1.4
IN 2020

Ferrovial results January - December 2020

Further increase of Ferrovial's record high liquidity levels (c.EUR8bn) and net cash position ex-infrastructure (c.EUR2bn).

- Strong cash flow generation in Construction (Activity CF pre-tax EUR293mn) and Services (ACF pre-tax EUR575mn)
- Dividends received from projects reached EUR458mn including the first dividend distributed by LBJ (EUR109mn), NTE dividend (EUR25mn), ETR 407 (EUR160mn) or Heathrow (EUR29mn).
- Divestments (EUR501mn) include: Broadspectrum (EUR300mn), Norte Litoral & Algarve (EUR100mn inflow, EUR72mn pending) and 5% of Budimex (EUR58mn).
- Focus on protecting the company's liquidity and further strengthening its financial position, at parent and asset level,remains.

Operating performance impacted by COVID-19. Mitigating measures at parent and asset level:

- Toll road traffic impacted by lockdowns and limitations to mobility though performance improved when restrictions eased.
- Air traffic affected by UK travel restrictions. Mitigating measures included Opex reduction of GBP303mn at Heathrow for 2020.
- Construction: high production levels with significant margin improvement (EBIT mg 2.3%) including -EUR49mn COVID-19 impact
- Services (discontinued activity) EBITDA impacted by COVID-19 in -EUR102mn but showing growth ex-COVID-19.

Operational efficiencies: Reducing opex, reviewing capex plans and restructuring.

- Corporate restructuring underway according to plan; overheads streamlining and saving initiatives across the Group.
- Streamlining operations (Heathrow, AGS). Capex plans deferred or cancelled.

COVID-19 IMPACT

2020 results have been impacted by COVID-19 pandemic. A global pandemic which has had an unprecedented impact and led to measures taken by governments across the world to reduce social contact and mobility.

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

The Company remains focused on protecting and further strengthening its liquidity and financial position. As of December 2020, liquidity ex-infrastructure level stood at a record c.EUR8bn, including EUR1.3bn available liquidity lines. Net cash ex-infra stood at EUR1,991mn (including discontinued operations). measures taken in 2020 include:

- On May 14th, Ferrovial issued a EUR650mn 6-year corporate bond with a coupon of 1.38%. On June 24th, an additional EUR130mn tap of this bond took place.
- Syndicated Revolving Credit Facilities were drawn for an amount of c.USD274mn. The liquidity facilities limit is EUR340mn.
- ECB Pandemic Emergency Purchase Program (PEPP): EUR575mn issued through ECP Program, with 6 to 12 months maturities. Another EUR516mn ECP issued at negative rates.
- On November 5th, Ferrovial issued a EUR500mn 8-year bond at 90 basis points over the mid-swap, (i.e. a coupon of 0.54%). The deal was oversubscribed 7-fold.

Ferrovial is strongly committed to supporting the Community to face the current pandemic. Ferrovial created a fund, "Ferrovial together COVID-19", to provide medical equipment, research projects for vaccines, and providing food to vulnerable groups.

Operationally, the COVID-19 pandemic impacted Ferrovial's activities since mid-March, especially on air and road traffic given restrictions to mobility and quarantines. The essential activity classification of both Construction and Services has contributed to their stronger performance throughout the year.

- **Toll Roads:** traffic levels reached their lowest point in early April, followed by a steady recovery since then, although a surge in COVID-19 cases at year-end led to new lockdowns and tighter restrictions, negatively impacting traffic.
  - **407 ETR:** -45.3% in 2020.
  - **Texas Managed Lanes:** NTE -26.1%, LBJ -37.6% and NTE35W -14.3% in 2020.
- **Airports:** traffic was strongly impacted by COVID-19 in 2020:
  - **Heathrow:** Passenger numbers fell by -72.7% as airlines reduced flights to a number of countries due to COVID-19 outbreaks, border closures and quarantine measures. Heathrow has available cash and committed facilities amounting to GBP3.9bn, sufficient liquidity to meet all payment obligations until at least April 2022 in a no-revenue scenario, or well into 2023 under HAH's traffic forecast. In July, Heathrow Finance creditors approved a waiver for the ICR covenant for 31 December and an amendment of the RAR covenants to 95.0% and 93.5%, for 2020 and 2021, respectively. The airport raised GBP1.7bn debt in 2020. In addition, the asset has strengthened its capital structure through Subordinated Debt (ADI Finance 2 Ltd facility) of GBP750mn. Lastly, HAH reprofiled a proportion of existing interest rate and inflation swaps and completed a series of new interest rate swap transactions which will help reduce interest payments over the next few years.
  - **AGS** have also seen a strong impact in their traffic levels (-75.9% 2020), hit by COVID-19 and the Flybe collapse. In June, AGS agreed a waiver of the requirement to comply with the Financial Covenants (Leverage Ratio and DSCR) in the Facilities Agreement for June and December 2020. December's waiver was subject to compliance with some liquidity conditions that were met by AGS. There is an ongoing dialogue between AGS, shareholders and lenders to support the Company in the coming months. The total cash balance was GBP18mn at 31 December 2020.
- **Construction:** Revenues have been impacted by an estimated amount of -EUR300mn, given the stoppages and the slowdown of works, widely distributed throughout all geographies. The impact at EBIT level (-EUR49mn) was similar to 9M 2020 (-EUR44mn), related to lockout, delays, acceleration costs and additional health and safety material.
- **Services:** COVID-19 impact in 2020 was –EUR102mn in EBITDA. In Amey, the activity with higher impact from the pandemic, the effects were seen later and were linked to delays in non-essential works, lower industrial activity & restrictions to mobility. The most impacted activities in Spain were services related to transport and infrastructure

maintenance, due to mobility restrictions.

MITIGATING MEASURES

The company is adapting to the current pandemic situation through several cost reduction, restructuring and capex revision measures:

- **Ferrovial** is advancing with its corporate restructuring program. The new operating model will allow cost reductions of EUR50mn a year from 2021 (EUR26mn in 2020). On the back of this plan, a -EUR22mn one-off cost was registered in 2020. Additional opex savings of EUR23mn related to COVID-19 were achieved in 2020.
- **Toll Roads:** all toll roads have undertaken a revision of opex and capex plans (EUR41mn proportional savings). In terms of opex, they have adjusted maintenance, collection costs, reduced marketing and advertising programs; while maintaining the levels of quality and safety. All non-essential capex plans have been delayed.
- **Airports:** Heathrow and AGS have taken measures to soften the impact of COVID on P&L and preserve liquidity, while ensuring an environment where passenger and staff security and safety remain the top priority. In terms of opex, measures include organization redesigning, renegotiation of contracts with suppliers and removing all non-essential costs. In 2020, Heathrow reduced opex by GBP303mn and capex by GBP700mn. The airport incurred in GBP92mn of exceptional costs relating to the business transformation program. AGS reduced opex by GBP37mn and capex by GBP25mn in 2020, along with an exceptional cost related to its restructuring process of GBP7mn.
- **Construction:** measures to mitigate the impact include cost reduction (c.EUR3mn savings) and preparation of compensation claims from the impact of delays and/or the execution cost of projects mainly in contracts with force majeure or change in law.
- **Services:** measures include the utilization of flexibility measures provided by the different governments such as temporary layoffs, furloughs, tax payment delays and advanced collection payments from public clients. Additionally, Services implemented cost reduction initiatives of c.EUR110mn (in proportional terms), including savings from investments delays in Spain (EUR15mn) and from temporary layoffs (EUR49mn).

2020 CONSOLIDATED RESULTS (SERVICES AS DISCONTINUED ACTIVITY)

- **Revenues** stood at EUR6,341mn (+9.9% LfL) on the back of higher Construction revenues (+11.4% LfL), partially offset by lower contribution from Toll Roads (-19.2% LfL).
- **EBITDA:** EUR409mn (EUR121mn 2019, which was impacted by the -EUR345mn provision registered in Construction in 1Q 2019). 2020 EBITDA was impacted by a -EUR22mn one-off cost related to the corporate restructuring plan.

DIVIDENDS FROM MAIN ASSETS

Total dividends from projects received by Ferrovial reached EUR458mn in 2020 (vs EUR729mn in 2019):

- **407 ETR**: distributed CAD562.5mn in 2020, EUR160mn for Ferrovial. 407 ETR Board will continue to monitor the current pandemic situation and will review any further potential dividend distribution to Shareholders, as appropriate.
- **Managed Lanes**: LBJ distributed its first dividend of USD229mn (EUR109mn FER's share). NTE also distributed a regular dividend of USD46mn (EUR25mn FER's share).
- **Heathrow**: distributed GBP100mn in 1Q 2020. Dividends distributed to Ferrovial amounted to EUR29mn. Dividends from Heathrow are not permitted until RAR is below 87.5%.
- **Other toll roads**: EUR45mn (EUR19mn in 2019).
- **Services**: EUR89mn dividends from projects, including EUR54mn dividend from EMESA, after its refinancing (EUR47mn Services dividends in 2019).

LBJ REFINANCING

Ferrovial, via Cintra, completed the refinancing of LBJ's Private Equity Bonds (PABs) with the issuance of new bonds (USD622mn proceeds). This PABs refinancing agreement has led to a lower cost of debt (new PABs 2.92% "yield to maturity" vs previous 7-7.5% old PABs coupon).

M&A TRANSACTIONS

- **I-77 Stake increase.** In November, Ferrovial agreed the acquisition of an additional 15%, increasing its stake to 65.1%. The operation is valued at USD78mn (EUR68mn) plus a deferred payment based on the asset's performance in June 2024 estimated at USD2.7mn (c.EUR2.3mn).
- **Portuguese toll roads sale:** Following the company's asset rotation strategy for mature concessions, Ferrovial sold stakes in two Portuguese availability-based PPP roads. On September 14th, 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 has already received EUR100mn from the sale process, EUR72mn pending.
- **Broadspectrum sale:** Following the agreement reached by Ferrovial with Ventia Services Group for the disposal of Broadspectrum on December 2019, on 30 June 2020, Ferrovial completed the sale. The transaction price (shares and shareholder loans) amounted to AUD465mn (EUR288mn including transaction costs). This figure did not include Ferrovial's 50% stake in TW Power Services acquired by the JV partner Worley for AUD20mn (c. EUR12mn) in July.
- **Budimex 5% stake sale**: On June 2020, Ferrovial sold a stake in Budimex (5%), with no impact on P&L. Ferrovial holds a controlling stake (50.1%). The impact on cash flow was EUR58mn at 2020.

RESULTS BY DIVISION

Toll roads: traffic performance was impacted by COVID-19 pandemic across all assets, very correlated to mobility restriction measures in each region. In addition, the impact was higher for light vehicles, with heavy vehicles showing more resilience. Revenues decreased by -19.2% LfL and EBITDA by -22.9% LfL. EBITDA stood at EUR251mn, including the change in Autema method of accounting following the Supreme Court dismissal. 407ETR traffic was highly impacted by measures adopted by the Ontario Province to curb the spread of COVID-19, decreasing by -45.3% in 2020. Managed Lanes traffic showed steady improvement since the reopening of the economy in May, although traffic was impacted by the upswings in COVID-19 cases in June and 4Q.

Airports: Passenger numbers at Heathrow declined by -72.7% in 2020. Revenues fell by -61.7% and adjusted EBITDA by -85.9% at Heathrow SP. AGS traffic decreased by -75.9%, with revenues decreasing by -67.4% and EBITDA by -126.1%.

Construction: High level of production sustained with strong improvement in margins. Revenues were up +11.4% LfL, 87% international. EBIT reached EUR134mn, vs. -EUR365mn in 2019 (which was impacted by the provision recorded in 1Q 2019 for three contracts in US). EBIT margin reached 2.3% in 2020, including COVID-19 impact (-EUR49mn). The order book stood at EUR10,129mn (-5.6% LfL), not including pre-awarded contracts of around EUR370mn.

Services (disc. operations): Net income from discontinued operations stood at -EUR3mn, including a negative result recorded from the Broadspectrum sale (-EUR64mn), mainly due to the reclassification to P&L of reserves corresponding to translation differences net of hedges according to IAS 21. Additionally, a fair value provision was recognized in Amey (-EUR34mn) and International (-EUR25). Services business in Spain has registered a positive result of +EUR121mn in 2020 (without amortization, as per IFRS 5).

FINANCIAL POSITION

EUR1,991mn net cash ex-infrastructure projects (including discontinued operations) vs EUR1,631mn on December 2019. Net debt of infrastructure projects reached EUR4,532mn (EUR4,588mn in December 2019). Net consolidated debt reached EUR2,541mn (EUR2,957mn in December 2019).

REPORTED P&L

(EUR million)	DEC-20	DEC-19
REVENUES	**6,341**	**6,054**
Construction Provision *		-345
EBITDA	**409**	**121**
Period depreciation	-198	-180
Disposals & impairments	15	460
EBIT**	**226**	**401**
FINANCIAL RESULTS	-232	-193
Equity-accounted affiliates	-378	296
EBT	**-384**	**504**
Corporate income tax	28	-47
NET PROFIT FROM CONTINUING OPERATIONS	**-356**	**457**
NET PROFIT FROM DISCONTINUED OPERATIONS	**-3**	**-198**
CONSOLIDATED NET INCOME	**-359**	**259**
Minorities	-51	9
NET INCOME ATTRIBUTED	**-410**	**268**

(*) Related to the provision registered in 1Q 2019 corresponding to three contracts in the US. (**) EBIT after impairments and disposals of fixed assets.

CONSOLIDATED EBITDA

(EUR million)	DEC-20	DEC-19	VAR.	LfL
Toll Roads	251	436	-42.3%	-22.9%
Airports	-18	-16	-10.5%	12.1%
Construction	227	-286	179.4%	181.2%
Others	-51	-12	n.a.	n.a.
Total EBITDA	**409**	**121**	**238.0%**	**n.s**

PROPORTIONAL EBITDA

(EUR million)	DEC-20	DEC-19	LfL
Toll Roads	436	644	-32.4%
Airports	50	574	-91.2%
Construction ex-provision	227	65	n.s.
Others	-33	-40	16.7%
Total EBITDA	**680**	**1,244**	**-45.3%**

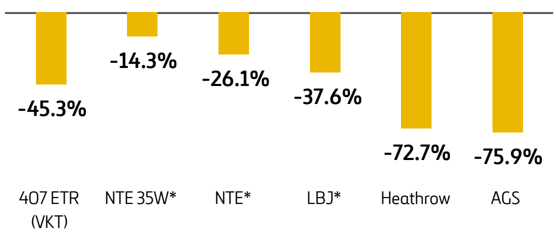
Like-for-like figures.

NET CASH POSITION

(EUR million)	DEC-20	DEC-19
NCP ex-infrastructures projects	**1,991**	**1,631**
NCP infrastructures projects	**-4,532**	**-4,588**
Toll roads	-4,216	-4,220
Others	-316	-368
Total Net Cash /(Debt) Position	**-2,541**	**-2,957**

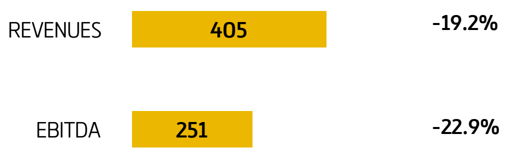
NCP: Net cash position. Includes discontinued operations

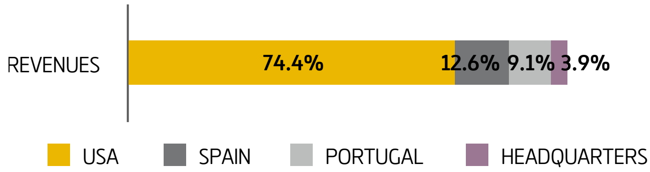
TRAFFIC PERFORMANCE



*Transactions

Toll roads





407 ETR (43.23%, equity-accounted)

COVID-19

Throughout 2020, the Province of Ontario went through various stages of stay-at-home orders, state of emergency, lockdowns, and phased reopenings. While the 407 ETR experienced significant declines in traffic since the onset of COVID-19, there were gradual improvements in traffic volumes with each stage of the reopening. During the second lockdown (December 26th 2020) traffic volumes have not been as negatively impacted as compared to the initial close last March 2020.

Despite the impact of lower revenues due to the COVID-19 pandemic, 407 ETR maintained sufficient liquidity to satisfy all of its financial obligations in 2020 and expects to maintain sufficient liquidity in 2021.

407 ETR management continues to analyze the extent of the financial impact of COVID-19. While the full duration and scope of the pandemic continues to remain unknown, Management does not believe it will have a long-term impact on the financial condition of 407 ETR. In addition, 407 ETR continues to review potential reductions to opex and capex.

TRAFFIC

	DEC-20	DEC-19	VAR.
Avg trip length (km)	21.00	21.91	-4.2%
Traffic/trips (mn)	71.47	125.14	-42.9%
VKTs (mn)	1,500	2,742	-45.3%
Avg Revenue per trip (CAD)	12.55	11.88	5.6%

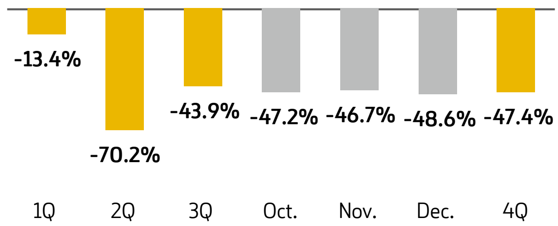
VKT (Vehicle kilometers travelled)

In 2020, VKTs fell by -45.3%, impacted by the changing mobility restriction measures adopted by Ontario Province to combat the spread of COVID-19 since March.

Traffic reached its lowest levels in early April, to then increase gradually during the phased economy reopening. COVID-19 cases increased significantly from mid-August lows and until year-end. The Province implemented increasingly restrictive social distancing measures in 4Q, including prohibiting indoor dining services and closing indoor gyms, cinemas and venues with high risk of personal contact.

On November 23rd, Toronto and Peel entered the Grey-Lockdown zone, where the most severe restrictions on social gatherings and indoor operations are in place and on December 26th, the entire Province of Ontario entered a more stringent province-wide lockdown, to be in-place for a minimum of 28 days.

Quarterly traffic

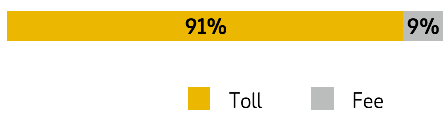


P&L

(CAD million)	DEC-20	DEC-19	VAR.
Revenues	909	1,505	-39.6%
EBITDA	740	1,309	-43.5%
EBITDA margin	81.4%	87.0%	

Results for 100% of 407 ETR

Revenues breakdown



Revenues where down -39.6% in 2020, reaching CAD909mn.

- **Toll revenues** (91% of total): -41.0% to CAD827mn, mainly due to lower traffic volumes from the impact of COVID-19, offset by a toll rate increase effective February 1, 2020. Average revenue per trip increased +5.6% vs. 2019.
- **Fee revenues** (9% of total) CAD82mn (-14.3%) due to lower account fees due to lower trip volumes and the temporary suspension of transponder lease fees, late payment charges and enforcement fees for new Licence Plate Denial notices during 2Q 2020 to help mitigate the economic impact of COVID-19 on customers, offset by higher service fees due to the opening of 407 Extension II in late 2019.

OPEX -14.0%, mainly due to lower customer operations costs from lower billing, bank charges and collection costs, coupled with lower staffing costs and lower provision for doubtful accounts. These decreases were offset by higher general and admin. expenses mainly on higher COVID-19-related charitable donations and higher system operations costs and support costs.

EBITDA -43.5%, as a result of lower traffic and revenues, partially offset by lower operating expenses. EBITDA margin was 81.4% vs 87.0% in 2019.

Dividends: In 2020, 407 ETR distributed CAD562.5mn (CAD1,050mn in 2019). Dividends for Ferrovial amounted to EUR160mn. 407 ETR Board will continue to monitor the current pandemic situation and will review any further potential dividend distribution to Shareholders, as appropriate.

Net debt at end of December: CAD8,323mn (average cost of 4.50%). 54% of debt matures in more than 15 years' time. Upcoming bond maturity dates are CAD18mn in 2021, CAD318mn in 2022 and CAD20mn in 2023.

In March, 407 ETR issued a CAD700mn Senior Notes, Series 20-A1, due March 2050 (aggregate principal amount of 2.84%).

In May, 407 ETR issued CAD750mn of Medium-Term Notes:

- CAD350mn Senior Notes, Series 20-A2, due May 2025 (coupon 1.80%).
- CAD400mn Senior Notes, Series 20-A3, due May 2032 (coupon 2.59%).

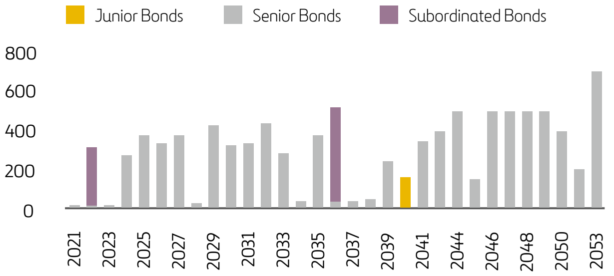
In addition, 407 ETR announced the early payment of:

- CAD400mn nominal Senior Medium-Term Notes, Series 10-A3, due May 2021.
- CAD208mn nominal Senior Bonds, Series 99-A5, maturing in December 2021.

407 ETR credit rating

- **S&P:** "A" (Senior Debt), "A-" (Junior Debt) & "BBB" (Subordinated Debt), with watch negative outlook, issued on 11 Nov 2020.
- **DBRS:** "A" (Senior Debt), "A low" (Junior Debt) & "BBB" (Subordinated Debt), with negative outlook, issued on 25 Nov. 2020. On 22 May 2020, DBRS assigned "A" Ratings to 407 ETR's New Issues.

407 ETR bond maturity profile



407 ETR tariffs

On 31 December 2019, 407 ETR announced an increase in tariffs, along with the introduction of seasonal toll rates, which came into effect on 1 February 2020. Given the impact of COVID-19, 407 ETR did not implement the changes included in the seasonal toll rates aside from the increase in February 2020.

Schedule 22

Due to the COVID-19 pandemic and stay-at-home orders, traffic on Highway 407 ETR has been significantly lower and minimum traffic thresholds for 2020 were not achieved as prescribed under Schedule 22. It is 407 ETR's position that due to the adverse traffic impacts of the pandemic and the force majeure provisions of the Concession Agreement, no Schedule 22 payments apply since the pandemic was declared. Following legal counsel interpretation of the contract no provision has been booked since the pandemic started.

TEXAS MANAGED LANES (USA)

Managed Lanes (MLs) traffic was significantly impacted during the COVID-19 outbreak due to the mobility restrictions and the sequential shut downs, although positively reacting to reopening.

Traffic reached its lowest point in early April following the shelter-in-place orders and closure of schools, but recovered since then at different rates on each Managed Lane. The region shifted from quick re-opening on May to increased restrictions following upswing in cases in June. Restrictions slowly lifted since then until early November, when Texas suffered a spike in COVID-19 cases. Texas government announced on December 3rd that restaurants would have to return to service at 50% capacity, and bars were required to close. Schools remained with the two options, in person and online. Traffic has softened across December, especially during the winter break.

Although Toll Rates in the Texas MLs are dynamically adjusted with traffic, a set of minimum toll rates by time of day predefined by the operator is applied. The traffic fall in the Texas MLs has been partially offset by the positive performance in toll rates and the higher proportion of heavy vehicles.

NTE 1-2 (63.0%, globally consolidated)

In 2020, traffic decreased by -26.1% due to COVID-19 related mobility restrictions. Since the reopening in May, traffic recovery has been somewhat steady.

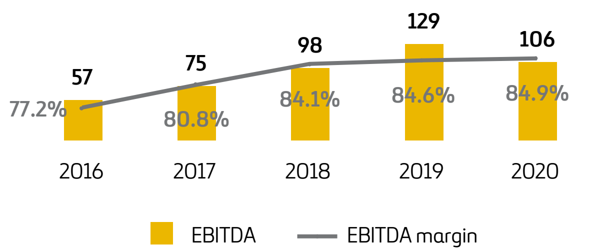
	DEC-20	DEC-19	VAR.
Transactions (mn)	25	34	-26.1%
Revenues (USD mn)	125	153	-18.4%
EBITDA (USD mn)	106	129	-18.1%
EBITDA margin	84.9%	84.6%	

The **average toll rate** per transaction reached USD4.9 vs. USD4.5 in 2019 (+10.3%).

Revenues reached USD125mn (-18.4% vs. 2019) on the back the impact of lower traffic although mitigated by the impact of traffic mix and higher toll rates.

EBITDA reached USD106mn (-18.1% vs. 2019). EBITDA margin of 84.9% (+31 basis points vs. 2019).

NTE EBITDA EVOLUTION



Dividend: NTE distributed a USD46mn dividend in 2020. Ferrovial received EUR25mn.

NTE net debt reached USD1,232mn in December 2020 (USD1,234mn in December 2019), at an average cost of 3.74%.

Credit rating

	PAB	Bonds
Moody's	Baa2	Baa2
FITCH	BBB	

LBJ (54.6%, globally consolidated)

In 2020, traffic decreased by -37.6%, as COVID-19 induced reduction in traffic since March offsetting strong growth in January and February (+11.6% aggregated). Construction of the 635E project continued during the pandemic, which will introduce one ML in each direction for 10 miles from the eastern terminus of LBJ project.

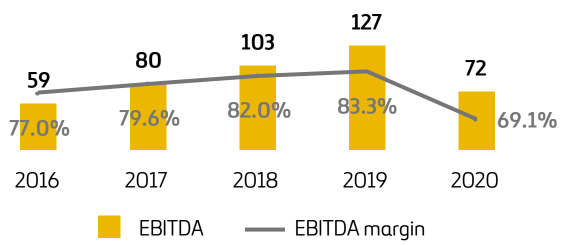
	DEC-20	DEC-19	VAR.
Transactions (mn)	30	48	-37.6%
Revenues (USD mn)	104	153	-31.8%
EBITDA (USD mn)	72	127	-43.5%
EBITDA margin	69.1%	83.3%	

The **average revenue per transaction** reached USD3.4 in 2020 vs. USD3.2 in 2019 (+8.5%).

Revenues reached USD104mn (-31.8% vs. 2019) due to higher toll rates, offset by the declining of traffic due to COVID-19 pandemic.

EBITDA reached USD72mn (-43.5%% vs. 2019) with an EBITDA margin of 69.1% (83.3% in 2019).

LBJ QUARTERLY EBITDA EVOLUTION



Dividend: LBJ toll road distributed its first dividend (USD229mn), after five years of operations (contractually the asset could not pay dividends until it had been operational for 5 years). Ferrovial received c.EUR109mn.

Refinancing: In September 2020, Ferrovial, via Cintra, completed the refinancing of LBJ's Private Equity Bonds (PABs) with the issuance of new bonds (USD622mn proceeds). This PABs' refinancing agreement has led to a lower cost of debt (new PABs 2.92% "yield to maturity" vs previous 7-7.5% old PABs' coupon).

LBJ net debt amounted to USD1,660mn in December 2020 (USD1,407mn in December 2019), at an average cost of 5.73%, including old debt's deferred financing costs write-offs from previous PABs.

Credit rating

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

NTE 35W (53.7%, globally consolidated)

In 2020, NTE 35W traffic decreased by -14.3%. The decrease in traffic caused by COVID-19 was partially offset by positive effects of ramp-up (the toll road opened fully in 2018) and higher exposure to heavy vehicles, resulting in NTE 35W having the lowest decrease in traffic of the three Texas MLs assets.

	DEC-20	DEC-19	VAR.
Transactions (mn)	28	33	-14.3%
Revenues (USD mn)	98	90	8.1%
EBITDA (USD mn)	82	54	49.9%
EBITDA margin	83.4%	60.1%	

The **average revenue per transaction** reached USD3.5 in 2020 up from USD2.7 in 2019 (+26.1%) positively impacted by higher proportion of heavy vehicles (toll multiplier 2x - 5x).

Revenues reached USD98mn (+8.1% vs. 2019) due to higher toll rates, partially offset by the stay-at-home measures due to COVID-19 pandemic.

EBITDA reached USD82mn (+49.9% vs. 2019) with an EBITDA margin of 83.4% (vs 60.1% in 2019). NTE35W EBITDA in 2019 was negatively impacted by NTE3C success fee payment (USD20mn).

NTE 35W net debt reached USD915mn in December 2020, at an average cost of 4.50%, 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 and operation of Seg. 3C:

- Construction of 2 managed lanes in each direction, c.6.7 miles from north of US 81/287 to Eagle Pkwy.
- Reconstruction of existing general-purpose lanes.
- Construction of access ramps & frontage roads.
- Construction of IH820/I-35W managed lanes direct connector.
- Installation of Intelligent Transportation System "ITS" & tolling systems.

Duration: concession term ends 2061

Operation & Maintenance (O&M) 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)

The northern portion of I-77 Express opened on June 1st, 2019, and the southern portion opened November 16th, 2019. COVID-19 breakout has negatively impacted the traffic, especially since the week of March 22, when Charlotte area shelter-in-place orders were issued by the authorities.

Traffic on I-77 reached its lowest point in early April, but recovered as restrictions slowly rolled back since early May. However, due to an upswing in cases in Autumn, Phase 3 of the Governor's Safer-at-Home orders went into effect in October. This order was revised on December 8, imposing a statewide curfew between 10pm to 5am.

	DEC-20
Transactions (mn)	20
Revenues (USD mn)	18
EBITDA (USD mn)	4
EBITDA margin	24.9%

On November 2020, Ferrovial, through Cintra, agreed with one of the existing shareholders to acquire an additional 15%, increasing its stake to 65.1%. The operation is valued at USD78mn (EUR68mn) plus a deferred payment based on the asset's performance in June 2024 estimated at USD2.7mn (c.EUR2.3mn).

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), Norte Litoral (until sale completion) and M3.

- **Spain:** traffic in 2020 was impacted by COVID-19. Since the beginning of March, traffic was affected by the declaration of the State of Alarm & lockdown measures. Traffic reached its lowest point in April with -88.6% in Ausol I and -79.9% in Ausol II. From 4th May, when the reopening of the economy started, the drops were softening progressively. However, the surge of COVID-19 cases in Spain and the subsequent quarantining of travelers coming from Spain dramatically reduced the number of tourists. 2020 traffic was down -44.7% at Ausol I and -36.5% at Ausol II.
- **Portugal:** traffic was also impacted by COVID-19. Traffic reached the lowest point in April with -78.8% in Algarve, -62.0% in Norte Litoral and -63.8% in Azores. The reopening of the economy started on May 4th and traffic began to recover gradually. However, on October 15th the government declared a new State of Alarm, with additional mobility restrictions and curfews during the weekends. Traffic impact on Norte Litoral and Azores was softer due to its lower dependence on tourism. Algarve benefited to some extent from the obstacles imposed to travel to Spain during Summer. 2020 ended with traffic down -33.3% in Algarve, -19.5% in Norte Litoral and -17.9% in Azores.
- **Ireland:** traffic was also impacted by the mobility restrictions due to COVID-19. These caused monthly falls that reached in April -72.4% in M4 and -69.4% in M3. The reopening started on May 18th but, since August, the government responded to new outbreaks with extended restrictions to mobility, reaching the most strict level in the last 3 months of the year. 2020 traffic stood at -28.9% at M4 and -24.1% at M3.

OTHER EVENTS

Autema

On 19th October 2020, 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 Catalonian Regional Government (the Grantor) in 2015.

The 2015 changes implied moving from a regime with no traffic risk (the Grantor paid the operator the difference between tolls collected and operating surplus established in the Economic and Financial Plan), to one with traffic risk (with the Grantor subsidizing a portion of the tolls).

This resolution is final in terms of Spanish courts.

As a result of this resolution, Autema has been classified as an "intangible asset" (vs. a "financial asset" before). This change, in 2020 results, has no impact on cash generation nor cash position, but at P&L level, it implies a positive impact of EUR10mn (pre-tax), EUR6mn (post-tax), as a result of:

- A loss of -EUR168mn: difference between the financial asset's Dec 2019 book value and the intangible asset's estimated value (net present value of estimated future revenues according to the new regulation).
- A profit of EUR179mn: positive value of the 2008 Inflation derivative to fix the inflation of revenues to be received. The new contract regulation implies lower total revenues so part of the above-mentioned derivative will no longer be efficient.

Additionally, operational results of Autema for 2020 have been restated applying the new concession regime (intangible asset model). Revenues and EBITDA for 2020 result in EUR51mn and EUR43mn, respectively, vs EUR113mn and EUR105mn for 2019 (when the financial model still applied).

ASSETS UNDER DEVELOPMENT

(EUR million)	INVESTED CAPITAL	PENDING COMMITTED CAPITAL	NET DEBT 100%	CINTRA SHARE
Global Consolidation				
Intangible Assets		-70	-748	
NTE35W*		-70	-748	53.7%
Equity Consolidated				
Intangible Assets	-35	-590	-1,677	
I-66	-35	-590	-1,677	50.0%
Financial Assets	-81	-56	-1,632	
Ruta del Cacao	-54		-147	30.0%
Silvertown Tunnel	0	-26	-373	22.5%
Bratislava		-30	-866	35.0%
OSARs	-28		-246	50.0%

(*) 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 the c.6.7miles. Construction works have already started, and the toll road is expected to open at the end of 2023. The concession will end in 2061. Design and construction works are 20% complete.
- **I-66 (Virginia, USA):** the project includes the construction of 35km on I-66 (between Route 29, close to Gainesville, and the Washington DC ring road, I-495, in Fairfax County). The construction period will run until December 2022, and the concession is granted for 50 years from the commercial agreement closing. Design & construction works are 57% complete.
- **Ruta del Cacao (Colombia):** 152 km, out of which 81 km are new toll road, construction of 16 bridges, 2 viaducts and 2 tunnels with a combined length of 6km. This is a 25-year concession. Design and construction works were 68% complete as of December 2020. In June, a 39km section was opened.
- **Brastislava (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. Design and construction works are 86% complete. In July, the first section of 29.7km opened.
- **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. The design and construction works are 97% complete.

TENDERS PENDING

In the **US**, we continue to pay close attention to private initiatives:

- Cintra is following various projects of interest in various States such as Georgia, Illinois, Virginia, Colorado and Texas, some of which have already announced a program of projects with Managed Lane schemes.

Cintra continues active in other markets such as UK, Chile, Peru and Australia (Queensland and New South Wales).

Airports

Airports contributed -EUR447mn to Ferrovial's equity accounted result in 2020, vs. EUR115mn in 2019.

- **HAH:** -EUR396mn in 2020 (EUR106mn in 2019) due to:
    - The negative impact of COVID-19.
    - Exceptional costs related to restructuring plans (-EUR32mn).
    - A non-cash impairment and write-off charge on assets in the course of construction (-EUR21mn).
    - A deferred tax liability regularization (-EUR28mn) upon government leaving Corporate Income Tax rate at 19% vs 17% previously approved.
    - The negative evolution of derivatives mark to market (-EUR46mn).
- **AGS:** -EUR51mn in 2020 (EUR9mn in 2019).
    - The negative impact of COVID-19.
    - Exceptional costs related to restructuring plans (-EUR3mn) and a deferred tax rate regularization (-EUR9mn).

In terms of **distributions to shareholders**:

- **HAH:** paid GBP100mn dividends in 2020 (GBP500mn in 2019). This distribution was made on February 2020 reflecting the cumulative outperformance before the significant impacts of COVID-19. Dividends distributed to Ferrovial amounted to EUR29mn in 2020. Dividends from Heathrow are not permitted until RAR is below 87.5%.
- **AGS:** has not paid dividends in 2020.

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

COVID-19 & Heathrow's response

The COVID-19 outbreak continues to represent a seismic challenge for the aviation industry, including Heathrow, as governments around the globe closed their borders and imposed quarantines. In response to the crisis, Heathrow quickly adapted its operating model and implemented a clear plan to navigate these turbulent times.

Safety and security remain as first and non-negotiable priority. The entire Heathrow airport experience has been reviewed to ensure that passengers are kept safe. Heathrow has added safety measures across the passenger journey following close collaboration with Public Health England and best practice. During 2020, Heathrow has encouraged the introduction of passenger testing within the UK's airports working with a number of organizations to trial a wide variety of new and innovative testing technologies, even partnering with the airport's trans-Atlantic carriers to better understand how various testing regimes could serve as a safe alternative to quarantine.

COVID-19 continues to have a significant impact on Heathrow's financial performance. Management quickly and decisively rolled out an extensive cost reduction program to protect the financial resilience and cash position of the airport while ensuring an environment where passenger and staff security and safety remain the top priority. **Operating costs reduced by a net amount of GBP303mn** vs. Budget 2020 (Dec. 2019 Investor Report). Structural changes were implemented to achieve this target such as restructuring of the organization, pay cuts, bonus cancellation, recruitment freeze, utilizing the furlough scheme, renegotiating suppliers' contracts and consolidation of operations.

In parallel, **HAH significantly reduced its capital expenditure, by GBP700mn,** to preserve cash with investment focused on the safety and resilience of the airport.

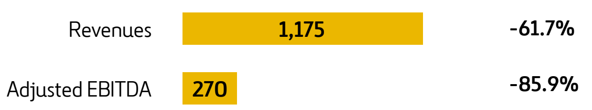
The liquidity position of Heathrow at 31 December 2020 was GBP3.9bn. In addition to raising GBP1.7bn from global capital markets during 2020, Heathrow strengthened its capital structure in October through Subordinated debt (ADI Finance 2 Ltd facility) of GBP750mn. The facility's net proceeds were injected into the Heathrow Finance Group to provide further headroom to the group gearing covenant level including GBP600mn pushed into the Heathrow SP group that was used in late 2020 to optimize its working capital. Heathrow Finance also raised GBP50mn. Heathrow has sufficient liquidity to meet all payment obligations until at least April 2022 in a no revenue scenario, or well into 2023 under HAH's current traffic forecast.

Traffic

Heathrow reported its lowest annual passenger numbers in 45 years. Although the hub and largest UK port status provided some resilience during these challenging times, offering as many flights to as many destinations as possible. Heathrow's work includes: supporting 80% of incumbent airlines flying, consolidation of London operations, targeting new entrants benefiting from unused slots and supporting its cargo business, the best performer during the pandemic.

Million passengers	DEC-20	DEC-19	VAR.
UK	1.5	4.8	-69.8%
Europe	9.8	33.2	-70.3%
Intercontinental	10.8	42.9	-74.8%
Total	22.1	80.9	-72.7%

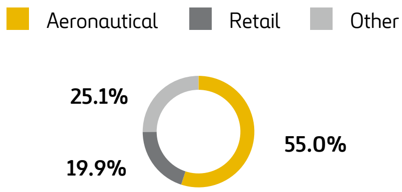
P&L



Revenues: -61.7% in 2020 to GBP1,175mn.

- **Aeronautical:** -64.7% vs 2019, predominantly due to reduced passenger numbers. Aeronautical revenue per passenger increased +29.2% to GBP29.26 (GBP22.64 in 2019). Revenue per passenger is largely distorted by the reduced number and an increase in cargo movements which are charged on a per movement basis.
- **Retail:** -67.6% driven by reduced passenger numbers and mix of retail service available. Retail revenue per passenger increased +18.6% to GBP10.58 (GBP8.93 in 2019). Retail income per passenger is largely distorted due to the reduced passenger numbers.
- **Other revenues:** -43.1% vs 2019. Other regulated charges -51.6% predominantly because of fewer passengers and aircraft movements impacting the ability to recover running costs. Heathrow Express saw a -77.8% in revenue due to fewer passengers. Property and other revenues -3.8% showing relative resilience due to rental alleviation being spread forward over the residual life of the contract.

Contribution to revenues:



Adjusted operating costs (ex-depreciation & amortization and exceptional): -21.2% to GBP905mn. An extensive cost reduction program (described above) delivered GBP303mn of net savings vs. Budget 2020 (December 2019 Investor Report). Operating costs per pax +188.1% to GBP40.93 (GBP14.21 in 2019).

Adjusted EBITDA -85.9% to GBP270mn (GBP1,921mn in 2019) and adjusted EBITDA margin of 23.0% (62.6% in 2019).

Exceptional items: In 2020, there was an exceptional charge of GBP184mn (nil in 2019) to the income statement. As a consequence of the impact of the COVID-19 outbreak and the delay to expansion, Heathrow has undergone a business transformation in order to simplify operations and reduce costs. As a result, Heathrow has incurred GBP92mn of exceptional costs consisting of GBP142mn of people-related costs, principally redundancy, partially offset by a net GBP50mn credit associated with corresponding pension settlements and curtailments. In addition, Heathrow recognized a non-cash impairment and write-off charge of GBP92mn on assets in the course of construction. While the vast majority of expansion assets remain on the balance sheet in 2020, a number of partially complete projects have been placed on hold, some of these projects are unlikely to be restarted in the foreseeable future or are unlikely to be restarted without material changes to the original proposal design, GBP82mn of costs incurred to date on these projects have been impaired. In addition, GBP10mn of costs which relates to forecast re-work, which will be required as a result of the estimated delay to Expansion, have been impaired.

HAH net debt: the average cost of Heathrow's external debt was 2.09%, including all the interest-rate, exchange-rate, accretion and inflation hedges in place (vs. 4.73% in December 2019).

Heathrow SP reprofiled a proportion of existing derivatives and completed a series of new transactions which will help to reduce interest payments over the next few years. This has reduced the cost of debt substantially in 2021 to 2022, which will increase after this period.

(GBP million)	DEC-20	DEC-19	VAR.
Loan Facility (ADI Finance 2)	820	75	n.a
Subordinated	2,313	1,919	20.5%
Securitized Group	16,606	13,644	21.7%
Cash & adjustments	-3,949	-1,594	147.8%
Total	15,790	14,044	12.4%

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

Financial Ratios: At 31 December 2020, Heathrow SP and Heathrow Finance continue to operate within required financial ratios.

As of 31 December 2020, a forecasting event and trigger event have occurred in relation to the forecast Interest Cover Ratios (ICRs) for Class A and Class B debt for the financial year ending 31 December 2020. As a result, a distribution lock-up is in place within Heathrow SP and will have no adverse effect on Heathrow SP's creditors.

In July, Heathrow Finance bondholders approved a waiver for the ICR covenant for December 2020 (tested in June 2021), and an amendment of the RAR covenants to 95% (December 2020) & 93.5% (December 2021). The approval included the main following adjustments: no dividends paid until RAR is below 87.5%, minimum liquidity of GBP200mn, introduction of an additional RAR covenant at 95% (2021) and 92.5% (2022), along with a coupon step-up of up to 0.75%.

Liquidity position was enhanced by raising GBP2.5bn debt in 2020 across the capital structure in bond and loan format.

Regulatory Asset Base (RAB): At 31 December 2020, the RAB reached GBP16,492mn (GBP16,598mn in December 2019).

Sustainable growth: Heathrow remains committed to decarbonizing aviation. This year Heathrow became carbon neutral and they helped to launch the UK´s Sustainable Aviation roadmap, the first time that an entire national aviation industry had committed to net zero emissions by 2050.

Over next decade, lower carbon sustainable aviation fuel (SAF) represents the best way to accelerate a reduction in carbon. SAF can be utilized by existing aircraft without waiting for a 25-year asset replacement cycle. The challenge is that the small volumes of SAF currently produced are also expensive. A Government package of supply side regulations, demand incentives and financial support is needed, pursued with urgency and purpose.

Heathrow Expansion: In February 2020, the Court of Appeal suspended the Airports National Policy Statement (ANPS). In October, Heathrow submitted an appeal to the Supreme Court and in December, the Supreme Court unanimously ruled the ANPS as lawful and legal Government policy. Their verdict confirmed the Government had taken into account the Paris Climate Change Agreement as part of the policy, and that this would be considered as part of the robust planning processes in the UK. Heathrow has already committed to net zero and this ruling recognizes the robust planning process that will require Heathrow to prove expansion is compliant with the UK's climate change obligations, including the Paris Climate Agreement, before construction can begin. The Government has made decarbonizing aviation a central part of its green growth agenda, through wider use of Sustainable Aviation Fuel as well as new technology. This is the right result for the country, which will allow Global Britain to become a reality. As passenger numbers recover, HAH's immediate focus will be to continue to ensure their safety and to maintain its service levels while Heathrow consults with investors, government, airline customers and regulators on the next steps.

Brexit: In December, the UK and EU agreed a Comprehensive Trade Agreement that came into force on 1 January 2021. Aviation was identified as a priority for both sides. The Agreement includes an aviation chapter, providing the rights for flights to continue between the EU and UK without disruption. All other air services between UK and rest of the world countries have been rolled over or renegotiated, meaning that flights can continue to all markets with certainty.

From a retail perspective and ahead of the end of the transition period, the Government announced changes to airside tax-free sales of all non-excise goods and the withdrawal of VAT Refund scheme from January 2021. These changes will impact Heathrow's pricing proposition materially and are therefore a significant and credible threat to Heathrow's income of c.GBP200mn annually. Removing tax free shopping would lead to a c.15% increase in passenger charges from 2022, due to increased difficulty to remain price competitive vs. foreign airports and destinations, as well as the knock-on impact of passengers using the VAT refund scheme at the airport. Heathrow, World Duty Free, and Global Blue, have launched a Judicial Review on the Government's decision for which hearing took place in late February.

Key regulatory developments

COVID-19 related RAB adjustment: In July 2020 Heathrow submitted an application to the CAA for an adjustment to the RAB for an appropriate amount of the unexpected losses which occurred due to the impact of COVID-19. The adjustment is designed to secure the recovery of historic investment efficiently incurred as well as losses in return as per economic parameters used to set Heathrow's allowed cost of capital. This proposal seeks the enforcement of the protection included in Heathrow's settlement against unlimited downside triggered by exceptional circumstances. In October, the CAA published a consultation requesting further evidence that this action was required. In response to the CAA's consultation Heathrow set out the need for the urgent adjustments prescribed in its license and how its proposed mechanism would ensure that Heathrow could continue to operate in the interests of users while smoothing the impact of this change on passengers over future years.

In February, the CAA published a further consultation, recognizing the existence of exceptional circumstances as defined in the license and accepting that doing nothing was not an option as well as laying out its two preferred solutions. Heathrow has proposed a reasonable adjustment that allows the CAA to act now in order to lower future charges and maintain investment in the airport, protecting jobs and avoiding rapid degradation of service. The CAA must ultimately take a decision, but failure to act in the right way and in a timely manner will see confidence in effective regulation evaporate. This would not just affect Heathrow, but will undermine the perception of investing in the UK and the Government's Global Britain agenda.

H7 and Regulatory timetable: The H7 period is due to start on 1 January 2022. In December Heathrow submitted its Revised Business Plan (RBP) to the CAA. This set out Heathrow's plans for the H7 period following consultation with airlines and the publication of further policy views from the CAA through 2020. Heathrow's plan seeks to maximize passenger growth and minimize airport charges to support airlines in the recovery. The plan assumes Heathrow's proposed RAB adjustment is fully implemented, which is a critical factor for the plan to be financeable and equity investible and also unlocks Heathrow's capacity to use financial levers to keep prices as low as possible. Heathrow's RBP will form the basis of the CAA's decision making for the H7 period. Its RBP proposes a minimum 5-year regulatory period from 2022-26 as the basis of Heathrow's H7 framework. Heathrow has proposed evolutions to the regulatory framework following the impact of COVID-19 to ensure that the framework is robust to future uncertainty and appropriately balances risk and reward in the H7 period and beyond. These evolutions include a proposed price control adjustment mechanism which automatically adjusts if revenues deviate from forecast by over 8% by making an adjustment to Heathrow's RAB. Additionally, Heathrow is proposing changes to ensure it can mitigate any unforeseeable future costs caused by the pandemic and changes in relevant Health and Safety legislation.

The CAA is continuing to consult on its proposals for the regulatory framework which will be in place for the H7 period. Heathrow is expecting further consultations from the CAA in early 2021 focusing on policy development in areas such as capital efficiency and the recovery of early expansion costs. Heathrow is expecting the CAA's Initial Proposals, which will provide its preliminary view on the price cap and conditions for the H7 period in Summer 2021.

Outlook: The outlook for 2021E EBITDA is consistent with the guidance from 2020 December Investor Report. Heathrow expects 37.1mn pax. (-54% vs. 2019), assuming no further recovery in 1Q, and two thirds of the annual volume forecast materializing during 2H. Given the degree of uncertainty around traffic recovery, HAH has also considered a severe but plausible scenario whereby traffic reduced to 27mn pax. in 2021. In this scenario, HAH concluded that sufficient mitigations would remain within management control to avoid any covenant breach.

Further steps have been taken to reduce costs, maintaining T4 non operational and T3 contingent on traffic recovery, and in the absence of meaningful government support, a reduction in people costs, management roles and removal of all legacy allowances.

No covenant breach during 2021 is forecasted under the current traffic scenario, given the mitigation plans from 2020 and latest cost savings initiatives. However, the impact of COVID-19 continues to create considerable uncertainty for the aviation industry. Plausible scenarios below this 'severe but plausible' downside could cause the Group to breach minimum levels required for covenant compliance.

AGS (50%, equity-accounted) – UK

AGS response to COVID-19: AGS Airports have been significantly impacted by the unprecedented disruption to air travel following the spread of the COVID-19 pandemic and Flybe entering into administration. COVID-19, which followed shortly after Flybe's collapse in March 5th, resulted in cancellations and a reduction in passengers as airlines reduced flights to a number of countries with COVID-19 outbreaks, border closures and quarantine measures. The main focus of AGS during these times has been to ensure the health&safety of all its passengers and employees.

Measures taken to reduce operating cost by GBP37mn and the capex program by GBP25mn in 2020 include:

- Organizational transformation
- Removal of non-essential costs.
- Adoption of the Furlough Scheme both for employees and outsourced services.
- Rates waiver ratified by Scottish Parliament (Aberdeen & Glasgow).
- Contract renegotiations and volume related savings.
- All non-essential capital expenditure has been removed.

Financial covenants: On June 15th, 2020, a waiver of the requirement to comply with the Financial Covenants (Leverage Ratio and DSCR) in the Facilities Agreement was agreed for the periods of June and December 2020. December's waiver was subject to compliance with some liquidity conditions that were met by AGS. Ongoing dialogue between AGS, shareholders and lenders to support the asset in the coming months. GBP50mn have been committed by shareholders (Ferrovial share GBP25mm).

Traffic: number of passengers fell by -75.9% (3.3mn passengers) across the three airports mainly due to the COVID-19 impact and the collapse of Flybe.

- **Glasgow:** traffic decreased by -78.0% vs. 2019 driven by the route suspensions due to COVID-19, the collapse of Flybe and the cancellation of Thomas Cook services in Sept. 2019.
- **Aberdeen:** -65.3% driven by the route suspensions due to COVID-19 and the absence of Flybe traffic since March. Aberdeen traffic has been more resilient to COVID-19 vs. other UK airports due to passengers related to Oil&Gas industry.
- **Southampton:** -83.4% on COVID-19 and Flybe collapse.

Million passengers	DEC-20	DEC-19	VAR.
Glasgow	1.9	8.8	-78.0%
Aberdeen	1.0	3.0	-65.3%
Southampton	0.3	1.8	-83.4%
Total AGS	3.3	13.6	-75.9%

Revenues decreased by -67.4% to GBP71mn, and **EBITDA** by -126.1% to -GBP25mn driven by the reduced passenger volume across the three airports (-75.9%), partially offset by higher yield and a program of opex reductions.

Following drawdown of GBP38mn in undrawn facilities in March, the cash position reached GBP18mn as at 31 December 2020.

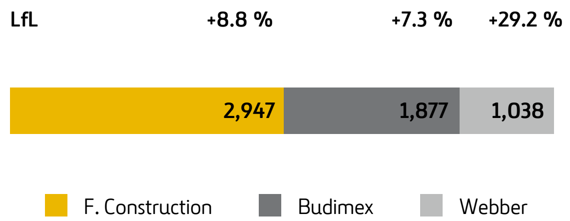
AGS net bank debt stood at GBP739mn as at 31 December 2020.

Construction

COVID-19 impact has been limited and widely distributed throughout all geographies, with Spain and South America being the most affected by slower execution rates in works with fixed costs, workforce and supplies delays, acceleration costs and additional health and safety material.

Revenues +11.4% LfL, mainly on the back of projects in the US. International revenues accounted for 87%, focused on North America (38%) and Poland (32%). 2020 revenues have been impacted by an estimated amount of -EUR300mn due to COVID-19, given the stoppages and the slowdown of works, widely distributed throughout all geographies.

2020 revenue (EUR5,862mn) and change LfL vs 2019:



In 2020, Construction **EBIT** stood at EUR134mn, despite the COVID-19 impact for an estimated amount of -EUR49mn.

This impact includes real cost overruns incurred to date and provisions that affect estimates of contract ends when dealing with onerous contracts. This COVID-19 impact has been estimated 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

There are claims that have been prepared and/or presented that have been estimated as future income, but these have not been recorded in the 2020 Financial Statements considering the stage to date. In 2019, EBIT –EUR365mn was impacted by the provision recorded in 1Q 2019 corresponding to three contracts in the US.

Detail by subdivision:

- **Budimex:** Revenues grew by +7.3% LfL with significant growth in Civil Works, Energy, Real Estate and FB Serwis which offset the lower Residential and Non-Residential Construction. Profitability reached 7.6% EBIT margin vs 4.0% in 2019, with EBIT +103.0% LfL on the back of a positive performance in all segments, with profitability close to 30% in Real Estate and above 5% in Construction.

  On June 2020, Ferrovial sold a Budimex stake (5%), with no impact on P&L. Ferrovial holds a controlling stake (50.1%). The impact on cash flow was EUR58mn in 2020.

- **Webber:** revenues +29.2% LfL, as large projects entered into high execution phase, such as the I-10, I-35 and Grand Parkway, in Houston. EBIT margin reached 2.1% in 2020 vs 1.8% in 2019, underpinned by the profitability improvement in its aggregate recycling and water divisions.

  In 2020, Webber sold an asphalt Plant by EUR33mn.

- **Ferrovial Construction:** revenues grew by +8.8% LfL on the back of good execution rates in essentially all the works in the US and also affected by last year provision that was partially registered as lower revenues and despite the stoppages and slowdown of works due to the COVID-19 impact, which is estimated at -EUR274mn approximately. EBIT stood at -EUR30mn (-EUR453mn in 2019), showing an improvement compared to -EUR56mn in 9M 2020, mainly due to the claims and/or contract extensions in various contracts, whose costs have been assumed in previous periods. 2020 EBIT included -EUR40mn from the COVID-19 impact distributed mainly between Spain, Latin America, USA, Australia and Slovakia. Additionally, the internal fees of onerous contracts (the costs of which cannot be provisioned by accounting rules) have been incurred amounting to -EUR41mn.

2020 EBIT & EBIT margin & change LfL vs 2019:

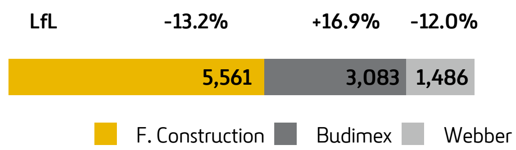
DEC-20	EBIT	LfL	EBIT mg
Budimex	143	103.0%	7.6%
Webber	22	52.1%	2.1%
F. Construction	-30	n.s.	-1.0%
Total EBIT	134	n.s.	2.3%

The **order book** reached EUR10,129mn (-5.6% LfL compared to December 2019). 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.

Cintra's share in the construction order book, excluding Webber and Budimex, reached 37% in 2020 order book (47% in 2019).

The order book figure at December 2020 does not include pre-awarded contracts or contracts pending commercial or financial agreement, which amount to over EUR370mn.

2020 Order book & LfL change vs 2019:



Recent developments

Sale agreement of Prisiones Figueras and URBICSA: In December 2020 an agreement was reached with Aberdeen Infrastructure (Holdco) IV B.V to sell 100% of the Group's shareholdings in Concesionaria de Prisiones Figueras, S.A.U. and 22% of Urbs Iudex Et Causidicus, S.A. for EUR41mn and EUR16mn respectively. The agreement is pending authorization from the competent bodies at the reporting date.

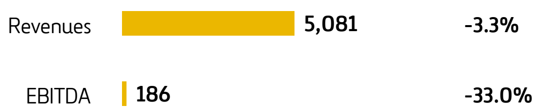
Budimex sale agreement of real estate business: On Feb. 22, 2021, Ferrovial's construction subsidiary in Poland, Budimex, reached an agreement for the conditional sale of its real estate business (Budimex Nieruchomości).The agreed price is EUR331mn (PLN1,531mn) and if it materializes, it would imply the recognition of a capital gain before tax and minorities of EUR152mn. The agreement is conditional as it establishes the right of the parties to withdraw in certain situations. The operation is subject to the authorization of the competition authorities, which must be obtained within six months from the signing of this agreement.

Services (discontinued operations)

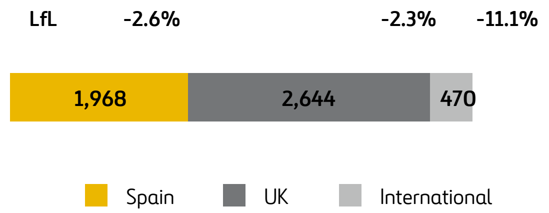
Ferrovial remains committed to the full divestment of the business although the process is experiencing delays given the macroeconomic uncertainty due to COVID-19. The first milestone in the divestment process was reached with the sale of Broadspectrum which was fully closed by July 2020.

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.

COVID-19 has had a negative impact on the Services division, especially during the lockdowns. Spain was the first geography where the impact of the pandemic was noticed, but also the geography where the recovery has been most noticeable with 4Q 2020 activity and results slightly above 4Q 2019. The most impacted businesses were services related to transport & infrastructure maintenance, support and logistics activities for the industry, industrial waste treatment area and other activities such as comprehensive management contracts for sports centers. In Amey, the effects from the pandemic were seen at a later date and are linked to delays in non-essential works in the transport sector, lower consulting activity & utilities, as well as construction stoppages and plant delays due to quarantines added to a drop in the price of recycled materials and electricity in the waste treatment area. In the International Services business, COVID-19 impact was mainly related to the Oil&Gas business in north America given drastically lower demand in the sector leading to lower maintenance and repair services.



2020 revenues by activity & change LfL vs 2019:



In 2020, EBITDA reached EUR186mn (-33.0% LfL vs 2019). The COVID-19 impact at EBITDA level (-EUR102mn) includes the positive impact of EUR49mn in costs reduction from the flexibility measures provided by Spanish and British Governments including temporary layoffs and furloughs. 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)
- Lower demand in oil derivatives due to 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, coupled with costs overruns to cover employee availability due to quarantines and H&S measures reinforcement.

Spain: Revenues were down by -2.6% LfL while EBITDA decreased by -11.8% LfL. The most impacted activities were support and logistics activities for the industry, industrial waste treatment area and other activities such as transport and infrastructure services or comprehensive management contracts for sports centers. Other activities like waste treatment and collections showed more resilience. EBITDA margin stood at 10.5% (11.8% in 2019). Excluding the impact from COVID-19, EBITDA would have increased by +5.2%.

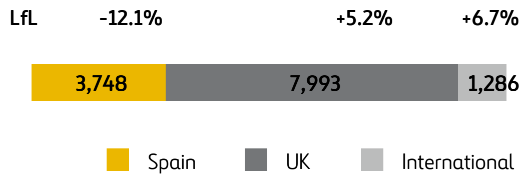
International: Revenues fell by -11.1% LfL and EBITDA by -26.7% LfL due to the COVID-19 impact on the Oil & Gas activity of N. America, as the reduction in the demand of oil led to a reduction in repair and maintenance work. Excluding the pandemic impact, EBITDA would have increased +EUR6mn vs 2019, mainly on new highway maintenance contracts in Canada.

UK: Revenues fell by -2.3% LfL. due to the delay in non-essential work in the transportation sector and utilities. Profitability was also impacted by COVID-19 (-EUR44mn at EBITDA level) although better performance from Defense contracts and Utilities, partially offset by the provisions related to contracts that could be sold separately.

Amey and Birmingham Agreement: Amey reached an agreement to terminate the Birmingham Highways PFI contract in 2019. The agreement will have no impact on Ferrovial P&L. Amey will pay GBP215mn, of which GBP160mn was paid in 2019 and the remaining GBP55mn will be paid up until 2025. As of December 2020, Amey has paid an additional GBP10mn.

The **Services order book** (EUR13,027mn) decreased by -0.3% LfL vs December 2019.

2020 Order book & LfL change vs 2019:



Broadspectrum sale: Following the agreement reached by Ferrovial with Ventia Services Group for the disposal of Broadspectrum in December 2019. On 30 June 2020, Ferrovial completed the sale, following the approval from regulators and competition authorities.

The transaction price (shares and shareholder loans) amounted to AUD465mn (EUR288mn including transaction costs). This figure did not include Ferrovial's 50% stake in TW Power Services, which was acquired by the JV partner Worley, instead of Ventia, for AUD20mn (c. EUR12mn) in July. Both prices in euros include a positive impact from FX hedges (EUR5mn). Broadspectrum held EUR78mn net cash position.

After completion, a negative impact in the P&L of –EUR64mn was recorded mainly from foreign currency translation differences reflected in reserves are recycled to the consolidated profit and loss account with no effect in cash or equity.

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 discontinued operations stood at -EUR3mn, which includes, as reported in June a negative result recorded from the sale of Broadspectrum of -EUR64mn, mainly due to the reclassification to the P&L of reserves corresponding to translation differences net of hedges according to IAS 21.

Additionally, a fair value provision was recognized in Amey (-EUR34mn) and International (-EUR25). Services business in Spain has registered a positive result of +EUR121mn in 2020 (without amortization, as per IFRS 5). The current situation of the COVID-19 introduces uncertainty regarding the assessment of fair value of these assets. The current assessment could change depending on the evolution of the pandemic. Ferrovial will continue to closely monitor the impact of COVID-19 on discontinued activities fair value as far as a higher evidence about the impact of the outbreak in these activities is obtained.

Consolidated P&L

(EUR million)	DEC-20	DEC-19
REVENUES	**6,341**	**6,054**
Construction Provision *		-345
EBITDA	**409**	**121**
Period depreciation	-198	-180
Disposals & impairments	15	460
EBIT	**226**	**401**
Financial Result	-232	-193
Financial Result from infrastructure projects	-197	-263
Financial Result from ex-infrastructure projects	-35	70
Equity-accounted affiliates	-378	296
EBT	**-384**	**504**
Corporate income tax	28	-47
NET PROFIT FROM CONTINUING OPERATIONS	**-356**	**457**
NET PROFIT FROM DISCONTINUED OPERATIONS	**-3**	**-198**
CONSOLIDATED NET INCOME	**-359**	**259**
Minorities	-51	9
NET INCOME ATTRIBUTED	**-410**	**268**

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

Revenues stood at EUR6,341mn (+9.9% LfL) on the back of higher Construction revenues (+11.4% LfL), partially offset by lower contribution from Toll Roads (-19.2% LfL).

EBITDA: EUR409mn (EUR121mn in 2019, negatively affected by –EUR345mn provision registered in Construction in 1Q 2019). EBITDA impacted by the -EUR22mn one-off cost related to the restructuring plan carried out by the Company.

Depreciation: +9.9% in 2020 (+0.1% LfL) to EUR198mn.

Impairments and fixed asset disposals: EUR15mn in 2020 including the positive impact related to Autema (EUR10mn) compared to EUR460mn in 2019 (impacted by the capital gains from the sale of the 80% stake in Ausol).

Financial result: higher financial expenses in 2020 vs 2019.

- **Infrastructure projects:** -EU197mn expenses (-EUR263mn in 2019) on the back of the savings from NTE refinancing at the end of 2019 and Ausol deconsolidation, these impacts were partially offset by the I-77 full-year contribution and LBJ refinancing implying expending of activated transaction costs from the original PAB issuance.
- **Ex-infrastructure projects:** -EUR35mn of financial expenses 2020 compared to EUR70mn income in 2019, mainly due to the performance of the hedges provided by equity swaps linked to payment plans, with no cash impact, along with the slight increase of financial expenses due to higher cash availability, partially offset by the positive performance of exchange rate derivatives. The hedges on the equity swaps linked to payment plans led to expenses of –EUR10mn in 2020, due to the negative performance of the share price as compared with its positive performance in 2019:

DATE	CLOSING PRICE (€)
31 Dec 2018	17.70
31 Dec 2019	26.97
31 Dec 2020	22.60

Equity-accounted result at net profit level, equity-accounted companies contributed -EUR378mn after tax (2019: EUR296mn).

(EUR million)	DEC-20	DEC-19	VAR.
Toll Roads	**62**	**182**	**-66.2%**
407 ETR	33	153	-78.5%
Others	29	29	-1.8%
Airports	**-447**	**115**	**n.s.**
HAH	-396	106	n.s.
AGS	-51	9	n.s.
Construction	**1**	**-1**	**227.0%**
Others	**6**	**0**	**n.s.**
Total	**-378**	**296**	**-227.5%**

REVENUES

(EUR million)	DEC-20	DEC-19	VAR.	LfL
Toll Roads	405	617	-34.5%	-19.2%
Airports	8	19	-58.1%	2.2%
Construction	5,862	5,413	8.3%	11.4%
Others	67	5	n.a.	n.a.
Total Revenues	**6,341**	**6,054**	**4.7%**	**9.9%**

EBITDA

(EUR million)	DEC-20	DEC-19	VAR.	LfL
Toll Roads	251	436	-42.3%	-22.9%
Airports	-18	-16	-10.5%	12.1%
Construction	227	-286	179.4%	181.2%
Others	-51	-12	n.a.	n.a.
Total EBITDA	**409**	**121**	**238.0%**	**n.s**

EBIT*

(EUR million)	DEC-20	DEC-19	VAR.	LfL
Toll Roads	159	346	-54.1%	-26.4%
Airports	-20	-18	-8.8%	11.1%
Construction	134	-365	n.s.	n.s.
Others	-63	-23	n.a.	n.a.
Total EBIT	**211**	**-60**	**n.s.**	**216.4%**

*EBIT before impairments and disposals of fixed assets

Tax: the corporate income tax for 2020 amounted to EUR28mn (vs -EUR47mn for 2019). 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 (-EUR378mn).
- Losses and tax credits that, following accounting prudence criteria, do not imply the recognition of the full tax credits for future years (EUR99mn).

Excluding the aforementioned adjustments in the tax result, and adjusting for the impact from previous years spending (-EUR46mn), the resulting effective corporate income tax rate is 15%.

Net income from continuing operations stood at -EUR356mn in 2020 (EUR457mn in 2019). This profit includes a series of impacts, notable among which were:

- Fair value adjustments for HAH derivatives: -EUR46mn (EUR31mn in 2019), primarily impacted by the negative evolution of HAH's derivatives mainly inflation swaps that hedge RAB and revenue exposure. Heathrow is seeking clarification from IFRIC regarding hedge accounting treatment.
- Exceptional costs related at HAH and AGS related to restructuring plans (HAH -EUR32mn and AGS -EUR3mn) and a deferred tax rate regularization (HAH -EUR28mn and AGS -EUR9mn).
- -EUR22mn one-off cost related to the Corporate restructuring program.
- EUR6mn positive impact related to Autema change of accounting method upon the Supreme Court dismissal.

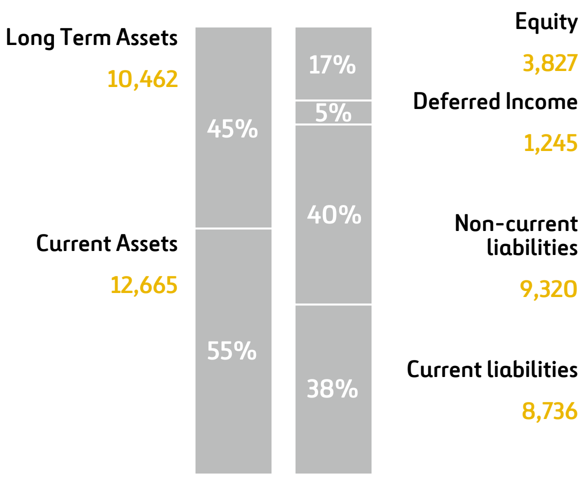
Net income from discontinued operations stood at -EUR3mn which includes a negative result recorded from Broadspectrum sale -EUR64mn, mainly due to the reclassification to the P&L of reserves corresponding to translation differences net of hedges according to IAS 21. Additionally, a fair value provision was recognized in Amey (-EUR34mn) and International (-EUR25). Services business in Spain has registered a positive result of +EUR121mn in 2020 (without amortization, as per IFRS 5). Ferrovial will continue to closely monitor the impact of the evolution of the COVID-19 on discontinued activities fair value as far as a higher evidence about the impact of the outbreak in these activities is obtained.

Consolidated Balance Sheet

(EUR million)	DEC-20	DEC-19
FIXED AND OTHER NON-CURRENT ASSETS	**10,462**	**12,358**
Consolidation goodwill	208	248
Intangible assets	60	62
Investments in infrastructure projects	6,200	6,880
Property	2	2
Plant and Equipment	272	299
Right-of-use assets	97	126
Equity-consolidated companies	1,710	2,557
Non-current financial assets	852	1,247
Long term investments with associated companies	164	171
Restricted Cash and other non-current assets	654	970
Other receivables	34	106
Deferred taxes	586	502
Derivative financial instruments at fair value	475	434
CURRENT ASSETS	**12,665**	**11,751**
Assets classified as held for sale	4,071	4,936
Inventories	690	699
Trade & other receivables	1,292	1,256
Trade receivable for sales and services	956	891
Other receivables	335	364
Taxes assets on current profits	108	97
Cash and other temporary financial investments	6,432	4,735
Infrastructure project companies	111	119
Restricted Cash	8	6
Other cash and equivalents	103	113
Other companies	6,321	4,617
Derivative financial instruments at fair value	72	27
TOTAL ASSETS	**23,128**	**24,109**

(EUR million)	DEC-20	DEC-19
EQUITY	**3,827**	**5,087**
Capital & reserves attrib to the Company´s equity holders	3,187	4,304
Minority interest	640	783
Deferred Income	**1,245**	**1,347**
NON-CURRENT LIABILITIES	**9,320**	**9,054**
Pension provisions	4	4
Other non current provisions	421	518
Long term lease debts	61	82
Financial borrowings	7,970	7,565
Financial borrowings on infrastructure projects	5,078	5,471
Financial borrowings other companies	2,892	2,094
Other borrowings	16	27
Deferred taxes	428	475
Derivative financial instruments at fair value	419	385
CURRENT LIABILITIES	**8,736**	**8,621**
Liabilities classified as held for sale	2,958	3,491
Short term lease debts	59	71
Financial borrowings	1,657	1,033
Financial borrowings on infrastructure projects	28	23
Financial borrowings other companies	1,630	1,010
Derivative financial instruments at fair value	49	97
Trade and other payables	3,029	3,072
Trades and payables	1,390	1,327
Other non commercial liabilities	1,640	1,745
Liabilities from corporate tax	91	107
Trade provisions	892	750
TOTAL LIABILITIES & EQUITY	**23,128**	**24,109**

CONSOLIDATED BALANCE SHEET



GROSS CONSOLIDATED DEBT*

Gross debt DEC-20	EX-INFRA	INFRA	CONSOLIDATED
Gross debt (EUR mn)	-4,640	-5,445	-10,085
% fixed	87.4%	97.8%	92.9%
% variable	12.6%	2.2%	7.1%
Average rate	1.0%	4.6%	2.9%
Average maturity (years)	3	20	12

*Includes discontinued operations

CONSOLIDATED FINANCIAL POSITION*

(EUR million)	DEC-20	DEC-19
Gross financial debt	**-10,085**	**-9,244**
Gross debt ex-infrastructure	-4,640	-3,433
Gross debt infrastructure	-5,445	-5,811
Gross Cash	**7,544**	**6,287**
Gross cash ex-infrastructure	6,631	5,064
Gross cash infrastructure	913	1,223
Total net financial position	**-2,541**	**-2,957**
Net cash ex-infrastructure	1,991	1,631
Net debt infrastructure	-4,532	-4,588
Total net financial position	**-2,541**	**-2,957**

*Includes discontinued operations

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

NET CASH POSITION (EUR)

Gross cash	6.6bn
Gross debt	-4.6bn
Net cash position	**2.0bn**

LIQUIDITY (EUR mn)

Total cash	UNDRAWN LINES
6,631	1,333
TOTAL LIQUIDITY	**7,964**

DEBT MATURITIES (EUR mn)

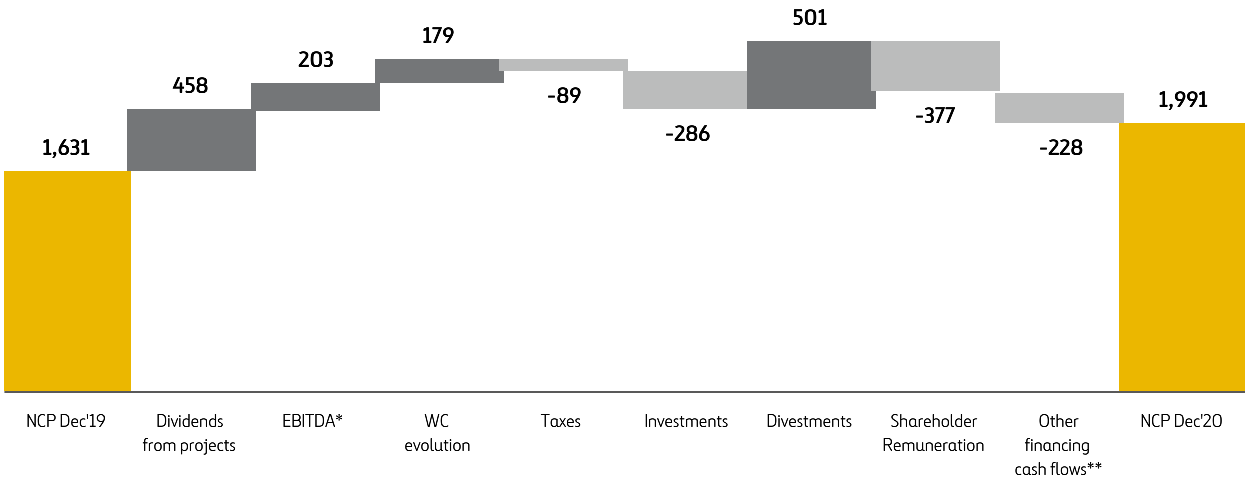
1,658	508	12	2,462
2021*	2022	2023	> 2024

(*) In 2021, ex-infrastructure debt includes the issuance of an ECP (Euro Commercial Paper), which at 31 December 2020 had a carrying amount of EUR1,091mn, with an average rate of -0.15%.

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.
**Other financing cash flows includes Broadspectrum net cash position (EUR78mn).

Net cash position (NCP) excluding infra projects: stood at EUR1,991mn in December 2020 vs EUR1,631mn in December 2019. The main drivers of this change were:

- **Project dividends:** EUR458mn vs. EUR729mn in 2019 (-37%), impacted by lower dividends in all main assets. Toll Roads dividends reached EUR340mn (EUR494mn in 2019) as 407 ETR only distributed dividends in 1Q and 3Q for a total amount of EUR160mn (EUR309mn in 2019), while LBJ distributed its first dividend (EUR109mn) and NTE also distributed dividend (EUR25mn). The dividends from Airports contributed EUR29mn (EUR183mn in 2019) from Heathrow's 1Q 2020 dividend. Services added EUR89mn of dividends, including EUR54mn dividend from EMESA after its refinancing, (EUR47mn Services dividends in 2019).
- **EBITDA:** EUR203mn (vs -EUR167mn in 2019, negatively affected by –EUR345mn provision registered in Construction in 1Q 2019) which includes EUR117mn from Services.
- **Working capital evolutio**n stood at EUR179mn in 2020 (EUR249mn in 2019), mainly impacted by the –EUR98mn application (cash out), as of December 2020, of the non-cash Construction Provision registered in 1Q 2019. This negative impact was partially offset by the improved working capital in Services of EUR251mn (–EUR88mn in 2019) on the back of higher collections (DSO below previous years & VAT and social security deferred payment in UK and USA).
- **Net Investment** reached EUR215mn in 2020 vs EUR189mn in 2019. Divestments reached EUR501mn in 2020, most noteworthy of which was the EUR300mn for the sale of Broadspectrum, the EUR100mn received from the sale of the stakes int he Portuguese toll roads (pending EUR72mn) and the EUR57mn from Budimex 5% stake sale. Investments reached -EUR286mn, below -EUR295mn in 2019. Investments included -EUR68mn related to the I-77 stake increase (15%).
- **Shareholder Remuneration**: -EUR377mn in 2020 below -EUR520mnin 2019, including -EUR122mn from the scrip dividend and -EUR255mn from the treasury share repurchase program in 2020.
- **Other financing cash flows:** includes other cash flow movements, such as forex impact (-EUR95mn) mainly from USD from advanced payments in construction to pay for expenses in such currency) and the net cash position held by Broadspectrum (EUR78mn).

The net cash position at the end of December (EUR1,991mn) includes the net cash from Services (EUR216mn).

Consolidated cash flow

DEC-20	EXINFRASTRUCTURE PROJECTS CASH FLOW	INFRASTRUCTURE PRROJECTS CASH FLOW	ADJUSTMENTS	TOTAL CASH FLOW
EBITDA	203	384		587
Dividends received	458		-159	299
Birmingham cash flow	-16			-16
Construction provision variation	37			37
US Construction provision (*)				
US Construction provision application (*)	-98			-98
Other Construction provision variation	135			135
Working capital variation (account receivables, account payables and others)	157	40	0	198
Operating flow (before taxes)	**839**	**425**	**-159**	**1,105**
Tax payment	-89	-12		-101
Tax return from previous exercises				
Operating Cash Flow	**750**	**413**	**-159**	**1,004**
Investments	-286	-128	18	-397
Divestments	501			501
Investment cash flow	**215**	**-128**	**18**	**104**
Activity cash flow	**965**	**284**	**-141**	**1,108**
Interest flow	-21	-229		-250
Capital flow from Minorities	17	20	-18	19
Ferrovial shareholder remuneration	-377			-377
Scrip dividend	-122			-122
Treasury share repurchase	-255			-255
Other shareholder remmuneration for subsidiary minorities	-26	-266	159	-133
Forex impact	-95	296		201
Variation of Bridge Loans (project financing)				
Changes in the consolidated perimeter				
Other debt movements (non cash)	-104	-49		-153
Financing cash flow	**-605**	**-228**	**141**	**-692**
Net debt variation	**360**	**56**		**416**
Net debt initial position	**1,631**	**-4,588**		**-2,957**
Net debt final position	**1,991**	**-4,532**		**-2,541**

DEC-19	EXINFRASTRUCTURE PROJECTS CASH FLOW	INFRASTRUCTURE PRROJECTS CASH FLOW	ADJUSTMENTS	TOTAL CASH FLOW
EBITDA	-167	580		413
Dividends received	729		-199	529
Birmingham cash flow	-204			-204
Broadspectrum cash flow	45			45
Construction provision variation	330			330
US Construction provision (*)	345			345
US Construction provision application (*)	-143			-143
Other Construction provision variation	129			129
Working capital variation (account receivables, account payables and others)	77	-87		-10
Operating flow (before taxes)	**810**	**493**	**-199**	**1,104**
Tax payment	-25	-36		-61
Tax return from previous exercises				
Operating Cash Flow	**785**	**457**	**-199**	**1,043**
Investments	-295	-157	60	-392
Divestments	484	115		599
Investment cash flow	**189**	**-41**	**60**	**207**
Activity cash flow	**974**	**416**	**-140**	**1,250**
Interest flow	-7	-239		-246
Capital flow from Minorities	13	117	-60	70
Ferrovial shareholder remuneration	-520			-520
Scrip dividend	-238			-238
Treasury share repurchase	-282			-282
Other shareholder remmuneration for subsidiary minorities	-18	-306	199	-124
Forex impact	-28	-66		-94
Variation of Bridge Loans (project financing)				
Changes in the consolidated perimeter	-2	422		419
Other debt movements (non cash)	-16	-47		-63
Financing cash flow	**-579**	**-119**	**140**	**-558**
Net debt variation	**395**	**297**		**692**
Net debt initial position	**1,236**	**-4,885**		**-3,649**
Net debt final position	**1,631**	**-4,588**		**-2,957**

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

EX-INFRASTRUCTURE PROJECT CASH FLOW

Activity cash flow*

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

DEC-20	OPERATING CF*	NET INVESTM. CF*	ACTIVITY CF*
Toll Roads	340	-23	317
Airports	29	-17	12
Construction	247	46	293
Services	358	217	575
Other	-135	-8	-143
Total	**839**	**215**	**1,054**

DEC-19	OPERATING CF*	NET INVESTM. CF*	ACTIVITY CF*
Toll Roads	494	408	902
Airports	183	-8	175
Construction	132	-44	87
Services	31	-132	-101
Other	-29	-34	-63
Total	**810**	**189**	**1,000**

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

Operations cash flow

At 31 December 2020, cash flow from ex-infrastructure project operations totaled EUR839mn (before tax), above EUR810mn recorded in 2019, which was impacted by the Construction provision registered in 1Q 2019. 2020 Operating cash flow has been impacted by the lower dividends distribution from Toll Roads and Airports affected by COVID-19 impact, partially offset by the improved performance of the Construction operating cash flow and the positive performance of the Services operating cash flow.

Operating cash flow	DEC-20	DEC-19
Dividends from Toll Roads	340	494
Dividends from Airports	29	183
Construction	247	132
Services	358	31
Other*	-135	-29
Operating flow (before taxes)	**839**	**810**
Tax payment	-89	-25
Total	**750**	**785**

The entry "Others" includes the operations cash flow relating to Broadspectrum and Corporate Business, Airports and Toll Roads.

Breakdown of cash flow from **Construction and Services**:

Construction	DEC-20	DEC-19
EBITDA	227	-286
EBITDA from projects	14	15
EBITDA Ex projects	213	-301
Construction provision variation	37	330
US Construction provision (*)	0	345
US Construction provision application (*)	-98	-143
Other Construction provision variation	135	129
Dividends received	0	5
Working capital variation (account receivables, account payables and others)	-3	97
Changes in factoring	-1	-4
Land purchases	2	-4
Woking capital	-4	105
Operating Cash Flow before Taxes	247	132

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

Services	DEC-20	DEC-19
EBITDA	186	305
EBITDA from projects	69	76
EBITDA Ex projects	117	321
BMH cash flow	-16	-204
Dividends received	89	47
Working capital variation (account receivables, account payables and others)	251	-88
Changes in factoring	-63	6
Pensions payments UK	-21	-16
Operating Cash Flow before Taxes	**358**	**31**

The following table shows a breakdown of the **Services** business:

(EUR million)	SPAIN	UK	INTERNATIONAL	TOTAL
EBITDA ex-infrastructure	145	-55	26	117
BMH cash flow	0	-16	0	-16
Dividends received	76	10	2	89
Changes in factoring	-63	0	0	-63
Pension scheme payments	0	-21	0	-21
Working capital	96	150	6	251
Op. cash flow ex-Taxes	**255**	**69**	**34**	**358**

Breakdown of cash flow from **Toll Roads and Airports**:

The revenue from Toll Roads operations amounted to EUR340mn in 2020 (EUR494mn in 2019), resulting from dividends and repaid shareholders' funds from companies owning toll road infrastructure projects. Other toll roads includes the compensation for the cancellation related to Autostrada Poludnie project (EUR19mn).

Dividends and Capital reimbursements	DEC-20	DEC-19
407 ETR	160	309
LBJ	109	0
NTE	25	166
Irish toll roads	0	1
Portuguese toll roads	9	13
Australian toll roads	7	0
Spanish toll roads	4	2
Other	26	3
Total	**340**	**494**

Dividends and capital reimbursements from Airports (EUR29mn) were lower than achieved in 2019 (EUR183mn).

Airports	DEC-20	DEC-19
HAH	29	145
AGS	0	17
Others	0	21
Total	**29**	**183**

Investment cash flow

DEC-20	INVESTMENT	DIVESTMENT	INVESTMENT CF
Toll Roads	-125	102	-23
Airports	-17	0	-17
Construction	-51	98	46
Services	-83	300	217
Other	-10	2	-8
Total	**-286**	**501**	**215**

DEC-19	INVESTMENT	DIVESTMENT	INVESTMENT CF
Toll Roads	-68	476	408
Airports	-8	0	-8
Construction	-51	7	-44
Services	-133	1	-132
Other	-34	0	-34
Total	**-295**	**484**	**189**

The net investment cash flow in 2020 (EUR215mn) includes:

- Investments reached -EUR286mn, below -EUR-295mn in 2019.
- Divestments reached EUR501mn in 2020 (EUR484mn in 2019), most noteworthy:
  - EUR300mn from the sale of Broadspectrum.
  - EUR100mn from the divestment of Portuguese toll roads (EUR72mn pending).
  - EUR58mn from Budimex 5% stake sale.
  - EUR33mn from Webber's Asphalt Plant sale

Financing cash flow

Financing cash flow includes:

- **Shareholder remuneration cash flow:** -EUR-377mn in 2020, including -EUR-122mn from the scrip dividend and -EUR-255mn from the treasury share repurchase program in 2020.
- **Net interest payments** reached EUR-21mn in 2020.
- **FX impact** (-EUR95mn), primarily from the translation of cash balances held in USD and PLN.
- **Other non-cash flow** related movements (-EUR104mn), that included the net cash position held by Broadspectrum (EUR78mn), along with 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 EUR216mn of debt at 31 December 2020.

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-20	DEC-19
Toll roads	313	386
Other	100	71
Operating cash flow	**413**	**457**

Investment cash flow

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

(EUR million)	DEC-20	DEC-19
LBJ	-2	-3
NTE	-5	-3
NTE 35W	-101	-135
I-77	-20	-94
Portuguese toll roads	-1	0
Spanish toll roads	-1	-5
Others	0	0
Total toll roads	**-129**	**-240**
Others	-21	106
Total projects	**-150**	**-135**
Equity Subsidy	22	93
Total investment cash flow (projects)	**-128**	**-41**

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-20	DEC-19
Spanish toll roads	-42	-54
US toll roads	-144	-132
Portuguese toll roads	-14	-14
Total toll roads	**-200**	**-201**
Other	-29	-38
Total	**-229**	**-239**

The financing cash flow also includes the impact that changes in the interest rate have had on the debt held in foreign currency, which in 2020 was a positive impact in the amount of +EUR296mn, primarily as the result of the appreciation of the euro against USD, which has had a significant effect 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%	
Global consolidation	**DEC-20**	**DEC-19**	**VAR.**	**DEC-20**	**DEC-19**	**VAR.**	**DEC-20**	**DEC-19**	**VAR.**	**DEC-20**	**DEC-19**	**DEC-20**	**SHARE**
NTE*	25	34	-26.1%	109	137	-20.4%	93	116	-20.1%	84.9%	84.6%	-1,007	63.0%
LBJ*	30	48	-37.6%	91	137	-33.5%	63	114	-44.9%	69.1%	83.3%	-1,358	54.6%
NTE 35W*/**	28	33	-14.3%	85	81	5.4%	71	49	46.3%	83.4%	60.1%	-748	53.7%
I-77 ***	20	0	0.0%	16	21	-26.6%	4	14	-72.6%	24.9%	66.6%	-222	50.1%
TOTAL USA				**301**	**376**	**-19.9%**	**230**	**293**	**-21.2%**			**-3,335**	
Ausol I****	10,089	18,232	-44.7%		66			55			84.1%		15.0%
Ausol II****	12,184	19,199	-36.5%										15.0%
Autema	12,671	18,895	-32.9%	51	113	-54.7%	43	105	-58.4%	85.1%	92.7%	-613	76.3%
TOTAL SPAIN				**51**	**179**	**-71.4%**	**43**	**160**	**-72.8%**			**-613**	
Azores	8,815	10,735	-17.9%	24	29	-17.4%	21	26	-20.9%	84.6%	88.3%	-275	89.2%
Via Livre				13	15	-14.6%	2	2	5.5%	17.6%	14.3%	8	84.0%
TOTAL PORTUGAL				**37**	**44**	**-16.5%**	**23**	**28**	**-18.9%**			**-267**	
TOTAL HEADQUARTERS				**16**	**19**	**-16.0%**	**-45**	**-45**	**-0.6%**				
TOTAL TOLL ROADS				**405**	**617**	**-34.5%**	**251**	**436**	**-42.3%**	**62.1%**	**70.6%**	**-4,216**	

* Traffic in millions of transactions. ** NTE 35W includes contribution from NTE3C (under construction). Capital invested & committed: Segment 3C/Net debt 100%: includes all 3 segments.*** On December 3, 2019, formal completion of stake sale from 80% to 15%. Traffic data up to December. P&L and debt in 2019 up to November. In 2020, the toll road is not consolidated due to the put and call agreement mentioned before. *****Full opening on November 2019. Ferrovial agreed the acquisition of an additional 15%, increasing its stake to 65.1% (November 2020).

TOLL ROADS – EQUITY-ACCOUNTED

(EUR million)	TRAFFIC (ADT)			REVENUES			EBITDA			EBITDA MARGIN		NET DEBT 100%	
Equity accounted	**DEC-20**	**DEC-19**	**VAR.**	**DEC-20**	**DEC-19**	**VAR.**	**DEC-20**	**DEC-19**	**VAR.**	**DEC-20**	**DEC-19**	**DEC-20**	**SHARE**
407 ETR (VKT mn)	1,500	2,742	-45.3%	591	1,017	-41.9%	481	885	-45.6%	81.4%	87.0%	-5,332	43.2%
M4	25,214	35,442	-28.9%	22	31	-28.2%	13	17	-22.1%	59.5%	54.8%	-68	20.0%
M3	31,927	42,080	-24.1%	20	22	-11.4%	12	15	-14.8%	62.6%	65.0%	-85	20.0%
A-66 Benavente Zamora				25	24	1.3%	22	22	-1.2%	88.3%	90.5%	-155	25.0%
Serrano Park				4	6	-32.6%	-1	3	n.s	-22.8%	40.3%	-34	50.0%
Ausol I*	10,089	18,232	-44.7%	40	70	-43.4%	30	59	-48.9%	75.5%	83.6%	-432	15.0%
Ausol II*	12,184	19,199	-36.5%										15.0%
Algarve	10,893	16,325	-33.3%	33	37	-12.4%	28	33	-14.4%	86.1%	88.0%	-91	48.0%
Norte Litoral	21,741	26,998	-19.5%	38	42	-9.0%	33	36	-10.1%	86.2%	87.2%	-106	49.0%
Toowoomba				25	27	-7.4%	5	8	-34.6%	21.6%	30.6%	-234	40.0%

* 65% stake sale to Meridian in December, 2019, the stake decreased from 80% to 15% and a put and call agreement was signed. Cintra holds 15% stake, but the results are not integrated.

MAIN TOLL ROADS (P&L)

407 ETR

(CAD million)	DEC-20	DEC-19	VAR.
Revenues	909	1,505	-39.6%
EBITDA	740	1,309	-43.5%
EBITDA margin	81.4%	87.0%	
EBIT	642	1,204	-46.6%
EBIT margin	70.7%	80.0%	
Financial results	-441	-420	-4.9%
EBT	201	783	-74.3%
Corporate income tax	-53	-207	74.3%
Net Income	148	576	-74.3%
Contribution to Ferrovial equity accounted result*	33	153	-78.5%

* EURmn

NTE

(USD million)	DEC-20	DEC-19	VAR.
Revenues	125	153	-18.4%
EBITDA	106	129	-18.1%
EBITDA margin	84.9%	84.6%	
EBIT	87	101	-14.0%
EBIT margin	69.7%	66.2%	
Financial results	-51	-74	31.6%
Net Income	36	26	39.3%
Contribution to Ferrovial*	20	15	35.9%

* Contribution to Net profit. 62.97% stake EURmn

LBJ

(USD million)	DEC-20	DEC-19	VAR.
Revenues	104	153	-31.8%
EBITDA	72	127	-43.5%
EBITDA margin	69.1%	83.3%	
EBIT	48	99	-51.1%
EBIT margin	46.2%	64.5%	
Financial results	-98	-87	-13.1%
Net Income	-50	11	n.s.
Contribution to Ferrovial*	-24	5	n.s.

* Contribution to Net profit. 56% stake EURmn

NTE 35W

(USD million)	DEC-20	DEC-19	VAR.
Revenues	98	90	8.1%
EBITDA	82	54	49.9%
EBITDA margin	83.4%	60.1%	
EBIT	62	35	77.5%
EBIT margin	63.3%	38.6%	
Financial results	-41	-39	-5.4%
Net Income	21	-5	n.s.
Contribution to Ferrovial*	10	-2	n.s.

* Contribution to Net profit. 53.67% stake EURmn

AIRPORTS (P&L)

Heathrow SP & HAH

	Revenues			EBITDA			EBITDA margin		
(GBP million)	DEC-20	DEC-19	VAR.	DEC-20	DEC-19	VAR.	DEC-20	DEC-19	VAR. (bps)
Heathrow SP	**1,175**	**3,070**	**-61.7%**	**270**	**1,921**	**-85.9%**	**23.0%**	**62.6%**	**-3,956**
Exceptionals & adjs	0	0	262.5%	-182	2	n.a.	-100.2%	n.a.	n.a.
Total HAH	**1,175**	**3,070**	**-61.7%**	**89**	**1,922**	**-95.4%**	**7.5%**	**62.6%**	**-5,510**

HAH

(GBP million)	DEC-20	DEC-19	VAR.	LfL
Revenues	1,175	3,070	-61.7%	-72.7%
EBITDA	89	1,922	-95.4%	-85.8%
EBITDA margin	7.5%	62.6%		
Depreciation & impairments	-848	-805	5.3%	-5.3%
EBIT	-759	1,117	-168.0%	n.a.
EBIT margin	-64.6%	36.4%		
Financial results	-855	-621	-37.7%	13.1%
EBT	-1,614	497	n.s.	n.s.
Corporate income tax	206	-126	n.s.	n.s.
Net income	-1,408	370	n.s.	n.s.
Contribution to Ferrovial equity accounted result (EUR mn)	-396	106	n.s.	n.s.

AGS

(GBP million)	DEC-20	DEC-19	VAR.
Total Revenues AGS	**71**	**217**	**-67.4%**
Glasgow	34	133	-74.3%
Aberdeen	28	57	-50.3%
Southampton	9	28	-69.3%
Total EBITDA AGS	**-25**	**94**	**-126.1%**
Glasgow	-16	65	-124.6%
Aberdeen	0	22	-100.5%
Southampton	-9	8	-209.1%
Total EBITDA margin	**-34.9%**	**43.5%**	**-7842.9**
Glasgow	-46.7%	48.8%	-9,552
Aberdeen	-0.4%	38.4%	-3,880
Southampton	-101.4%	28.6%	-13,000

CONSTRUCTION**

CONSTRUCTION	DEC-20	DEC-19	VAR.	LfL
Revenues	5,862	5,413	8.3%	11.4%
EBITDA	227	-286	179.4%	181.2%
EBITDA margin	3.9%	-5.3%		
EBIT	134	-365	136.8%	137.7%
EBIT margin	2.3%	-6.7%		
Order book	10,129	11,424	-11.3%	-5.6%

BUDIMEX	DEC-20	DEC-19	VAR.	LfL
Revenues	1,877	1,819	3.2 %	7.3 %
Construction	1,689	1,666	1.4 %	5.4 %
Real Estate	151	135	11.5 %	15.9 %
FB Serwis	136	116	17.8 %	22.5 %
Others	-99	-97		
EBITDA	173	102	69.1 %	76.4 %
EBITDA margin	9.2 %	5.6 %		
EBIT	143	73	94.4 %	103.0 %
Construction	87	43	105.1 %	113.3 %
Real Estate	43	27	57.4 %	63.7 %
FB Serwis	17	10	63.1 %	69.6 %
Others	-4	-7		
EBIT margin	7.6 %	4.0 %		
Order book	3,083	2,830	8.9 %	16.9 %

WEBBER	DEC-20	DEC-19	VAR.	LfL
Revenues	1,038	824	26.0%	29.2%
EBITDA	49	38	31.6%	35.4%
EBITDA margin	4.8 %	4.6 %		
EBIT	22	15	47.0%	52.1%
EBIT margin	2.1 %	1.8 %		
Order book	1,486	1,838	-19.1%	-12.0%

F. CONSTRUCTION	DEC-20	DEC-19	VAR.	LfL
Revenues	2,947	2,769	6.4%	8.8%
EBITDA	4	-426	101.0%	n.s.
EBITDA margin	0.1 %	-15.4%		
EBIT	-30	-453	93.3%	n.s.
EBIT margin	-1.0 %	-16.4%		
Order book	5,561	6,756	-17.7%	-13.2%

EBIT before impairments and disposals of fixed assets

SERVICES**

SERVICES	DEC-20	DEC-19	VAR.	LfL
Revenues	5,081	5,323	-4.5%	-3.3%
EBITDA	186	305	-39.1%	-33.0%
EBITDA margin	3.7 %	5.7 %		
Order book	13,027	13,592	-4.2%	-0.3%

SPAIN	DEC-20	DEC-19	VAR.	LfL
Revenues	1,968	2,020	-2.6%	-2.6%
EBITDA	206	237	-13.1%	-11.8%
EBITDA margin	10.5%	11.8%		
Order book	3,748	4,266	-12.1%	-12.1%

UK	DEC-20	DEC-19	VAR.	LfL
Revenues	2,644	2,749	-3.8%	-2.3%
EBITDA	-47	28	-268.9%	-178.6%
EBITDA margin	-1.8%	1.0%		
Order book	7,993	8,036	-0.5%	5.2%

INTERNATIONAL	DEC-20	DEC-19	VAR.	LfL
Revenues	470	554	-15.1%	-11.1%
EBITDA	26	40	-34.4%	-26.7%
EBITDA margin	5.6%	7.3%		
Order book	1,286	1,291	-0.4%	6.7%

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 20/19	EXCHANGE RATE MEAN (P&L)	CHANGE 20/19
GBP	0,89555	5.8%	0,88873	1.6%
US Dollar	1,22250	8.9%	1,14645	2.5%
Canadian Dollar	1,56087	7.1%	1,53765	3.9%
Polish Zloty	4,56780	7.3%	4,46732	4.0%
Australian Dollar	1,58884	-0.6%	1,65930	3.2%

Appendix III – Shareholder remuneration

The company held its AGM on 17 April 2020. 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 this program is to offer Ferrovial's shareholders the option, at their choice, of receiving free new shares in Ferrovial, 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 that they receive against the shares they already own to Ferrovial (or selling them in the market).

Scrip Dividend details	JUN-20	NOV-20
Guaranteed set price to purchase rights	0.312	0.2
Rights per share	71	100
% shareholders chose shares as dividends	59.3 %	81.1 %
% shareholders chose cash as dividends	40.8 %	18.9 %
Number of new shares issued	6,134,989	6,012,605
Number of rights purchase	299,631,164	140,089,808

SHARE BUY-BACK AND CANCELLATION

On 27th February 2020, the Board of Directors of Ferrovial resolved to implement a buy-back program of the company's own shares, in accordance with the authorization granted by the AGM held on 5 April 2017 under item ten of its agenda.

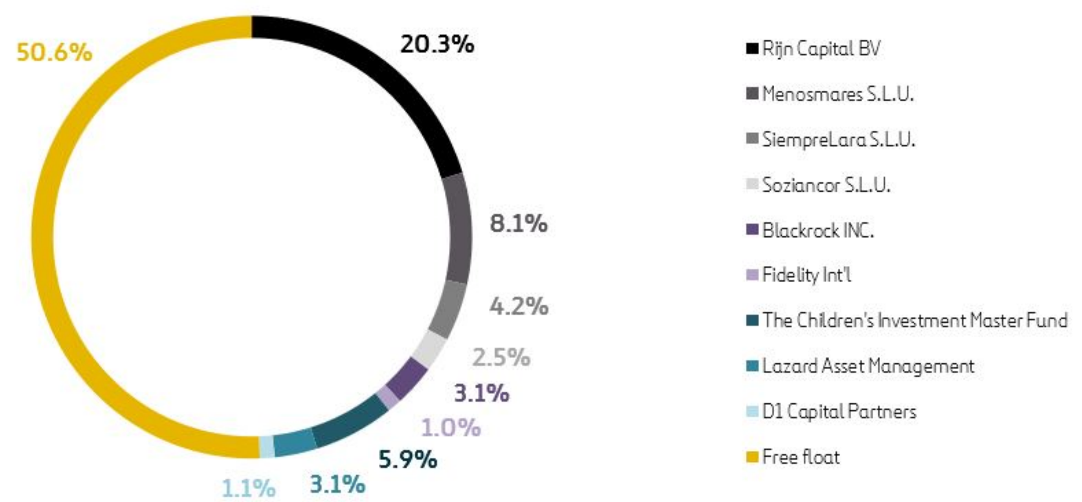
Under this Buy-back Programme that ended on 4 December 2020, Ferrovial acquired a total amount of 11,704,701 own shares, representing 1.57% of Ferrovial's current share capital, therefore no exceeding the limit of EUR360mn or 25 million shares.

The share capital was subsequently reduced by EUR2,892,132.20 by means of the cancellation of 14,460,661 company shares held in the company's treasury shares, including 2,755,960 shares held prior to the Board of Directors' proposal, by the General Shareholders' Meeting of Ferrovial held on 17 April 2020, to reduce the company's share capital.

Ferrovial's share capital figure as of 31 December 2020 amounted to EUR146,580,475.20 all fully subscribed and paid up. The share capital comprises 732,902,376 ordinary shares of one single class, each with a par value of twenty-euro cents (EUR0.20).

Appendix IV – Shareholder structure

SHAREHOLDER STRUCTURE (CNMV) 31 DECEMBER 2020



Appendix V – Additional Information

SHARE BUY-BACK TRANSACTIONS

TRANSACTION PERFORMED/OBJECTIVE	NUMBER OF SHARES ACQUIRED	NUMBER OF SHARES USED FOR OBJECTIVE	TOTAL NUMBER OF SHARES
Balance 31/12/2019			3276261
Capital reduction	11,704,701	-14,460,661	-2,755,960
Compensation systems	636,789	-723,526	-86737
Shares received as payment for the scrip dividend	200,470	0	200,470
Balance 31/12/2020			634,034

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 2020 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 2020 and 2019:

DAYS	2020	2019
Average period of payment to suppliers	41	39
Ratio of transactions settled	41	39
Ratio of transactions not yet settled	37	43
AMOUNT (EUR)		
Total payments made	685,411,852	676,032,321
Total payments outstanding	21,572,506	19,316,271

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

Farringdon Station, Crossrail, London, Reino Unido. © José Manuel Ballester

PEOPLE

REINVENTING PEOPLE MANAGEMENT

In a year marked by COVID-19, Ferrovial employees have made a huge effort to adapt and be resilient to the circumstances. Ferrovial's human resources area has reacted quickly to tweak its processes, channels and tools to a new reality, accompanying the professionals in this change process.

WORKFORCE

80,119

At 2020 year end

TRAINING HOURS

721,186

Our colleagues around the world applaud your efforts!!

After the start of the pandemic, Ferrovial's human resources teams have played a key role in implementing solutions aimed at firstly, preserving the health of all workers and, secondly, ensuring continuity of operations. Examples include the adoption of protocols to ensure the safety of the facilities, the implementation of remote working formulas, the adjustment of our structures to declining activity, or the development of secure de-scaling protocols.

In addition, Ferrovial's human resources teams have made an additional effort to ensure the continuity of their key processes, adaping their working methods to the conditions imposed by the new situation. The main focus of the work was based on three axes: the continuity of learning; talent management, with a focus on female and local talent; and adapting the selection processes.

CONTINUOUS LEARNING AND DEVELOPMENT

Faced with the challenge posed by this new scenario, Ferrovial has leveraged digitalization to increase, make more flexible and broaden the scope of learning opportunities. Through a global solution, the Learning Center has been created, which is a digital learning ecosystem made up of different platforms that complement each other, both in terms of content and formats. This virtual space, which functions as Learning as a Service, is designed with a simple and attractive user experience and can be used 24/7, from any device. This enables each employee to be able to personalize their learning experience according to their concerns, needs, style and preferences.

Topics such as leadership, management, innovation, technology and also others of a more technical nature such as construction, engineering or energy are available through the six platforms that make up this space. Moreover, this content is available in a wide range of formats: online courses, podcasts, audio books, book summaries, videos, etc. This scenario promotes lifelong learning, where employees become primarily responsible for their own development, choosing what, how, how much and when they want to learn.

E-WORK, NEW TELEWORKING PORTAL

After the State of Emergency and lockdown were declared in Spain, a communication and learning channel called e-work was set up. Talent, health and safety, communication and IT worked closely together on this project. This portal brings together everything you need to work remotely in an efficient way. Employees can find recommendations from the company's experts in technology, legal, health and safety, learning and human resources in this portal.

It is worth noting that during 2020 Ferrovial employees received a total of 721,186 hours of training, and the company invested a total of 9.6 million euros in these programs.

In addition, 25,590 employees participated in assessment and development processes, 31.94% of the workforce, and succession planning has identified 162 potential candidates for the 85 critical positions detected.

LOCAL AND FEMALE TALENT

In Ferrovial each person brings different ideas, perspectives and knowledge. For this reason, it promotes a flexible, diverse, collaborative and inclusive culture that offers unique and challenging experiences for the entire workforce. Professional development is promoted on the basis of meritocracy, while encouraging equal opportunities in a fair and transparent manner.

In this regard, in 2020 we have focused on further attracting female talent and local talent in the main countries where the company operates, as well as encouraging their development toward management positions. For junior positions (0 to 3 years of experience), an objective has been set that at least 35% of new recruits should be women and that 100% of new hires should be local people.

ZURITANKEN 2020: DEVELOPING A CULTURE OF ENTREPRENEURSHIP

Zuritanken is the two-year program for generating ideas that Ferrovial makes available to its employees to channel all their creative potential toward the most strategic challenges defined by the company. The program's name is a compound of the Swahili word "nzurin" meaning "big" and the Norwegian word "tanken" meaning "idea". In 2020, the ideation phase of the fourth edition of the program took place, in which around 600 employees proposed more than 350 ideas around the three major challenges chosen, which are health and safety, sustainability and the day after. The latter is aimed at generating solutions to improve the world resulting from the global crisis generated by COVID-19.

It is worth noting that Ferrovial has again been included in the Bloomberg Gender-Equality Index in recognition of its commitment to gender equality through developing policies in this area, as well as female representation and information transparency.

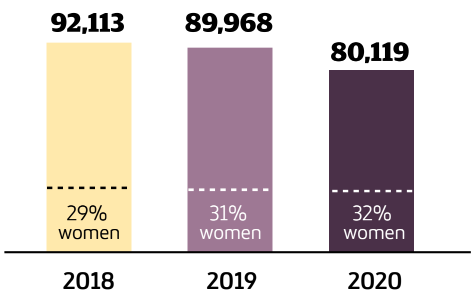
In addition, since 2010 the company has held the "Corporate Equality" distinction from the Ministry of Equality. This certificate of excellence is awarded in Spain to companies that promote equal opportunities by giving priority to merit and talent.

Ferrovial is continuously working to analyze any salary gap cases and their causes in orders to establish corrective actions where necessary. As detailed in the Annex to this report, the salary gap in the company is mainly explained by two variables: firstly, by the current percentage of women in the company as a whole and, secondly, by the type of positions they hold in line with the sectors in which the company operates and the current gender distribution in the various professional categories.

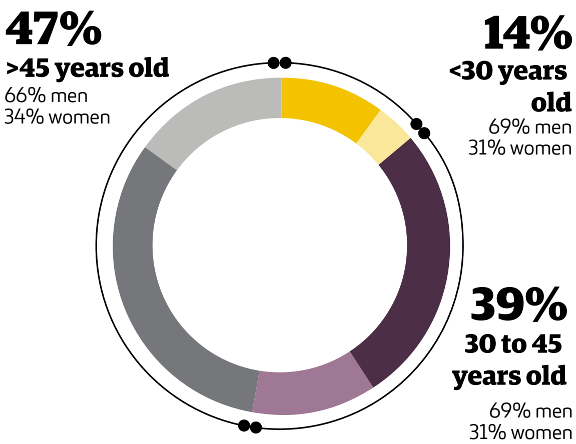
ENSURING WE HIRE THE BEST TALENT

The context generated by COVID-19 has not prevented Ferrovial from continuing to search for and hire the people who can best contribute to boosting the business. To this end, candidate identification, onboarding and recruitment have been adapted globally. Consequently, the entire recruitment process has become entirely virtual, using tools that allow visual contact with the candidate, while at the same time assessing their knowledge through online technical tests. It is worth noting that the 11,603 job vacancies registered by Ferrovial in the various portals received a total of 306,352 applications, of which 22% were filled by internal candidates.

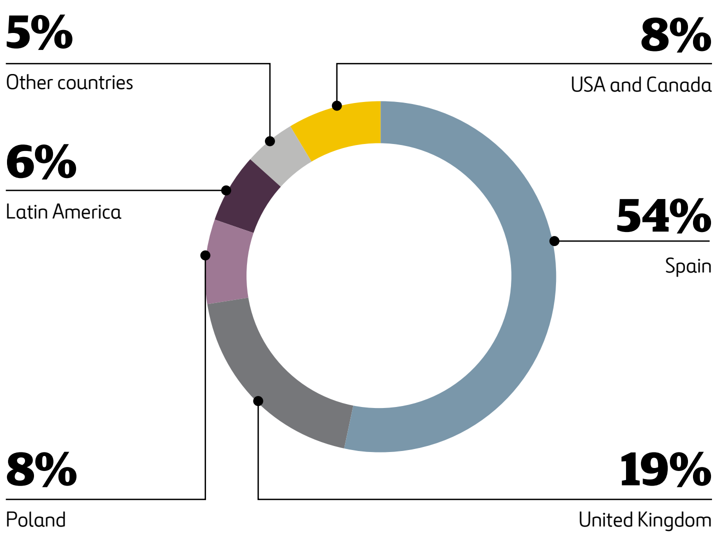
EVOLUTION



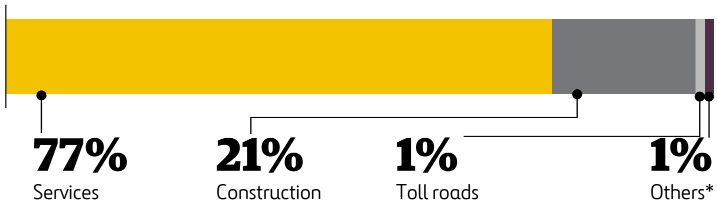
BY AGE



BY COUNTRY



BY BUSINESS



*Includes Corporation and Airports

* The 2019 information is available on page 59 of the IAI19.

HEALTH AND SAFETY

A SHARED RESPONSIBILITY

Ferrovial strives to create risk-free environments for its employees and the user of its infrastructures under the premise that all accidents can be avoided by implementing the appropriate preventive measures.

At the end of 2019, the Board of Directors approved its 2020-2023 Health, Safety and Wellbeing Strategy, which is implemented through annual plans and focuses on four strategic elements:

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 refocus their leadership, how they regard this and how they enforce this. In 2020, a variety of different initiatives have been rolled out:

- Personal commitments: at the start of the year, a campaign was launched asking employees how they will help to drive change at Ferrovial. In this sense, all Management Committee members are firmly committed to health, safety and wellbeing.
- Health, Safety and Wellbeing Awards: compensation and recognition are a fundamental value as part of Ferrovial's Health, Safety and Wellbeing Strategy. Therefore, the Chairman has sponsored the recent launch of the Health, Safety and Wellbeing Awards, which can be divided into three categories: leader in health, safety and wellbeing; high-performance team; and best innovative technical solution implemented.
- Safety leadership teams: the aim of this incentive is to create an environment in which open and transparent communication is promoted to ensure the best possible decisions are taken, seeking excellence in strategic management.

COMPETENCE

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

With a view to optimizing the training efforts made by the company, the "License to Operate" program has been created; the aim of this program is to identify critical roles in the field of health, safety and wellbeing, for which a series of specific competencies are defined that are required to perform in these roles. These requirements will be flexible depending on the needs of the country, rolled out in an escalated manner to all positions and responsibilities and revised each year to support the development of all individuals. Furthermore, all levels will be addressed, from senior management, to middle management, team leaders and supervisors, across all workplaces.

The initiative will be implemented in different phases and, when it has been rolled out in its entirety, it will provide the company with reassurance that it has skilled workers in each of the areas identified, making it possible to provide the necessary health, safety and wellbeing training with precision.

RESILIENCE

Objective: Ferrovial is prepared to protect its workers, stakeholders and businesses against adverse circumstances.

Resilience is a characteristic of an organization that offers greater resistance to incidents and accidents and the ability to successfully respond to any eventuality. Therefore, health, safety and wellbeing have been fully included in the corporate strategy and life cycle of projects in 2020. The company works in different areas to achieve greater resilience:

- Knowing what to do, being capable of responding to disruptions and existing/common events.
- Knowing what to look for, controlling critical points.
- Knowing what to expect, anticipating possible future events.
- Knowing what has happened, learning from experience and drawing on lessons learned.

Based on the foregoing, the company focuses on High Potential Events, i.e. events with the potential to cause a fatal or catastrophic accident, but that have been avoided. Given their significance, these events are analyzed each week by the Management Committee and, since April,

FREQUENCY RATE

-11%

compared to 2019

HOURS OF HEALTH AND SAFETY TRAINING

389,701

+4 million since 2015

HEALTH AND SAFETY INSPECTIONS AND AUDITS

71,796

IH-10 Project, Texas, United Satates.

Executive Incident Reviews have been performed on each of them to implement lessons learned and critical controls to prevent them from happening again.

With this in mind, the current indicators have also been kept under observation. In 2020, 71,796 inspections and audits were carried out and 389,701 hours of training on health and safety matters imparted. Thanks to the improvement actions implemented and the commitment of all workers, the frequency rate has decreased by 54.1% compared to 2015, and by 10.96% compared to last year.

COMMITMENT

Objective: generating a learning environment that promotes the exchange of knowledge, innovation and effective communication.

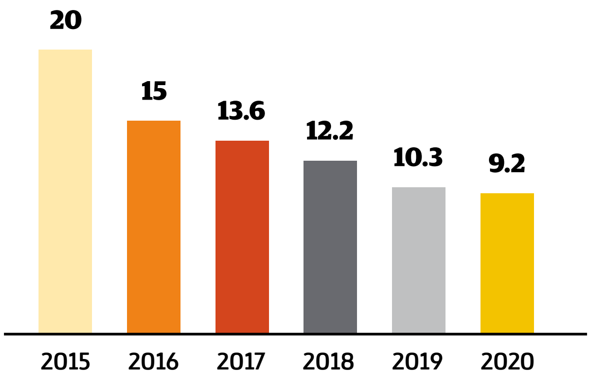
Ferrovial seeks to create an environment for constant learning, share knowledge, communicate effectively and obtain correct information, at the right time to take the best possible decisions. In 2020, a year in which the commitment of employees has been particularly important due to the pandemic, emphasis has been placed on:

- Promoting communication: videos, guidance, protocols and indications have been distributed using all the available internal channels with a view to maintaining employees informed and up to date.
- Employee health and wellbeing: the HASAVI health and wellbeing program has been redefined, with an online platform created featuring activities streamed every day, in addition to a variety of articles and guides to handle lockdown as best as possible.

COMMITMENT TO INNOVATION

For Ferrovial, innovation is a lever for change to improve performance in health, safety and wellbeing. For this reason, it has continued with the work started in 2018 at the Safety Lab to become a tool to be used to provide solutions to the challenges that workers face every day during operations at all workplaces. More information available about the Safety Lab in the “Innovation” section of this Report.

FREQUENCY RATE



INNOVATION

SUSTAINABLE COMPETITIVE ADVANTAGES

Innovation, the strategic pillar of Ferrovial's Horizon 24 Plan, aims to develop and accelerate competitive advantages for the business while generating new opportunities in the medium and long term for a world on the move.

R&D INVESTMENT

52

Millon euros

PROJECTS IN DEVELOPMENT IN 2020

+120

PROJECTS WITH STARTUPS

38

NEW TECHNOLOGIES EXPLORED

15

Dimitris Bountolos,CIIO at Ferrovial,explains what Foresight is

In 2020, Ferrovial has continued to further pursue its vision of innovation as a systematic process of exploring and developing solutions aimed at generating value for the company and its business units.

LEADING THE FUTURE OF MOBILITY AND TRANSPORT

The Strategic Innovation Plan is structured and deployed through cross-functional programmes and project portfolios that give concrete form to this innovative vision and translate it into initiatives with real impact. By 2020, this portfolio of innovation initiatives included more than 120 projects that involved an investment of approximately 52 million euros in R&D. Furthermore, in a complex year, the company's various innovation areas have given determined support to the COVID-19 crisis through 13 projects for developing digital solutions and new products, such as the COVID-19 app or the permanent disinfectant Long Clean Surface.

PORTFOLIO INTELLIGENT MANAGEMENT

To extract maximum value from the innovation portfolio, governance and management are two essential tools. Ferrovial's innovation development is led by the Innovation Committee, made up of members of the Company's Management Committee. At a more operational level, the activities are coordinated by the Global Innovation Steering Council, with innovation representatives from the corporate and business areas, with working groups and communities of experts on specific topics (e.g. data and artificial intelligence). Both management bodies have information available through the company's project's portfolio platform, which optimizes resource allocation and knowledge mapping in the organisation while encouraging focus, rapid delivery and validation of hypotheses and continuous learning. In this regard, new KPIs have been launched in 2020 to ensure the value of innovation projects.

VERTIPORTS: REIMAGINING THE FUTURE OF URBAN AIR MOBILITY

Ferrovial has signed an agreement with the German aeronautical company Lilium to develop, build and operate a network of ten airports for eVTOL (electric Vertical Take-Off and Landing) aircraft in the US state of Florida. The agreement represents a revolution in regional air mobility as these aircraft produce no emissions, reduce noise levels and their helicopter-like vertical take-off and landing capability enables them to be better integrated with the urban environment.

A balanced portfolio

Innovation projects are categorized as incremental, strategic or disruptive depending on the time horizon, degree of uncertainty and transformative capacity of the opportunity pursued. In this way, Ferrovial develops initiatives aimed not only at strengthening and consolidating the competitive advantages of its current business models, but also at creating new competitive advantages and additional sources of value through the systematic exploration of new businesses and technologies.

The aim of **disruptive projects** is to enable Ferrovial to lead the future of mobility and the new generation of transport infrastructures. In this regard, and in order to navigate a constantly evolving strategic and technological context and to adapt dynamically to change, Ferrovial undertakes technology watch and future exploration programmes, the most relevant results and publications of which are compiled on the Foresight portal. These activities include the What if? programme, scenario planning, with which future scenarios in specific areas (autonomous vehicles, urban logistics, hyperloop, urban air mobility) are deployed and studied in detail to identify opportunities and implications and guide action in the short term.

With the **strategic innovation** projects, Ferrovial seeks to increase the value of its assets through innovation in a cross-cutting way and exploring new technologies. In the first group, the aim is to maximize value by facilitating integrated management of all stages of the infrastructure life cycle, while also undertaking projects in the area of sustainability or occupational safety (through the Safety Lab programme). In the second group, projects are being undertaken to implement autonomous and connected car technologies, 5G, new means of payment, virtual reality and artificial intelligence.

In addition to the above, Ferrovial deploys **incremental innovation** projects, with a short-term value generation horizon in each of the existing businesses. These projects are aimed at achieving improvements in profitability, operational efficiency or user and passenger experience, among others, and are guided by the challenges of the corresponding business units. Ferrovial offers an "Innovation as a Service" (IaaS) model to its business units, undertaking research and dissemination projects on specific technologies, through the Digital Hub, its network of centres of excellence in mobility and asset management, or free experimentation spaces or "sandboxes" in Ferrovial's reference projects.

FORESIGHT OPEN INNOVATION PLATFORM

In 2020, Ferrovial's communication and innovation teams launched the open innovation platform Foresight (ferrovial.com/en/foresight/) with the objective of exploring and building the future of transport infrastructure and mobility together with its customers, investors, startups, public agencies and other players in the innovation ecosystem. This digital space allows experts and partners to connect and share trends, knowledge or use cases of new technologies and to outline new joint initiatives and high-impact partnerships. Ferrovial also shares its vision of the potential future of the Hyperloop, urban logistics and urban air mobility on this portal and offers its library of articles and reports on trends, technologies and disciplines with high transformative potential. The various collaboration mechanisms shown on the platform are collaborations with universities and research centres such as MIT (with whom Ferrovial has renewed its commitment and collaboration agreement for the next five years), its collaborations with startups such as Moovit and Zenrobotics, its holding in funds such as ATOMICO and its calls for proposals to startups, such as BuildUp!, or the one launched together with other industry leaders such as Madrid in Motion and Construction Startup Competition 2020.

CONNECTED TO THE 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 US, Finland and Singapore. In particular, in 2020 Ferrovial had 12 collaboration agreements with universities and research centres, and carried out 38 projects with startups. The former includes the alliance with the Massachusetts Institute of Technology (MIT), a leading global research centre with which Ferrovial has extended its partnership for the next five years. The institutions the company collaborates with on a recurring basis include public agencies that provide funding for innovation, such as the European Commission, European Innovation Council, Innovate UK and the Climate-KIC and Digital-KIC communities, of the European Institute of Innovation and Technology.


Hyperloop TT Project

INNOVATION PROJECTS

MOBILITY

URBAN MOBILITY PRICING (UMP)

Comprehensive solution for sustainable mobility management in cities based on payment for infrastructure use

AV BUS SOUTHAMPTON AIRPORT

Autonomous retrofitted bus equipped with advanced 3D navigation and artificial intelligence technologies

DATA

EARTHWORKS

Control system for earthworks that captures real-time sensor and geolocation data, calculates key indicators and displays them in a web-based dashboard

SAFETY

CDCLEAN LONG CLEAN SURFACE

Long-lasting disinfectant agent for surfaces to increase the resiliency against COVID-19 of public spaces and infrastructures such as buses, subways or stations

SUSTAINABILITY

INTEGRATED NATURAL CAPITAL ASSESMENT (INCA)

New methodology to assess the impact of industrial activities and infrastructure projects on natural capital and biodiversity

AUTOMATION

SMART ROBOT FOR CAR SHARING (SAROCA)

Automatizing the cleaning and disinfection process of Zity carsharing fleet vehicles' interiors through a robotic arm in order to provide greater resiliency against COVID-19

ENGINEERING

IAI - FLY

Marketplace in which Unmanned Aerial Vehicles (UAVs), IT infra or any other auxiliar services that has been validated to inspect electricity transmission infrastructures

DIGITIZATION

F-COVID

Internal app to ensure a safe workplace after the COVID-19 pandemic that allows employees to report close office contacts

Heathrow Airport, London, United Kingdom. © José Manuel Ballester

QUALITY

CONTINUOUS IMPROVEMENT

Innovation applied to products and services enables Ferrovial to offer customers and users products and services that guarantee a unique experience.

Providing customers and users with top quality services is one of Ferrovial's key priorities. The company is working on a system that aims for more effective and efficient management based on digitalization, the use of new technologies and innovation projects applied in different areas.

DIGITALIZATION

Between December 2019 and July 2020, a successful proof of concept was carried out with the aim of testing blockchain technology, trying to determine its potential within the framework of the digital transformation of the construction industry and the feasibility of its use when commissioning facilities. It is estimated that this tool could reduce the volume of complaints by up to 15%.

The Construction division also continues to expand the use and dissemination of Building Information Modeling (BIM) methodology. The application of BIM involves incorporating digitalization into construction processes and procedures, providing greater efficiency in information management. This methodology is being progressively implemented into many of the company's projects. In 2020, Ferrovial Construction has applied BIM methodology in several rail projects such as the rail access to the El Prat Airport terminal and the construction project for the underground structures of the Murcia-El Carmen, Barriomar and Nonduermas stations on the Madrid-Murcia AVE high-speed train line.

USE OF BIG DATA

With variables being measured well and optimal sensorization beforehand, any process can be analyzed and generate large amounts of data. For example, in the field of mobility, Ferrovial is actively working to optimize its Managed Lanes business model, where administrations are starting to use open data systems, encouraging the use of big data and artificial intelligence to attract innovation from private companies, capable of integrating their systems and generating new business models.

In the case of Construction, big data is taking on a key role thanks to the creation of technological tools that have contributed to modernizing safety conditions or the way in which a construction site is built, thus improving the industry's results. Over time, constructions will be cheaper and delivered in a shorter period of time.

CUSTOMER SATISFACTION

In 2020, the evaluation of how customer satisfaction is measured continued. The methodology homogenizes all the surveys in the different business areas to find out comprehensively customer perception regarding sustainability, operational excellence, innovation, responsiveness, reliability and trust, the oversight process and management of agents involved in each project. In this regard, it should be noted that there are no user safety claims in excess of one million euros not covered by insurance policies.

USER SATISFACTION

During 2020, the user satisfaction measurement program was launched. This is an innovative task where indicators are measured in the Infrastructures, Airports and Mobility business areas, providing a more complete view of the user's experience of the services offered.

QUALITY SYSTEMS AND CERTIFICATIONS

Ferrovial has quality and environmental systems certified in accordance with ISO 9001 and 14001 standards 89% implemented. It should also be noted that Budimex, Ferrovial Construction (in Spain and the UK), Cadagua and Ferrovial Services Spain are currently certified in line with the ISO 50001 energy management standard.

To support all its business lines and ensure legal compliance throughout all phases of the project life cycle, Ferrovial has corporate applications used to record and store legislation and technical regulations containing the environmental legal requirements applicable to Ferrovial in all the countries in which the company operates. Both platforms contain rules and standards governing health and safety, quality and the environment. This enables the company to honor all its environmental obligations, including those relating to air, noise and light pollution. Meanwhile, all employees involved in production are fully familiar with operating procedures so as to prevent or minimize environmental risks.

CERTIFIED ACTIVITY

89%

ISO 9001
ISO 14001

CUSTOMER SATISFACTION

4.3

Out of 5

USER SATISFACTION

4.0

Out of 5

MANAGED LANES USER SATISFACTION

70-80%

407 ETR USER SATISFACTION

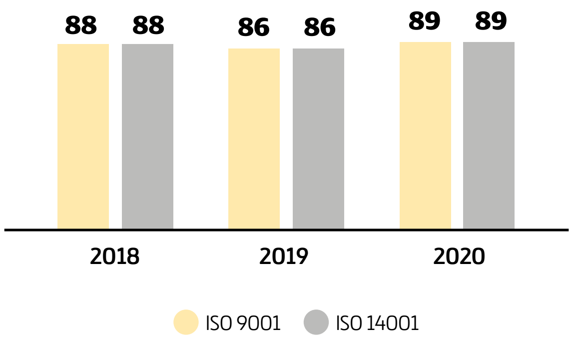
88%

HEATHROW PASSENGER EXPERIENCE

4.24

out of 5

CERTIFIED ACTIVITY (%)

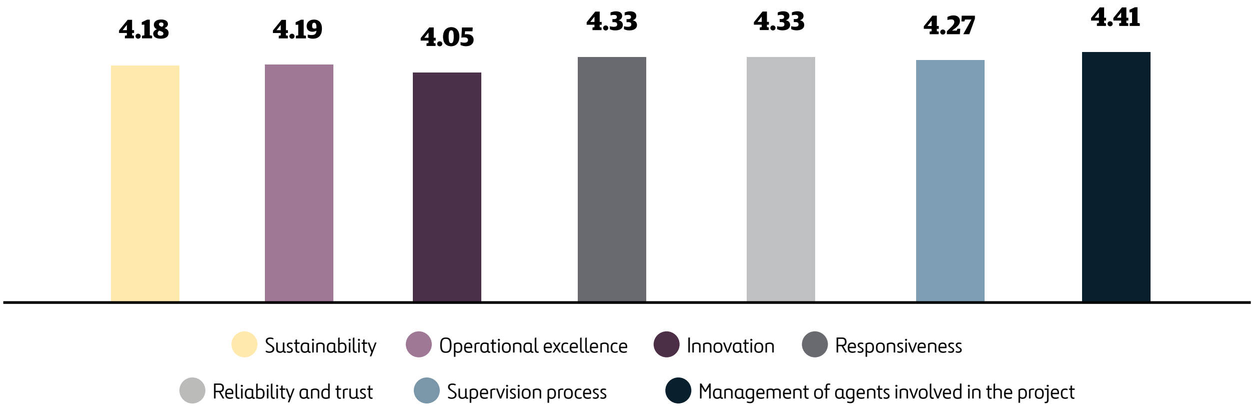


Ferrovial has been recognized by AENOR (Spanish Standards and Certification Association) as the first company to certify its Sustainability strategy with the Sustainable Development Goals (SDGs), promoted by the United Nations. This certification recognizes the company's actions in the area of climate change, which is one of the greatest environmental challenges facing society and one in which companies have a decisive role to play.

Within the framework of energy audits, in order to comply with RD56/2016 and continue the work carried out in 2016, an energy audit of all the company's assets with activity in Spain was carried out in 2020.

There are other systems certified in accordance with various standards including: UNE 19601; UNE-ISO 37001; UNE-EN ISO 50001; UNE 166002; 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-ISO 55001:2015; UNE-EN ISO 13485:2018; SGE 21; Certification of COVID protocols in accordance with the Regulation for the certification of protocols against COVID-19, by AENOR; and Madrid Excelente.

CUSTOMER SATISFACTION



INTEGRITY

WITH THE BEST STANDARDS

Commitment to ethics and integrity is the way forward to position Ferrovial as a benchmark in the international market.

One of Ferrovial's values is integrity. Therefore, its activities are carried out under the requirement to avoid all forms of corruption, promoting transparency at all times, in accordance with the company's Code of Business Ethics.

Ferrovial's growing international presence has led to the transformation of its Compliance Program to align with nationally and internationally recognized best practices. Reporting directly to the Audit and Control Committee, and with independence and the required resources, the Chief Compliance Officer has undertaken various improvements to ensure the program implemented at Ferrovial is aligned with international best practices.

BUSINESS ETHICS

Ferrovial's Code of Business Ethics* is applicable to all Group companies and establishes the basic principles and commitments to which its directors, managers and employees must adhere. The basic principles of behavior are respect for legality, ethical integrity and respect for human rights. These principles are embodied in fulfilling a set of commitments set out in the Code of Ethics and translated into internal policies and procedures.

All employees adhere to these principles and commitments, undertaking to comply with them and to ensure that external collaborators who carry out activities on behalf of Ferrovial comply with them.

CULTURE OF COMPLIANCE

Training employees in the values and principles set out in the Code of Business Ethics and in the Compliance and Anticorruption Policy is one of the cornerstones of the company's Compliance Program. During 2020, the online training plan on the Code of Business Ethics and Compliance Policy (Prohibited Conduct) has continued and two new anticorruption courses have been rolled out. These were designed according to the level of exposure to this risk of certain groups, including the Management Committee: a general course on anticorruption and a course on international anticorruption legislation and best practice (US FCPA, UK Bribery Act and Spanish Penal Code).

In addition, the first Compliance Boot Camp was held in the United States. This is a compliance workshop on anticorruption, antitrust, cybersecurity and employment, among others.
Also in 2020, a course on Data Protection has been deployed, focusing mainly on the General Data Protection Regulation (GDPR) and the Organic Law on Data Protection and Guarantee of Digital Rights (LOPDGDD).

The training volume of these courses amounted to 5,404 hours, totaling 10,327 hours over the last two years. The training provided in 2020 was more specialized and targeted at employees with a higher level of exposure to certain risks.

THE COMPLIANCE PROGRAM

Ferrovial has a Compliance Program that is intended to establish a common process for monitoring and controlling the company's compliance risks under the principle of "zero tolerance" towards committing criminal acts and, in particular, any form of corruption.

The Compliance Program is described in the Compliance Policy* and its main objective is to foster a culture of business ethics in the organization and in the decision-making processes and the manner in which directors, managers and employees arrive at their decisions. In addition, the policy develops the phases of the Compliance Program implemented in the company and establishes the competencies of its governance bodies and those of its employees in the area of regulatory compliance.

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

POLICIES AND PROCEDURES

Anticorruption policy

Ferrovial has an Anticorruption Policy governing the conduct of all directors, managers and employees, and its collaborators, in the business' development, under the principle of "zero tolerance" for any practice that could be classified as either active or passive corruption.

The policy requires strict compliance with applicable anticorruption laws, including the provisions of the Spanish Criminal Code, the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act (UKBA).

Third Party Ethical Integrity Due Diligence Policy

A new policy was approved in 2020 that aims to standardize the ethical integrity due diligence process to be followed before closing

*Available at www.ferrovial.com

any agreement with third parties. A new corporate application has also been deployed to unify the control of the due diligence process to be carried out depending on the level of risk of the transaction and the third party in question.

Lobbying Policy and Political Contributions

A new policy was published in 2020 to regulate a framework for Ferrovial's prospective involvement in political or lobby activities, ensuring the law is being complied with and always considering the principles of the Code of Business Ethics and the Anticorruption Policy. In relation to contributions to political parties, the rule prohibits corporate funds being used to make contributions to political parties or candidates in electoral processes, except in some cases in the United States and under certain conditions.

Gifts and Hospitality Expenses Policy

In 2020, the Gifts and Hospitality Expenses Policy was reviewed and updated in line with the provisions of Ferrovial's Anticorruption Policy and within the parameters established in the Code of Business Ethics and in accordance with the main anticorruption regulations (US FCPA, UK Bribery Act and Spanish Penal Code, among others).

ETHICS LINE

The Ethics Channel was revamped in 2020. This serves as an essential complement to other internal communication channels. Through a computer application, the aim is to facilitate reporting any irregular situations, breaches, unethical behavior or conduct that goes against the law and internal regulations. The channel is accessible through the intranet and the corporate website (www.ferrovial.com), several free telephone numbers and a dedicated mailbox, and allows anonymous communications. Ferrovial will not tolerate any form of retaliation against bona fide whistleblowers.

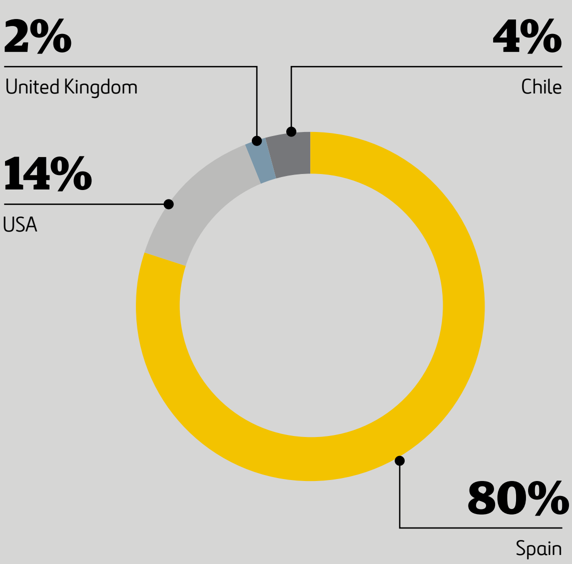
In this regard, the Ethics Channel Policy has also been revized, so that there is a protocol for processing all the complaints that may be received by any means regarding possible irregularities with responsibilities, deadlines and reporting obligations being established for the measures adopted. In addition, responsibility for managing the Ethics Channel has been transferred to the Compliance Directorate, with the support of Internal Audit for the analysis of priority communications.

During 2020**, 50 complaints were received through the corporate ethics mailbox, 37 of which were anonymous and 13 identified.

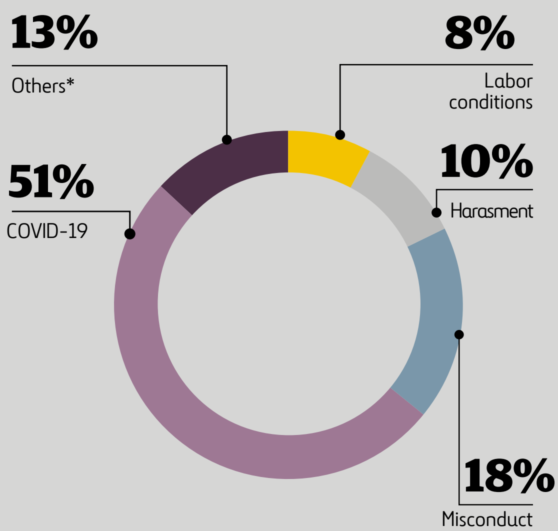
All communications give rise to an investigation by the case handler, ensuring confidentiality and freedom from retaliation of any kind. Since the last quarter of the year, the Compliance Department has been responsible for regularly providing a detailed report on the communications received and the actions taken to the Audit and Control Committee and, where appropriate, the Board of Directors.

In 2020, no case investigated has given rise to significant impacts for Ferrovial from a criminal, economic or reputational standpoint. All communications have been investigated by the relevant departments and appropriate action has been taken: COVID-19 issues have, in most cases, been resolved by reinforcing safety measures at the workplaces; harassment and misconduct issues have been resolved in some cases by imposing disciplinary measures; and labor and other grievances have been reviewed and, where appropriate, errors have been corrected or the applicable internal rules and procedures have been revized.

COUNTRY OF ORIGIN



TYPOLOGY OF COMMUNICATION



* Communications related to information systems issues and the purchasing process.

** Information for 2019 is available in the 2019 Integrated Annual Report, page 87.

HUMAN RIGHTS

RESPECT FOR PEOPLES' RIGHTS

Ferrovial rejects any type of discrimination in all countries where the company operates and is strongly committed to promoting a dignified, respectful and inclusive work environment.

Ferrovial has had a Human Rights Policy since 2014, which is promoted and approved by the Board of Directors and aligned with the Corporate Code of Ethics. The company's commitment to respect human rights is aligned with 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 Human Rights Policy establishes the procedures to ensure compliance with these rights in the company's activities and to promote their dissemination among its stakeholders. It also guarantees respect for the labor rights of all its employees and contractors. The policy is aligned with the principles of the United Nations Global Compact, the OECD guidelines for multinational enterprises and the International Labor Organization's standards. In addition, the company is committed to the 31 principles contained in the National Action Plan for Business and Human Rights developed by the Spanish Government.

IDENTIFICATION AND PREVENTION

Ferrovial carries out an ongoing due diligence process. Firstly, in its own activities and in all those directly related to its operations and services. In the case of infrastructure projects in vulnerable contexts, the social and environmental impact on the affected communities is analyzed.

It also has due diligence procedures in place to prevent anti-human rights attitudes and actions in relations with business partners, suppliers and applicants. There is an obligation to conduct an ethical integrity review process, including human rights, before entering into any business relationship or taking on a new employee. These procedures involve extending the company's values set out in its Code of Ethics to its entire value chain and establishing mechanisms for monitoring business relations.

In this regard, the company has recently revised the Procedure for approving operations according to corporate capital allocation criteria, so that in the proposal for approving all corporate operations that are carried out, an analysis is conducted of whether they may undermine Ferrovial's ethical principles, particularly focusing on human rights, social, good governance and environmental aspects.

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

Ferrovial's analysis identifies new situations affecting respect for human rights, such as the right to digital disconnection and all those derived from the use and protection of the data of the people it interacts with.

MITIGATING RIGHTS VIOLATIONS IN SOCIETY

Following the initial diagnosis in the due diligence process, the company designs contingency plans in which impact mitigation and/or compensation measures are considered as appropriate.

Beyond its own activity, Ferrovial is involved in initiatives that help to raise awareness of human rights and promote measures to safeguard them, adapted to each country's characteristics. A noteworthy example in the United Kingdom is the commitment to the UK Parliament's Modern Slavery Act, which ensures acts related to any form of slavery and human trafficking are prevented.

Gender-based violence

There are situations of rights violations in society against which the company has decided to mobilize. One of them is the scourge of gender-based violence. Ferrovial has been a member of "Companies working towards a society free of gender-based violence" since 2013. This project is promoted by the Spanish Government to raise awareness in society of gender equality and respect for basic rights.

As part of this collaboration, the company once again sponsored the race against gender-based violence, in which the Chief Executive Officer and 76 other employees took part in its most recent race. In addition, in support of the International Day for the Elimination of Violence against Women, an initiative was launched under the slogan "Let's build a world free of violence against women" through the ZITY carsharing service.

Ferrovial's commitment, in line with the United Nations' SDG 5, also includes activities to improve integrating people who have suffered abuse into the workplace, including collaboration with the Integra Foundation, which materializes reintegrating female victims into the workplace through direct hiring.

In addition, within the framework of the II Equality Plan, an internal action protocol has been developed to deal with gender-based violence, which provides guidelines to promote protecting female colleagues who may be victims of this type of violence.

Since 2011, Ferrovial has been a member of the Diversity Charter, a European initiative that is part of the anti-discrimination directives adopted by the European Union in the year 2000.

EQUAL RIGHTS FOR WOMEN THROUGH STEM EDUCATION

STEM careers (Science, Technology, Engineering and Mathematics) are the jobs of the future, and are key profiles in innovation, social welfare, inclusive growth and sustainable development, and are also a strategic aspect for Ferrovial. According to the latest data published by UNESCO, around 30% of women choose STEM disciplines.

One of the challenges set out in the Equality Plans that Ferrovial has defined since 2009 is to increase the number of women in technical areas, in line with key business profiles. In this regard, Ferrovial is committed to providing career guidance for young people through various initiatives that promote STEM careers, making the role of women in this area more visible in order to prevent discrimination.

In this sense, Ferrovial is working in Spain on the OrientaT program together with the Junior Achievement Foundation, in which more than 170 volunteers from the company have already participated in workshops in educational centers to kindle interest in STEM vocations among students.

Some initiatives in 2020 have been scaled down or transformed due to the lockdown, but initiatives along the same lines have been possible in other geographies. In the United Kingdom, the STEM Girlguiding program, supported by Amey, and the continuous promotion of the International Women in Engineering Day, to raise awareness of women in STEM careers, are noteworthy. In the United States, support has continued to be given to the National Math and Science Initiative, in Texas, and the Women in Construction Week. The aim of this initiative is to give visibility to women working in this sector and to serve as a reference for future generations.

These initiatives, aligned with SDG4 target 3, have reached 27,371 children throughout 2020.

ACTIVE RESPONSE

Ferrovial actively participates in networks and working groups to promote Human Rights in the business world and in the rest of society, such as The Human Rights Lab of the SERES Foundation, the Executive Committee of the Global Compact Network and the CEO Alliance for Diversity initiative, led by the Adecco Foundation and the CEOE Foundation.

In order to respond to possible unwanted situations that may arise, the company's Ethics Channel has been renewed in 2020 with an emphasis on the description of categories related to human rights, possible situations of harassment (understood in the broad sense of abusive, hostile or offensive conduct), discriminatory practices that may arise due to political ideas, religious beliefs, race or any other type and attitudes or actions that affect freedom of expression or association.

These reporting tools are aligned with the Company's Procedure for the Prevention of Workplace and Sexual Harassment and with the II Equality Plan.

SAFEGUARDING LABOR RIGHTS

Ferrovial guarantees compliance with labor rights in all countries in which it operates, paying special attention to the right to strike, freedom of association and the right to collective bargaining. All Ferrovial employees are protected in one way or another by the labor regulations of the different territories, while 70.8% of the workforce is a member of a collective bargaining agreement.

Ferrovial has internal communication channels, internal social media and the corporate intranet, Ferronet, which facilitate creating collaborative, dynamic and flexible work environments and through which it promotes a healthy working environment and the dissemination of healthy habits among employees. These channels have been reinforced in 2020 due to the pandemic's special circumstances, with advice adapted to teleworking and promoting physical activities that could be undertaken during lockdown. In 2020 Ferronet recorded 2,886,810 sessions and 3,885,914 page views.

ENVIRONMENT

DEVELOPING A SUSTAINABLE ECONOMY

Ferrovial reinforces its commitment to sustainability and reaffirms the importance of the SDGs in its strategic plans and all its activities. To this end, the company has set out several lines of action in its Climate Strategy, aimed at contributing to decarbonizing the economy and combating the effects of climate change.

REDUCTION OF GHG EMISSIONS

56%

in relative terms compared to 2009

ELECTRICITY CONSUMED FROM RENEWABLE SOURCES

68%

target of 100% by 2025

Sustainable infrastructures that improve our mobility

The company works actively to minimize its environmental impact and offer products and services that promote the development of a sustainable economy. To this end, Ferrovial has a climate strategy with ambitious emission reduction targets, it promotes the circular economy, offsets its impact on biodiversity and minimizes its water footprint.

CLIMATE STRATEGY

Climate change is a key element in the company's governance, which incorporates both the recommendations of the Task Force on Climate Disclosures (TCFD), as climate risks within the Ferrovial Risk Management (FRM) corporate risk identification and assessment system. The strategy in this area takes into account the risks and opportunities identified in each activity, and therefore two critical objectives have been defined:

- Responsible management of the environmental impacts arising from the company's activities from a preventive perspective, including undertaking actions to reduce GHG emissions.
- Harnessing skills and knowledge in developing infrastructure for a low-emission economy.

ON THE ROAD TO DECARBONIZATION

During 2019 and 2020, work has been carried out on the Deep Decarbonization Path plan, included in Ferrovial's Horizon 24 strategy to achieve emission reductions in the construction and infrastructure area by 2030, where the main lines of work are: 100% electricity consumption from renewable sources by 2025; renewing the fleet to 33% zero-emission vehicles by 2030; improving energy efficiency in asphalt plants by 20%; and increasing energy efficiency in construction machinery by 10%. As part of this plan, the company is committed to achieving emissions neutrality by mid-century.

CARBON FOOTPRINT

The calculation and reporting of the carbon footprint is applicable to the entire company and covers all business areas and its subsidiaries. The calculation method is based chiefly on the GHG Protocol (WRI&WBCSD), which is the most internationally accepted approach, while also adhering to ISO 14064-1 standards. The market-based method was used to calculate scope 2.

Ferrovial has set ambitious emission reduction targets, which have all been Science Based Target Initiative (SBTi) certified, for the 2030 horizon, and for the three scopes.

RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE

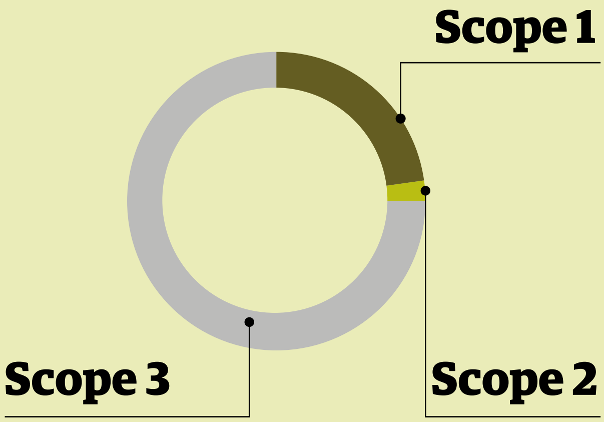
During 2020 all the risks associated with climate change that Ferrovial may be exposed to have been included in the risk identification and assessment process, FRM, so that they are assessed in the matrix reviews that are carried out. The analysis of the company's matrix of risks and opportunities related to climate change following the recommendations of the TCFD considers three different scenarios, depending on the degree of implementation of climate change policies, the so-called current policies scenario (CPS)*; new policies scenario (NPS)* and sustainable development scenario (SDS)*. As a result of this study, it can be concluded that in the short, medium and long term, Ferrovial's main environmental risks are physical and transitional.

Transition risks are related to the increase in operational costs due to rising prices of raw materials, increased prices of fossil fuels, payment for emissions produced or incorporating activities included in the emissions market, policies restricting the allocation of emission quotas, carbon rates, water shortages, restrictions or incentives for land use, changes in the supply and demand of services or interruption of operational processes.

* A detailed description can be found in the glossary of this Report, pages 166-168.

GREENHOUSE GAS EMISSIONS*

In absolute terms, by category of source



817,503 Scope 1 (tCO_2eq)

293,795	261,123	262,449
Stationary	Mobile	Diffuse

52,632 Scope 2 (tCO_2eq)

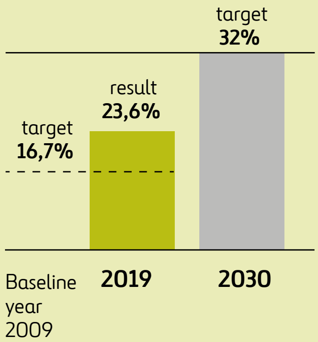
3,166,769 Scope 3 (tCO_2eq)

774,570	209,022	475,720	1,707,457
Investments	Use of Product	Upstream transport and distribution	Other

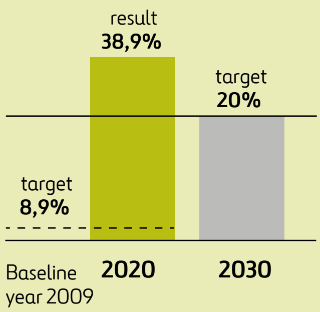
*Information verified in accordance with ISAE 3410

REDUCTION TARGETS

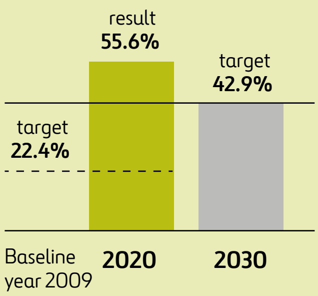
Scope 1&2 in absolute terms
& reduction



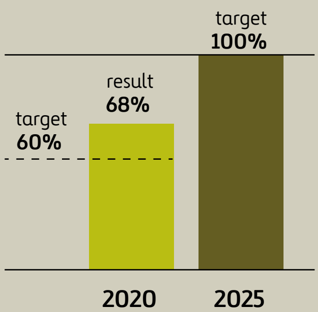
Scope 3
& reduction



Scope 1&2 in terms of intensity
% reduction



RENEWABLE ELECTRICITY CONSUMPTION TARGET
% Consumption



Physical risks refer mainly to possible physical damages in infrastructure and temporarily stopping activity, decrease of productivity in extreme climatic conditions, increase of the risk premium or delay in delivery of products and services.

The probability of occurrence of physical risks and the financial impact is higher in the CPS scenario and decreases when moving toward the SDS scenario. The progress of transition risks is the reverse. The company has the appropriate measures to mitigate, reduce and manage the risks related to climate change that have been identified.

SHADOW CARBON PRICING

Ferrovial has developed a tool for quantifying the climate risk of its most important investments in the form of Shadow Carbon Pricing with the aim of accelerating to decarbonized business models. This tool considers variable prices for a ton of carbon over different time horizons and across different regions and project types, quantifying the potential economic risk facing the projects for which the company decides to use the tool.

BIODIVERSITY

Ferrovial has been working for decades on incorporating the criteria of the mitigation hierarchy into its environmental management. The organizational and operational procedures governing its contracts, as well as its environmental monitoring processes, are based on avoiding and minimizing the impact on the environment.

In 2020, the natural capital debt associated with the two infrastructures that meet the criteria established for adding natural capital debt in Ferrovial was calculated. The construction and operation phases of the I77 toll roads in North Carolina and the NTE 3A in Texas are considered. The debt has been calculated based on 13 ecosystem services. It is concluded that mainly regulating services related to erosion rate control, soil quality and pollination have been affected. A positive effect of toll roads on fire protection has been observed, since the construction of infrastructure affects the combustibility of the territories by acting as firebreaks. The mitigation measures applied to these infrastructures will offset about 35% of the debt generated.

CIRCULAR ECONOMY

Ferrovial has consolidated incorporating the principles of the circular economy in its processes, products and services. To avoid and minimize waste generation, the use of renewable natural resources is enhanced and, as far as possible, they are recovered for reuse as raw materials. For this reason, the waste treatment division works on continuously improving triage and recovery of materials.

Meanwhile, the Construction activity has set an annual target of 80% for the reuse of earth, as well as a 70% target for CDW. In all projects, priority is given to on-site reuse, as this not only eliminates the consumption of new raw materials, but also reduces the emissions associated with transport.

Ferrovial also applies sustainability criteria in its building construction activity, including eco-design criteria and ensuring efficient management throughout the building's life cycle. The percentage of buildings constructed, managed or owned by Ferrovial that incorporate environmental improvements in the design, construction and operation phases has been increasing in recent years. These buildings have considerably lower energy consumption than conventional buildings.

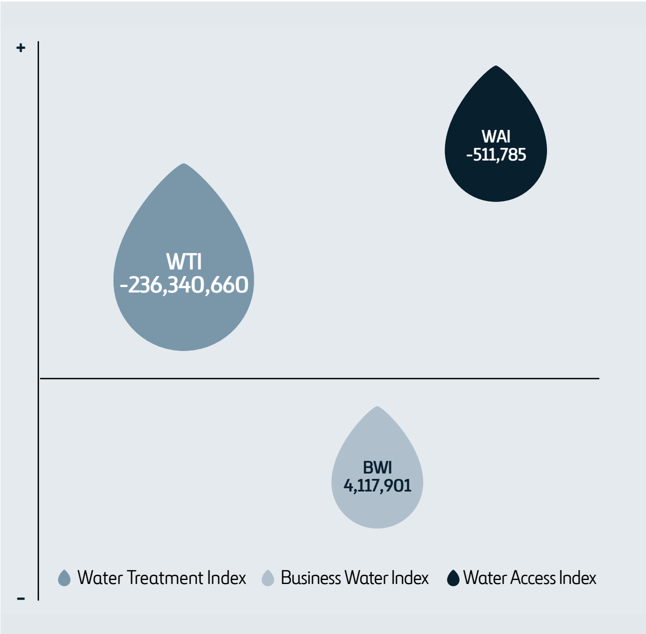
GLOBAL ROAD ACHIEVEMENT AWARD FOR THE TOOWOOMBA BYPASS :

The Toowoomba Bypass was awarded the Global Road Achievement award in the environmental mitigation category by the International Road Federation (IRF). This award, which recognizes the achievements of industry professionals around the world, honored innovative design engineering solutions and best practices in environmental mitigation used in the construction of this infrastructure.

WATER FOOTPRINT

The methodology for calculating the water footprint makes it possible to calculate and report the company's global water footprint, considering the value of water in the processes and the environment, assessing its availability and quality, as well as the balance of the ecosystems in which it is located. Furthermore, it is possible to measure offsetting global water consumption (Water Business Index, WBI*) with the contribution of treated water (Water Treatment Index, WTI*), returning it to the environment in better conditions to those in which it entered, as well as the actions that allow local communities in developing countries to access drinking water (Water Access Index, WAI*) through the Social Infrastructures social action program. This methodology was recognized in 2020 by the European Environmental Awards for the development of its Water Footprint calculation application.

Ferrovial has set a target to reduce BWI by 20% by 2030, considering 2017 as the base year, as well as an annual target to offset the water footprint (WTI + WAI ≥30 BWI).



* A detailed description can be found in the glossary of this Report, pages 166-168.

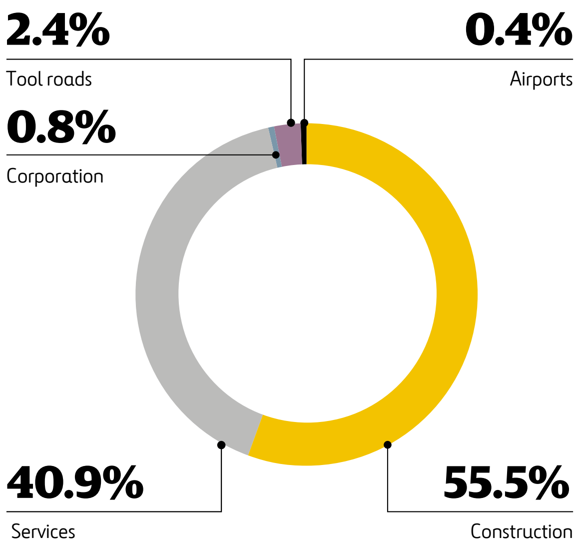
407 East Phase II Toll Road, Toronto, Canada. © José Manuel Ballester

SUPPLY CHAIN

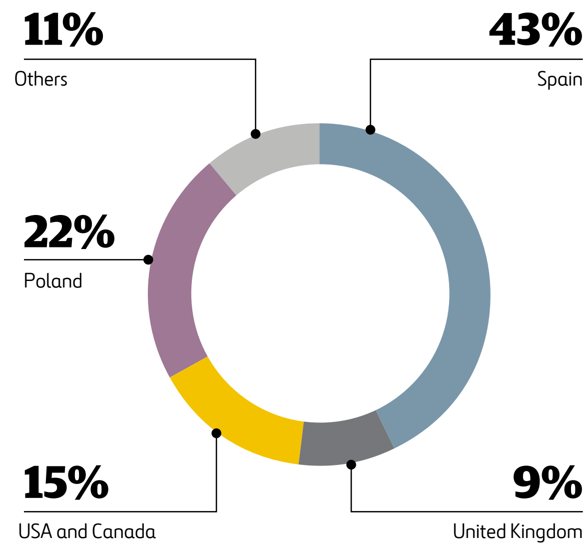
70,000 LINKS

Ferrovial continues to pursue integrating ESG criteria in its supply chain, fosters innovation to promote sustainable procurement and actively collaborates to tackle COVID-19.

SUPPLIERS BY BUSINESS



SUPPLIERS BY COUNTRY



Ferrovial continues to make progress with its Supply Chain in applying sustainability criteria through incorporating tools and developing its procedures, fosters innovation to make its purchases more sustainable, and stands out in its collaboration to tackle COVID-19.

INTEGRATION OF ESG PRINCIPLES IN THE SUPPLY CHAIN

Ferrovial has recently developed a Supplier Code of Ethics, the aim of which is to extend its guidelines for acting in accordance with ethics, integrity, respect for the law, transparency, health and safety, environmental commitment and respect for human rights to its supply chain. It sets out the behavior expected of all Ferrovial suppliers. It is aligned with and complements other corporate policies, in particular the Corporate Code of Ethics, corporate responsibility, human rights, quality and environment, and anti-corruption policies, as well as the Supplier Ethical Integrity Due Diligence Procedure. The necessary mechanisms are being developed to raise awareness of the Code among all suppliers, and new suppliers that begin working with Ferrovial will be obliged to comply with the principles included in the Code.

All suppliers are classified according to their degree of criticality. A critical supplier is understood 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 the continuity of the business in the event of an incident. In this regard, Ferrovial had identified a total of 2,061 critical suppliers.

From a sustainability point of view, 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 supplied products in countries considered risky. In the case of Ferrovial, this list is limited to some suppliers of personal protective equipment. By the end of 2020, this list consisted of 684 suppliers, all of which were subject to special monitoring.

ESG compliance obligations are reflected in the model orders and contracts with suppliers, which 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.

ESG criteria are included in the supplier performance evaluation and monitoring processes. For example, the Construction business has an IT application for the evaluations and follow-up of each supplier based on the evaluations made from each construction site or work center. In the Services business in Spain, the company has a supplier scoring. This is fed by the assessment of the approval process, the incidents that include social, environmental and governance aspects, the audits that analyze suppliers, and the surveys or files provided by the recipients of supplies and services.

NUMBER OF SUPPLIERS

69,398

NUMBER OF SUPPLIERS ASSESSED

10,212

The result of the assessments 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 breaches of the Anticorruption Policy are verified.

During 2020, 20,535 suppliers joined Ferrovial's supply chain and more than 10,000 were evaluated, less than 1% of which were rejected. In terms of supplier turnover, a total of 27.75% came from critical suppliers, while 91.52% came from local suppliers.

INNOVATION FOR MORE SUSTAINABLE PROCUREMENT

Ferrovial undertakes 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.

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

- Purchasing electrical energy from renewable sources: the company fosters, wherever possible, purchasing electricity with a guarantee of origin and progressively advances towards the 100% target by 2025 set in the Horizon 24 Plan. In 2020, 68% of the electricity purchased was produced from renewable sources.
- Efficient vehicle fleet: the vast majority of the fleet is managed under agreements of up to three years, which has enabled the fleet to be completely renewed with efficient vehicles, leading to a substantial and continuous reduction in emission 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. In the Services business in Spain, more than 8% of the fleet is already sustainable.
- Smart vehicle fleet: Ferrovial Services Spain is undertaking the Smart Fleet program, which encompasses a set of initiatives aimed at optimizing the use of the fleet (more than 10,000 vehicles) and providing differential value in contracts. Currently 16% of the fleet is connected to on-board technology with GEOTAB, whose activity is being monitored in terms of efficiency/reduced consumption and improved safety, and 56% is connected to the Workshop software (OMEGA project) with life cycle monitoring in terms of improved maintenance and proposals for renewal with more sustainable vehicles. The target is to reach 85% of the connected fleet in 4 years.
- Green Purchasing Catalogue: over the last year, the information available in the catalogue has continued to be updated and increased with the aim of promoting the purchase of these types of sustainable products. For example, in the Services business in Spain, 65% of cleaning products are already Ecolabelled. In Construction, alternatives for the supply of green products have been incorporated and are made available to clients in both the contracting and execution phases.
- Digitalization in procurement processes: in 2020, progress has been made in projects digitalizing the procurement processes that bring efficiency improvements and reduced paper consumption.

"SUPPLIER 360" PROJECT AT FERROVIAL

Ferrovial has implemented the "Supplier 360" application in 2020 in its Construction and Services businesses in Spain and others. This software tool monitors suppliers by using advanced data analytics, language processing and internet searches. This enables potential risks to be detected, whether they be financial, environmental, legal, labor or reputational. This tool provides additional information to that already available in the supplier databases, whether for the selection, contracting or monitoring phase.

A total of 951 suppliers in Spain have been monitored, representing more than 51% of billing. The tool has reported a total of 31,700 information pieces about them, obtained from the different websites and platforms it accesses.

In 2021, it is expected to be adapted for use in other areas of the company and with suppliers in two other important markets for Ferrovial, the United States and the United Kingdom.

COMMUNITY

LEAVING NO ONE BEHIND

Through its social programs, Ferrovial views community investment as a strategic instrument for progressing society and a way of promoting its contribution to achieving the Sustainable Development Goals.

Ferrovial sees its commitment to the community as a strategic instrument aligned with the United Nations 2030 Agenda and its Horizon 24 Strategic Plan, which helps to achieve balanced progress in society with special attention to the most vulnerable groups so that no one is left behind. This commitment has been reinforced in 2020 considering the medical and social emergency caused by the COVID-19 pandemic.

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

FERROVIAL TOGETHER COVID-19 FUND. SHARED EFFORT

Ferrovial's response to the crisis generated by the pandemic has been global. Since its inception, Ferrovial has worked closely with the public administration and multiple initiatives have been implemented by the different business units in all the countries in which Ferrovial operates.

In addition to offering its human resources and technical capabilities, Ferrovial wanted to make a commitment to recovering from this crisis with a significant financial contribution. To this end, it set up the "Ferrovial Together COVID-19" fund, which has made 8.7 million euros available to society, 7.46 million euros contributed by Ferrovial and 1.23 million euros raised from employees, shareholders, suppliers and anyone else who wished to collaborate. The fund's resources have been earmarked to support three sectors: vulnerable families, health facilities and research for developing a vaccine against the coronavirus. They have been distributed in Spain, United Kingdom, USA, Chile, Portugal, Poland, Colombia and Peru.

The fund has operated under the same scheme as the Stronger Together program, which has been running since 2005. Employees who wish to donate a monthly amount choose the projects to which the funds are allocated. Ferrovial doubles the amount raised.

SUSTAINABLE INFRASTRUCTURE FOR THE COMMUNITY

Ferrovial's aim to create sustainable infrastructures is also reflected in its community investment programs, with a focus on the most underprivileged people, by promoting more equitable and sustainable development.

Ensuring access to food

In Spain, Ferrovial has been supporting the improvement of the infrastructures of entities engaged in guaranteeing access to food for the most vulnerable for eight years. Over the years, kitchens, canteens and warehouses have been improved to ensure that food is delivered with the necessary quality and safety. In 2020, through the NGO World Vision, improvements have been made to the network of soup kitchens with which they collaborate. Specifically in the María Inmaculada soup kitchen in Madrid, in the Cocina Económica in Santiago de Compostela, in the Cocina Económica in Santander, in the care center of the Can Palet Educational Association in Tarrasa, and in the social emergency project of the Hijas de la Caridad in Alicante. With this project, Ferrovial has contributed to SDG 2, zero hunger, enabling 8,686 people to have access to healthy, nutritious and sufficient food.

Improving access to health services and education

In Poland, Budimex is involved in several child-focused initiatives, including Strefa Rodzica, to create separate areas in pediatric wards in hospitals where parents can accompany their children, and the Domofon ICE program, which has been promoting the safety of children and schools since 2009.

In addition, in 2020, two of the projects supported by the Juntos Sumamos Program have also focused on infrastructure. In Cameroon, a photovoltaic energy system has been installed to ensure the electricity supply at the Obout hospital, thus improving the quality of medical care for 20,000 people. In India, the living conditions of two homes for 500 children without resources have also been improved, thus guaranteeing their right to access to education.

COMMUNITY SUPPORT PROJECTS

250

INVESTMENT IN THE COMMUNITY (M€)

11.6

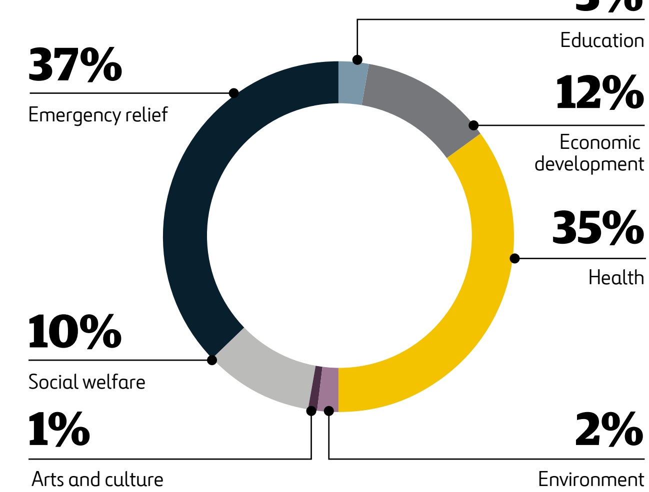
(4.9M€ in 2019)

NUMBER OF BENEFICIARIES OF WATER AND SANITATION PROJECTS

229,639

Thank you for collaborating with us

COMMUNITY INVESTMENT BY AREA OF ACTIVITY[1]



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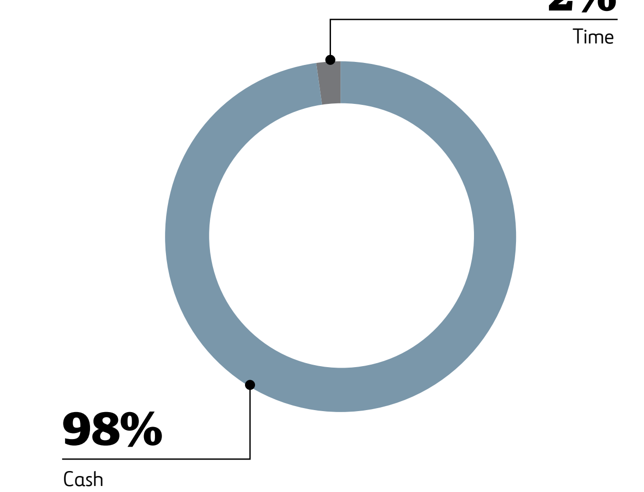
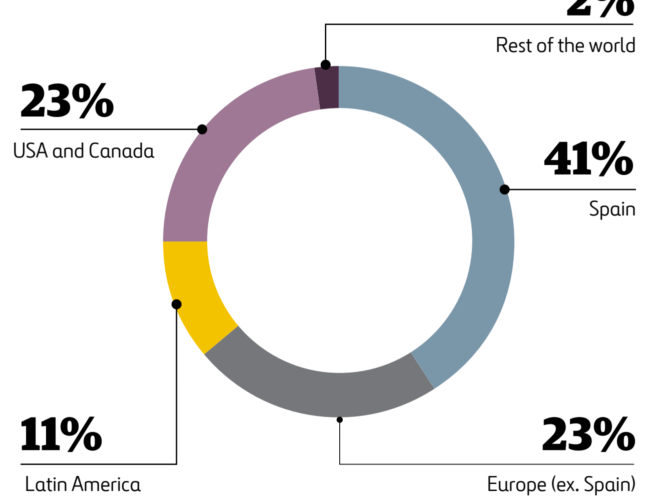
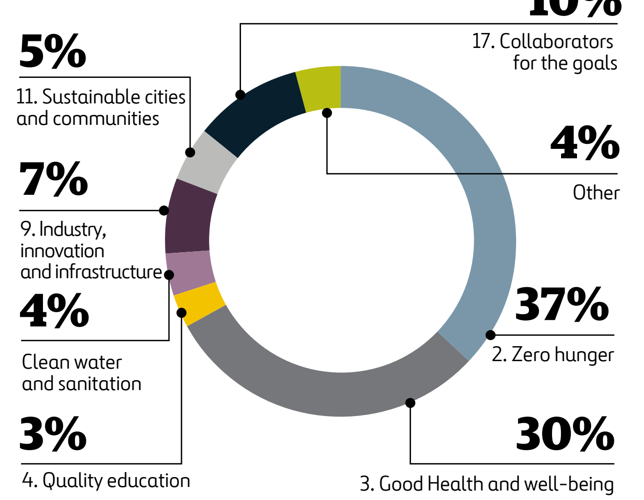


COMMUNITY INVESTMENT BY COUNTRY



COMMUNITY INVESTMENT BY SDG[2]



Infrastructure to improve access to water and sanitation

Ferrovial's Social Infrastructure Program, launched in 2011, promotes projects that facilitate access to water and sanitation in vulnerable communities in Latin America and Africa. The program is aligned with SDG 6 of the United Nations 2030 Agenda, with a focus on sustainability, promoting integrated water resource management.

The program confirms Ferrovial's role as an actor in cooperation, going beyond the traditional role of mere financier, providing technical assistance, technology and the participation of its specialist employees in undertaking the projects, involving the company across the board in a strategic social action program.

In 2020, the program has undertaken three projects in Kenya, Colombia and Peru, in collaboration with the NGO AMREF Health Africa, Action Against Hunger and CODESPA Foundation, which have improved access to water and sanitation services for 6,325 people.

In the ten years of the program, Ferrovial has implemented 28 water and sanitation projects in impoverished communities in Africa and Latin America, with an investment of more than 6 million euros and more than 9,500 volunteer hours contributed by 121 employees who have participated in the program. As a result of this effort, access to drinking water has been guaranteed for 230,000 people in nine countries (Peru, Colombia, Mexico, Ethiopia, Kenya, Tanzania, Uganda, Ghana and Zimbabwe). The company's annual investment amounts to 550,000 euros.

It should be noted that since 2018 Ferrovial has developed a specific impact measurement methodology for water and sanitation projects based on the SROI methodology, which it has shared with the NGOs with which it collaborates to measure the social impact generated by the projects, while also strengthening the capacities of the social entities. This methodology is applied to all the program's projects after several months of service in order to verify the real impact of the interventions.

(1) 70% of the community investment (8.06 million) has been as a response to the pandemic generated by COVID-19, of which 47% has been in health projects and 53% in emergency relief projects.
(2) 70% of the community investment (8.06 million) has been as a response to the pandemic generated by COVID-19, of which 40% was aligned with SDG-3 and 52% with SDG-2.

RESPONSIBLE FISCAL MANAGEMENT

TRANSPARENCY, ACCOUNTABILITY

In 2010, Ferrovial adhered to the Code of Good Tax Practices promoted by the Spanish Tax Agency. It followed these recommendations across all its activities worldwide in 2013 through the Compliance Policy and Good Practices in Tax Matters. Finally, in February 2015, the Board of Directors approved the Ferrovial Tax Policy and the Control and Management Policy for Fiscal Risks, thus complying with the provisions of Article 529 ter of the Capital Companies Law. In addition, there are a number of internal procedural rules that are directly or indirectly related to these policies.

The Policy of Compliance and Good Practices in Taxation is part of Ferrovial's Corporate Governance Policies and reflects the Group's firm commitment to comply with applicable tax legislation, as well as to develop best practices in this area, and is published on the corporate website (https://www.ferrovial.com/es/accionistas-e-inversores/gobierno-corporativo/politicas-corporativas/), as well as on the Company's intranet.

This commitment to compliance forms 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 guidelines on Corporate Responsibility 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. These principles are:

- **Transparency:** providing all the information that tax authorities may require, in the most suitable form. As a consequence of this principle, Ferrovial undertakes to not make use of any companies domiciled in tax havens or other nontransparent jurisdictions, except when a given activity (such as a construction project) is located in any such jurisdiction. In these cases, the company will provide information to the competent authorities in compliance with applicable law.
- **Compliance:** timely payment of all applicable taxes, in strict compliance with the law in each country.
- **Professionalism:** all taxes and the associated risks are managed by a team of specialized professionals, namely the Ferrovial Tax Department, which is aided in its work by a team of external advisors.
- **Efficiency:** fiscal management consistent with the sustainable business strategy, maximizing stockholder value and taking into consideration appropriate risk parameters.
- **Cooperation:** maintaining a relationship with the tax authorities based on the principles of transparency, good faith and mutual trust, avoiding unjustifiable conflicts of interest.
- **Sustainability:** putting procedures and policies in place to manage fiscal risks.
- **Participation:** Ferrovial offers its extensive knowledge of tax matters to aid with legislative processes.
- **Market price:** in all transactions made between the Ferrovial companies.

These principles are mandatory for all employees of Ferrovial S.A. and Grupo Ferrovial 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.

Compliance with these guiding principles, which are in line with current international taxation standards (OECD Guidelines), ensures a transparent tax compliance model based on best tax practices, guaranteeing the Group's correct tax contribution 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, RISK MANAGEMENT AND CONTROL

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 Department, drives adhering to the principles and good practices with regards to taxation.

TOTAL TAXES* (M€)

1,785

TAXES PAID PER PROFIT (M €)

60

* Supported, paid and collected

When formulating the annual accounts, the Board is informed about the fiscal policies applied during the year and about the effective fulfillment of the commitments included in the Code of Good Tax Practices, reflecting it in the Annual Corporate Governance Report. For further information, please refer to section 6.6 of the Consolidated Financial Statements.

During 2020, the tax compliance body was the Chief Tax Officer, who constantly assesses that the management system implemented is adequate to effectively manage the organization's tax risks and that it is being effectively implemented. This individual reports to the governing body and senior management at planned intervals and whenever necessary.

THE ROLE OF TAX CONSULTANCY MANAGEMENT

The Group's Tax 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 laying down the procedures and tax 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.

Some of the responsibilities the Tax Department is entrusted with include the following:

1. Verifying compliance with Ferrovial's Tax Policy, Control and Management Policy for Fiscal Risks and the Code of Good Tax Practices.
2. Detecting, analyzing and monitoring tax risks and contingencies.
3. Tax planning with regard to the investments and divestments made by the Group, recommending the use of appropriate and optimal structures.
4. Providing training to employees on taxation issues, as well as on the Group's Fiscal Risk Management and Control System functions.
5. Participating in relevant forums for discussing tax issues with the intention of strengthening a model of value creation and synergies with all of them, dialog and relations with nongovernmental 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 promoting cooperative relations with the Tax Administration.
6. Adopting the relevant measures, implementing systems and automatisms that increase security and efficiency in meeting the objectives set.
7. Attending to and/or advising on complaints or comments received directly or through the channels for reporting noncompliance (Ethical channel) and resolving queries relating to the Group's Tax Risk Management and Control System.

Since 2017, Ferrovial has voluntarily filed the Tax Transparency Report annually with the Spanish Tax Administration, thereby strengthening legal certainty, mutual understanding, and building confidence in the company's relationship with the tax authorities.

PREVENTION AND MANAGEMENT OF FISCAL RISKS.

Ferrovial has a Tax Risk Management and Control System that is intended to establish a governance framework in tax matters to ensure 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, and to reinforce Ferrovial's commitment to its stakeholders. (i.e. Public administrations, stockholders, stakeholders, employees, etc.) from a tax perspective.

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

- Ensures timely compliance with its tax obligations, filing its taxes properly, 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 any transaction.
- Ensures that the Group's taxation bears an appropriate relationship to the structure and location of its activities, the human and material resources of the various entities and the business and financial risks assumed by each of them.
- Avoids conflicts arising from the interpretation of law and regulations by consulting regularly with the tax authorities and entering into preliminary valuation agreements.
- Values related-party transactions at market value and complies

with transfer pricing documentation obligations under tax law.
- 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 surveillance and control, embodies the company's firm commitment to observing applicable law and to applying the highest ethical standards when undertaking its business activities. The Compliance and Risk Division is responsible for managing and analyzing how this System works. The independence and effectiveness of this division has been reinforced 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 Division. As an integral part of this process, and supported by the same IT tool, is the Risk Identification and Assessment Process and Self-Assessment of Compliance Controls, managed by Ferrovial's Compliance Department. This process identifies and assesses compliance risks, including risks of criminal acts, and evaluates the monitoring and control measures in place to mitigate them. Likewise, through this process, all business areas report breaches of legislation 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 and Link 360: Systems for the management and control of tax obligations, to be complied with in all jurisdictions in which Ferrovial operates.

It should also be noted that Ferrovial has at the disposal of its employees, and any other counterparty with a legitimate interest, an Ethics Channel that may be used to report any noncompliance 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 Division 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 Division.

FERROVIAL CERTIFIES ITS TAX COMPLIANCE MANAGEMENT SYSTEM

IIn February 2021, Ferrovial, S.A. obtained certification from AENOR (Spanish Standards and Certification Association) for its tax compliance management system in accordance with the reference standard UNE 19602 "Management System for tax compliance".

This certification guarantees the commitment of Ferrovial and its group of companies to ensure regulatory compliance and crime prevention, responding to the regulatory requirements of markets, customers, stockholders and investors and other stakeholders, and position the company with a high ethical standard and commitment to best corporate governance practices.

This certification will be reviewed and audited annually by AENOR for the next three years.

COUNTRY BY COUNTRY REPORT 2020 Y 2019*

These charts show the amounts (in €m) paid by Ferrovial in 2020 and 2019, 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).

2020 (M€)				
Market	Paid Taxes (1)		Collected Taxes (2)	Total
	Corporate Tax	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**

2019 (M€)				
Market	Paid Taxes (1)		Collected Taxes (2)	Total
	Corporate Tax	Rest		
Spain	15	367	438	**819**
United Kingdom	32	167	333	**532**
Australia (3)	1	89	264	**353**
America (4)	80	23	47	**150**
Poland	6	31	150	**187**
Rest of Europe	10	8	26	**44**
Others (<1%)	0	0	0	**0**
TOTAL	**144**	**685**	**1,258**	**2,087**

(1) Taxes borne by Ferrovial derived from its activity and operations, which represent a direct cost (e.g. Corporate 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 United States of America, Canada, Brazil, Chile, Colombia. Mexico, Peru and Puerto Rico.

Glasgow Airport, United Kingdom. © José Manuel Ballester

CYBERSECURITY

PROTECTION AGAINST THREATS

For Ferrovial, information is a strategic asset that all employees are responsible for. Its integrity, confidentiality and availability must be guaranteed to achieve optimal performance in all business lines.

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 security program and streamline its deployment in all business units. Each business unit also has a Local CISO, whose role is to deploy the security program within his or her local environment. The driving force is the Global Cybersecurity Committee, which meets on a regular basis to monitor and provide continuity in program delivery.

The Global CISO reports directly to the Chief Information Officer and Innovation Officer, who is a member of the Management Committee. On a regular basis, the Global CISO reports to the Committee on the status of the security strategy and program. He is also an invited member on the Management Committees of Ferrovial's Businesses, where he monitors the degree of program implementation in their local environments.

In addition, on an annual basis or at the request of the Board of Directors, the Global CISO provides information on the security strategy and program, as well as the main challenges and threats faced by Ferrovial in this area.

CYBERSECURITY MODEL

Ferrovial has an IT Security Policy approved by the CEO, applicable to all the company's business units, which unequivocally expresses the company's commitment in this context. It is structured around a set of principles that support the company's strategy. This policy is available to all employees and partners on the Intranet and is regularly communicated through various security awareness campaigns and training.

Ferrovial has an IT security and cybersecurity model based on best market practices, including the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF) and ISO 27001 (since 2011). The objectives of this model are as follows:

- To have a digital and technological environment with the necessary level of security.
- Ensure legal, regulatory and contractual compliance.
- Appropriately manage security incidents and provide resilience to security incidents.
- Homogenize and harmonize security between the different business units and subsidiaries.
- Facilitate digitization, innovation and the adoption of new technologies to support the business.
- Facilitate business opportunities and tendering processes.
- Establish strategic and security partnerships.

The model is based on a set of cybersecurity capabilities based on NIST principles:

Identify, Protect, Detect, Respond and Recover all the assets needed to carry out Ferrovial's business activities.

Since 2019, the IT Security Division has been promoting a new strategic plan that aims to provide advanced security capabilities and strengthen existing ones. The plan's initiatives are ongoing and are expected to be completed by early 2022.

CULTURE

Ferrovial aims to ensure that employees become the first line of defense against potential security events by supporting the generation of a cybersecurity culture within the company. For this reason, the company has a cybersecurity awareness program that has been deployed throughout the organization. Under the slogan, "Being aware makes you safe", it comprises various initiatives, including mandatory cybersecurity training and other training actions, both face-to-face and online, through the intranet and email; preventive campaigns against various threats (phishing, CEO fraud and ransomware); and phishing, vishing and smishing simulations, to name but a few.

It should be noted that employees working within the IT Security Division have specific cybersecurity objectives as part of their annual performance appraisal. Furthermore, all employees are obliged to observe policies on IT security and the appropriate use of technological resources.

RESILIENCE AND CYBER RESILIENCE

Ferrovial has a general security and cybersecurity incident management process. The process is instantiated by threat and potentially malicious event detection capabilities in different domains, response, containment and eradication teams, as well as recovery teams if necessary. The operations described above are formalized in a set of internal policies and procedures.

As established in the security incident management procedure, all Ferrovial employees and partners are obliged to report any suspicious or potentially malicious event in Ferrovial's information systems, and there are different mechanisms for reporting them. Similarly, suppliers

working with Ferrovial are contractually obliged to report any incident that may affect company assets.

It should be noted that cyber threats are one of the risks considered in the corporate risk map. A detailed description of the same, its potential impact and the control measures implemented can be consulted in the risk section of this report.

Recovering from cyber attacks

Ferrovial has Contingency Plans and Recovery Plans to respond to and recover from potentially disruptive events. There is a Crisis Management Protocol, which, when implemented, triggers the involvement of various divisions and areas within Ferrovial in line with the protocols established by each of them.

The key processes and assets for business activity have been identified and this list is updated on a regular basis. Recovery plans have been put in place to ensure the availability of required resources and to recover within the timeframes and ways determined by the business units, according to the criticality specified by them.

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

EXTERNAL VERIFICATION AND VULNERABILITY ANALYSIS

Ferrovial subjects its IT security systems to continuous reviews by independent third parties in order to identify areas for improvement and vulnerabilities. The aim is to ensure continuous improvement of the cyber security program, its capabilities and resources. On an annual basis, various security audits and reviews are conducted including the following:

- Audits associated with ISO 27001 certification.
- Systems audits in the context of the audit of financial statements.
- Audits conducted by the Internal Audit function.
- Various types of ad-hoc security reviews with different scopes, according to annual planning (Red Team, Test Intrusion, GRC, etc.)
- Conducting recurrent Compromise Assessment exercises combined with threat hunting exercises, in order to detect potential attacks not detected by event correlation systems.
- Vulnerability reviews in data centers, perimeters and cloud environments.
- Annual control reviews of critical suppliers of the Information Systems and Innovation General Directorate.
- Cybersecurity rating review through specialized market service.
- Participation in cyber-exercises.
- Crisis simulations.
- Annual control assessment campaigns (security model, ICFR, Crime Prevention Model, etc.)