

TOLL ROADS

READY FOR THE RECOVERY

Cintra helps reduce the investment shortfall in infrastructures mainly in increasingly congested urban settings with sustainable concession models that minimize the need for public funds.

Cintra carries out its activity in markets with predictable institutions, good economic perspectives (North America, Australia and Europe), developed financial markets and with high demand for transport infrastructures. Its projects focus on reducing congestion problems in urban areas (complex greenfield concessions).

Amassed over more 50 years of experience, the in-depth knowledge of new technologies applied to pricing (advanced analytics), in addition to synergies with Ferrovial Construction make Cintra a company with a high potential for creating value and strong competitive advantages.

Over the course of 2020, the COVID-19 pandemic has resulted in restrictions being placed on the movement of people in all regions in which Ferrovial operates, considerably affecting volumes of traffic on toll roads; this has varied with the increase and decrease of the spread of the virus and the consequent restrictions placed on movement by local authorities. However, the impact on results has been limited thanks to the improved performance of commercial traffic and heavy-goods vehicles over the year, in addition to the rate flexibility of its assets.

MAIN ASSETS

Cintra possesses 43.23% of the 407 ETR Toll Road in Toronto, Canada, and 62.97%, 54.6% and 53.67% of the NTE, LBJ and NTE 35W Managed Lanes in the US state of Texas, respectively; and 65.1% of the I-77 in the US state of North Carolina. The Managed Lanes I-66 (50%) in Virginia and the 3C extension to the North of the NTE 35W, in Texas, are in the construction stage.

In Managed Lanes, toll rates are dynamic and can be changed every few minutes according to the level of congestion, while guaranteeing drivers a minimum speed at all times. Equipped with free-flow toll systems (no barriers), they stand out for their long term of the concession and broad rate flexibility and an optimized long-term financing structure, making Cintra a leader in the private development of high-complexity transport infrastructures.

VALUE CREATION

High-complexity greenfield projects

Cintra is focused on complex greenfield projects owing to their high value-creation potential. Its capacity to assess and assume greater levels of risk associated with the project in the tender phase (construction,

financing, operation and traffic management) produces higher initial rates of return (IRR).

The creation of value lies in the reduction in the discount rate of future cash flows in the elimination (construction) or reduction (traffic/financing) of the project's risks as the concession progresses.

An example of this elimination of construction risk can be seen in the opening of different sections of toll roads in Colombia, Slovakia and Australia in 2020, achieved against a difficult backdrop. On the Ruta del Cacao Toll Road (Colombia), four of the total nine sections of toll road in the project have been opened. In D4R7 (Slovakia), 33.5 of the total 59 km of toll road have been opened. Finally, in OSARs (Australia), six of the eight projects for which a concession has been awarded have been opened.

Financial risks were also eliminated during 2020. In the 407 ETR (Canada), for example, 1.45 billion CAD were released in bonds via three issues of 700 million CAD at a rate of 2.84%, 350 million CAD at a rate of 1.80% and 400 million CAD at a rate of 2.59%, all maturing after 2025; this brought forward the refinancing of all maturities in 2021 in addition to providing the concessionaire with liquidity. In Toowoomba (Australia), 400 million AUD were refinanced with a very competitive margin of 0.90% (total cost of 4.66%). This concession will have no further debt maturities until 2025.

Turnover of mature assets

By reducing risks, the value created is materialized in the sale of mature projects, with use of the revenue for investment in new assets with greater value-creation potential. One example can be seen in the transfer of the holding in two Portuguese toll roads to the DIF infrastructure fund, (49% of the Norte Litoral Toll Road and 48% of Via do Infante)

NORTH AMERICA

96%

Based on analysts' consensus

CONCESSIONS

23

including Ausol as a toll road

KILOMETERS

1,475

DIVIDENDS (M€)

340

40% of total flow (ex-infra)

INVESTMENT MANAGED (M€)

20,801

93% international



Entrevista con Alejandro de la Joya CEO de Cintra

MOBILITY AFTER THE PANDEMIC

Mobility restrictions adopted by governments around the world to cope with the pandemic have changed behavioral patterns, negatively affecting road traffic. The rise of telework and e-commerce represent two sides of the same coin, with different impacts on congestion. What is the balance of these two effects, are they here to stay? are the big questions to be answered.

During COVID-19 (North America)

COVID-19

- Light vehicle traffic has reduced because of lockdowns and restrictions; increase in teleworking and reduced leisure time
- Heavy traffic is sustained at levels similar to the pre-COVID situation because of the rise in e-commerce



IMPACT OF TELEWORK

5%-10%

of pre-COVID-19 employment

35%-40%

of employment during COVID-19

COMMERCIAL



TRADITIONAL
-10%
in 2020

ELECTRONIC
+20%
in 2020



After the pandemic

TELEWORK

- Impact on peak hour travel in urban areas
- Increase in off-peak nonwork trips
- Peripheral residential model with longer trips



E-COMMERCE

- Consolidation as a popular, convenient and cost-effective channel after the COVID-19 experience
- Overall increase in travel during working hours: shipment and return traffic outweighs the reduction in individual journeys
- Disruption to traffic due to large vehicles continually stopping in limited parking environments



for a total value of 171 million euros. Furthermore, Cintra will have a contract to manage both assets until the end of both concessions. The deal will be completed when approval is received from the Portuguese authorities and financial institutions.

Socially responsible infrastructures

The Managed Lanes projects, the backbone of Ferrovial's strategy, have proven to be a more efficient and less polluting way of responding to growing demand for urban mobility in a quick, easy and efficient manner. CO₂ emissions are higher in the traditional stop and go traffic model than in a continuous free flow model, as part of which Managed Lanes are offered to users. In addition, it is a socially responsible model from an investment perspective, as the users using the toll road "subsidize" the reconstruction and operation of the free-of-charge lanes used by everybody.

Users: top priority

Cintra maintains its focus on customer satisfaction and its value proposition encompassing reliability, time savings and security. This is reflected in the response of customers, with growing levels of acceptance and satisfaction across all its projects.

In 2020, the 407 ETR Toll Road sustained its high levels of customer satisfaction of 88% in toll road service and in its call center, which handled more than 2.3 million requests and again won awards as a World Class Call Center for its excellence in the quality of service for the seventh consecutive year. Furthermore, in 2020 the app was also launched for the 407 ETR Toll Road in response to growing demand among users, who appreciate the opportunity to have a fully digital experience.

On the morning of February 11th, 2021, there was a multiple vehicle collision in the NTE3 project. Prior to the accident the company pre-treated the road in accordance with applicable standards and best practices and based on the existing weather forecast. At the time of the accident electronic variable signage was advising drivers of the adverse weather conditions and asking drivers to proceed with caution. NTE3 is cooperating with the authorities' investigations.

Employees: support for merit

Cintra offers opportunities for the professional development of all its employees by promoting internal mobility and ensuring that merit is the decisive factor in their career. In 2020, despite the context created by the pandemic, 28% of employees changed their job or location, and one out of every four people are working in an international assignment.

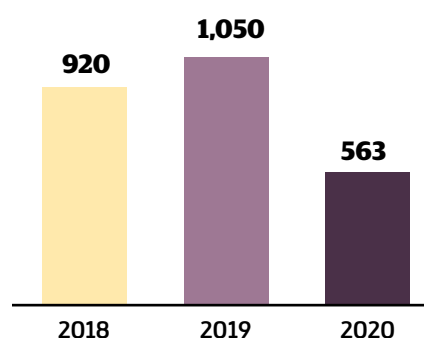
AIVIA AND THE FUTURE OF HIGHWAYS

Ferrovial is leading the development of smart corridors through its Connected Corridor Orchestration Initiative (AIVIA), together with Microsoft, 3M and Kapsch, among others. The initiative develops the next generation of toll roads by hybridizing digital and network technologies such as 5G, V2X connectivity, sensors, advanced analytics or simulation with the physical infrastructure to reduce congestion and improve the traveler experience, safety, predictability of journey times and access to infotainment content from the vehicle. Connected corridors will be an essential element of connected mobility systems as vehicles continue to evolve towards full autonomy and in the intermediate stage of high-speed "mixed" mobility, where autonomous and conventional vehicles coexist in the same road space.

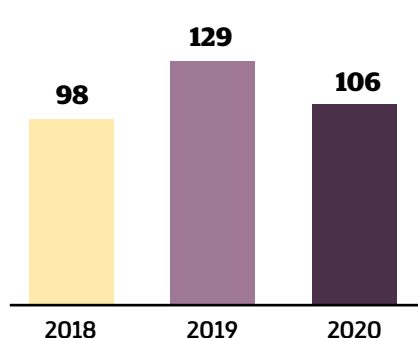
REFINANCING LBJ DEBT

In 2020, Cintra completed the refinancing of part of its debt in LBJ. In total, 615 million dollar were raised on the Private Activity Bonds (PABs) market over 20 years, with an all-in-cost of 2.92%, against the coupon of between 7 and 7.5% on the refinanced PABs; this issue was highly successful among investors. Furthermore, the Moody's rating increased to Baa2, with the Fitch rating of BBB- maintained.

407 ETR (CANADA)
DIVIDENDS DISTRIBUTED
MCAD



NTE (USA)
EBITDA M\$



LBJ (USA)
EBITDA M\$

