrovial Construction Holdings Ltd	100,0 %	32	1	SPAIN (Registered Office: Madrid, Spain)					
Ferrovial Construction Holdings Limited		Ferrovial Construction International S.E.	100,0 %	53	1	Cintra Infraestructuras España, S.L. (a)		Ferrovial, S.A. (a)	99,0 %	657	1
TOLL ROADS						Cintra Infraestructuras Irlanda, S.L.U. (a)		Cintra Global SE	100,0 %	3	1
						Cintra Inversora Autopistas de Cataluña, S.L. (a)(a)	P	Cintra Infraestructuras España, S.L. (a)	100,0 %	0	1

ENTITY	TYPE	PARENT	% OWNERSHIP	NET COST OWNERSHIP	AUDIT.	ENTITY	TYPE	PARENT	% OWNERSHIP	NET COST OWNERSHIP	AUDIT.
Inversora Autopistas de Cataluña, S.L. (a)	P	Cintra Inversora Autopistas de Cataluña, S.L. (a)(a)	100,0 %	0	1	Cintra LBJ LLC		Cintra Holding US Corp	100,0 %	384	
Cintra Inversiones, S.L.U. (a)		Cintra Infraestructuras España, S.L. (a)	100,0 %	318		Cintra NTE LLC		Cintra Holding US Corp	100,0 %	307	
Cintra Servicios de Infraestructuras, S.A. (a)		Cintra Infraestructuras España, S.L. (a)	100,0 %	8	1	Cintra NTE Mobility Partners Segments 3 LLC		Cintra Holding US Corp	100,0 %	232	
Autopista Alcalá-O'Donnell, S.A. (a)		Cintra Autopistas Integradas, S.A.U.	100,0 %	58		Cintra Toll Services LLC		Cintra Holding US Corp	100,0 %	0	
Autovía de Aragón, Sociedad Concesionaria, S.A.	P	Ferrosur Infraestructuras, S.A.U.	60,0 %	11	2	Cintra I-77 Mobility Partners LLC		Cintra Holding US Corp	100,0 %	160	
Pilum, S.A. (a)	P	Ferrosur Infraestructuras, S.A.U.	60,0 %	0	2	Cintra 2 I-77 Mobility Partners LLC (2)		Cintra Holding US Corp	100,0 %	78	
Ferrovial Aravia, S.A. (a)	P	Ferrosur Infraestructuras, S.A.U.	60,0 %	0	2	Cintra 2 I-66 Express Mobility Partners		Cintra Holding US Corp	100,0 %	430	
SPAIN (Registered Office: Barcelona, Spain)						Cintra I-66 Express Corp		Cintra I-66 Express UK Ltd	100,0 %	0	
Autopista Terrasa-Manresa, S.A. (a)	P	Inversora Autopistas de Cataluña, S.L. (a)	76,3 %	445	1	Cintra I-66 Express Mobility Partners LLC		Cintra I-66 Express Corp	100,0 %	0	
AUSTRALIA (Registered Office: Melbourne, Australia)						I-66 Express Mobility Partners Holdings LLC	P	Cintra 2 I-66 Express Mobility Partners	40,0 %	430	
Cintra OSARS (Western) Holdings Unit Trust		Cintra OSARS Western Ltd	100,0 %	29		I-66 Express Mobility Partners Holdings LLC	P	Cintra I-66 Express Mobility Partners LLC	10,0 %	0	
Cintra OSARS Western Unit Trust		Cintra OSARS (Western) Holdings Unit Trust	100,0 %	0		I-66 Express Mobility Partners LLC	P	I-66 Express Mobility Partners Holdings LLC	50,0 %	860	1
AUSTRALIA (Registered Office: Sydney, Australia)						Cintra 3I-66 Express Mobility Partners LLC		Cintra Holding US Corp	100,0 %	185	
Cintra Developments Australia PTY, Ltd		Cintra Infrastructures UK Ltd	100,0 %	0	1	UNITED STATES (Registered Office: Charlotte, United States)					
Cintra OSARS (Western) Holdings PTY Ltd		Cintra OSARS Western Ltd	100,0 %	0	1	I-77 Mobility Partners Holding LLC	P	Cintra I-77 Mobility Partners LLC	50,1 %	108	
Cintra OSARS Western PTY Ltd		Cintra OSARS (Western) Holdings PTY Ltd	100,0 %	0	1	I-77 Mobility Partners Holding LLC	P	Cintra 2-I77 Mobility Partners Holding LLC	15,0 %	68	
CANADÁ (Registered Office: Toronto, Canada)						I-77 Mobility Partners LLC	P	I-77 Mobility Partners Holding LLC	100,0 %	218	1
Cintra 407 East Development Group Inc		407 Toronto Highway B.V.	100,0 %	2		UNITED STATES (Registered Office: Dallas, United States)					
Cintra OM&R 407 East Development Group Inc		407 Toronto Highway B.V.	100,0 %	0		LBJ Infrastructure Group Holding LLC	P	Cintra LBJ LLC	54,6 %	302	
4352238 Cintra Canada Inc		407 Toronto Highway B.V.	100,0 %	0		LBJ Infrastructure Group LLC	P	LBJ Infrastructure Group Holding LLC	100,0 %	521	1
11200232 Canadá Inc.		4352238 Cintra Canada Inc	100,0 %	12		UNITED STATES (Registered Office: North Richland Hills, United States)					
Blackbird Maintenance 407 Cintra GP Inc		407 Toronto Highway B.V.	100,0 %	0		NTE Mobility Partners Holding LLC	P	Cintra NTE LLC	63,0 %	240	
Blackbird Infrastructure 407 Cintra GP Inc		407 Toronto Highway B.V.	100,0 %	0		NTE Mobility Partners LLC	P	NTE Mobility Partners Holding LLC	100,0 %	322	
COLOMBIA (Registered Office: Bogota, Colombia)						NTE Mobility Partners Segments 3 Holding LLC	P	Cintra NTE Mobility Partners Segments 3 LLC	53,7 %	201	
Cintra Infraestructuras Colombia, S.A.S.		Cintra Global SE	100,0 %	9	1	NTE Mobility Partners Segments 3 LLC	P	NTE Mobility Partners Segments 3 Holding LLC	100,0 %	385	1
UNITED STATES (Registered Office: Austin, United States)						NETHERLANDS (Registered Office: Amsterdam, Netherlands)					
Cintra Holding US Corp		Ferrovial Holding US Corp	96,8 %	1.027		Cintra Infraestructuras SE		Ferrovial International SE	100,0 %	2.074	1
Cintra Texas Corp		Cintra Holding US Corp	100,0 %	0		Cintra Global SE		Ferrovial International SE	100,0 %	2.873	
Cintra US Services LLC		Cintra Texas Corp	100,0 %	0		407 Toronto Highway B.V.		Cintra Global SE	100,0 %	2.664	
Cintra ITR LLC		Cintra Holding US Corp	49,0 %	49		Cintra INR Investments B.V.		Cintra Global SE	100,0 %	0	5

ENTITY	TYPE	PARENT	% OWNERS HIP	NET COST OWNE RSHIP	AUDIT.
Cintra Latam Highways B.V.		Cintra Infrastructures SE	100,0 %	0	
IRELAND (Registered Office: Dublin, Ireland)					
Financinfrastructures, Ltd		Cintra Global SE	100,0 %	32	1
Cinsac, Ltd		Cintra Infraestructuras Irlanda, S.L.U. (a)	100,0 %	0	1
POLAND (Registered Office: Warsaw, Poland)					
Autostrada Poludnie, S.A.		Cintra Infrastructures SE	93,6 %	13	2
PORTUGAL (Registered Office: Lisboa, Portugal)					
Vialivre, S.A.	P	Cintra Infrastructures SE	84,0 %	0	1
PORTUGAL (Registered Office: Ribeira Grande, Portugal)					
Euroscut Açores, S.A.	P	Cintra Infrastructures SE	89,2 %	13	1
UNITED KINGDOM (Registered Office: London, United Kingdom)					
Cintra Silvertown Ltd		Cintra Infrastructures UK Ltd	100,0 %	0	1
UNITED KINGDOM (Registered Office: Oxford, United Kingdom)					
Cintra Infrastructures UK Ltd		Cintra Global SE	100,0 %	44	1
Cintra Toowoomba Ltd		Cintra Infrastructures UK Ltd	100,0 %	7	1
Cintra UK I-77 Ltd		Ferrovial Holding US Corp	100,0 %	0	1
Cintra Slovakia Ltd		Cintra Global SE	100,0 %	1	1
Cintra I-66 Express UK Ltd		Ferrovial Holding US Corp	100,0 %	0	1
Cintra OSARS Western Ltd		Cintra Infrastructures UK Ltd	100,0 %	29	1
AIRPORTS					
SPAIN (Registered Office: Madrid, Spain)					
Ferrovial Aeropuertos España, S.A. (a)		Ferrovial, S.A. (a)	100,0 %	0	
BRASIL (Registered Office: São Paulo, Brasil)					
Ferrovial Aeroportos Brasil Ltda.		Ferrovial Airports International, S.E.	100,0 %	0	
UNITED STATES (Registered Office: Austin, United States)					
Ferrovial Airports Holding US Corp		Ferrovial Holding US Corp	100,0 %	0	
Ferrovial Vertiports US LLC		Ferrovial Airports Holding US Corp	100,0 %	0	
Ferrovial Vertiports Florida LLC	P	Ferrovial Vertiports US LLC	100,0 %	0	
UNITED STATES (Registered Office: Denver, United States)					
Ferrovial Airports Denver Corp	P	Ferrovial Airports Denver UK Ltd.	100,0 %	0	
Ferrovial Airports Great Hall Partners LLC	P	Ferrovial Airports Denver Corp	100,0 %	0	
NETHERLANDS (Registered Office: Amsterdam, Netherlands)					

ENTITY	TYPE	PARENT	% OWNERS HIP	NET COST OWNE RSHIP	AUDIT.
Hubco Netherlands B.V.		Ferrovial International, S.E.	100,0 %	734	
FERROVIAL AIRPORTS FMM BV		Ferrovial Airports International, S.E.	100,0 %	0	
UNITED KINGDOM (Registered Office: Oxford, United Kingdom)					
Faero UK Holding Limited		Hubco Netherlands B.V.	100,0 %	233	1
Ferrovial Airports International, S.E.		Ferrovial International, S.E.	100,0 %	1.219	1
Ferrovial Airports Denver UK Ltd.		Ferrovial Airports International, S.E.	100,0 %	1	1
OTHER ACTIVITIES					
ENERGY INFRASTRUCTURES AND MOBILITY					
SPAIN (Registered Office: Madrid, Spain)					
Ferrovial Transco España, S.A.U. (a)	P	Ferrovial Transco International B.V.	100,0 %	18	
Ferrovial Infraestructuras Energéticas, S.A.U. (a)		Ferrovial, S.A. (a)	100,0 %	11	
Parque Solar Casilla, S.L.U.	P	Ferrovial Infraestructuras Energéticas, S.A.U. (a)	100,0 %	9	
Ferrovial Mobility, S.L. (a)		Ferrovial, S.A. (a)	100,0 %	15	
CHILE (Registered Office: Santiago, Chile)					
Ferrovial Power Infrastructure Chile, SpA	P	Ferrovial Transco España , S.A.U. (a)	34,1 %	18	1
Ferrovial Power Infrastructure Chile, SpA	P	Ferrovial Transco International B.V.	65,9 %	65	1
Ferrovial Transco Chile II SpA	P	Ferrovial Power Infrastructure Chile, SpA	100,0 %	0	
Transchile Charrúa Transmisión, S.A.	P	Ferrovial Power Infrastructure Chile, SpA	99,9 %	59	1
Ferrovial Transco Chile III SPA	P	Ferrovial Transco International, B.V.	100,0 %	0	
Ferrovial Transco Chile IV SpA	P	Ferrovial Power Infrastructure Chile, SpA	100,0 %	0	
Centella Transmisión, S.A.	P	Ferrovial Transco Chile III SPA	49,9 %	0	1
Centella Transmisión, S.A.	P	Ferrovial Power Infrastructure Chile, SpA	50,1 %	0	1
UNITED STATES (Registered Office: Austin, United States)					
Ferrovial Mobility U.S., LLC		Ferrovial Holding US Corp	100,0 %	2	
NETHERLANDS (Registered Office: Amsterdam, Netherlands)					
Ferrovial Transco International B.V.		Ferrovial International, S.E.	100,0 %	81	1
WASTE TREATMENT					

ENTITY	TYPE	PARENT	% OWNERS HIP	NET COST OWNE RSHIP	AUDIT.
UNITED KINGDOM (Registered Office: London, United Kingdom)					
Thalia Waste Management Limited (*)		Amey LG Ltd / Thalia Holdco Ltd	50% / 50%	0	1
Thalia MK ODC Limited (*)		Waste Management Limited	100,0 %	0	1
Thalia AWRP ODC Limited (*)		Waste Management Limited	100,0 %	0	1
Thalia WB HoldCo Limited (*)		Waste Management Limited	100,0 %	21	1
Thalia WB ODC Limited (*)		WB HoldCo Limited	100,0 %		1
Thalia WB Services Limited (*)		WB ODC Limited	100,0 %	84	1
Thalia WB SPV Limited (*)		WB Services Limited	100,0 %	84	1
Thalia IOW SPV Limited (*)		Amey Ventures Asset Holdings Ltd	100,0 %	8	1
Thalia MK HoldCo Limited (*)		Amey Ventures Asset Holdings Ltd / Thalia Ventures Ltd	50% / 50%	42	1
Thalia MK SPV Limited (*)		MK HoldCo Limited	100,0 %	42	1
Thalia Ventures Limited (*)		Holdco Ltd	100,0 %	24	1
Thalia IOW ODC Ltd (*)		Waste Management Limited	100,0 %	84	1
Thalia Holdco Ltd (*)		Waste Treatment BV	100,0 %	7.962	1
DISCONTINUED OPERATIONS					
SERVICES					
AUSTRALIA (Registered Office: Melbourne, Australia)					
Amey Consulting Australia Pty Ltd		Amey OW Ltd	100,0 %	0	
SPAIN (Registered Office: Madrid, Spain)					
Ferrovial Servicios, S.A. (a)		Ferrovial International, S.E.	100,0 %	265	2
Ferrovial Servicios Logística, S.A.		Ferrovial Servicios, S.A. (a)	99,0 %	0	
Ferrovial Servicios Participadas, S.L. (a)		Ferrovial Servicios, S.A. (a)	100,0 %	2	
Ferroser Servicios Auxiliares, S.A. (a)		Ferrovial Servicios, S.A. (a)	99,5 %	10	2
Ferroser Infraestructuras, S.A. (a)		Ferrovial Servicios, S.A. (a)	100,0 %	10	2
Ferrovial Servicios Transporte Asistencial, S.A. (a)		Ferrovial Servicios, S.A. (a)	99,0 %	1	
SPAIN (Registered Office: Málaga, Spain)					
Andaluz de Señalizaciones, S.A.		Ferroser Infraestructuras, S.A.U.	99,0 %	0	
SPAIN (Registered Office: Santander, Spain)					
Smart Hospital Cantabria, S.A. (a)	P	Ferrovial Servicios, S.A. (a)	85,0 %	8	2
SPAIN (Registered Office: Valladolid, Spain)					

Maviva Valladolid, S.L. (a)		Ferrovial Servicios Logística, S.A.	99,7 %	0	
SPAIN (Registered Office: Vigo, Spain)					
Maviva, S.A. (a)		Ferrovial Servicios Logística, S.A.	100,0 %	9	2
Maviva Servicios Globales, S.L. (a)		Ferrovial Servicios Logística, S.A.	99,4 %	0	
Almacenes Servicios y Recuperaciones, S.L.		Ferrovial Servicios Logística, S.A.	99,7 %	1	2
NETHERLANDS (Registered Office: Amsterdam, Netherlands)					
Ferrovial Services Netherlands B.V.		Ferrovial, S.A. (a)	100,0 %	1	2
Ferrovial Services International, S.E.		Ferrovial International, S.E.	100,0 %	59	2
AUSTRALIA (Registered Office: Melbourne, Australia)					
Amey Consulting Australia Pty Ltd		Amey OW Ltd	100,0 %	0	
CHILE (Registered Office: Antofagasta, Chile)					
Berliam S.p.A.		Ferrovial Servicios Chile, SpA	65,1 %	21	2
Berliam S.p.A.		Inversiones Chile Ltda	34,9 %	11	2
CHILE (Registered Office: Los Andes, Chile)					
Steel Ingeniería, S.A.		Ferrovial Servicios Chile SPA	99,9 %	25	2
Ferrovial Servicios Chile SPA		Ferrovial Services International S.E	100,0 %	12	
CHILE (Registered Office: Santiago, Chile)					
Ferrovial Servicios Ambientales		Berliam S.p.A.	99,7 %	3	2
Inversiones (Chile) Holdings Limitada		Ferrovial Servicios Chile SpA	100,0 %	3	2
Inversiones (Chile) Limitada		Inversiones (Chile) Holding Limitada	100,0 %	1	
Ferrovial Servicios Salud, SpA		Ferrovial Servicios Chile SPA	100,0 %	0	
UNITED STATES (Registered Office: Houston, United States)					
Amey Consulting USA, Inc.		Amey OW Ltd	100,0 %	0	
PORTUGAL (Registered Office: Porto, Portugal)					
Maviva Portugal S.R.L.		Ferrovial Servicios Logística, S.A.	100,0 %	1	
QATAR (Registered Office: Doha, Qatar)					
Amey Consulting LLC		Amey OW Ltd	49,0 %	0	
UNITED KINGDOM (Registered Office: Glasgow, United Kingdom)					
Byzak Contractors (Scotland) Ltd		Byzak Ltd	100,0 %	0	
C.F.M Building Services Ltd		Enterprise Managed Services Ltd	100,0 %	4	2
UNITED KINGDOM (Registered Office: London, United Kingdom)					
Amey UK plc (a)		Ferrovial Services Netherlands B.V.i.o	100,0 %	76	2
Amey Holdings Ltd		Amey UK plc	100,0 %	426	2
Amey plc		Amey Holdings Ltd	100,0 %	426	2

ENTITY	TYPE	PARENT	% OWNERSHIP	NET COST OWNED RSHIP	AUDIT.	ENTITY	TYPE	PARENT	% OWNERSHIP	NET COST OWNED RSHIP	AUDIT.
Amey Environmental Services Ltd		Amey plc	100,0 %	0	2	Accord Network Management Ltd		Accord Asset Management Ltd	100,0 %	1	
Amey Building Ltd		Amey plc	100,0 %	1		Brophy Grounds Maintenance Ltd		Enterprise Public Services Ltd	100,0 %	4	2
Amey Community Ltd		Amey plc	100,0 %	46	2	Byzak Ltd		Globemile Ltd	100,0 %	7	2
Amey Construction Ltd		Amey plc	100,0 %	5	2	Countrywide Property Inspections Ltd		Durley Group Holdings Ltd	100,0 %	0	
Amey Datel Ltd		Amey OW Ltd	100,0 %	0		CRW Maintenance Ltd		Enterprise Holding Company No 1 Ltd	100,0 %	0	
Amey Facilities Partners Ltd		Comax Holdings Ltd	100,0 %	2		Durley Group Holdings Ltd		Enterprise Holding Company No 1 Ltd	100,0 %	0	
Amey Fleet Services Ltd		Amey plc	100,0 %	37	2	Enterprise (AOL) Ltd		Accord Ltd	100,0 %	68	2
Amey Group Information Services Ltd		Amey plc	100,0 %	11	2	Enterprise (ERS) Ltd		Trinity Group Holdings Ltd	100,0 %	0	
Amey Group Services Ltd		Amey plc	100,0 %	34	2	Enterprise (Venture Partner) Ltd		Enterprise Holding Company No 1 Ltd	100,0 %	0	2
Amey Highways Ltd		Amey plc	100,0 %	0	2	Enterprise Building Services Ltd		Enterprise Holding Company No 1 Ltd	100,0 %	0	
Amey Investments Ltd		Amey plc	100,0 %	0	2	Enterprise Foundation (ETR) Ltd		Enterprise Holding Company No 1 Ltd	100,0 %	0	
Amey IT Services Ltd		Amey plc	100,0 %	0		Enterprise Holding Company No.1 Ltd		Enterprise plc	100,0 %	436	2
Amey LG Ltd		Amey plc	100,0 %	189	2	Enterprise Lighting Services Ltd		Enterprise Holding Company No 1 Ltd	100,0 %	0	
Amey LUL 2 Ltd		Amey Tube Ltd	100,0 %	5	2	Enterprise Managed Services (BPS) Ltd		Enterprise Managed Services Ltd	100,0 %	16	
Amey Mechanical & Electrical Services Ltd		Amey Community Ltd	100,0 %	1	2	Amey Metering Ltd		Enterprise Managed Services Ltd	100,0 %	8	2
Amey OW Group Ltd		Amey plc	100,0 %	25		Enterprise Managed Services Ltd		Amey Utility Services Ltd	100,0 %	4	2
Amey OW Ltd		Amey OW Group Ltd	100,0 %	1	2	Enterprise plc		Amey plc	100,0 %	120	2
Amey OWR Ltd		Amey OW Group Ltd	100,0 %	53	2	Amey Power Services Ltd		Enterprise Managed Services Ltd	100,0 %	9	2
Amey Programme Management Ltd		Amey plc	100,0 %	0	2	Enterprise Public Services Ltd		Enterprise Holding Company No 1 Ltd	100,0 %	3	2
Amey Rail Ltd		Amey plc	100,0 %	21	2	Amey Utility Services Ltd		ARM Services Group Ltd	100,0 %	36	2
Amey Railways Holding Ltd		Amey plc	100,0 %	0		Globemile Ltd		Enterprise Managed Services Ltd	100,0 %	15	2
Amey Roads (North Lanarkshire) Ltd		Amey LG Ltd	66,7 %	0	2	Haringey Enterprise Ltd		Accord Ltd	100,0 %	0	
Amey Services Ltd		Amey plc	100,0 %	132	2	Heating and Building Maintenance Company Ltd		Enterprise Holding Company No 1 Ltd	100,0 %	1	2
Amey Technology Services Ltd		Amey plc	100,0 %	0		Hillcrest Developments (Yorkshire) Ltd		Durley Group Holdings Ltd	100,0 %	0	
Amey Tramlink Ltd		Amey Technology Services Ltd	100,0 %	0		ICE Developments Ltd		Enterprise Holding Company No 1 Ltd	100,0 %	0	
Amey Tube Ltd		JNP Ventures Ltd	100,0 %	6							
Amey Ventures Asset Holdings Ltd		Amey Investments Ltd	100,0 %	0	2						
Amey Ventures Ltd		Amey plc	100,0 %	4	2						
Amey Ventures Management Services Ltd		Amey Investments Ltd	100,0 %	0	2						
Amey Wye Valley Ltd		Amey LG Ltd	80,0 %	0	2						
Comax Holdings Ltd		Amey plc	100,0 %	0							
JNP Ventures 2 Ltd		Amey Tube Ltd	100,0 %	6							
JNP Ventures Ltd		Amey Ventures Ltd	100,0 %	0							
Sherard Secretariat Services Ltd		Amey plc	100,0 %	0	2						
TPI Holdings Ltd		Amey OW Ltd	100,0 %	0							
Transportation Planning International Ltd		TPI Holdings Ltd	100,0 %	0							
Wimco Ltd		Amey Railways Holding Ltd	100,0 %	0							
Amey Public Services LLP		Amey LG Ltd	66,7 %	0	2						
Nationwide Distribution Services Ltd		Amey LG Ltd	100,0 %	4	2						
A.R.M. Services Group Ltd		Enterprise Holding Company No 1 Ltd	100,0 %	71	2						
Access Hire Services Ltd		Enterprise Managed Services Ltd	100,0 %	3							
Accord Asset Management Ltd		Accord Ltd	100,0 %	8							
Accord Consulting Services Ltd		Accord Ltd	100,0 %	0							
Accord Environmental Services Ltd		Accord Ltd	100,0 %	0							
Accord Ltd		Enterprise plc	100,0 %	129	2						

ENTITY	TYPE	PARENT	% OWNERSHIP	NET COST OWNERSHIP	AUDIT.
Amey (JJMG) Ltd		Enterprise Holding Company No 1 Ltd	100,0 %	3	
JDM Accord Ltd		Accord Ltd	100,0 %	1	
MRS Environmental Services Ltd		Enterprise Holding Company No 1 Ltd	100,0 %	12	2
MRS St Albans Ltd		MRS Environmental Services Ltd	100,0 %	0	
Trinity Group Holdings Ltd		Enterprise Holding Company No 1 Ltd	100,0 %	0	
Enterprise Business Solutions 2000 Ltd		Enterprise Holding Company No 1 Ltd	90,0 %	0	
Enterprise Islington Ltd		Accord Ltd	99,0 %	0	
Enterprise Manchester Partnership Ltd		Enterprise Managed Services Ltd	80,0 %	0	2
Slough Enterprise Ltd		Accord Environmental Services Ltd	100,0 %	0	2
Enterprise Fleet Ltd		Enterprise Managed Services Ltd	54,5 %	0	
Novo Community Ltd		Amey Community Ltd	100,0 %	0	2
Amey TPT Limited		Amey OWR Ltd	100,0 %	5	2

Amey Finance Services Ltd		Amey plc	100,0 %	0	2
Amey Defence Services Limited		Enterprise Managed Services Limited	100,0 %	8	2
Amey Defence Services (Housing) Limited		Enterprise Managed Services Limited	100,0 %	9	2
Amey 1321 Limited		Amey plc	100,0 %	0	
Amey (ABD) Limited		Amey Community Ltd	100,0 %	0	
UNITED KINGDOM (Registered Office: Liverpool, United Kingdom)					
Fleet and Plant Hire Ltd		Enterprise Managed Services Ltd	100,0 %	0	2
UNITED KINGDOM (Registered Office: Manchester, United Kingdom)					
Enterprise Utility Services (TBC) Ltd		Enterprise Holding Company No 1 Ltd	100,0 %	0	
UNITED KINGDOM (Registered Office: Pontypridd, United Kingdom)					
Seilwaith Amey Cymru / Amey Infrastructure Wales Limited		Amey Rail Limited	90,0 %	0	2
UNITED KINGDOM (Registered Office: Motherwell, United Kingdom)					
C.F.M Building Services Ltd		Enterprise Managed Services Ltd	100,0 %	3	2

Legend:

Auditors: (1) EY; (2) Deloitte; (3) BDO; (4) PWC; (5) KPMG; (6) Vir Audit; (7) Elayouty

(a) The companies that are part of the Tax Perimeter of Ferrovial, S.A. and subsidiaries.

(*) New legal entity name (effective 1st week Jan 22)

Appendix II. Associates (companies accounted for using the equity method) (millions of euros)

ENTITY	TYPE	PARENT	% OWNERSHIP	VALUE EQUITY METHOD	ASSET S	LIABI LITIES	REVEN UES	RESUL TS	AUDIT.
MOBILITY									
SPAIN									
Car Sharing Mobility Services, S.L.	P	Ferrovial Mobility, S.L.U.	50,0 %	5	17	5	6	-6	
FRANCE									
Car Sharing & Mobility Services France, S.A.S	P	Car Sharing Mobility Services, S.L.	50,0 %	1	4	3	2	-4	
CONSTRUCTION									
SPAIN									
Via Olmedo Pedralba, S.A.	P	Ferrovial Construcción, S.A.	25,2 %	1	6	3	4	0	3
Boremer, S.A.		Cadagua, S.A.	50,0 %	1	2	1	0	1	2
UNITED STATES									
Pepper Lawson Horizon Intl. Group		Webber Commercial Construction LLC	70,0 %	0	2	2	0	0	
OMAN									
International Water Treatment LLC		Cadagua, S.A.	37,5 %	0	0	5	0	0	4
POLAND									
PPHU Promos Sp. z o.o.		Budimex SA	26,3 %	0	3	2	3	0	
AIRPORTS									
UNITED KINGDOM									
FGP Topco Limited	P	Hubco Netherlands B.V.	25,0 %	0	23.216	26.934	1.414	1.651	4
AGS Airports Holdings Limited	P	Faero UK Holding Limited	50,0 %	0	1.512	1.484	101	-141	2
QATAR									
FMM Company LLC	P	Ferrovial Servicios S.A.U.	49,0 %	17	62	21	64	9	
TOLL ROADS									
AUSTRALIA									
Nexus Infrastructure Holdings Unit Trust	P	Cintra Toowoomba Ltd	40,0 %	3	1	0	0	0	
Nexus Infrastructure Unit Trust	P	Nexus Infrastructure Holdings Unit Trust	40,0 %	10	42	17	33	6	
Nexus Infrastructure Holdings PTY Ltd	P	Cintra Toowoomba Ltd	40,0 %	0	0	0	0	0	
Nexus Infrastructure PTY Ltd	P	Nexus Infrastructure Holdings PTY Ltd	40,0 %	0	0	0	0	0	
Netflow Osars (Western) GP	P	Cintra Osars (Western) Unit Trust	50,0 %	36	139	72	66	5	

ENTITY	TYPE	PARENT	% OWNERSHIP	VALUE EQUITY METHOD	ASSET S	LIABI LITIES	REVEN UES	RESUL TS	AUDIT.
SPAIN									
Serranopark, S.A.	P	Cintra Infraestructuras España, S.L.	50,0 %	0	76	59	6	5	2
Sociedad Concesionaria Autovía de la Plata, S.A.	P	Cintra Infraestructuras SE	25,0 %	16	231	168	25	12	2
Bip & Drive, S.A.	P	Cintra Infraestructuras España, S.L.	20,0 %	3	25	11	223	2	
Autopista del Sol, C.E.S.A.	P	Cintra Infraestructuras España, S.L.	15,0 %	0	0	0	0	0	
Empresa Mant. y Explotación M30, S.A.		Ferrovial Servicios, S.A.	50,0 %	-34	222	222	30	12	5
Madrid Calle 30, S.A.	P	Empresa Mant. y Explotación M30, S.A.	20,0 %	51	627	126	123	54	8
CANADÁ									
407 International Inc	P	4352238 Cintra Canada Inc	43,2 %	1.205	3.716	7.258	692	144	
407 East Development Group General Partnership	P	Cintra 407 East Development Group Inc	50,0 %	14	159	102	10	3	
OM&R 407 East Development Group General Partnership	P	Cintra OM&R 407 East Development Group Inc	50,0 %	1	6	4	5	1	
Blackbird Maintenance 407 GP	P	Blackbird Maintenance 407 Cintra GP Inc	50,0 %	0	5	4	4	0	3
Blackbird Infraestructuras 407 GP	P	Blackbird Infraestructuras 407 Cintra GP Inc	50,0 %	14	100	73	7	1	3
COLOMBIA									
Concesionaria Ruta del Cacao S.A.S.	P	Cintra Infraestructuras Colombia S.A.S.	30,0 %	11	625	587	143	4	2
SLOVAKIA									
Zero Bypass Limited, Organizacna Zloska	P	Zero Bypass Ltd	35,0 %	0	0	0	0	0	
NETHERLANDS									
Algarve International B.V. (1)	P	Cintra Infraestructuras SE	20,0 %	0	105	104	0	0	
INDIA									

ENTITY	TYPE	PARENT	% OWNERSHIP	VALUE EQUITY METHOD	ASSET S	LIABILITIES	REVENUES	RESULTS	AUDIT.
IRB Infrastructure Developers Limited		Cintra INR Investments B.V.	100,0 %	378	1.519	0	0	0	5
IRELAND									
Eurolink Motorway Operation (M4-M6) Ltd	P	Cintra Infraestructuras Irlanda, S.L.U.	20,0 %	8	238	128	27	5	2
Eurolink Motorway Operations (M3) Ltd	P	Cinsac Ltd	20,0 %	7	146	110	18	5	2
PORTUGAL									
Autoestrada do Algarve, S.A. (I)	P	Cintra Infrastructures SE	20,0 %	0	0	0	0	0	2
UNITED KINGDOM									
Scot Roads Partnership Holdings Ltd	P	Cintra Infrastructures UK Ltd	20,0 %	0	0	0	0	0	
Scot Roads Partnership Finance Ltd	P	Scot Roads Partnership Holdings Ltd	20,0 %	0	440	440	0	0	
Scot Roads Partnership Project Ltd	P	Scot Roads Partnership Holdings Ltd	20,0 %	0	459	459	38	0	
Zero Bypass Holdings Ltd	P	Cintra Slovakia Ltd	35,0 %	0	0	0	0	0	
Zero Bypass Ltd	P	Zero Bypass Holdings Ltd	35,0 %	0	1.063	1.083	129	21	
RiverLinx Holdings Ltd	P	Cintra Silvertown Ltd	22,5 %	0	0	0	0	0	
RiverLinx Ltd	P	RiverLinx Holdings Ltd	22,5 %	0	654	671	244	-2	
TOTAL VALUE BY EQUITY METHOD CONTINUED OPERATIONS				1.747					
SERVICES									
SPAIN									
Aetec, S.A.		Ferrosier Infraestructuras S.A.	9,2 %	0	1	0	1	0	
FerroNats Air Traffic Services, S.A.		Ferrovial Servicios, S.A.	50,0 %	0	11	4	14	1	2
UNITED STATES									
AmeyWebber LLC		Amey Consulting USA, Inc	50,0 %	0	0	0	0	0	
UNITED KINGDOM									
Scot Roads Partnership Holdings Ltd		Amey Ventures Asset Holdings Ltd	20,0 %	0	77	77	4	0	4
Scot Roads Partnership Project Ltd	P	Scot Roads Partnership Holdings Ltd	100,0 %	0	0	0	0	0	4
Scot Roads Partnership Finance Ltd		Scot Roads Partnership Holdings Ltd	100,0 %	0	0	0	0	0	4
TFW Innovations Services Limited		Amey Rail Ltd	49,0 %	0	0	0	0	0	

ENTITY	TYPE	PARENT	% OWNERSHIP	VALUE EQUITY METHOD	ASSET S	LIABILITIES	REVENUES	RESULTS	AUDIT.
AHL Holdings (Manchester) Ltd		Amey Ventures Investments Ltd	50,0 %	0	1	0	0	0	2
Amey Highways Lighting (Manchester) Ltd	P	AHL Holdings (Manchester) Ltd	100,0 %	0	0	0	0	0	2
AHL Holdings (Wakefield) Ltd		Amey Ventures Investments Ltd	50,0 %	0	0	0	0	0	2
Amey Highways Lighting (Wakefield) Ltd	P	AHL Holdings (Wakefield) Ltd	100,0 %	0	0	0	0	0	2
GEO Amey PECS Ltd		Amey Community Ltd	50,0 %	7	30	-22	46	3	10
Amey Infrastructure Management (I) Ltd		Amey Ventures Asset Holdings Ltd	50,0 %	0	0	0	0	0	
Amey Ventures Investments Ltd		Amey Investments Ltd	5,0 %	0	1	-1	0	0	3
ALC (Superholdco) Ltd		Amey Ventures Investments Ltd	50,0 %	0	0	0	7	3	5
ALC (FMC) Ltd		ALC (Superholdco) Ltd	100,0 %	0	0	0	0	0	5
ALC (Holdco) Ltd		ALC (Superholdco) Ltd	100,0 %	0	0	0	0	0	5
ALC (SPC) Ltd		ALC (Holdco) Ltd	100,0 %	0	0	0	0	0	5
Amey Belfast Schools Partnership Hold Co Ltd		Amey Ventures Investments Ltd	100,0 %	0	5	-5	0	0	3
Amey Belfast Schools Partnership PFI Co Ltd	P	Amey Belfast Schools Partnership Hold Co Ltd	100,0 %	0	0	0	0	0	3
Amey FMP Belfast Strategic Partnership Hold Co Ltd		Amey Ventures Management Services Ltd	70,0 %	0	0	0	0	0	3
Amey FMP Belfast Strategic Partnership SP Co Ltd		Amey FMP Belfast Schools Partnership Hold Co Ltd	100,0 %	0	0	0	0	0	3
Amey Lighting (Norfolk) Holdings Ltd		Amey Ventures Investments Ltd	100,0 %	0	2	-2	0	0	3
Amey Lighting (Norfolk) Ltd	P	Amey Lighting (Norfolk) Holdings Ltd	100,0 %	0	0	0	0	0	3
E4D&G Holdco Ltd		Amey Ventures Investments Ltd	85,0 %	0	4	-5	0	0	3
E4D&G Project Co Ltd	P	E4D&G Holdco Ltd	100,0 %	0	0	0	0	0	3
Education (Waltham Forest) Ltd (IP)		Amey plc	50,0 %	0	0	0	0	0	
Integrated Bradford Hold Co One Ltd		Amey Ventures Investments Ltd	25,0 %	0	2	-2	0	0	5
Integrated Bradford Hold Co One Ltd		Integrated Bradford LEP Ltd	10,0 %	0	0	0	0	0	5
Integrated Bradford PSP Ltd (IP)		Amey Infrastructure Management (I) Ltd	50,0 %	0	0	0	0	0	5

ENTITY	TYPE	PARENT	% OWNERSHIP	VALUE EQUITY METHOD	ASSET S	LIABILITIES	REVENUES	RESULTS	AUDIT.
Integrated Bradford Hold Co Two Ltd		Amey Infrastructure Management (1) Ltd	2,0 %	0	4	-4	0	0	5
Integrated Bradford Hold Co Two Ltd		Integrated Bradford LEP Ltd	10,0 %	0	0	0	0	0	5
Integrated Bradford LEP Ltd		Integrated Bradford PSP Ltd	80,0 %	0	1	0	0	0	5
Integrated Bradford LEP Fin Co One Ltd		Integrated Bradford LEP Ltd	100,0 %	0	0	0	0	0	5
Integrated Bradford SPV One Ltd	P	Integrated Bradford Hold Co One Ltd	100,0 %	0	0	0	0	0	5
Integrated Bradford SPV Two Ltd	P	Integrated Bradford Hold Co Two Ltd	100,0 %	0	0	0	0	0	5
AmeyVTOL Ltd		Amey OWR Ltd	60,0 %	0	0	0	0	0	
Amey Infrastructure Management (3) Ltd		Amey Ventures Asset Holdings Ltd	10% economic	0	3	-3	0	0	
Amey Hallam Highways Holdings Ltd	P	Amey Infrastructure Management (3) Ltd	33,0 %	0	8	-9	1	0	3
Amey Hallam Highways Ltd	P	Amey Hallam Highways Holdings Ltd	100,0 %	0	0	0	0	0	3
AmeyBreathe Limited		Amey Community Limited	50,0 %	0	0	0	0	0	
Amey Briggs Asset Holdings Limited		Amey Ventures Asset Holdings Ltd	50,0 %	0	0	0	0	0	
Amey Briggs Assets Limited		Amey Ventures Asset Holdings Ltd	100,0 %	0	30	-30	3	0	
Amey Briggs Services Holdings Limited		Amey Community Limited	50,0 %	0	2	-2	0	0	
Amey Briggs Services Limited		Amey Briggs Services Holdings Limited	100,0 %	0	3	-3	14	0	
Keolis Amey Docklands Ltd		Amey Rail Ltd	30,0 %	0	23	-19	26	1	2

ENTITY	TYPE	PARENT	% OWNERSHIP	VALUE EQUITY METHOD	ASSET S	LIABILITIES	REVENUES	RESULTS	AUDIT.
Keolis Amey Metrolink Ltd		Amey Rail Ltd	40,0 %	0	5	-2	27	0	
Keolis Amey Rail Ltd		Amey Rail Ltd	40,0 %	0	0	0	0	0	
Keolis Amey Operations/Gweithrediadau Keolis Amey Ltd		Amey Rail Ltd	36,0 %	0	2	-3	15	0	
Keolis Amey Consulting Ltd		Amey Rail Ltd	38,0 %	0	0	0	0	0	
Amey Roads NI Holdings Ltd		Amey Ventures Investments Ltd	50,0 %	0	6	-6	0	0	3
Amey Roads NI Financial plc		Amey Roads NI Ltd	100,0 %	0	0	0	0	0	3
Amey Roads NI Ltd	P	Amey Roads NI Holdings Ltd	100,0 %	0	0	0	0	0	3
RSP (Holdings) Ltd		Amey Ventures Investments Ltd	35,0 %	0	2	-2	0	0	3
The Renfrewshire Schools Partnership Ltd	P	RSP (Holdings) Ltd	100,0 %	0	0	0	0	0	3
Services Support (Avon & Somerset) Holdings Ltd		Amey Ventures Investments Ltd	20,0 %	0	1	-1	0	0	3
Services Support (Avon & Somerset) Ltd	P	Services Support (Avon & Somerset) Holdings Ltd	100,0 %	0	0	0	0	0	3
WASTE TREATMENT									
Amey Infrastructure Management (2) Ltd	N	Amey Ventures Asset Holdings Ltd	50,0 %	0	28	28	0	-2	1
AWRP Holding Co Limited	N	Amey Infrastructure Management (2) Ltd	33,3 %	0	0	0	0	0	1
AWRP SPV Limited	N	AWRP Holding Co Limited	100,0 %	0	228	-223	26	5	1
TOTAL VALUE BY EQUITY METHOD DISCONTINUED OPERATIONS				8					

Auditors key:

(1) EY; (2) Deloitte; (3) BDO; (4) PWC; (5) KPMG; (6) Vir Audit; (7) Mazars; (8) PKF; (9) Martins Pereira, Joao Careca & Associados, Sroc.; (10) Grant Thornton UK LLP; (11) 3 Auditores SLP

Appendix III. Information by segment

The Board of Directors analyses the performance of the Group mainly from a business perspective. From this perspective, the Board assesses the performance of the Construction, Toll roads, Airports and Services segments. Set forth below are the consolidated balance sheet and consolidated income statement for 2021 and 2020, broken down by business segment. The “Other” column includes the assets and/or liabilities and income and/or expenses of the companies not assigned to any of the business segments, including most notably the parent company, Ferrovial, S.A., and its other smaller subsidiaries. The “Adjustments” column reflects inter-segment consolidation eliminations.

Balance sheet by business segment: 2021 (millions of euros).

Assets (Millions of euros)	Note	Construction	Toll roads	Airports	Services	Other areas	Adjustments	2021
Non-current assets		943	14,363	146	0	799	-457	15,794
Goodwill on consolidation	3.1	127	251	0	0	42	0	420
Intangible assets	3.2	39	0	0	0	86	0	125
Fixed assets in infrastructure projects	3.3	91	11,205	0	0	80	-191	11,185
Investment property		0	0	0	0	0	0	0
Property, plant and equipment	3.4	201	21	0	0	135	-9	348
Right of use	3.7	126	3	2	0	25	0	156
Investments in associates	3.5	2	1,809	20	0	7	0	1,838
Non-current financial assets	3.6	23	676	123	0	315	-258	879
Loans granted to associates		0	93	113	0	21	0	227
Restricted cash in infrastructure projects and other financial assets	5.2	0	579	0	0	0	0	579
Other receivables		23	4	9	0	294	-258	72
Deferred taxes	2.8	334	111	1	0	103	1	549
Long-term financial derivatives at fair value	5.5	0	287	0	0	6	0	293
Current assets		4,950	3,280	52	1,734	1,672	-2,586	9,102
Assets classified as held for sale	1.1.3	2	26	0	1,734	0	-1	1,761
Inventories	4.1	374	14	0	0	9	7	404
Current income tax assets		100	37	10	0	97	-166	78
Short-term trade and other receivables	4.2	1,181	155	5	0	148	-172	1,317
Trade receivables for sales and services		1,017	121	1	0	56	-150	1,045
Other short-term receivables		165	35	4	0	92	-24	272
Other short-term financial assets		0	0	0	0	11	0	11
Cash and cash equivalents	5.2	3,293	3,033	37	0	1,407	-2,255	5,515
Loans with Group companies		1,009	467	26	0	759	-2,261	0
Other		2,284	2,566	11	0	648	6	5,515
Short term financial derivatives at fair value	5.5	0	15	0	0	0	0	15
TOTAL ASSETS		5,893	17,643	198	1,734	2,471	-3,043	24,896
Liabilities and equity (millions of euros)	Note	Construction	Toll roads	Airports	Services	Other areas	Adjustments	2021
Equity	5.1	1,439	6,982	143	256	-3,132	171	5,839
Equity attributable to shareholders		1,284	5,322	143	255	-3,132	176	4,048
Equity attributable to non-controlling interests		155	1,640	0	1	0	-5	1,791
Deferred income	6.1	0	1,379	0	0	23	0	1,402
Non-current liabilities		435	8,231	22	0	2,703	-313	11,078
Pension plan deficit	6.2	3	0	0	0	0	0	3
Long-term provisions	6.3	108	110	0	0	203	0	421
Long-term lease liabilities	3.7	82	1	1	0	37	0	108
Borrowings	5.2	164	7,252	21	0	2,387	-312	9,512
Payables to group companies		50	169	21	0	72	-312	0
Other		114	7,083	0	0	2,315	0	9,512
Debentures and debts of infrastructure project companies		93	7,082	0	0	187	0	7,362
Debt securities and payables of ex-infrastructure project		21	0	0	0	2,129	0	2,150
Other payables	6.4	0	71	0	0	-1	-1	69
Deferred taxes	2.8	76	551	0	0	43	0	670
Financial derivatives at fair value	5.5	2	246	0	0	47	0	295
Current liabilities		4,019	1,071	33	1,478	2,877	-2,901	6,577
Liabilities classified as held for sale	1.1.3	0	0	0	1,478	0	0	1,478
Short-term lease liabilities	3.7	46	2	0	0	3	0	51
Borrowings	5.2	142	875	36	0	2,487	-2,466	1,074
Payables to group companies		120	833	36	0	1,477	-2,466	0
Other		22	42	0	0	1,010	0	1,074
Financial derivatives at fair value	5.5	6	92	3	0	9	0	110
Current income tax liabilities		121	-107	-10	0	215	-150	69
Short-term trade and other payables	4.3	2,844	173	4	0	66	-294	2,793
Trade provisions	6.3	860	36	0	0	97	9	1,002
TOTAL LIABILITIES AND EQUITY		5,893	17,643	198	1,734	2,471	-3,043	24,896

Balance sheet by business segment: 2020 (millions of euros).

Assets (Millions of euros)	Note	Construction	Toll roads	Airports	Services	Other areas	Adjustments	2020 (*)
Non-current assets		1,030	9,268	324	0	617	-425	10,814
Goodwill on consolidation	3.1	180	0	0	0	40	0	220
Intangible assets	3.2	43	1	0	0	52	0	96
Fixed assets in infrastructure projects	3.3	93	6,224	0	0	100	-61	6,356
Investment property		2	0	0	0	0	0	2
Property, plant and equipment	3.4	222	21	0	0	94	4	341
Right of use	3.7	120	3	0	0	14	0	137
Investments in associates	3.5	2	1,492	222	0	11	0	1,727
Non-current financial assets	3.6	22	912	100	0	190	-368	856
Loans granted to associates		3	61	100	0	-1	0	163
Restricted cash in infrastructure projects and other financial assets	5.2	3	650	0	0	1	0	654
Other receivables		16	201	0	0	191	-368	40
Deferred taxes	2.8	346	140	2	0	116	0	604
Long-term financial derivatives at fair value	5.5	0	475	0	0	0	0	475
Current assets		4,994	2,917	73	3,316	3,010	-2,033	12,277
Assets classified as held for sale	1.1.3	117	69	0	3,316	0	0	3,502
Inventories	4.1	675	11	0	0	6	7	699
Current income tax assets		49	18	8	0	32	4	111
Short-term trade and other receivables	4.2	1,142	186	4	0	178	-143	1,367
Trade receivables for sales and services		974	86	1	0	74	-116	1,019
Other short-term receivables		168	100	3	0	105	-29	347
Other short-term financial assets		0	0	0	0	0	0	0
Cash and cash equivalents	5.2	3,010	2,569	60	0	2,788	-1,901	6,526
Loans with Group companies		959	535	52	0	358	-1,904	0
Other		2,050	2,034	7	0	2,430	5	6,526
Short term financial derivatives at fair value	5.5	1	64	1	0	6	0	72
TOTAL ASSETS		6,024	12,185	397	3,316	3,627	-2,458	23,091
Liabilities and equity (millions of euros)	Note	Construction	Toll roads	Airports	Services	Other areas	Adjustments	2020 (*)
Equity	5.1	1,222	4,698	388	926	-3,667	223	3,790
Equity attributable to shareholders		1,090	4,195	388	916	-3,667	228	3,150
Equity attributable to non-controlling interests		132	503	0	10	0	-5	640
Deferred income	6.1	0	1,257	0	0	24	0	1,281
Non-current liabilities		525	5,824	0	0	3,627	-392	9,584
Pension plan deficit	6.2	4	0	0	0	0	0	4
Long-term provisions	6.3	144	111	0	0	187	0	442
Long-term lease liabilities	3.7	80	2	0	0	11	0	93
Borrowings	5.2	185	5,114	0	0	3,206	-421	8,084
Payables to group companies		55	114	0	0	250	-419	0
Other		130	5,000	0	0	2,956	-2	8,084
Debentures and debts of infrastructure project companies		87	4,999	0	0	106	0	5,192
Debt securities and payables of ex-infrastructure project		42	0	0	0	2,850	0	2,892
Other payables	6.4	4	30	0	0	0	29	63
Deferred taxes	2.8	103	225	0	0	123	0	451
Financial derivatives at fair value	5.5	5	342	0	0	100	0	447
Current liabilities		4,277	406	9	2,390	3,643	-2,289	8,435
Liabilities classified as held for sale	1.1.3	86	0	0	2,390	0	0	2,476
Short-term lease liabilities	3.7	63	1	0	0	4	0	68
Borrowings	5.2	217	196	7	0	3,363	-2,105	1,678
Payables to group companies		199	154	7	0	1,746	-2,106	0
Other		18	42	0	0	1,617	1	1,678
Financial derivatives at fair value	5.5	5	41	4	0	2	0	52
Current income tax liabilities		55	-72	-5	0	108	8	94
Short-term trade and other payables	4.3	3,083	122	3	0	112	-204	3,116
Trade provisions	6.3	768	118	0	0	54	12	952
TOTAL LIABILITIES AND EQUITY		6,024	12,185	397	3,316	3,627	-2,458	23,091

(*) Restated figures (Note 1.1.5)

The detail of total assets by geographical area is as follows:

(Millions of euros)	2021	2020 (*)	CHANGE
Spain	2,995	6,640	-3,646

Canada	3,506	3,186	320
USA	12,988	7,892	5,096
UK	1,838	2,002	-165
Poland	1,551	1,721	-170
Chile	534	437	97
Other	1,483	1,212	271
TOTAL	24,896	23,091	1,805

(*) Restated figures (Note 1.1.5)

Income statement by business segment: 2021 (millions of euros).

	Construction	Toll roads	Airports	Services	Other segments	Adjustments	Total 2021
Revenue	6,077	588	2	0	277	-166	6,778
Other operating income	1	0	0	0	0	0	1
Total operating income	6,078	588	2	0	277	-166	6,779
Materials consumed	1,046	3	0	0	28	0	1,077
Other operating expenses	3,720	120	24	0	199	-166	3,897
Staff costs	1,067	50	4	0	88	0	1,209
Total operating expenses	5,833	173	28	0	315	-166	6,183
EBITDA	245	415	-26	0	-38	0	596
Fixed asset depreciation	112	141	0	0	7	-1	259
Operating profit/(loss) before impairment and disposal of fixed assets	132	275	-26	0	-45	1	337
Impairment and disposal of fixed assets	22	1,117	0	0	1	-1	1,139
Operating profit/(loss)	154	1,392	-26	0	-44	0	1,476
Net financial income/(expense) from financing	-7	-206	0	0	-6	-1	-220
Profit/(loss) on derivatives and other net financial income/(expense)	0	-89	0	0	1	1	-87
Net financial income/(expense) from infrastructure projects	-7	-295	0	0	-5	0	-307
Net financial income/(expense) from financing	1	10	0	0	-36	-1	-26
Profit/(loss) on derivatives and other net financial income/(expense)	-24	1	-6	0	27	1	-1
Net financial income/(expense) from other companies	-23	11	-6	0	-9	0	-27
Net financial income/(expense)	-30	-284	-6	0	-14	0	-334
Share of profits of equity-accounted companies	0	81	-254	0	-5	0	-178
Consolidated profit/(loss) before tax	124	1,189	-286	0	-63	0	964
Corporate income tax	-49	-71	7	0	122	1	10
Consolidated profit/(loss) from continuing operations	75	1,118	-279	0	59	1	974
Net profit/(loss) from discontinued operations	115	0	0	246	0	0	361
Consolidated profit/(loss) for the year	190	1,118	-279	246	59	1	1,335
Profit/(loss) for the year attributed to non-controlling interests	-105	-29	0	-3	0	-1	-138
Profit/(loss) for the year attributed to the parent company	85	1,089	-279	243	59	0	1,197

Income statement by business segment: 2020 (millions of euros).

	Construction	Toll roads	Airports	Services	Other segments	Adjustments	Total 2020 (*)
Revenue	5,984	439	1	0	235	-127	6,532
Other operating income	1	0	0	0	0	1	2
Total operating income	5,985	439	1	0	235	-126	6,534
Materials consumed	962	2	0	0	25	1	990
Other operating expenses	3,767	98	17	0	171	-127	3,926
Staff costs	1,042	59	7	0	105	-1	1,212
Total operating expenses	5,771	159	24	0	301	-127	6,128
EBITDA	214	280	-22	0	-66	0	406
Fixed asset depreciation	113	108	0	0	11	1	233
Operating profit/(loss) before impairment and disposal of fixed assets	101	171	-23	0	-76	0	173
Impairment and disposal of fixed assets	0	9	0	0	7	0	16
Operating profit/(loss)	101	180	-23	0	-69	0	189
Net financial income/(expense) from financing	-9	-230	0	0	-6	1	-244
Profit/(loss) on derivatives and other net financial income/(expense)	2	36	0	0	-1	0	37
Net financial income/(expense) from infrastructure projects	-7	-194	0	0	-7	1	-207
Net financial income/(expense) from financing	10	24	0	0	-42	0	-8
Profit/(loss) on derivatives and other net financial income/(expense)	-21	9	-3	0	-12	-1	-28
Net financial income/(expense) from other companies	-11	33	-3	0	-54	-1	-36
Net financial income/(expense)	-18	-161	-3	0	-61	0	-243
Share of profits of equity-accounted companies	1	67	-439	0	-2	0	-373
Consolidated profit/(loss) before tax	84	86	-465	0	-132	0	-427
Corporate income tax	-29	-8	7	0	65	-1	34
Consolidated profit/(loss) from continuing operations	55	78	-458	0	-67	-1	-393
Net profit/(loss) from discontinued operations	35	0	0	-16	0	0	20
Consolidated profit/(loss) for the year	90	78	-458	-16	-67	-1	-373
Profit/(loss) for the year attributed to non-controlling interests	-42	-7	0	-2	1	-1	-51
Profit/(loss) for the year attributed to the parent company	48	71	-458	-18	-66	-2	-424

(*) Restated figures (Note 1.1.5)

SECTION 7: EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group in Spain (see Note 1.1.1). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

Translation of consolidated financial statements originally. In the event of a discrepancy, the Spanish-language version prevails.

FERROVIAL, S.A.

The consolidated financial statements –consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated statement of cash flows and consolidated notes to the financial statements- and the consolidated management report (which includes the consolidated non-financial information statement) of Ferrovial, S.A. and its subsidiaries for the year ended 31 December 2021 have been drafted following the European Single Electronic Format (ESEF), according to Delegated Regulation (EU) 2019/815, with identification number B03054D012E11338F9EA6DCA249B1322854B2AC7A59D3BC06B47493A2056BAC2. The Annual Report on Corporate Governance 090C394D256341F325112765D70E46F227E00C74953F0724E1C6C745308654B0 and the Annual Report on Directors' Remuneration C6721E5F4178B3C64BBD39C5680091CBA74C6E2FE5A7D4B0161BC32ADC2D9A23 form part of the consolidated management report, to which these Reports have been incorporated by reference.

The consolidated financial statements and management report have been prepared by the Board of Directors of Ferrovial, S.A. at its meeting held in Madrid on 24 February 2022 and, for the purposes of article 253 of the Spanish Capital Companies Act, the Directors sign below.

Mr. Rafael del Pino y Calvo-Sotelo
Chairman

Mr. Óscar Fanjul Martín
Vice-Chairman

Mr. Ignacio Madridejos Fernández
Chief Executive Officer

Ms. María del Pino y Calvo-Sotelo
Director

Mr. José Fernando Sánchez-Junco Mans
Director

Mr. Philip Bowman
Director

Ms. Hanne Birgitte Breinbjerg Sørensen
Director

Mr. Bruno Di Leo
Director

Mr. Juan Hoyos Martínez de Irujo
Director

Mr. Gonzalo Urquijo Fernández de Aroz
Director

Ms. Hildegard Wortmann
Director

Ms. Alicia Reyes Revuelta
Director

The Secretary of the Board of Directors states for the record that the Director Ms. Hanne Birgitte Breinbjerg Sørensen has not signed this document as she is outside Madrid due to unavoidable professional commitments. I am not aware of Ms. Sørensen's disagreement with the preparation of the consolidated financial statements and the consolidated management report of Ferrovial, S.A. and its subsidiaries for the year ended 31 December 2021.

Mr. Santiago Ortiz Vaamonde
Secretary of the Board of Directors

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

FERROVIAL, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report
for the year ended
December 31, 2021



AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

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

To the shareholders of FERROVIAL, S.A.:

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of FERROVIAL, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated statement of financial position at December 31, 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2021 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

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

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

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

Key audit matters

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

Recognition of revenue from long-term contracts

Description A considerable amount of the Ferrovial Group's revenue relates to long-term construction contracts, in which revenue is recognized over time in accordance with the stage of completion method. Revenue recognition for these contracts requires that management make significant estimates, among others, of the costs to be incurred and, where applicable, the amount of any modifications, claims or disputes arising in connection with the initial contract that will ultimately be accepted by the customer. The disclosures pertaining to this revenue can be found in Notes 1.3.3.4, 2.1 and 4.4 to the accompanying consolidated financial statements.

Due to the complexity of making the aforementioned estimates, which requires that Ferrovial Group management make judgments when determining the assumptions considered and the fact that changes in these assumptions could give rise to material differences in the revenue recognized, we determined this to be a key audit matter.

Our response

In relation to this matter, our Audit procedures included:

- ▶ Understanding the policies and procedures the Group applies to revenue recognition, including an evaluation of the design and implementation of key controls related to revenue recognition using the stage-of-completion method and to budget planning, assessing methodology and monitoring the assumptions used in the preparation of contract budgets.
- ▶ Selecting a sample of contracts to assess the most significant estimates affecting revenue recognition, obtaining supporting documentation for these estimates as well as evidence of the judgments made; identifying relevant contractual clauses such as penalties or discounts, and assessing whether such clauses have been adequately reflected in the amounts recognized in the consolidated financial statements.
- ▶ Conducting a comparative analysis of budgeted vs actual revenue from contracts completed during the year, and analyzing Ferrovial Group management's monitoring of contract risks.
- ▶ Evaluating the reasonableness of the estimate of completed construction pending certification recognized as revenue at year-end, checking the status of negotiations with customers for the main contracts and reviewing the reasonableness of the documentation substantiating the probability of recovery, taking into account our own expectations based on our knowledge of the client and our experience in the sector as well as in the countries where the Ferrovial Group operates.
- ▶ Determining whether the provisions recognized at year-end reasonably reflect the main obligations and the level of risk of the contracts in question.
- ▶ Checking that the disclosures made in the notes to the consolidated financial statement comply with the applicable financial reporting framework.

Recognition and recoverability of investments in infrastructure projects operated under concession arrangements

Description As explained in Note 1.3.3.2 to the accompanying consolidated financial statements, concession arrangements for which the resulting consideration consists of an unconditional contractual right to receive cash or other financial assets from the grantor (or on the grantor's behalf) as compensation for construction and operating services and for which the grantor has little or no discretion to avoid payment, are classified as a financial asset. In addition, concession agreements in which the consideration received consists of the right to charge the corresponding tariffs based on the degree of use of the public service are classified as intangible assets. Both models are recorded in accordance with IFRIC12 "Service Concession Arrangements." "Fixed assets in infrastructure projects" in the consolidated statement of financial position at December 31, 2021 includes 11,185 million euros for this item, of which 11,016 million euros correspond to concessions considered as financial assets and 169 million euros to concessions considered as intangible assets. The disclosures pertaining to these assets can be found in Note 3.3 to the accompanying consolidated financial statements.

Ferrovial Group management makes estimates regarding concession models which include forecasts of operating expenses, investments, and the internal rate of return. In addition, Ferrovial Group management tests its most significant operating concession assets annually when there are indications of impairment.

Given the complexity associated with making the aforementioned estimates and determining the related assumptions considered, as well as the material impact that changes in these assumptions could have on the accompanying consolidated financial statements, and given the significance of the amounts of investments in infrastructure projects carried out under concession, we determined the recognition and recoverability of these assets to be a key audit matter.

**Our
response**

In this regard, our audit procedures included:

- ▶ Understanding the policies and procedures applied to concession assets, including evaluation of the design and implementation of key controls related to the process.
- ▶ Reviewing the terms and conditions of concession arrangements to determine whether they have been correctly recorded.
- ▶ Reviewing and assessing, for a sample of concession assets, the reasonableness of the methodologies used by the Group to estimate payments and collections and their effect on the internal rate of return.
- ▶ Performing substantive tests based on financial economic models of infrastructure projects, verifying the arithmetical accuracy of the calculations made, and assessing the reasonableness of the main projected operating assumptions (mainly related to traffic, tariffs, operating costs, and investment disbursements) and their consistency with the terms and conditions of the concession.
- ▶ Reviewing, in collaboration with valuation specialists, the reasonableness of the methodology used by the Group, and the construction of discounted cash flows, focusing on the discount rate and long-term growth rate applied, as well as the related sensitivity analyses carried out.
- ▶ Checking that the disclosures made in the notes to the consolidated financial statement comply with the applicable financial reporting framework.

Classification and valuation of assets and liabilities held for sale and income and expenses from discontinued operations

Description As explained in Notes 1.1.3, 1.3.3.5, 1.3.3.6 and 2.9 to the accompanying consolidated financial statements, the Group records as non-current assets and liabilities as held for sale and as discontinued operations the main assets and liabilities and income and expenses, respectively, linked to the services business line since the conditions set forth in IFRS 5 "Non-current assets held for sale and discontinued operations" are met. Accordingly, net assets corresponding to discontinued operations are measured at the lower of carrying amount and fair value less costs to sell and are not subject to amortization/depreciation.

The Group has recorded as of December 31, 2021, under "Assets classified as held for sale and from discontinued activities" and "Liabilities classified as held for sale and from discontinued activities" of the consolidated statement of financial position 1,761 and 1,478 million euros, respectively, relating to assets and liabilities linked to the services business line and under "Results from discontinued operations" in the consolidated profit and loss account 361 million euros in profits corresponding to said business line.

We have considered this area as a key audit matter in our audit due to the fact that the determination of the short-term probability of disposal of the services division in the different geographical areas, as well as the estimation of the fair value less costs to sell of the affected net assets require using valuation techniques that include making assumptions and that the Group make judgments to determine them.

**Our
response**

In this regard, our audit procedures included:

- ▶ Understanding of the process established by the Group Management for the classification of assets and liabilities as held for sale and income and expenses as results of discontinued operations and their valuation, and evaluation of the design and implementation of the relevant controls established in the aforementioned process.
- ▶ Reviewing the documentation supporting the Group's decision to continue classifying the assets and liabilities of the services line as discontinued operations.
- ▶ Evaluating the methodology and valuation hypotheses used by Group's Management and review, where appropriate, of the acquisition offers received from third parties.
- ▶ Reviewing the results of the comparison made by Ferrovial Group management of the carrying amounts and fair values less costs to sell of discontinued operations, ensuring that they were correctly recorded.
- ▶ Reviewing the correct accounting of the disposal operations of the Services division carried out in the year 2021.
- ▶ Checking that the disclosures made in the notes to the consolidated financial statement comply with the applicable financial reporting framework.

Recoverability of the investment held in 407 International Inc. and goodwill

Description As explained in Note 3.5 to the accompanying consolidated financial statements, at December 31, 2021, the Group had an investment in the associate 407 International Inc. amounting to 1,181 million euros, respectively.

Moreover, as explained in Note 3.1, the Group has goodwill on consolidation amounting to 208 million euros at December 31, 2021 related to certain investments, associated primarily with cash generating units of the Construction and Toll roads Divisions.

Where required, the Group tests these assets for impairment at least annually. The disclosures pertaining to these assets can be found in Notes 3.1.2 and 3.5 to the accompanying consolidated financial statements.

The assessment of possible impairment is a key audit matter as it requires estimates that involve the application of judgments both when determining the valuation method used and when evaluating key assumptions related to the future results of the cash generating units to which the goodwill belongs, as well as determining the recoverable amount of equity method investments in which discount rates, business plans, and tariffs are also involved.

**Our
response**

In this regard, our audit procedures included:

- ▶ Understanding the policies and procedures the Group applies to assessing goodwill and investments in associates for impairment to determine the recoverable amount of its non-current assets, including evaluation of the design and implementation of related key controls.
- ▶ Analyzing internal and external factors taken into account by Ferrovial Group management to conclude on the existence or non-existence of objective indicators of impairment.
- ▶ Assessing the reasonableness of the methodology used by Group management to determine the recoverable amount of the assets, involving our valuation specialists in the review of the valuation method used and the uniformity with which it is applied, verifying arithmetical calculations and evaluating the discount rates and long-term growth rates used.
- ▶ Reviewing projected financial information, analyzing the congruency among the various assumptions and their reasonableness.
- ▶ Verifying that the financial projections used to calculate value in use agree with the latest financial information available to management.
- ▶ Analyzing the sensitivity of profit and loss to certain key assumptions.
- ▶ Checking that the disclosures made in the notes to the consolidated financial statement comply with the applicable financial reporting framework.

Recognition and valuation of the business combination related to I66 Express Mobility Partners Holdings, LLC.

Description As explained in Note 1.1.4 to the consolidated financial statements, Cintra, a subsidiary of Ferrovial Group that indirectly owner of 50% of the share capital of the concessionaire I-66 Express Mobility Partners Holdings, LLC acquired on December 17, 2021 an additional 5.704% of the share capital of said company for 182 million dollars (approximately 162 million euros). As a result, Ferrovial's Group total share in the concessionaire company is 55.704%, giving Ferrovial control of the company. Consequently, the share in the concessionaire, which was formally accounted for using the equity method, is currently accounted for using the full consolidation method.

This transaction has led the Group to the recognition of an income in the consolidated income statement amounting to 1,101 million euros since it valued the pre-existing interest at fair value in accordance with IFRS 3 "Business combinations".

The determination of the fair values of the identifiable assets acquired and the liabilities assumed in this business combination requires making complex estimates, which entails the application of judgments in the establishment of the assumptions considered by the Group's Management in relation to said estimates, which include, among others, the allocation of the price paid to the concession assets and the valuation of the financial debt assumed.

We have considered this area as a key audit matter in our audit due to the complexity inherent in the estimation process, as well as the significant impact that changes in the assumptions made could have on the accompanying consolidated financial statements, together with the relevance of the amounts involved.

The disclosures related to the valuation standards of this transaction, as well as its related impacts, are included in Note 1.1.4 in the accompanying consolidated financial statements.

**Our
response**

In this regard, our audit procedures included:

- ▶ Understanding of the process followed by the Group's Management for the registration and valuation of the business combination.
- ▶ Reviewing the purchase-sale contract as well as the related documentation supporting the amount paid.
- ▶ Reviewing the acquired concessionaire company's financial information substantiating the main consolidated balance sheet headings.
- ▶ Reviewing the valuation method used by Group management to determine the fair values of the assets and liabilities assumed, involving our valuation specialists in the review of the mathematical uniformity and the evaluation of the reasonableness of the discount and long-term growth rates used, as well as involving our financial instruments experts in calculating the fair value of the debt.
- ▶ Review, in collaboration with our valuation specialists, of the calculation of the fair value of the 50% stake that the Ferrovial Group holds in I-66 Express Mobility Partners Holding, LLC prior to the business combination.
- ▶ Reviewing the accounting and tax impacts derived from the business combination and verification of its proper registration in the consolidated financial statements.
- ▶ Checking that the disclosures made in the notes to the consolidated financial statement comply with the applicable financial reporting framework.

Other information: consolidated management report

Other information refers exclusively to the 2021 consolidated management report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated financial statements.

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

- a. Checking only that the consolidated non-financial statement and certain information included in the Annual Corporate Governance Report and the Annual Report on Remuneration of Directors, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.
- b. Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2021 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company's directors and the audit and control committee for the consolidated financial statements

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

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

The audit and control committee is responsible for overseeing the Group's financial reporting process.

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

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

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

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

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the audit and control committee of the parent company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit and control committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of FERROVIAL, S.A. and subsidiaries for the 2021 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of FERROVIAL S.A. are responsible for submitting the annual financial report for the 2021 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this regard, the Annual Corporate Governance Report and the Annual Report on Remuneration of Directors have been incorporated by reference in the consolidated management report.

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

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

Additional report to the audit and control committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit and control committee on February 23, 2022.

Term of engagement

The ordinary general shareholders' meeting held on April 17, 2020 appointed us as auditors for 3 years, commencing on December 31, 2020.

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

(Signed on the original version In Spanish)

Francisco Rahola Carral
(Registered in the Official Register of
Auditors under No. 20597)

February 24, 2022

STATEMENT OF RESPONSIBILITY ON THE ANNUAL FINANCIAL REPORT 2021

The members of the Board of Directors of Ferrovial, S.A. state that, to the best of their knowledge, the individual financial statements of Ferrovial, S.A. and the consolidated financial statements of Ferrovial, S.A. and its subsidiaries, for the financial year ended on 31 December 2021 that have been prepared by the Board of Directors at its meeting held on 24 February 2022, have been drafted in accordance with the applicable accounting standards and provide a true and fair view of the assets, the financial situation and results of Ferrovial, S.A. and of its subsidiaries including within its scope of consolidation taken as a whole, and that the management reports, individual and consolidated, contain an accurate analysis of the corporate performance, results and position of Ferrovial, S.A. and of its subsidiaries included within its scope of consolidation taken as a whole, together with the description of the main risks and uncertainties they face.

And for the appropriate purposes, this statement is hereby issued, in accordance with article 8.1.b) of Royal Decree 1362/2007, of 19 October.

Madrid, 24 February 2022.

Mr. Rafael del Pino y Calvo-Sotelo
Chairman

Mr. Óscar Fanjul Martín
Vice-Chairman

Mr. Ignacio Madridejos Fernández
Chief Executive Officer

Ms. María del Pino y Calvo-Sotelo
Director

Mr. José Fernando Sánchez-Junco Mans
Director

Mr. Philip Bowman
Director

Ms. Hanne Birgitte Breinbjerg Sørensen
Director

Mr. Bruno Di Leo
Director

Mr. Juan Hoyos Martínez de Irujo
Director

Mr. Gonzalo Urquijo Fernández de Araoz
Director

Ms. Hildegard Wortmann
Director

Ms. Alicia Reyes Revuelta
Director

The Secretary of the Board of Directors states for the record that the Director Ms. Hanne Birgitte Breinbjerg Sørensen have not signed this document as she is outside Madrid due to unavoidable professional commitments. I am not aware of Ms. Sørensen's disagreement with the statement of responsibility for the content of the individual and consolidated financial statements and management report of Ferrovial, S.A. for the year ended 31 December 2021.

Mr. Santiago Ortiz Vaamonde
Secretary of the Board of Directors

Ferrovial Corporation, S.A.

Príncipe de Vergara, 135
28002 Madrid
Tel. +34 91 586 25 00

Airports (Ferroviai Airports)

Príncipe de Vergara, 135
28002 Madrid
Tel. +34 91 586 25 00

Toll Roads (Cintra)

Príncipe de Vergara, 135
28002 Madrid
Tel. +34 91 586 25 00

Construction (Ferroviai Construction)

Ribera del Loira, 42
Parque Empresarial
Puerta de las Naciones
28042 Madrid
Tel. +34 91 300 85 00

Shareholder Service Office

Príncipe de Vergara, 135
28002 Madrid
Tel. +34 91 586 2565
accionistas@ferrovial.com

To inquire about any aspect of the aspect of the Annual Report:

Dirección de Comunicación y Responsabilidad Corporativa

Príncipe de Vergara, 135
28002 Madrid
comunicaciones@ferrovial.com
rsc@ferrovial.com
www.ferrovial.com

