

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, which is presented in the Consolidated Profit and Loss Account as discontinued operations, in order to better explain the business performance, in the Management Report it has been included a separated breakdown of Revenues, EBITDA and Orderbook, in spite of 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 of the Interim Management Report and its reconciliation in the Appendix of this document.
 - **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. Addition-

ally, 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 breakdown is only shown for the current period compared with the previous period
- **Consistency:** the criteria used to calculate the comparable “Like-for-like growth” is the same as the previous year, except for the following adjustment that was included exclusively in 2019: Related to the implementation of IFRS 16, and for a better comparison of EBITDA and operating profit against 2018, in which IFRS 16 was not implemented, the new Standard accounting impact was undone, reversing the adjustment for financial cost and amortization of right of use and recognizing a higher operating cost for leases, as if the new standard had not been applied in 2019.

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 new 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.

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 2.1 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 and Services 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.

- **Explicación del uso:** 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 2020 came to approximately 20.8 billion euros (21.9 billion euros at December 2019) and are made up of 25 concessions in 9 countries. The composition of managed investments by asset type is as follows:
 1. Intangible Assets projects under IFRIC 12 (in operation), 7,133 million euros (7,324 million euros at 31, December 2019). 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: 5,553 million euros of USA Toll Roads NTE, NTE35W, LBJ and I-77 (5,905 million euros at December 31, 2019). Additionally, 391 million euros from Azores are included in Other Toll roads, as well as 521 million euros transfer related to Autema Project, after the Spanish Supreme Court communicated it did not admit the appeal against the High Court of Catalonia's judgement which ratified the changes introduced in the concession regime by the Catalan Regional Government (the Grantor) in 2015. As a consequence, as indicated in nota 6.5.1a) of the Consolidated Financial Statements, in 2020 this project is being accounted for according to the intangible asset model of IFRIC 12.
 2. Intangible Assets IFRIC 12 (under construction), no current projects under construction.
 3. Accounts receivable projects under IFRIC 12: no current projects under development, after said Autema transfer to intangible asset model.
- Consolidation using the equity method, 13,623 million euros (14,177 million euros at December 31, 2019). Includes both projects in operation and under construction that are consolidated using the equity method, such as 407ETR and extensions 4,178 million euros of 100% managed investment (4,421 million euros at December 31, 2019) or I-66 with 3,016 million euros at 100%

(2,695 million euros at December 31, 2019). 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 used to calculate proportional results has changed since previous year, where contribution to the consolidated results in the proportion of Ferrovial's ownership where applied to all group subsidiaries. As previously explained, in fiscal year 2020 proportional results have only been applied to infrastructure divisions, as the difference of applying the proportional method to the other business divisions would not be relevant.

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 last year. In terms of cash flow, as the reduction in dividends received from infrastructure assets, when comparing to previous year.

Construction division

COVID-19 impact has been calculated with a bottom-up approach, starting with every project, which has analyzed the impact considering the following elements which have impacted the division's results.

- Fixed costs from activity stoppages, adapted processes for project ramp ups or productivity losses on the back of slower activity (i.e. rentals of machinery, offices and equipment, and other indirect costs)
- Increase in costs required to achieve project deadlines
- Delays in supplies
- Border closures and difficulties in mobilizing teams for self-performance.
- Related expenses to new H&S new measures.
- Delays in the start-up of new projects
- Services Division
- The impact has been calculated through a bottom-up analysis from contract level and comparing actual activity results to the budget 2020. The calculation includes the following types of impacts:
 - Direct estimate of lower activity (i.g. tons of waste treatment, traffic or train frequencies).
 - Clients strongly impacted by COVID-19 leading to significantly lower activity. The greatest impact can be seen in Oil & Gas contracts in N. America.
 - In Transport (mostly Rail) & Utilities contracts in Amey, stoppages or delays in non-essential works and expected awards, coupled with costs overruns to cover employee availability due to quarantines and H&S measures reinforcement
- **Reconciliation:** a breakdown of COVID-19 impact by business division 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 businesses, when excluding the non-recurrent impact directly related to the pandemic.
- **Comparisons:** the comparison with previous year is not applicable, since the pandemic started in 2020
- **Consistency:** This is the first year where COVID-19 impact is applicable.