ferrovial

For a world on the move

INTEGRATED ANNUAL REPORT

CONSOLIDATED MANAGEMENT REPORT AND FINANCIAL STATEMENTS

2020

THE REPORT

1. The Consolidated Management Report, which contains the statement of non-financial information, comprises from page 12 to 173, and was drawn up by the Board of Directors on February 25, 2021.

2. The consolidated Annual Financial Statements comprise from page 176 to 271, and were drawn up by the Board of Directors on February 25, 2021.

3. Additional reports: Annual Corporate Governance Report (as part of the Management Report) and Annual Directors' Remuneration Report. All available at www.ferrovial.com.

4. This report also meets the requirements of European Directive 2014/95/EU of the European Parliament and of the Council, as transposed into Spanish law 11/2018, of 28 December. It also includes information on governance, strategy, risk management and indicators and targets related to climate change, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and follows the GRI Sustainability Reporting Standards of the Global Reporting Initiative (GRI) in its comprehensive option and the Sustainability Accounting Standards Board (SASB).

Ferrovial has worked toward an integrated model for reporting financial, social and environmental information, based on the "International Integrated Reporting Framework" of the International Integrated Reporting Council (IIRC) and also the "Guide for the preparation of management reports of listed companies", as published by the Spanish National Securities Market Commission (CNMV). For the twelfth year, the Corporate Responsibility information applies the principles of the AA1000 standard (see page 148), a key tool for the alignment of the information presented in the Report with the expectations of its stakeholders and the materiality of the company. Ferrovial's approach to the principles related to the content of the report, such as materiality, stakeholders commitment and the Strategic Sustainability Plan is set out in the Annex.

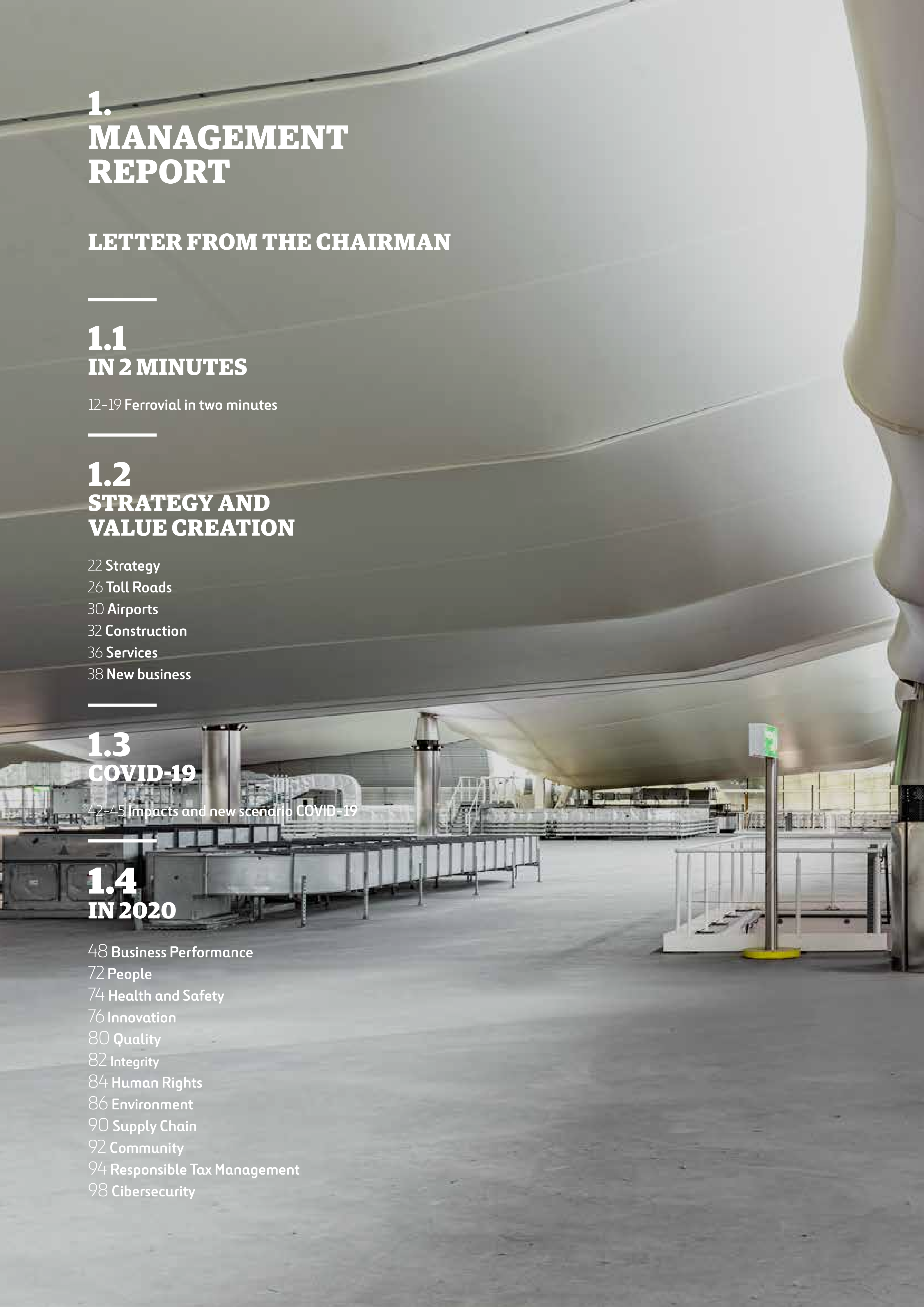
5. The information published in this Report includes by full consolidation all those companies in which Ferrovial has economic control, meaning a participation of more than 50%. A list of subsidiaries and associated companies can be found in Annex II of the Consolidated Financial Statements, pages 262-267

COVER PHOTO: ITER Project, Cadarache, France ©Jose Manuel Ballester.

407 ETR Toll Road, Toronto, Canada. © José Manuel Ballester

The Services business is treated in this report as a Discontinued Operation. In accordance with applicable accounting standards, all assets and liabilities in the Balance Sheet of the Consolidated Financial Statements have been reclassified to a line of assets held for sale, and the profit after tax generated by the Services business is reported in a single line of the income statement called "Discontinued Operations", for 2020 and 2019. In addition, the accounting standard requires assets to be measured at the lower of their carrying amount and fair value (estimated selling price) minus selling costs.

In the Consolidated Management Report, and in accordance with the requirements of Law 11/2018, the Services division is included within the scope of the non-financial information for 2020 in order to report on all the business's aspects and impacts.



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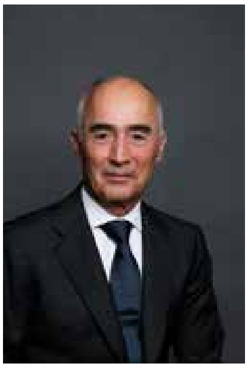
Heathrow Airport, London, United Kingdom. © José Manuel Ballester

1. MANAGEMENT REPORT

A-23 Highway Caldearenas-Lanave, Huesca, Spain . © José Manuel Ballester

ICE Krakow Congress Centre, Poland. © José Manuel Ballester



Rafael del Pino
Chairman

LETTER FROM THE CHAIRMAN

Fellow shareholders:

The year 2020 was marked by the impact of the COVID-19 pandemic on health, society and the economy. Ferrovial has responded firmly in all areas. In terms of health, by protecting its workers and the people who use its infrastructures. In society, by maintaining its core activities and evidencing its commitment through the “Ferrovial Juntos COVID-19” fund. And in the economy, by strengthening its liquidity position to ensure business continuity. The company ended 2020 with a net cash position ex-projects of €1,991 million compared to €1,631 million the previous year.

Toll roads and airports traffic, a major part of the company’s business, was impacted by restrictions on mobility, although toll roads, especially in the United States and Canada, have shown considerable ability to recover as soon as lockdown measures are eased. It remains to be seen how work from home and e-commerce will impact toll road traffic in the long term, and how air traffic recovers once vaccination enables the situation to normalize. Despite the sizable impact, dividends received from the infrastructure portfolio amounted to €369 million: €340 million from toll roads and €29 million from airports. The LBJ Expressway in Dallas distributed its first dividend in December 2020.

The Sustainability Plan has been stepped up, including ambitious CO2 reduction targets and the goal of zero emissions by 2050, and the carbon footprint was reduced by 4.6% in relative terms. The safety and protection of our employees is a priority to which we devote our best efforts. We have adopted a Health and Safety Plan and improved accident rates significantly: the rate of serious and fatal accidents is down by 18%.

Ferrovial also implemented a more agile and efficient organization model obtaining annualized savings of €49 million in overheads . Ferrovial Construction improved results notably, as evidenced by its 2.3% EBIT margin and €293 million in cash flow before tax. The divestment of the Services division, which is taking longer than expected, has taken its first steps with the sale of the business in Australia and New Zealand.

Revenues increased by 4.7% to €6,341 million, while EBITDA from continuing activities amounted to €409 million, a 238% increase on 2019. As for the bottom line, we reported a net loss of €410 million, or €322 million in pro forma terms. The combined Construction and Services backlog amounted to €23,156 million.

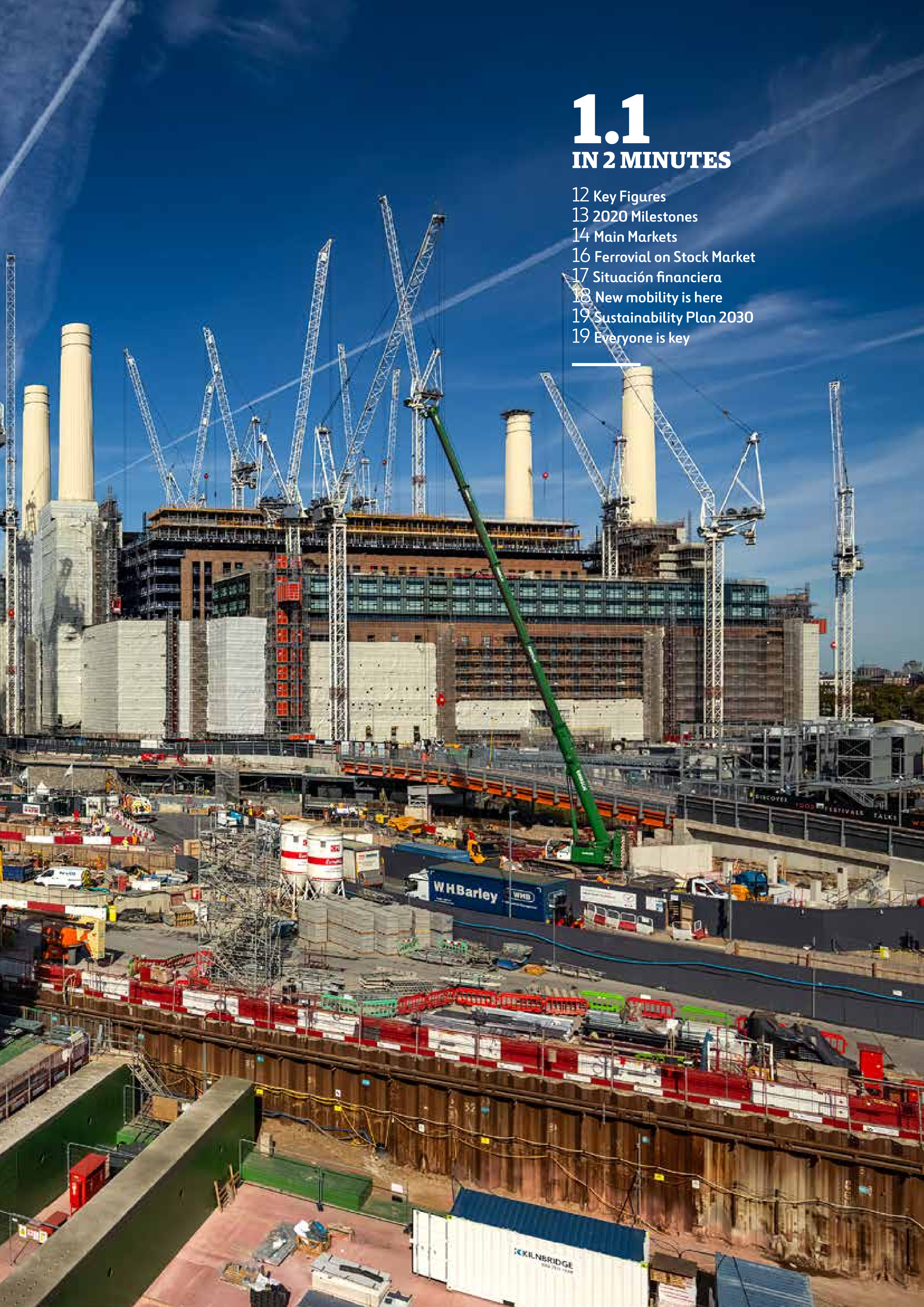
Shareholder remuneration, including dividends and share buybacks, totaled €377 million, 27.5% less than in the preceding year. The share price declined by 16.2% in 2020, slightly more than the IBEX35 index, which lost 15.45%.

Ferrovial’s commitment to the highest environmental, social and governance standards is endorsed by its inclusion in the Dow Jones Sustainability Index for the 19th consecutive year. We also continue to be part of the FTSE4Good, MSCI, Vigeo, ISS ESG, STOXX, CDP and the Bloomberg Gender-Equality Index and, for the first time this year, our Greenhouse Gas Reduction Plan will be submitted to a consultative vote at the Shareholders’ Meeting.

COVID-19 put society to the test. We responded with determination from the outset. Together with other initiatives we set up the “Ferrovial Juntos COVID-19” fund, which raised €8.7 million that was used to pay for healthcare equipment, vaccine research and food aid in all the countries where we operate.

This year, more than ever, I would like to acknowledge the contribution that our employees make on a daily basis, even in the most difficult circumstances, such as those we are currently experiencing. I could not conclude without expressing my gratitude for the support of our investors, shareholders and customers, whose confidence in the company is the best assurance of value creation for society as a whole.

Northern Line Extension, London, United Kingdom. © José Manuel Ballester



1.1
IN 2 MINUTES

IN 2 MINUTES

KEY FIGURES

LIQUIDITY (M€)

7,964

ex-infrastructures.
Including available liquidity lines (1.333 M€)

NET CASH (M€)

1,991

ex-infrastructures.
Including net cash from Services (216 M€)

WORKFORCE AT YEAR-END*

80,119
2020

92,113
2019

*at December 31, 2020

REVENUES* (M€)

6,341
2020

6,054
2019

+4.7%
compared to 2019

CAPITALIZATION (M€)

16,564

-16.20%
compared to 2019

* Figures excluding Services, classified as discontinued operations.

TOTAL TAX* (M€)

1,785

*Accrued, paid and collected in 2020

CO_2 EMISSIONS

scope 1&2 tCO_2 eq/M€

-56%

in relative terms compared to 2009

FREQUENCY INDEX(1)

-11.0%

compared to 2019

BENEFICIARIES OF COMMUNITY PROJECTS

229,639

beneficiaries from the Stronger Together, Social Infrastructures and others Programs

Our 2020 summary

OPERATING CASH FLOW* (M€)

(BEFORE TAX)

839

ex-infrastructures

501

in divestment

(1) Year-on-year change in the index giving the number of accidents occurring during working hours that lead to days lost, for every million hours worked. Does not include contractors.

IN 2 MINUTES
MILESTONES 2020

FerroNews 2020

January

Approval of the HORIZON 24 Strategic Plan

February

Ferrovial achieves net profit of 268 million euros, improving its results in 2019

Heathrow is now carbon neutral and commits to full emission reductions by mid-2030

March

Webber awarded contracts in Texas for 655 million dollars

Performance of critical and essential services during COVID-19 crisis

April

"Ferrovial Juntos COVID-19" fund set up

Ferrovial to participate in the design and development of the British HS2 high-speed line

May

650 million euros 6 year bond issue with an annual coupon of 1.382%.

Ferrovial Agroman changes its name to Ferrovial Construction

June

Award of the 301 million dollar reconstruction of the Texan highway SL12

Sale of Broadspectrum to Ventia for 465 million Australian dollars

130 million euros 6 year bond issue with an annual coupon of 1.382%

July

"Ferrovial Juntos COVID-19" fund donates 8.7 million euros for health equipment, research and social aid

433 million euro contract awarded for reconstruction of Warsaw West rail station

Sale of 5% stake in Budimex for 58 million euros

August

Named most sustainable company at the World Finance Sustainability Awards 2020

Webber awarded its first bidding project in Atlanta

September

Sale of the shareholding in Norte Litoral and Via do Infante for 171 million euros

622 million dollars refinancing of the LBJ Expressway in Texas

October

Award of the 70 million dollar expansion and renovation of FM 1960 in Houston

First company to certify its SDG strategy with AENOR (Spanish Standards and Certification Association)

November

Presence in the DJSI World and Europe sustainability indexes for the 19th year

Increase in shareholding of I-77 to 65.1%

500 million euro s8 year bond issue with an annual coupon of 0.54%

December

CDP includes Ferrovial on its "A List" for its actions to combat climate change

Agreement with HyperloopTT to explore projects in the US

First dividend distribution of the LBJ highway for 229 million dollar

IN 2 MINUTES

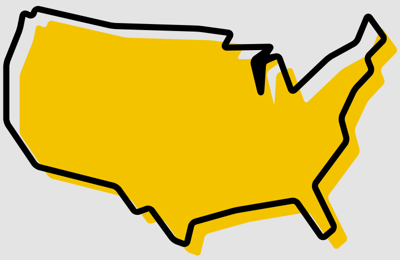
MAIN MARKETS*

USA:

2,340 M€
REVENUES

108 M€
EBITDA

5,946
WORKFORCE

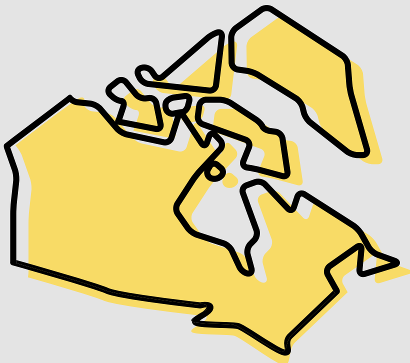


CANADA:

272 M€
REVENUES

205 M€
EBITDA

783
WORKFORCE

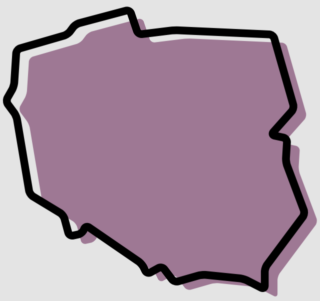


POLAND:

1,877 M€
REVENUES

194 M€
EBITDA

6,368
WORKFORCE



UNITED KINGDOM:

818 M€
REVENUES

86 M€
EBITDA

15,245
WORKFORCE

Toll Roads Airports Construction Services Mobility Electricity Water

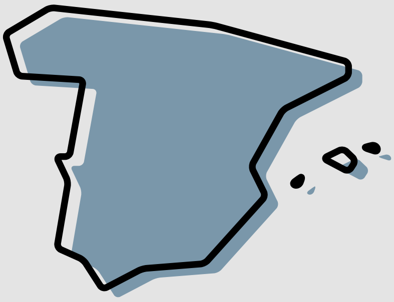
* Figures by proportional integration. Financial data do not include Services (discontinued operations).

SPAIN:

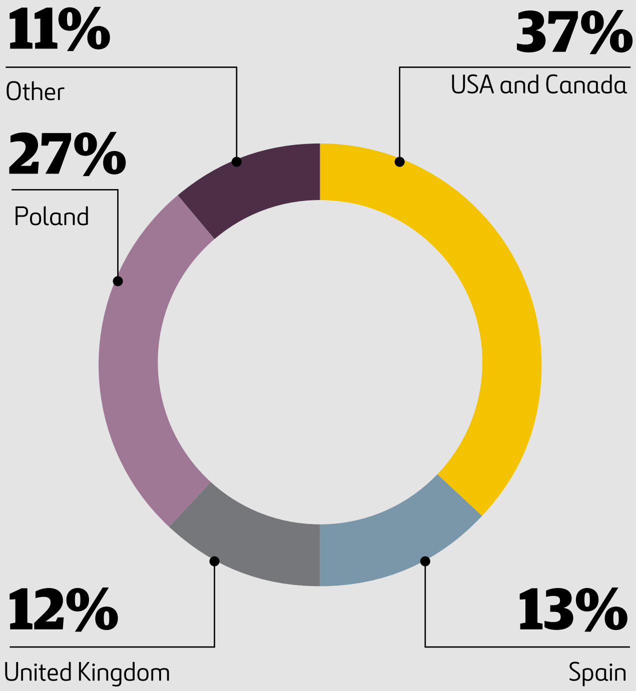
936 M€
REVENUES

33 M€
EBITDA

42,892
WORKFORCE



REVENUES

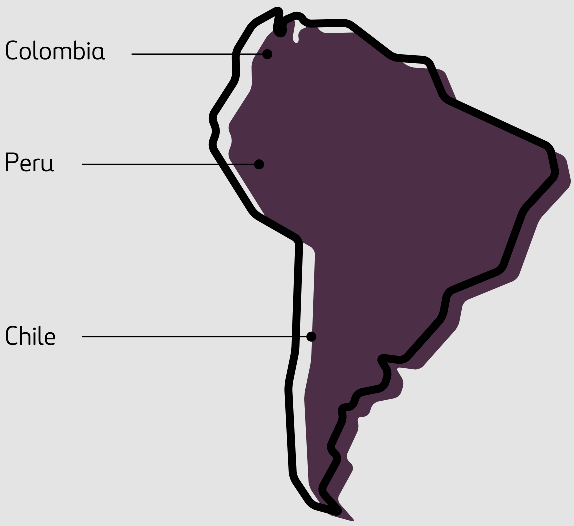


LATIN AMERICA:

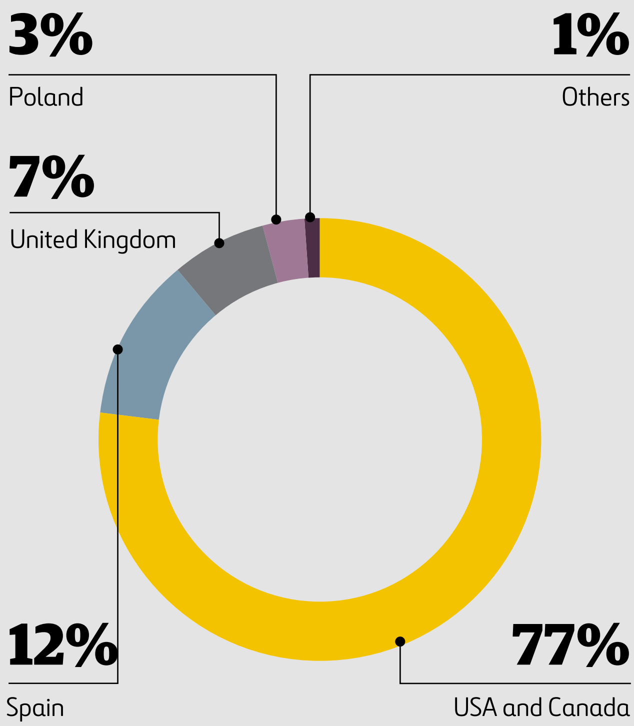
198 M€
REVENUES

29 M€
EBITDA

4,732
WORKFORCE



ANALYSTS' ASSESSMENT



IN 2 MINUTES

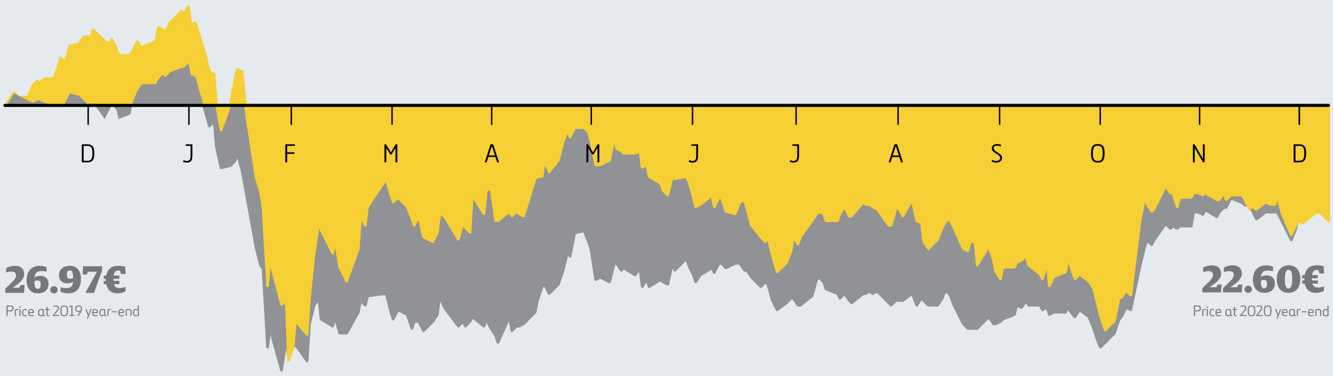
FERROVIAL ON THE STOCK MARKET

SHARE PRICE IN 2020

IBEX35 & FERROVIAL

-16.20% Ferrovial

-15.45% IBEX35



HISTORICAL SHARE DATA

	2020	2019	2018
CLOSING PRICE (€)	22.60	26.97	17.70
MAX. (€)	30.45	27.21	19.78
MIN. (€)	17.49	17.71	16.20
VWAP (€)	23.66	23.15	17.86
AVERAGE DAILY CASH (M€)	46.86	47.05	27.39
AVERAGE DAILY VOLUME (M SHARES)	1.97	2.02	1.54
NUMBER OF SHARES (M SHARES)	732.90	735.22	738.46
CAPITALIZATION (M€)	16,564	19,829	13,067

CAPITALIZATION (M€)

16,564

CREDIT RATING

BBB

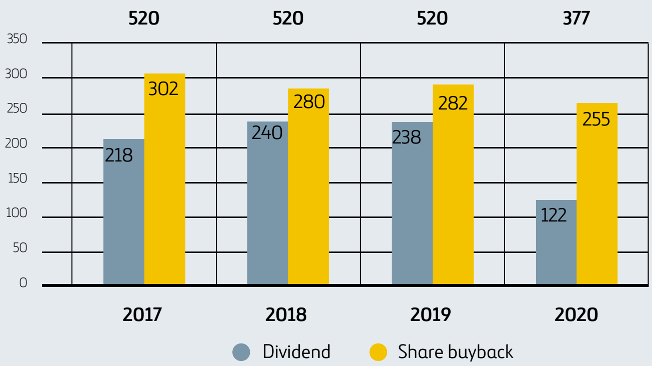
S&P AND FITCH

TOTAL SHAREHOLDER RETURN (TSR)

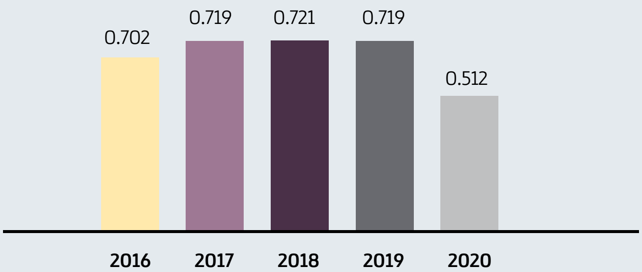
-14.2%

* Stockholder Return (TSR): total increase/decrease in the share price during the period, plus other payments such as where the company purchases the share subscription rights delivered to stockholders.

SHAREHOLDER REMUNERATION (M€)



SCRIP DIVIDEND*



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

ANALYSTS' RECOMMENDATION

18 analysts covered Ferrovial as of December 31.

TARGET PRICE

26.29€

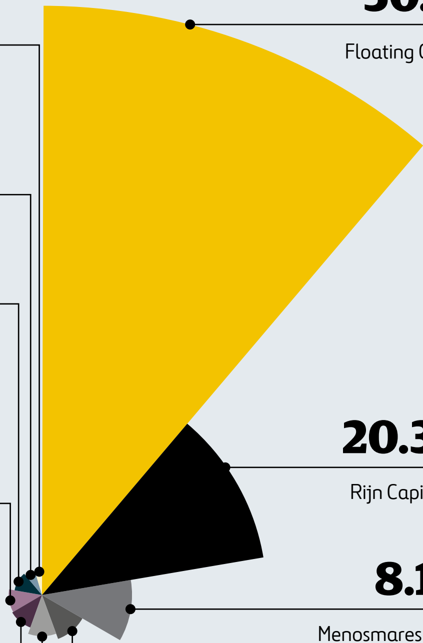
CONTACT WITH THE MARKET

Around 140 meetings, mostly calls, 29 roadshows, mainly in virtual format, with around 900 investors.

INSTITUTIONAL INVESTORS (%)*

*Source: CMi2i (October 2020)

SHAREHOLDER'S STRUCTURE*



*Source: CNMV (December 2020)

FINANCIAL SITUATION

GLOBAL CONSOLIDATION

EX-INFRASTRUCTURES

Recourse debt

NET CASH 1,991 M€

PARENT COMPANY

INFRASTRUCTURES

Ring-fenced to infra projects

NET DEBT 4,532 M€

NTE, LBJ, NTE35W, Autema. Azores

OTHER

Projects from other globaly consolidated division

EQUITY CONSOLIDATION

407 ETR	Heathrow	Aberdeen International Airport	Glasgow Airport	Southampton Airport
43.23% Stake	25% Stake	50% Stake	50% Stake	50% Stake

*Includes Services net cash position (216 M€)

IN 2 MINUTES

NEW MOBILITY IS HERE

New era of mobility will be marked by connectivity, automation and vehicles onboard service.Connected infrastructures are crucial. Ferrovial is driving AIVIA, a new concept to develop and deliver safe and sustainable corridors for mixed traffic, improving services and the user experience.

SOLUTION SCALABLE, ADAPTABLE, FUTURE-PROOF

ASSET MANAGEMENT

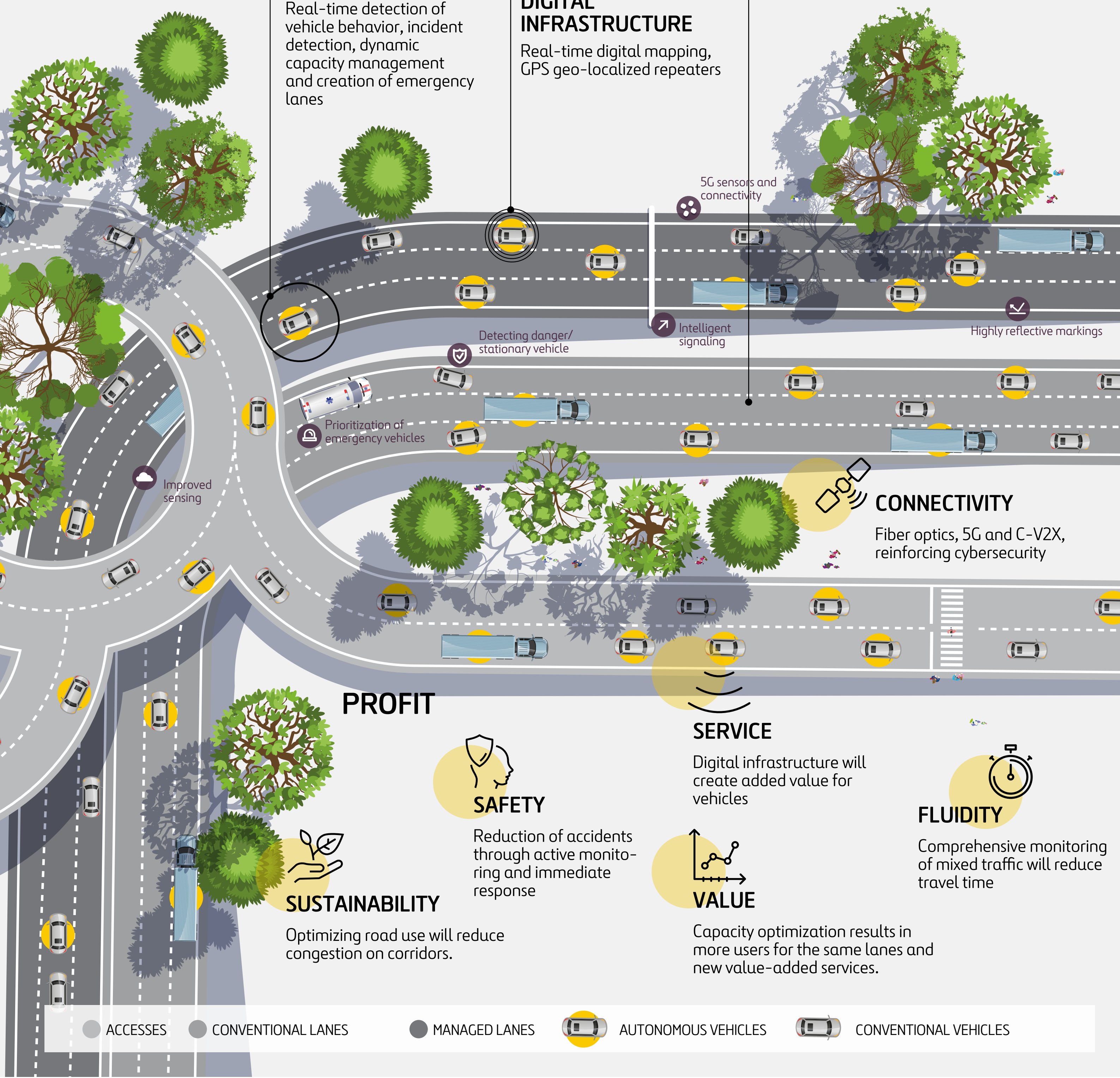
Real-time detection of vehicle behavior, incident detection, dynamic capacity management and creation of emergency lanes

DIGITAL INFRASTRUCTURE

Real-time digital mapping, GPS geo-localized repeaters

PHYSICAL INFRASTRUCTURE

Highly reflective surface marking, intelligent signage, improved visibility



CONNECTIVITY

Fiber optics, 5G and C-V2X, reinforcing cybersecurity

PROFIT

SAFETY

Reduction of accidents through active monitoring and immediate response

SUSTAINABILITY

Optimizing road use will reduce congestion on corridors.

SERVICE

Digital infrastructure will create added value for vehicles

VALUE

Capacity optimization results in more users for the same lanes and new value-added services.

FLUIDITY

Comprehensive monitoring of mixed traffic will reduce travel time

IN 2 MINUTES

Health, Safety andWellbeing

EVERYONE IS KEY

Ferrovial has approved a Health, Safety and Wellbeing Strategy, following the Horizon 24 Plan. People are fundamental to ensure that the company operates in a safe and healthy work environment.

THE OBJECTIVE: "We all have an essential role to play in creating safer workplaces, where we protect each other"

PLAN ELEMENTS

LEADER
- Building on successes
- Developing excellence
- Learning from each other

COMPETITION
- Training
- Empowerment
- Delivery

RESILIENCE
- Focus on situations of high potential risk for serious injury, fatality or other casualties
- Risk management

COMMITMENT
- Communication
- Access to information
- Knowledge exchange

EXPECTATIONS OF THE PLAN

1. Rewarding success

2. Empowering people

3. Intolerance of incidents

4. Culture of innovation and learning

5. Giving a voice to all

6. Risk Management

SUSTAINABILITY PLAN 2030

Framed within the Horizon 24 Plan, the sustainability plan establishes a commitment to the Sustainable Development Goals (SDG) and an ambitious targetfor carbon reduction, while building a portfolio of business solutions for a sustainable economy.

ESG CRITERIA

SOCIAL

Equal opportunities
Local talent
Health and wellbeing
Workfoce safety
Inversment in the community

ENVIRONMENT

Climate stategy
Water Footprint
Biodiversity
Circular economy
Sustainable mobility
Innovation

GOVERNANCE

Good Governance
Sustainability in Governance

STRATEGY

1. Progress with perspective

2. Horizon 24

3. Sustainable Infrastructure

4. Descarbonizing

5. For a world on the move

6. ODS alignment

Norte Litoral Toll Road, Oporto-Ponte de Lima, Portugal. © José Manuel Ballester

1.2 STRATEGY AND VALUE CREATION

GLOBAL VISION

THE STRATEGY REMAINS IN FORCE

In 2020, the company launched its Horizon24 Plan. This strategy continues,with a focus on preserving liquidity and fostering efficiencies while evaluating growth opportunities.

The year 2020 has been a year marked by the economic and health effects of the COVID-19 pandemic. Since March, many countries have restricted mobility, severely impacting the demand for services, and to a large extent those related to transportation. The company has experienced a significant drop in traffic figures on its roads and airports, but at the same time, it has responded firmly to this challenge by focusing on health and safety, strengthening its financial position and contributing to society.

The development of vaccines and treatments, the stimulus announced by Governments (COVID-19 stimulus bill in the US, European Recovery Fund) and the actions taken by the private sector are paving the path for recovery that will differ by geographies and businesses and will contribute to the transformation of the infrastructure sector towards a more green, digital and inclusive industry.

In this context, investment in infrastructure continues to be a key factor for economic recovery and growth. Sustainable infrastructure development, preserving resources for future needs, and the acceleration of trends, such as mobility or digitalization, present attractive opportunities for Ferrovial:

- Congestion in cities and access routes will demand new transport infrastructure and mobility alternatives that are more innovative and that contribute to reduce carbon emissions. Trends such as “Work from home” (WFH) or e-commerce have accelerated during the pandemic, impacting behavior patterns and traffic evolution, for example, increasing heavy vehicles in toll roads next to industrial and logistic corridors and decreasing business travel.
- Digitalization of transport infrastructure and the increasing need for connectivity among infrastructure, vehicles and users, will require new investments in technology. Autonomous vehicles and the upgraded infrastructure required will play a key role in improving road safety and performance.
- Climate change concerns and decarbonization commitments will also demand new infrastructure development in the fields of electrification, water treatment and sanitation, energy efficiency and circular economy.

In addition to the impact that the pandemic will have on the economy, the company faces several challenges:

- Competition from infrastructure companies, with growing interest in greenfield projects in developed countries, and from financial investors, providing liquidity to the market and investing at more aggressive returns.
- Decarbonization in transportation, a clear objective for the sector, as it is responsible for a significant portion of global emissions.
- Regulation and rule of law, key factors when investing in long duration assets and selecting geographies.
- Commercial, political and social tensions in the countries where the company operates, that could affect economic recovery.

STRATEGY

Strategic priorities

- **People:** is the first priority of the company’s strategy. The company’s people management model is a key source of competitive advantage and is based on three main pillars, people safety, talent management and engagement. Ferrovial has defined the organizational and management structures to ensure alignment with strategy, ensuring equal opportunities and diversity. Ferrovial will promote the highest standards for health and safety in its operations based on prevention and target zero accidents. In addition the company will focus on identifying, developing and retaining talent, and will continue to reinforce engagement creating working environments to maximize the contribution from its employees.

- **Sustainable growth:** develop and operate sustainable, innovative and efficient infrastructure projects with high concessional value. The company will focus on its core markets (USA, Canada, Spain, UK and Poland), while evaluating opportunities in other regions such as Australia and other selected countries in Europe and Latam.

  - In Toll Roads, Ferrovial will continue developing greenfield, traffic-risk projects with a focus on Managed Lanes, mainly in the US and Canada, proactively generating pipeline and bidding for strategic projects. The company will also maintain its competitive advantages in availability projects in markets with potential pay-per-use growth.
  - In Airports, the company will focus on preserving liquidity while it continues to implement efficiencies and explore opportunities and partnerships globally.
  - In Construction, the objectives are to maintain sustainable profitability over time and to increase business with other group companies. In addition, it will support infrastructure business focusing on greenfield transport projects and it will develop additional local capabilities in key countries.
  - Ferrovial will also continue building capabilities for other sustainable infrastructure related opportunities in adjacent sectors such as electrification, water and mobility.

407 ETR Toll Road, Toronto, Canada. © José Manuel Ballester

Horizon 24
Strategy Plan

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

- **Operational excellence:** focus on achieving ambitious sustainability targets (environmental, social and governance), fostering efficiency and optimizing core processes.

  Sustainability is a key aspect in the company's operations with a focus on reducing the environmental impact, prioritizing safety and contributing to the development of society. The company has updated its sustainability strategy which is aligned with the UN Sustainable Development Goals as well as with Horizon 24. Its action plan commits to targets in decarbonization, water footprint, gender equality and integrity among others, while shaping the company business portfolio to deliver solutions for a sustainable economy. In this context, Ferrovial will continue to proactively engage in maintaining its presence in sustainability indexes such as Dow Jones Sustainability, Carbon Disclosure Project and FTSE4Good.

In infrastructure, Ferrovial will continue leveraging its distinctive skills, such as traffic management and revenue optimization, and its expertise in assets such as the 407ETR, the Texas Managed Lanes and Heathrow. In construction, the company will increase its references and capabilities in the design and construction of complex projects.

- **Innovation:** enhance core business by supporting the company's digital transformation and developing new capabilities and services to reinforce its competitiveness. The company will develop new digital and disruptive innovation at the corporate level and will sponsor projects with the business units focusing on value creation and promoting its entrepreneurial culture.

HORIZON 24 PLAN: YEAR ONE

The Horizon 24 Strategic Plan covers the 2020-2024 period, and is focused on the promotion, construction and management of sustainable infrastructure. The plan pursues a more agile, innovative and efficient company. Despite the impact of COVID-19, Horizon 24 is making progress in crucial issues.

TRENDS

- Mobility
- Technology
- Demographics
- Sustainability

VISION

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

PURPOSE

Sustainable infrastructures for a world on the move

VALUES

- Respect
- Collaboration
- Excellence
- Innovation
- Integrity

MARKETS

PRIORITIES

People

- New Health and Safety Plan implemented. More than 18% reduction in the Serious Injury and Fatal accident frequency rate in 2020 compared to 2019
- Launch of a new People Plan focused on engagement and talent
- Commitment to employees and society during the COVID-19 crisis (i.e., employee health and safety, essential services to society, "Ferrovial Together COVID-19" fund)

Sustainable growth

- Ongoing development and bidding in core sectors and geographic areas
- Reinforced commitment to divest non-core activities: 500 M€ from divestments in 2020
- Action plans implemented to compensate the impact of COVID-19 on transport infrastructures

Operational excellence

- Ongoing turnaround in the Construction division (from a negative EBIT margin to +2.8%)
- New operating model implemented with committed savings of ~50 M€
- Committed to sustainability: environmental footprint reduction in 2020 (i.e., carbon footprint -6% vs 2019, water compensation >30x Basin Water Index)

Innovation

- Collaboration with innovative transport solutions (i.e., Hyperloop) and funds (i.e., Atomic)
- Launch of the fourth edition of Ferrovial's innovation program (Zuritanken) with more than 300 ideas received.
- Launch of Foresight, a new open innovation platform created to explore and build the future of transport infrastructure and the mobility sector

LBJ Express Toll Road, Texas, United States. © José Manuel Ballester

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

Pay

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. CO_2 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.

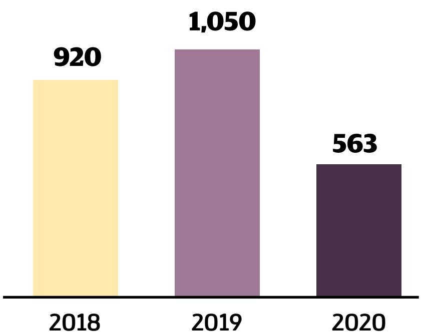
AIVIA AND THE FUTURE OF HIGHWAYS

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.

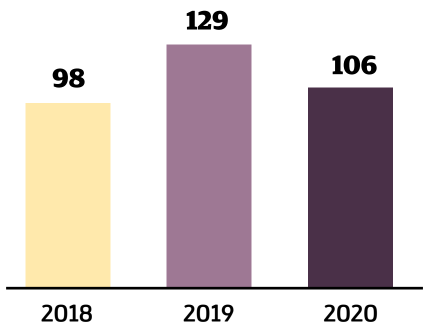
REFINANCING LBJ DEBT

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-incost 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.

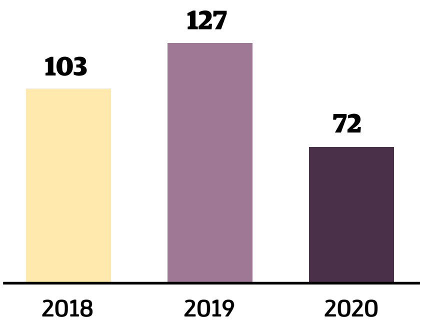
407 ETR (CANADA)
DIVIDENDS DISTRIBUTED
MCAD



NTE (USA)
EBITDA M$



LBJ (USA)
EBITDA M$



NTE 35W Toll Road, Texas, United States.

AIRPORTS

WARMING UP

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

In addition, it is developing its electricity lines business in Chile, where it has the Transchile asset in operation and the Centella and Tap Mauro projects, which are currently under construction.

ASSETS

The effects of the COVID-19 pandemic and, most notably, the mobility restriction measures have had a significant impact on the airport sector in 2020. Both Heathrow and AGS have recorded decreases in traffic compared to 2019: in the case of the London hub, 72.7%, and 75.9% for the group made up of Aberdeen, Glasgow and Southampton airports. While the easing of these restrictions in the summer allowed an upturn in air traffic, their reintroduction in the last months of the year, particularly in the United Kingdom, led to a significant drop in air traffic again.

In December, the UK Supreme Court ruled unanimously in favor of Heathrow's appeal in relation to the suspension of the Airports National Policy Statement that will allow the airport to apply for planning permission for its third runway: a victory that once again makes its expansion a strategic objective for Ferrovial Airports, in parallel to the short term efforts to recover traffic after the pandemic, demonstrating the commitment to environmental and climate change objectives.

The end of the Brexit transition period on December 31 did not have a significant impact on the operations of these four assets, as they had contingency plans in place to ensure continuity of operation and service to their passengers following the United Kingdom's final exit from the European Union.

In the development and management of electricity transmission network business, progress has been made in 2020 in the construction and operation of the 250-kilometer line and the Centella substation north of Santiago de Chile. Ferrovial Airports has been awarded a concession for the construction, operation and maintenance of a new section that will connect this substation with the Los Piuquenes – Tap Mauro line.

The combination of these projects under construction and the Transchile business – a 204-kilometer line in the south of the country – means that Ferrovial now has 2,160 MW of capacity in Chile, making it a major player in the sector in the country.

HEALTH AND SAFETY IN AIRPORTS

Ferrovial's airports have been at the forefront of measures to protect the health of their passengers and workers in the context of the COVID-19 pandemic:

- Mandatory use of face masks, installation of protective screens and deployment of signage to maintain safe distances.
- Implementation of robots assisted by ultraviolet technology for continuous cleaning and disinfection.
- Placement of antiviral wraps on high contact surfaces.
- Installation of dedicated COVID-19 rapid diagnostic testing centers at Heathrow Terminals 2 and 5.
- Conducting rapid tests before traveling to destinations requiring a negative test at origin.
- Requirement to submit a negative test no more than three days before a flight from any UK airport.
- Implementing touchless technologies to minimize contact with people or objects at boarding gates, when booking and collecting purchases or in catering establishments.

Thanks to these and other measures, Ferrovial's airports have received several awards. Heathrow was recognized in November as the safest airport in Europe according to the Safe Travel Barometer and certified as a 3-star COVID-19 airport by Skytrax. And Glasgow Airport received the International Safety 2020 award from the British Safety Council.

VALUE CREATION

Operational efficiency and quality of service

In a year of unprecedented complexity for the airport sector as a whole, Ferrovial Airports optimized processes under the premise of protecting its operations, the health of its passengers and workers and maintaining service quality. Some of the measures taken have included renegotiating contracts, restructuring the organizational structure, consolidating operations – through temporary closures, for example, of Heathrow Terminals 3 and 4 and closing a runway – and reassessing and deferring noncore investments.

Ferrovial Airports
"we make good airports great"

Heathrow Airport, London, United Kingdom.

It is also worth noting that in 2020, Heathrow was recognized by the Skytrax World Airport Awards as 'Best Airport for Shopping' for the tenth year in a row, and that Terminals 3 and 5 of the London hub were ranked among the top five in the world.

As for Transchile, in 2020 the availability of its electricity line – the main metric of quality of service in electricity distribution – reached 99.98%.

Sustainability

While the health and economic cost of COVID-19 has dominated the debate around the aviation sector in 2020, the challenges of ensuring its sustainable growth in the medium and long term have not only remained the same, but aspects such as its contribution to the fight against climate change have become even more central for governments, investors and society as a whole.

Aware of these challenges, Ferrovial's airports have maintained an uninterrupted commitment to sustainability in 2020 in their three-fold approach on environmental, social and corporate governance aspects:

- Carbon neutrality in all its operations.
- Independent assessment of initiatives to reduce their carbon footprint in accordance with the Airport Carbon Accreditation by Airports Council International (ACI).
- Publication of the Heathrow Net-Zero Target strategy, with the ambition that 2019 will be the year in which it made its most CO_2 emissions.
- AGS, at the top of the world ranking in the Global Real Estate Sustainability Benchmark (GRESB), with Glasgow Airport recognized as the world and European leader in the 5-star category and Aberdeen and Southampton second and third in Europe and the United Kingdom.
- AGS airports became the first in the United Kingdom to trial the 100 ml Oxo-Biodegradable security bags, designed to carry liquids and gels.
- Heathrow continued to make progress on its Heathrow 2.0 strategic plan, under which its terminals now operate on 100% renewable energy and it has the largest fleet of electric vehicles in Europe.
- In the electricity transmission network business, Ferrovial's assets contribute to integrating renewable energies into the Chilean distribution grid and, therefore, to the government's efforts to decarbonize the country.

Innovation

The main innovation projects undertaken by Ferrovial Airports in its assets in 2020 include:

- Introducing the autonomous vehicle in Southampton Airport's bus network, to reduce operating costs and reallocate resources to personalized passenger service without sacrificing the highest standards of service quality and safety.
- Transchile's development of a solution, supported by geolocation technology and big data, to calculate access routes to assets in remote locations, to improve staff safety and reduce response times.

CONSTRUCTION

A TRANSFORMATIVE PROJECT

The Construction Division is key to Ferrovial's strategy, focusing on the development of complex and sustaintable infrastructure assets.

Ferrovial Construction is the business unit responsible for performing civil engineering, construction, water treatment plants and industrial works. It is recognized internationally for its capacity to design and execute unique and sustainable construction works, in particular major transport infrastructures.

The current situation caused by the COVID-19 pandemic has had a limited impact on Ferrovial Construction, as many of its ongoing projects have been classed as essential activities. In spite of these difficult circumstances, the Construction division has increased its gross revenues in 2020 and recorded EBIT of 2.2%. These figures reflect the commitment of the division to hit its EBIT target of 3.5% in 2024, in line with the Horizon 24 Strategic Plan.

In 2020, Ferrovial Construction launched Project Abacus, which includes health and safety, technology and innovation, the OPIP program to improve operating processes that optimize risk management and thus consolidate the future profitability of the division. This program includes a digital transformation plan aimed at controlling processes in all phases of the project, enhancing design capacities and training teams to improve collaboration between tender and operations departments.

Ferrovial Construction focuses its activities on the international market in complex projects in countries with stable economies that are committed to modernizing their infrastructures.

The outlook in **Poland** remains positive in the medium term, thanks to plans to invest in roads and railways through to 2025-26, despite the moderate impact of COVID-19 on the 2020 tender process and the emergence of new foreign competitors.

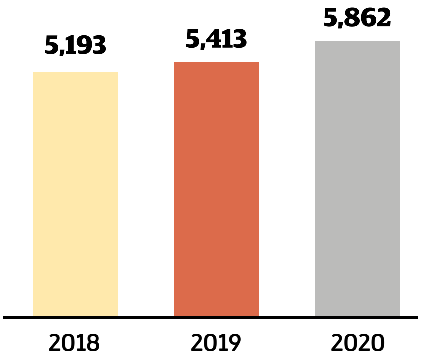
In **Spain**, following the delay in the 2020 tender process on account of the pandemic, an uptake in public construction initiatives is expected in relation to road infrastructures (DGC), railways (ADIF) and airports (AENA), backed by the approval of the General State Budgets and the EU Recovery Plan.

In the **USA** and **Canada** investments in states and provinces remains on the up, with the publicly financed P3 or DBF projects worth particular mention, where Ferrovial boasts ample experience. Following the 2020 US presidential elections, political will at a federal level to pass a

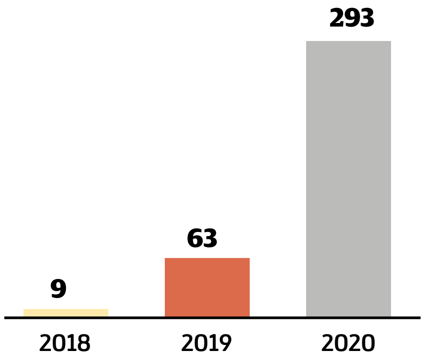
RAILWAY STATION IN WARSAW

Budimex, the Polish construction subsidiary was awarded the 400 million euros project to reconstruct the Warszawa-Zachodnia railway station, the second largest in the country, which receives more than 1,300 trains and 60,000 passengers per day, with these figures expected to double by 2030. This work included the comprehensive reconstruction of 30 kilometers of railway line, several connection branches and an underground tram tunnel at level -2.
This award reflects the positive performance of Budimex, which in 2020, in addition to its positive financial performance, has been awarded 800 million euros across seven roadway contracts, in addition to other significant industrial and construction contracts.

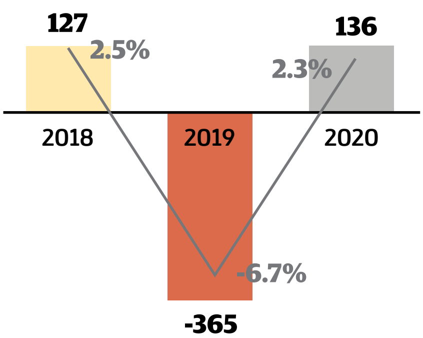
REVENUES (M€)



CASH FLOW(M€)



EBIT (M€)



Discover the progress of the Abacus Project

Q6 Project, Heathrow Airport, London, United Kingdom.

new multi-year infrastructure plan has been confirmed. In Texas, 2021 is expected to see a new record set in terms of road tenders, accompanied by an ample pipeline of water projects, where PLW, the company's local subsidiary specialized, is one of the leaders in the sector.

VALUE CREATION

Construction is a key factor in Ferrovial's strategy, thanks to its capacity to undertake complex projects at an international level. In addition to its intrinsic profitability and ability to generate cash flow, it adds value coordinating the design and construction of infrastructure concessions in which other investment divisions at the Group have an interest. This collaboration has been reflected once again in 2020 in the preselection in the USA of the *Miami North Corridor* light rail line. Other notable milestones include the start of work on Segment 3C of the NTE Toll Road (Texas), or the connection of four bridges that together measure three kilometers over the River Danube as part of the D4R7 highway (Slovakia).

Portfolio diversification

The company is a specialist in highly complex projects thanks to the international experience and presence of near 400 employees at its Technical Office, focusing on the search for top-tier engineering solutions. In this regard, sectoral diversification and tendering for less strategic projects, allowing technical skills to be honed, ensure that the material and human resources at Ferrovial Construction are constantly ready to tender for complex infrastructure concessions. With this diversification and complexity in mind, worth particular mention in 2020 are the completion of the Agua Vista treatment plant in San Antonio (Texas) and different awarded contracts, including lots C2-C3 of the HS2 high speed rail line, the Goleníow-Ciecierzyce gas pipeline in Poland, phase 2 of the data center in Alcalá de Henares and the construction and assembly of a floating concrete wind power platform in the Basque Country.

Selective internationalization

Internationally, focus remains on the USA and Polish markets, which account for 70% of all sales. In other countries with a stable presence, the UK, Canada, Chile or Australia are all worth particular mention, in addition to Spain as the company's home market.

Commitment to society: environment, quality and safety

The Construction division undertakes its operations under strict criteria that maximize quality and safety, while minimizing their environmental impact. A good example of this can be seen in the three million hours with no fatal accidents recorded on the I-66 Toll Road (USA), the self-consumption cogeneration plant at Heineken's WWTP in Valencia (Spain), preventing the emission of 170 tons of CO2 each year, or the ENR Global Best Project 2020 Award for the ring road in Toowoomba (Australia) on account of its culturally inclusive work environment.

Innovation as a catalyst for improvement

Ferrovial Construction remains committed to R&D&I and the digital transformation, as demonstrated by the reinforcement of BIM (Building Information Modeling) in railway infrastructures or the renovation of residential buildings, or the application of big data and blockchain technology to improve construction processes.

Employees: Talent management

The Construction division is committed to the continuous development of its employees. In this regard, as part of Project Abacus, new mentoring and skills-based training initiatives have been rolled out. Also, in 2020 the division received various acknowledgements, including best young engineer at the Premios Caminos de Madrid and the awards extended to three engineers at the European Women in Construction and Engineering awards.

ABACUS PROJECT: STRAIGHT INTO THE FUTURE

Ferrovial Construction has designed the Abacus Project, a strategic plandesignedto lay the foundations for the future of the industry. Abacus Project represents a decision by the company toposition itself as a global benchmark, including health and safety, profitability, risk management, technology and innovation. Target: 3.5% EBIT margin by 2024.

OBJECTIVES

1. Competitive size ≃€6,000 M

2. Sustainable profits

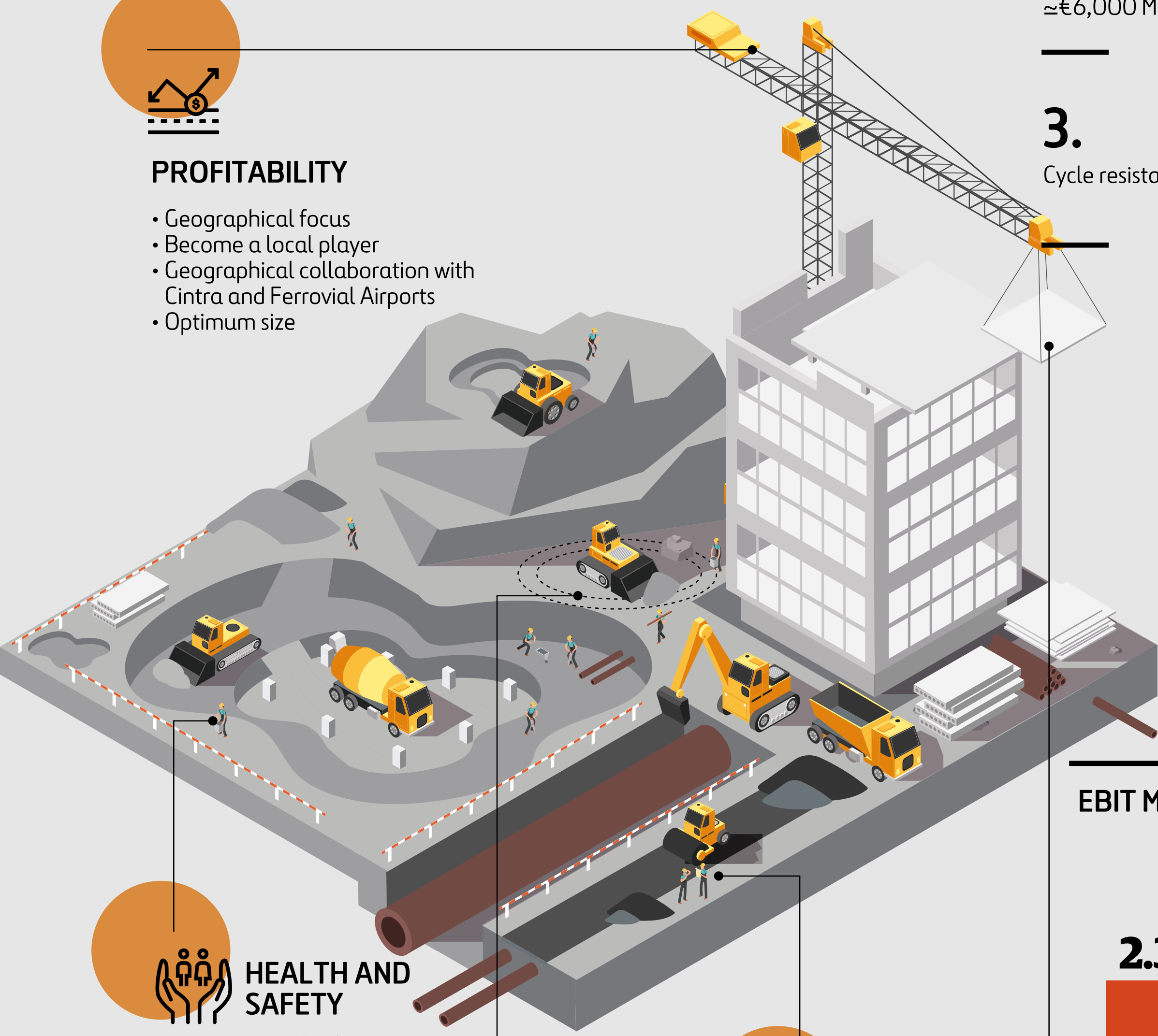
3. Cycle resistance

4. Leadership and transformation

5. Focused on people

PROFITABILITY

- Geographical focus
- Become a local player
- Geographical collaboration with Cintra and Ferrovial Airports
- Optimum size



HEALTH AND SAFETY

- Leadership
- Competition
- Resistance
- Commitment

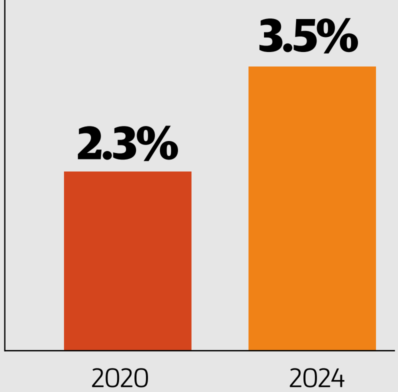
TECHNOLOGY AND INNOVATION

- Data-driven decision
- Information management
- Project management tools
- Emerging technologies

RISK MANAGEMENT

- Improving operational processes
- Strengthening the design process
- Project selection

EBIT MARGIN



Pomeranian Metropolitan Railway, Gdansk, Poland © José Manuel Ballester

SERVICES

CITIES AND INFRASTRUCTURES

Ferrovial Services is an international leader both in terms of the implementation of the circular economy and the maintenance and management of public and private infrastructures, mainly in the transport, power, health and industrial activity sectors.

CASH FLOW (BEFORE TAXES)

358

millon euros

ESSENTIAL SERVICES

27,000

employees

FREQUENCY RATE

-14%

compared to 2019

WASTE MANAGED

9,7

million tonnes

Valdemingómez biogas treatment plant

In February 2019, Ferrovial announced its strategic decision to class Ferrovial Services as a discontinued activity available for sale, with a view to steering its activities towards the development of transport infrastructure investments. Following the agreement reached with Ventia Services Group for the sale of Broadspectrum in December 2019, the sale of all Services operations was completed in Australia and New Zealand on 30 June 2020 for 288 million euros. Subsequently, it sold its 50% share in TW Power Services to another shareholder in the company, Worley, for 12 million euros.

The remainder of disinvestments in all regions in which Ferrovial Services operates (Spain and Portugal, the UK, North America, Chile and Qatar) remain ongoing, although all these processes are being affected, to differing extents, by the macroeconomic uncertainty caused by COVID-19.

BACKGROUND

In **Spain**, the pandemic has had an adverse impact on the services associated with economic activity, such as transport, leisure and industrial production, while the demand for health-associated products has increased substantially. Furthermore, in 2020 there has been greater demand for cost optimization amongst customers in addition to a slowdown in public and private tendering processes; for the large part, Ferrovial Services has offset this by obtaining extensions on major contracts, such as SERMAS, A Coruña and Almeria city councils and the Andalusian Health Service. The company has demonstrated great resilience and adaptation capacity.

In the **United Kingdom**, Amey has satisfactorily overcome the operational challenges brought on by the health crisis, preserving the continuity of essential services and enhancing its liquidity thanks to the measures approved by the British government, including the deferred payment of VAT. Furthermore, the company has simplified the structure of support functions to optimize its operational efficiency and it has restructured its activities with a view to strengthening its position in the maintenance of transport infrastructures (roads and railways) and facility management activities with major customers, such as the Ministry of Defence. At the same time, Amey has confirmed divestment plans in both the waste treatment business and utilities services (suppliers of water, gas and electricity).

In the case of Ferrovial Services Internacional, the biggest impact that COVID-19 has had on services has affected the industrial repair and maintenance of crude-oil infrastructures in North America, due to the fall in demand for refined oil products. This has been offset, to a large extent, by the organic growth in the road maintenance business in the USA and Canada and the mining services in Chile.

VALUE CREATION

The development of a culture of zero tolerance of occupational risks has resulted in a further reduction in frequency rate of 14% in 2020, following the roll out of new projects adapted to different activities. A solid example of integrated safety is +VIAL, a cross-cutting program designed to minimize the number of accidents suffered by road maintenance workers, in addition to the users of these infrastructures.

In addition to strengthening training and prevention, Ferrovial Services uses innovation to protect its employees and users. Within other technologies, the company has developed a system for the automated deployment of signals and beacons on roads, without the need for drivers to depart their truck and expose themselves to traffic risks. Another line being developed is the use of virtual and augmented reality as a tool for enhancing knowledge of and improving self-protection.

Occupational safety

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Operational efficiency and digitalization

The company has simplified the support structure in all geographical areas through cost reduction programmes with positive results. At the same time, in 2020, its commitment to the technification of services has been stepped up, including smart waste collection management, with volumetric sensors to optimize collection routes depending on how full containers are and using new tools to digitally manage processes as part of operations.

The application of new technologies has also provided an opportunity for strengthening collaboration with customers and enhancing interaction with residents. Some examples of this can be seen in REMAD, an online system for exchanging second-hand items rather than dumping them, rolled out at all recycling centres in Madrid, or DUGUD, a mobile app that promotes recycling at the origin, allowing users to accumulate points when they hold their card up to the reader placed on the container and that can be exchanged for discounted services.

DIGITAL STREET LIGHTING USING NB-IOT TECHNOLOGY

In Spain, of the 9 million street lights currently in use, around 25 to 30% have already been replaced with LED lights, entailing savings of between 65 and 85%; now, thanks to a new solution developed by Ferrovial Services, Telefónica and Tellink, a further 10% stands to be saved through the individual remote management of street lights. This technology makes it possible to control all lights from a single control point, making it possible to turn them on and off, adjust light levels and the consumption of each light. This system has already been rolled out in Alcantarilla (Murcia) and Gozón (Asturias), and it is due to be implemented in other towns and cities in the coming months.

DECARBONIZATION AND WASTE AS A SOURCE OF GREEN ENERGY

The circular economy is a fundamental pillar of Ferrovial Services' value proposition, with waste considered a source of energy, in addition to a raw material or resource that can be given a new use. In line with European directives, the percentage of waste recovered must reach 65% by 2035, while the percentage sent to dumps must account for no more than 10%. One example of the recovery of biogas from waste can be seen at the Valdemingómez biomethanization plant in Madrid, the only industrial plant in Spain to transform biogas into a renewable natural gas (biomethane) and inject it as clean energy into the gas network. This plant injects around 100,000 MWh into the network per year, enough energy for 20,000 homes or 500 city buses in Madrid.

Sustainable growth

Notable progress has been made steering the recovery of waste towards treatment plants as a new industry 4.0. Ferrovial Services is involved in pilot projects at a very advanced stage in Spain and Portugal, with dual advanced robotic systems that are offering substantial improvements both in recovery rates and the quality of the recovered material. At the same time, the installation of sensors and data analytics in integrated digitalization projects at plants makes it possible to create dashboards to manage operations and maintain facilities in a more efficient and safe manner.

Sustainable growth has also been seen in energy efficiency, with a portfolio of more than 260 million euros; this has been reflected in average energy savings of more than 60% in public lighting and approximately 30% in buildings, making it possible to reduce emissions by more than 135,000 tCO_2 since 2009 in Spain alone. Ferrovial Services offers this solution as a form of supporting competitiveness, helping customers to use resources more efficiently.

In relation to the renovation of the project portfolio, the company has been awarded significant infrastructure projects, including the main highway and road network (more than 600 kilometres) in South West Scotland for 465 million euros, in addition to new contracts with the Departments for Transport in Florida, Texas, Georgia, Alaska and Washington D.C.

NEW BUSINESSES

MOBILITY, WATER AND ELECTRIFICATION

Ferrovial explores new business opportunities related to sustainable infrastructure in the mobility, water and electrification sectors. By doing so, it has reinforced its commitment to the 2030 Agenda.

The Horizon 24 Plan, presented in January 2020 by Ferrovial marks the entry of the company into new sectors. Initially, it plans to embark on projects in mobility, through Zity; water, through Cadagua; and electrification, with transmission, are the chosen sectors.

MOBILITY

Ferrovial is constantly searching and investigating ways to offer accessible, clean and sustainable mobility solutions with the aim of reducing congestion and contamination in cities as part of its firm commitment to SDG 9 (industry, innovation and infrastructure) and SDG 11 (sustainable cities and communities).

The recent creation of the Ferrovial Mobility business unit seeks to respond to new habits amongst citizens, the technological disruption, care for the environment and traffic congestion in cities.

Thanks to its experience in the development and operation of transport infrastructure and its knowledge of users, it offers innovative mobility services that adapt to new market demands, as part of its commitment to infrastructures adapted to connected, autonomous, shared and electric mobility.

Zity is an electric carsharing service that facilitates rentals by the minute. Ferrovial, in collaboration with Renault, has a fleet of more than 750 fully-electric Renault ZOE vehicles, with an autonomy of 300 kilometers, in Madrid and 500 in Paris.

Furthermore, as part of its commitment to progressively increasing the purchase of renewable electricity (with the goal of reaching 100% in 2025), an agreement has been signed with Iberdrola to recharge car batteries using certified renewable energy.

The startup Wondo offers all mobility options available in Madrid, in addition to the payment of services, on a single platform, spanning taxis, public transport and *carsharing and motorbike sharing services.*

WATER

Through its subsidiary Cadagua, which boasts almost 50 years' experience, it builds and manages water treatment and purification plants, developing the highest quality purification and desalination technologies with maximum respect for the environment.

It has drinking water treatment plants (DWTP), wastewater treatment plants (WWTP), industrial wastewater treatment plants (IWWTP), thermal drying plants for urban sewage sludge and seawater desalination plants (SWDP). The latter are equipped with inverse osmosis technology for which the company is renowned worldwide.

The company has designed and built more than 235 water treatment plants to supply more than 21 million people. It has more than 140 treatment plants (DWTP) that treat the discharge from around 29 million residents. The most notable DWTP include those in Utebo and Bens.

Ferrovial, with 85 drinking water treatment plants and 32 desalination plants, supplies 15.5 million residents, offering innovative designs in the construction of treatment plants and selecting the right technology thanks to the training of its engineers and technicians. The company has built 32 desalination plants worldwide with a combined capacity of more than 1,200,000 m^3 per day; worth particular mention are the Al Ghubrah plant in Oman, the Al-Zawrah plant in Ajman and those in Rambla de Valdelentisco, Águilas-Guadalentín, Alicante and Ceuta.

Cadagua boasts extensive experience in the design, construction, operation and maintenance of thermal sludge drying, the treatment of dewatered sludge from treatment plants. The goal is to evaporate as much water as possible in the sludge in the most energetically efficient manner. It operates the largest thermal drying plant in Europe (South, Madrid), treating 300,000 tons per year.

FERROVIAL - HYPERLOOP TRANSPORTATION TECHNOLOGIES ALLIANCE

Ferrovial, as a global leader in the infrastructure sector, and Hyperloop Transportation Technologies (HTT), as a pioneer in Hyperloop technologies, have signed a framework agreement to jointly study different project development opportunities for this revolutionary mode of ground transportation in the US. Both companies thus open the door to cooperation in developing a wide range of tasks, including the analysis and development of routes, the operation and maintenance of Hyperloop technology itself or engineering and construction work, for both potential passenger and freight transport projects in the American region.

WATER TREATMENT PLANTS

235

DESALINATED WATER

1.2
million m³ per day

ELECTRICAL TRANSMISSION LINES

408
kilometers in operation

ZITY

1,250
100% electric vehicles

Zity. Paris, France.

ELECTRIFICATION

The company provides integrated solutions for the development and management of electrical transmission lines. It is staunchly committed to electrification, decarbonization and energy efficiency.

Currently, it operates three transmission lines, positioning the company amongst the biggest players in Chile:

- Charrúa-Cautín in southern Chile: operation and maintenance of a 220 kV double-circuit line measuring 204 kilometers in length with a transmission capacity of 500 MVA per circuit. The infrastructure serves more than 300,000 homes.
- Nueva Pan de Azúcar, to the north of Santiago de Chile: construction and operation of a line measuring approximately 250 kilometers (2 x 220 kV) with a nominal capacity of 580 MVA per circuit. The project includes the construction of the new Centella substation in the city of Salamanca.
- Tap Mauro, to the north of Santiago: construction, operation and maintenance of a four-circuit transmission line spanning 3 kilometers each connecting the Los Piuquenes - Tap Mauro line to the new Centella substation.

1.3
IMPACTS AND NEW SCENARIO COVID-19

Erques Viaduct, Tenerife, Spain. © José Manuel Ballester

IMPACTS AND NEW SCENARIO COVID-19

HOW THE PANDEMIC WAS MANAGED

COVID-19 has become the first pandemic that mankind has faced since the Spanish flu in 1918. The health crisis has resulted in an unprecedented drop in economic activity, with the resulting impact on society.

Since the onset of the crisis, Ferrovial believed it had an essential role as a social agent, acting quickly and resolutely with four main bjec-tives in mind: protection of employee and user health, maintenance of essential services, continuity of activities and commitment to the community.

PROTECTION OF HEALTH

From the very beginning, Ferrovial adopted the recommendations set out by the World Health Organization and the different governments in the countries in which the company operates. It set up a Supervision Committee, consisting of different functional areas at the organization to monitor and implement preventive and organizational measures with a view to ensuring the safety of workers.

Before the first lockdowns were declared by governments, the company had already prepared its teams to work from home and decided to suspend all face-to-face meetings and travel. Offices were transferred to employees' homes and they were provided with the tools required to ensure they could continue with their activities.

At the same time, it provided front-line workers with the protection equipment and prophylaxis required to perform their duties with the necessary guarantees.

Internal communication was stepped up to inform employees about the company's situation and the actions being undertaken. The Chief Executive Officer remained a constant presence through weekly emails and videos disseminated.

ESSENTIAL SERVICES

Around 16,000 employees in Spain and 9,000 in the United Kingdom were on the front line providing critical health, cleaning and water supply services, benefitting 25 million people. Their efforts guaran-teed: that 85,000 emergency phone calls were answered each day in the regions of Spain; the management of ambulances and over-the-phone assistance; the maintenance and cleaning of hospitals, with more than 40,000 beds in 13 regions of Spain; the handling of clinical and pharmaceutical waste, in addition to street cleaning and collection services.

The company collaborated with the Region of Madrid to open the IFEMA (Madrid Trade Fair) field hospital, the biggest in Spain, with a total capacity for 5,500 beds. Ferrovial employees worked to assemble 1,600 beds and 30 kilometers of medicinal gas lines in just two days. Furthermore, in collaboration with the Region of Madrid and other companies, Ferrovial participated in the development of the "CoronaMadrid" app, to facilitate diagnostics, patient monitoring and prevent overcrowding at hospitals and reduce the number of emergencies. The actions undertaken by the company include the implementation of vehicle test centers or the provision of free parking spaces to health workers.

In the UK, 9,000 Amey employees maintained 30,000 km of roads and railway lines; collected waste in 20 towns and cities; provided facility management at schools and health services, benefitting 1.3 million people, in addition to maintaining 50,000 homes and 23,000 Ministry of Defense buildings, 18 court rooms, 60 detention centers and provided services to utilities (water, electricity and gas) companies.

Furthermore, the continuity of the company's business was guaran-teed in markets like Portugal and Chile, in addition to the provision of essential services during the health crisis.

LIQUIDITY FOR CONTINUITY

At the start of the pandemic, the company guaranteed its financial solvency, hitting a record level of liquidity in June 2020, 7,506 million euros, excluding infrastructure projects. The net cash position, excluding infrastructures, came to 1,668 million euros (including discontinued activities), providing ample coverage to the debt maturities due to fall in 2020 (815 million euros) and 2021 (1,070 million euros).

Despite falls in traffic, the financial robustness of assets improved. Both the 407 ETR and Texan Toll Roads had enough liquidity to meet their obligations in 2020. Heathrow Airport has £3.9 billion of cash, enough to cover all of its payment obligations until at least April 2022.

In addition to the issue of six-year bonds for the sum of 650 million euros with a coupon of 1.382%, with the subsequent subscription of 129.9 million euros; divestments of 5% at Budimex (58 million euros) and the completion of the sale of Broadspectrum (288 million euros), improved the company's solvency further still.

COMMITMENT TO THE COMMUNITY

Finally, the company offered its assistance to the public authorities and NGOs to alleviate the impacts of the crisis, reflecting its staunch social commitment in the markets in which it is present. To this end, it set up the “Ferrovial Together COVID-19” fund, endowed with an initial contribution of 5 million euros by the company. In parallel, it launched a fundraising initiative among employees, directors, shareholders, collaborators, suppliers and anyone who wanted to participate to increase the amount, pledging to double the amount raised. The total of the fund eventually came to 8.69 million euros, which was set aside for purchasing health equipment, vaccine research and food aid.

The company allocated 4.235 million euros to deliver approximately 2 million meals to vulnerable families through Cáritas, World Vision, CESAL, World Central Kitchen, The Trussell Trust Food Banks, Ayuda en Acción, Acción contra el Hambre, Cruz Roja, food banks and other organizations in Spain, the UK, the US, Chile, Colombia, Peru, Poland and Portugal. This aid benefited around 117,000 people, with the delivery of approximately 2.000.000 meals.

With a view to promoting research in the development of a vaccine against COVID-19, 500,000 euros were donated to the University of Oxford, 250,000 euros to the two vaccine projects run by the National Center for Biotechnology at the Spanish National Research Council (CSIC) and 150,000 euros to Baylor College of Medicine in Texas.

In terms of health equipment, 3.555 million euros were dedicated to buying 900,000 masks, 117,000 diagnostics tests, 90 respirators, in addition to other health material or personal protection equipment, delivered to various Spanish regions including Madrid, Valencia, Castilla-La Mancha, Andalusia, Catalonia, Galicia, Cantabria and the Canary Islands. Part of this equipment was delivered through the public authorities or NGOs in other countries including the UK, Chile, Colombia, Peru, Poland or Portugal.

IMPACTS AND NEW SCENARIO COVID-19

AGAINST COVID-19: PROTECTION, SERVICE AND COMMITMENT

From the first moment the pandemic broke out, Ferrovial adopted all the necessary measures to guarantee the protection of its professionals and users, maintaining the continuity of its service to its clients and society.Ferrovial also took a step forward by participating actively and altruistically in different initiatives that eventually resulted in the "Ferrovial Together COVID-19" Fund, throughwhich it donated 8.7 M€.

ESSENTIAL SERVICES

WORKERS IN SPAIN

16,000

in critical healthcare, cleaning and water supply services, serving 25 million people

WORKERS IN THE UNITED KINGDOM

9,900

Amey workers listed as essential

Discover Ferrovial's actions to fight COVID-19

MAINTENANCE AND HEALTHCARE SERVICES

Cleaning in the main Spanish hospitals

40,000

Beds

Ambulances in Madrid and La Rioja

165

Maintenance of health centers in the United Kingdom for

1.3

Million people

WASTE COLLECTION AND TREATMENT

Spanish Regions

13

20 UK locations with

615,000

Homes

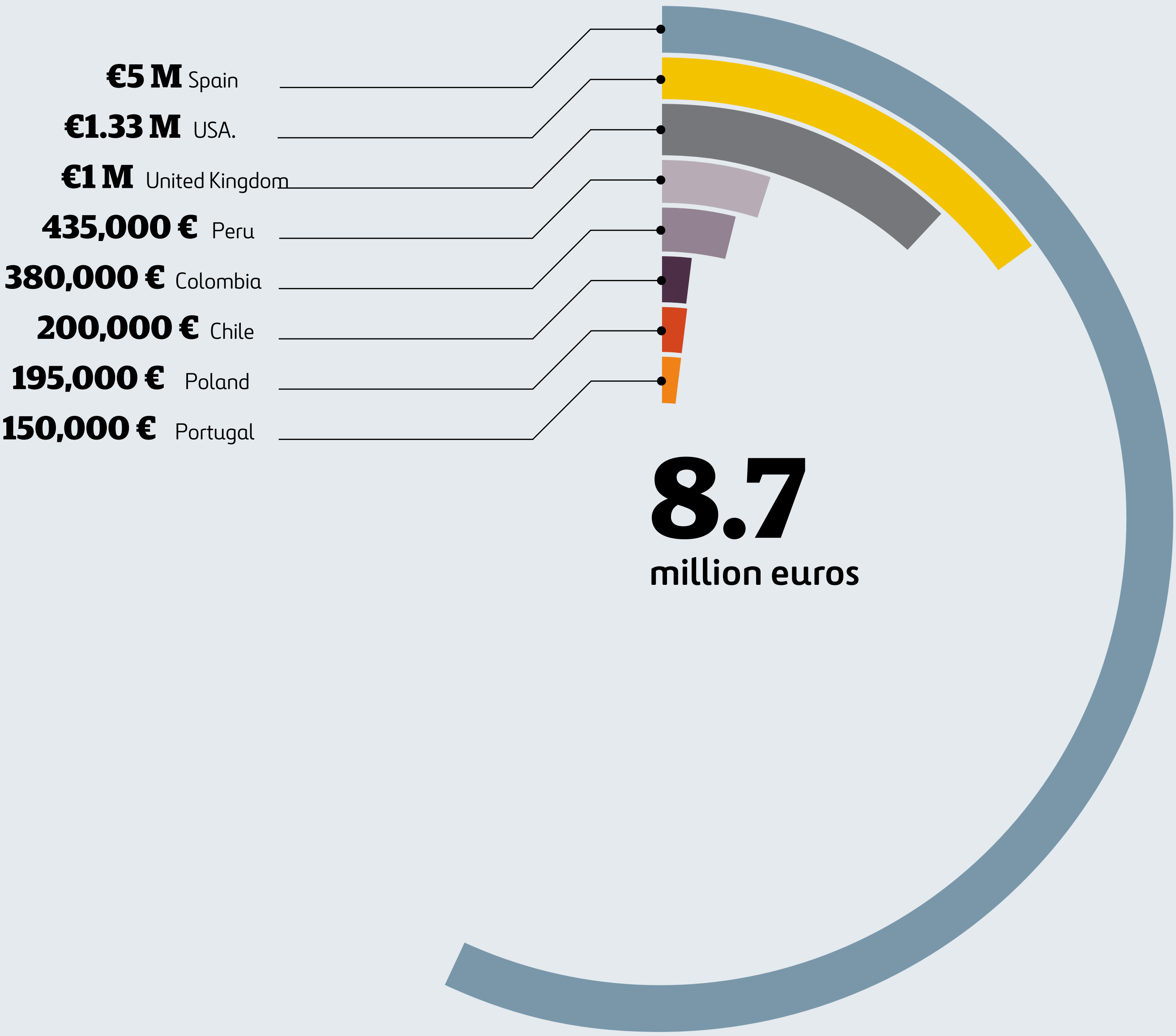
CITIZEN HELPLINE

In eight Spanish regions:

85,000

daily calls, doubling shifts and taking on more than 500 workers.

FERROVIAL JUNTOS COVID-19 FUND



HEALTHCARE MATERIAL

3.55 M€

Spain
United Kingdom

RESEARCH

0.9 M€

Oxford University
C.N. Biotechnology
Baylor Collage

FOOD AID

4.2 M€

Spain, USA, United Kingdom,
Colombia, Peru, Chile and Poland

Ruta del Cacao, Antioquia, Colombia. © José Manuel Ballester

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%**

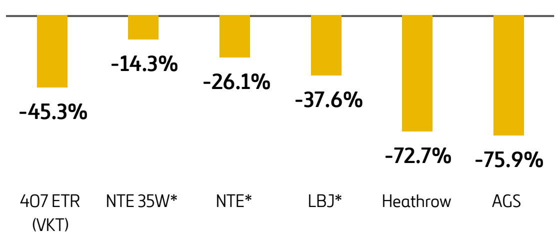
Like-for-like figures.

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**

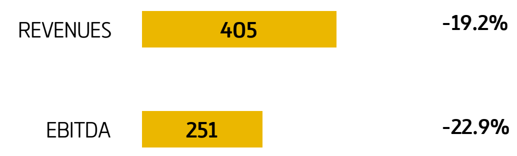
NCP: Net cash position. Includes discontinued operations

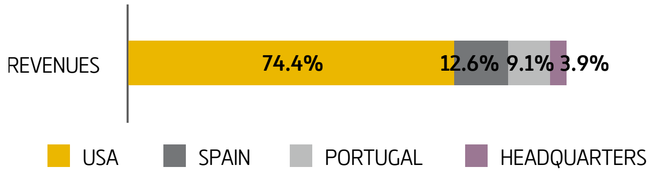
TRAFFIC PERFORMANCE



*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%

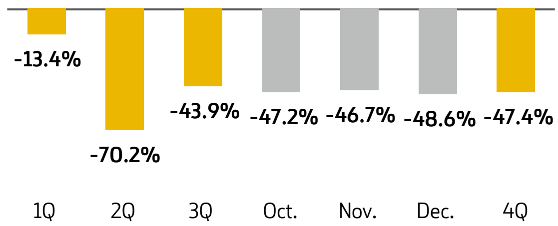
VKT (Vehicle kilometers travelled)

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

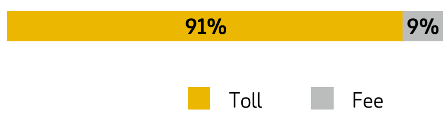


P&L

(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%).

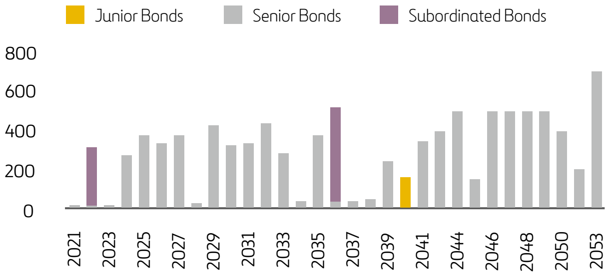
In addition, 407 ETR announced the early payment of:

- 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.

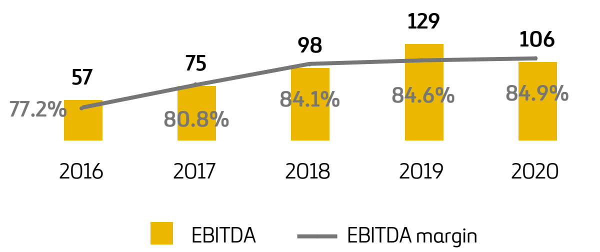
	DEC-20	DEC-19	VAR.
Transactions (mn)	25	34	-26.1%
Revenues (USD mn)	125	153	-18.4%
EBITDA (USD mn)	106	129	-18.1%
EBITDA margin	84.9%	84.6%	

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.

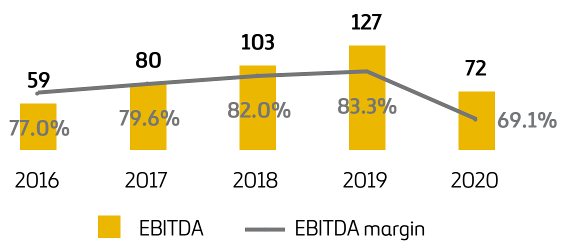
	DEC-20	DEC-19	VAR.
Transactions (mn)	30	48	-37.6%
Revenues (USD mn)	104	153	-31.8%
EBITDA (USD mn)	72	127	-43.5%
EBITDA margin	69.1%	83.3%	

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 transactio**n 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.

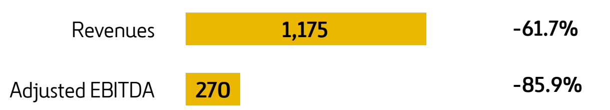
The liquidity position of Heathrow at 31 December 2020 was GBP3.9bn. In addition to raising GBP1.7bn from global capital markets during 2020, Heathrow strengthened its capital structure in October through Subordinated debt (ADI Finance 2 Ltd facility) of GBP750mn. The facility's net proceeds were injected 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%

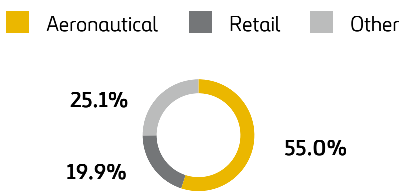
P&L



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.

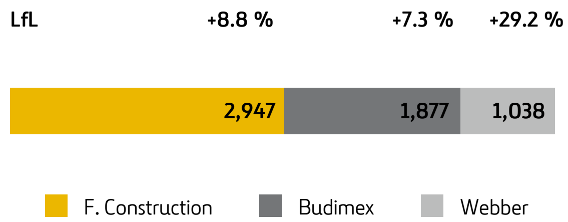
AGS net bank debt stood at GBP739mn as at 31 December 2020.

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:

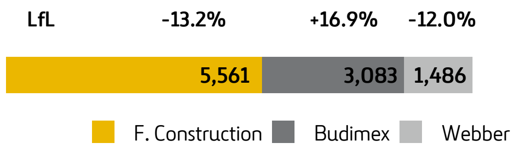
DEC-20	EBIT	LfL	EBIT mg
Budimex	143	103.0%	7.6%
Webber	22	52.1%	2.1%
F. Construction	-30	n.s.	-1.0%
Total EBIT	134	n.s.	2.3%

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.

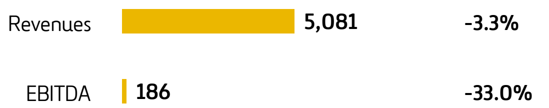
Budimex sale agreement of real estate business: On Feb. 22, 2021, Ferrovial's construction subsidiary in Poland, Budimex, reached an agreement for the conditional sale of its real estate business (Budimex Nieruchomości).The agreed price is EUR331mn (PLN1,531mn) and if it materializes, it would imply 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)

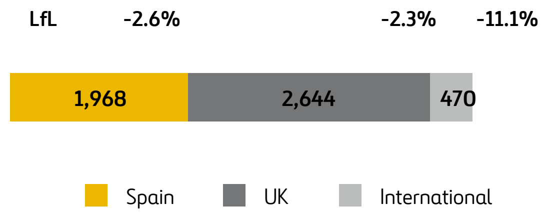
Ferrovial remains committed to the full divestment of the business although the process is experiencing delays given the macroeconomic uncertainty due to COVID-19. The first milestone in the divestment process was reached with the sale of Broadspectrum which was fully closed by July 2020.

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%.

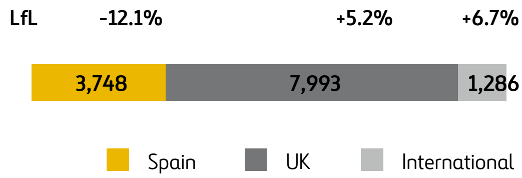
International: Revenues fell by -11.1% LfL and EBITDA by -26.7% LfL due to the COVID-19 impact on the Oil & Gas activity of N. America, as the reduction in the demand of oil led to a reduction in repair and maintenance work. Excluding the pandemic impact, EBITDA would have increased +EUR6mn vs 2019,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

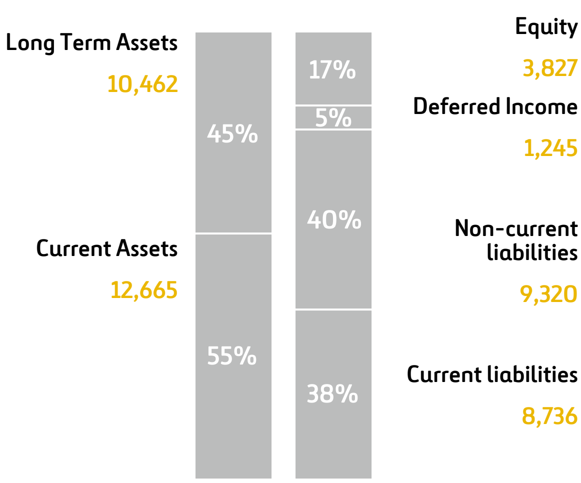
Net income from discontinued operations stood at -EUR3mn which includes a negative result recorded from Broadspectrum sale -EUR64mn, mainly due to the reclassification to the P&L of reserves corresponding to translation differences net of hedges according to IAS 21. Additionally, a fair value provision 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)

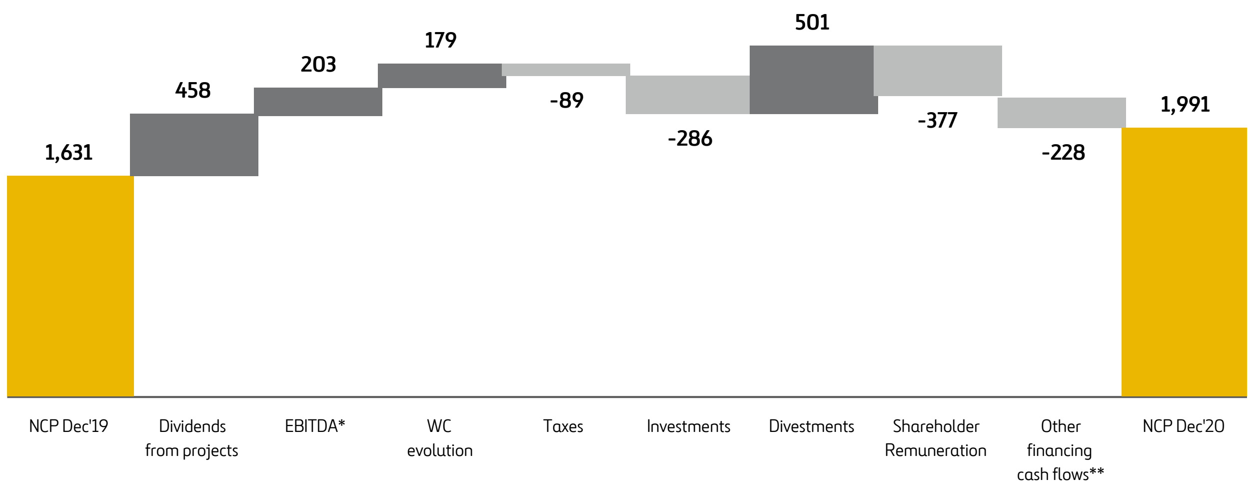
1,658	508	12	2,462
2021*	2022	2023	> 2024

(*) 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

(GBP million)	Revenues DEC-20	Revenues DEC-19	Revenues VAR.	EBITDA DEC-20	EBITDA DEC-19	EBITDA VAR.	EBITDA margin DEC-20	EBITDA margin DEC-19	EBITDA margin 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.

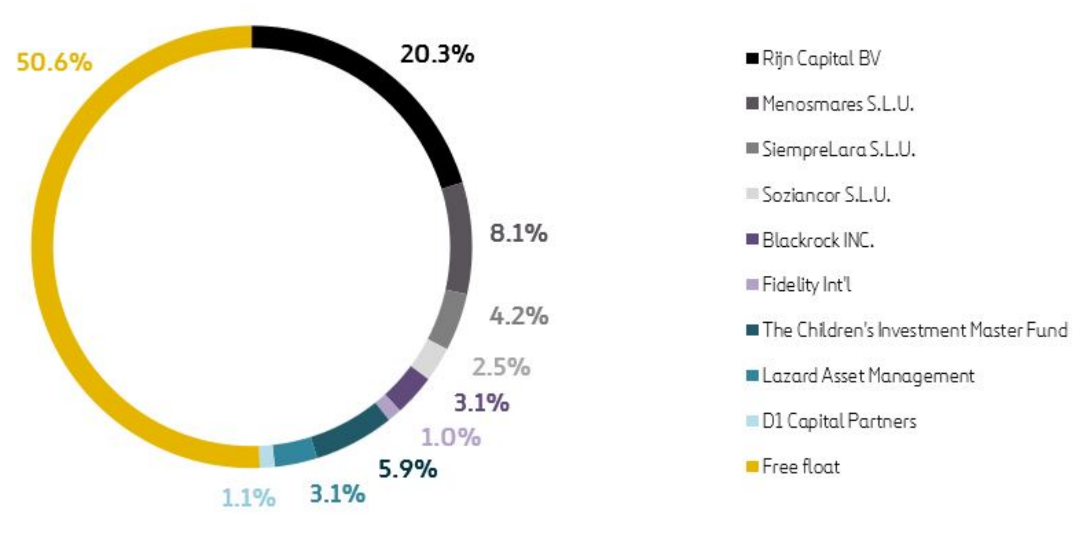
Under this Buy-back Programme that ended on 4 December 2020, Ferrovial acquired a total amount of 11,704,701 own shares, representing 1.57% of Ferrovial’s current share capital, therefore no exceeding the limit of EUR360mn or 25 million shares.

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.

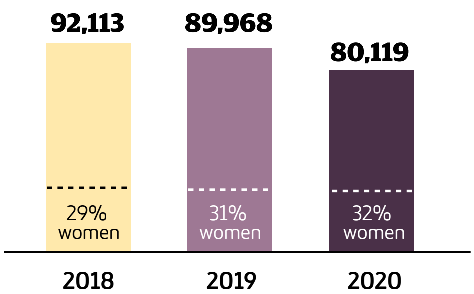
In addition, since 2010 the company has held the "Corporate Equality" distinction from the Ministry of Equality. This certificate of excellence is awarded in Spain to companies that promote equal opportunities by giving priority to merit and talent.

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.

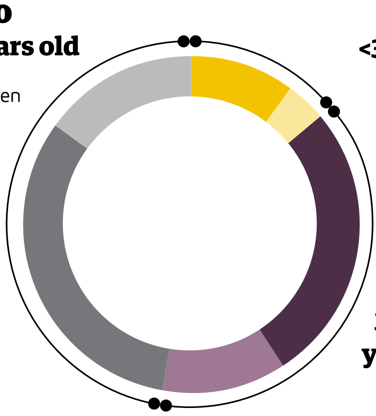
ENSURING WE HIRE THE BEST TALENT

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.

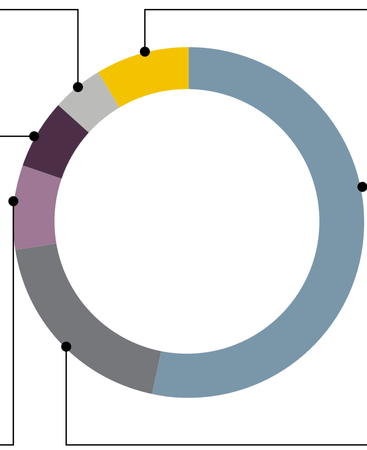
EVOLUTION



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.

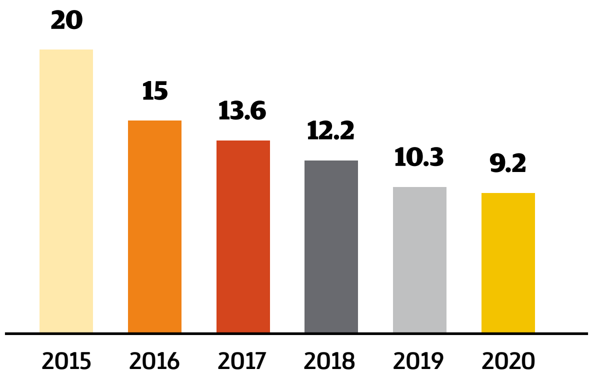
Ferrovial seeks to create an environment for constant learning, share knowledge, communicate effectively and obtain correct information, at the right time to take the best possible decisions. In 2020, a year in which the commitment of employees has been particularly important due to the pandemic, emphasis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

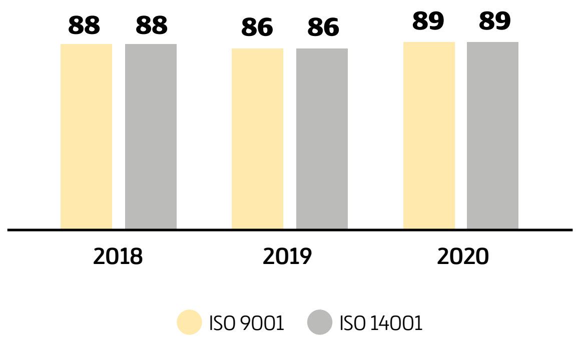
HEATHROW PASSENGER EXPERIENCE

4.24

out of 5

Heathrow Airport, London, United Kingdom

CERTIFIED ACTIVITY (%)

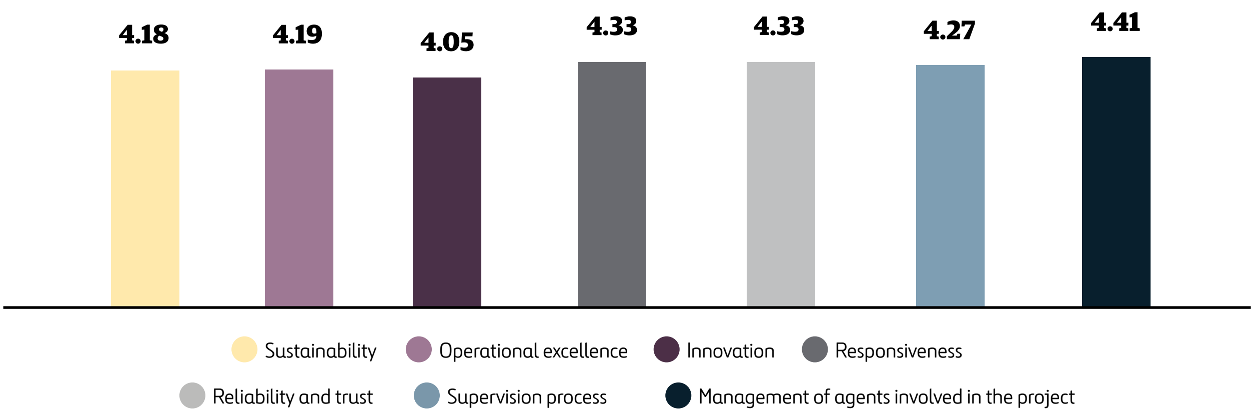


Ferrovial has been recognized by AENOR (Spanish Standards and Certification Association) as the first company to certify its Sustainability strategy with the Sustainable Development Goals (SDGs), promoted by the United Nations. This certification recognizes the company's actions in the area of climate 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.

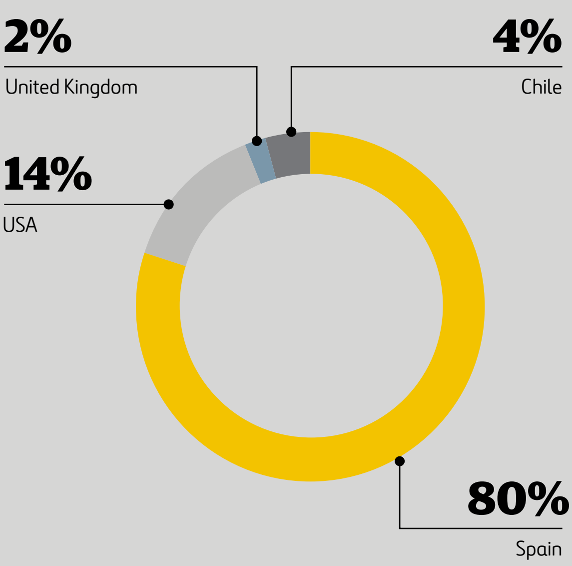
In this regard, the Ethics Channel Policy has also been revized, so that there is a protocol for processing all the complaints that may be received by any means regarding possible irregularities with responsibilities, deadlines and reporting obligations being established for the measures adopted. In 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.

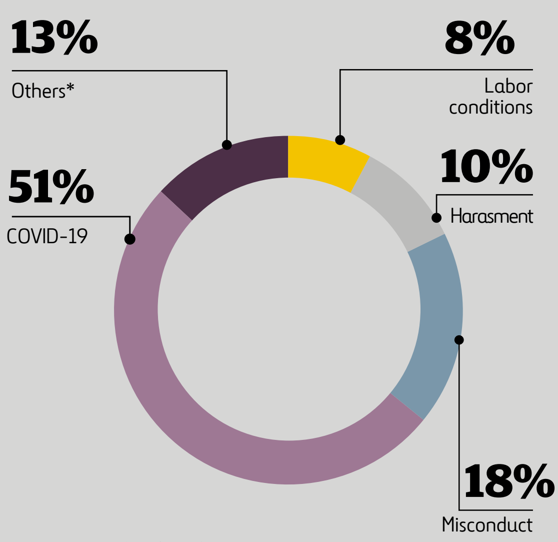
All communications give rise to an investigation by the case handler, ensuring confidentiality and freedom from retaliation of any kind. Since the last quarter of the year, the Compliance Department has been responsible for regularly providing a detailed report on the communications received and the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

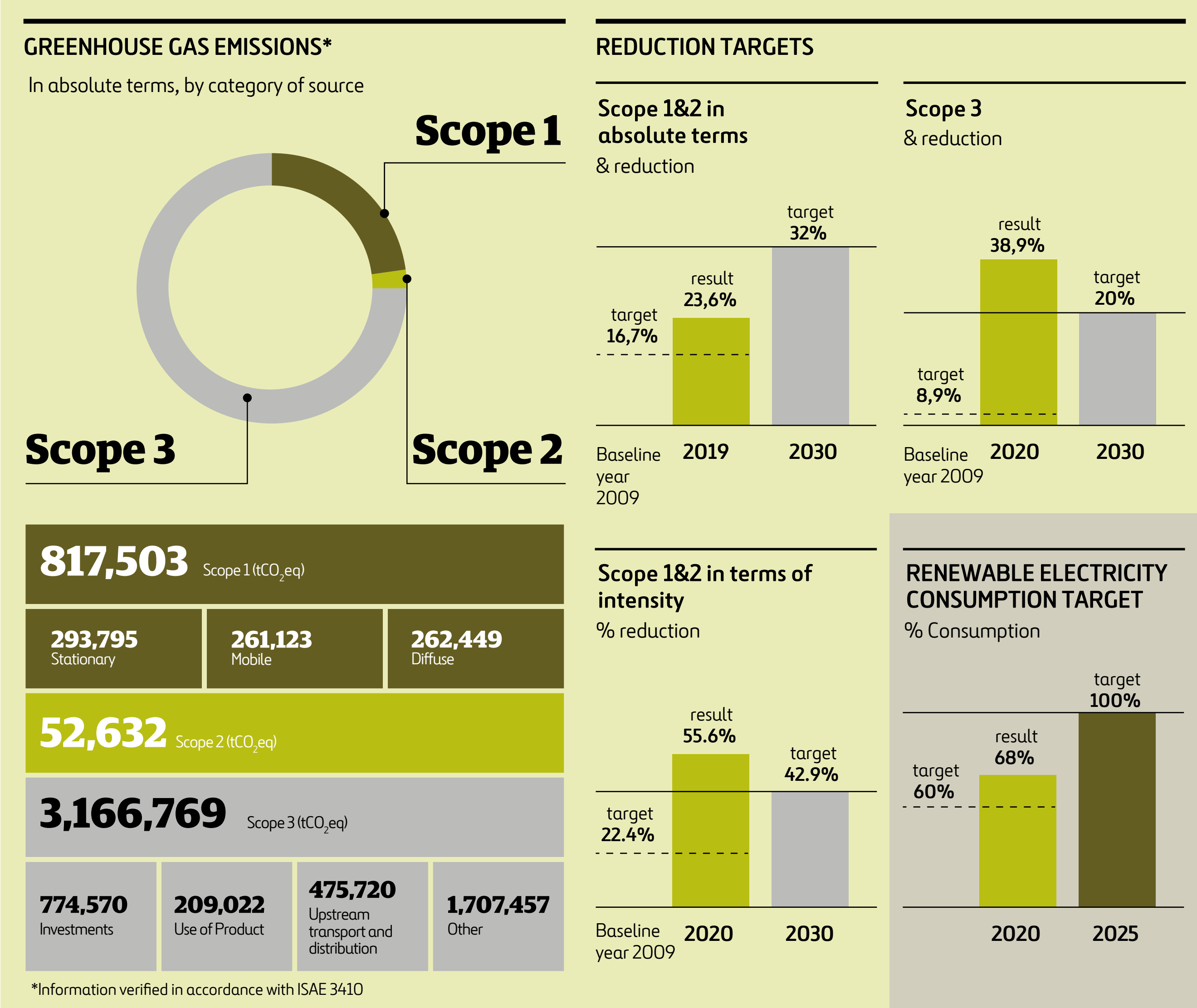
RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE

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.

SCIENCE BASED TARGETS

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



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.

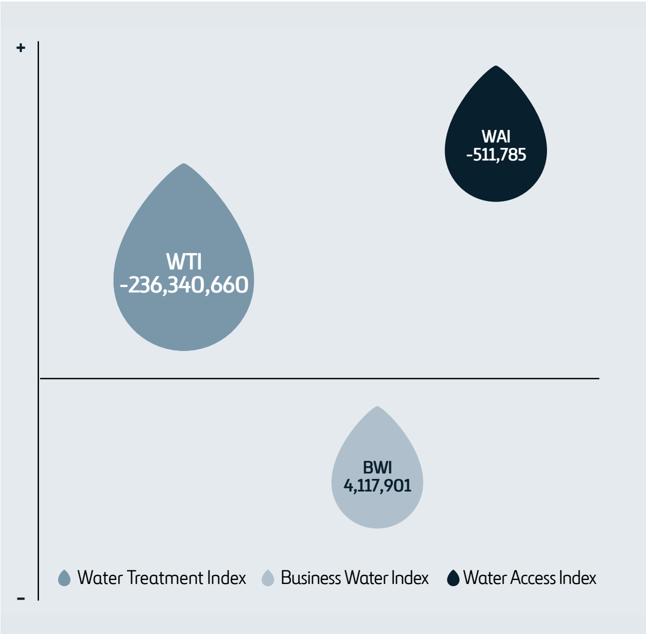
GLOBAL ROAD ACHIEVEMENT AWARD FOR THE TOOWOOMBA BYPASS :

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.

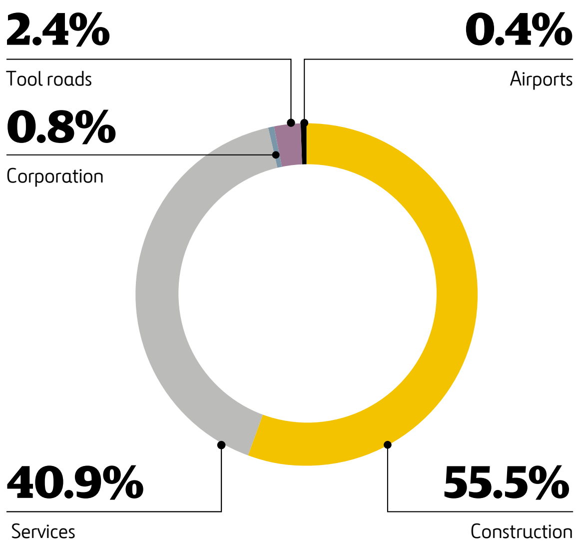
407 East Phase II Toll Road, Toronto, Canada. © José Manuel Ballester

SUPPLY CHAIN

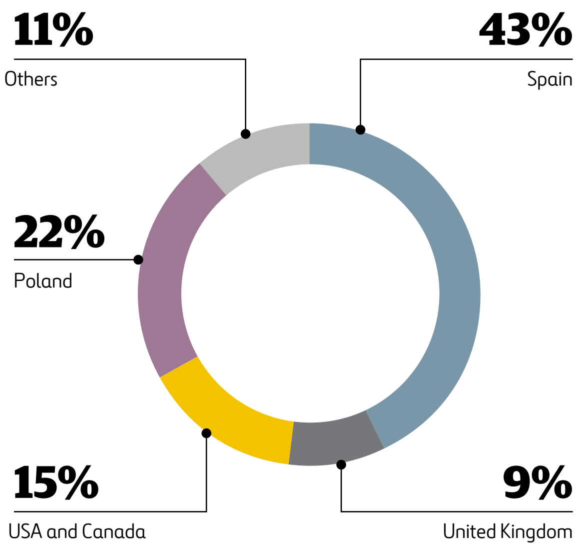
70,000 LINKS

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

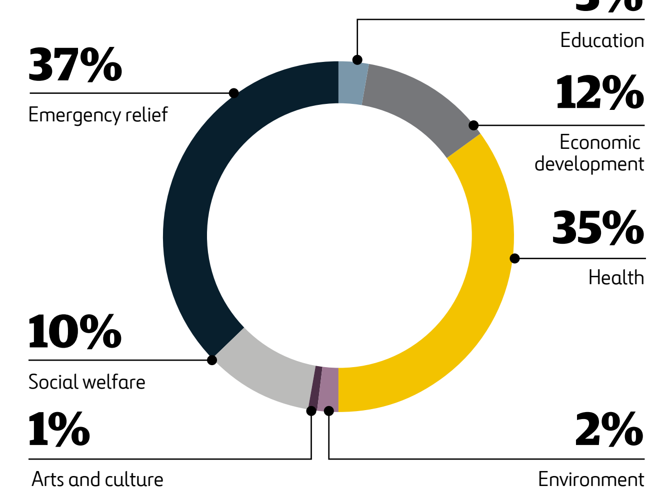
(4.9M€ in 2019)

NUMBER OF BENEFICIARIES OF WATER AND SANITATION PROJECTS

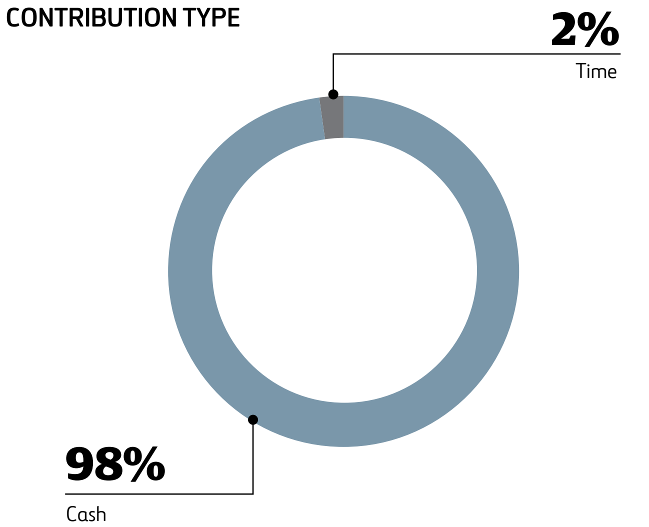
229,639

Thank you for collaborating with us

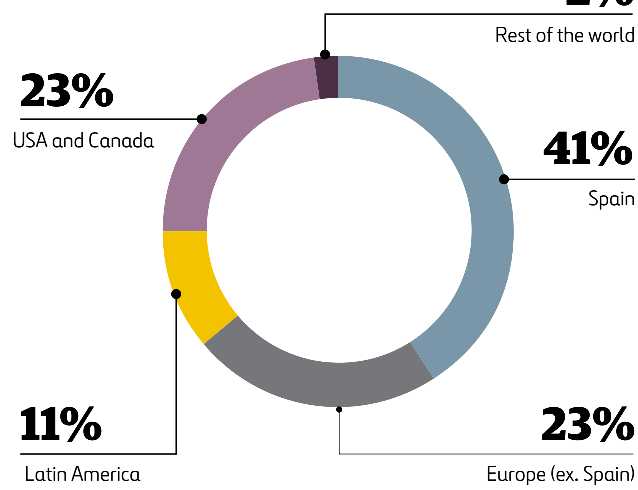
COMMUNITY INVESTMENT BY AREA OF ACTIVITY[1]



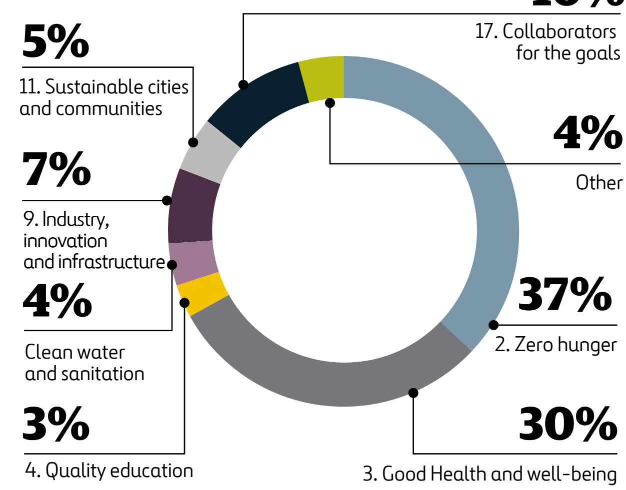
CONTRIBUTION TYPE



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.

IThe Policy of Compliance and Good Practices in Taxation is part of Ferrovial's Corporate Governance olicies 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


CPD Telefónica, Madrid, Spain.

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.)


Virgin
HSBC

1.5 RISKS

Risks

Heathrow Airport, London United Kingdom © José Manuel Ballester

RISKS

ANTICIPATING PROBLEMS

Effective risk management provides competitive advantages to meet the challenges of an evolving marketplace.

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

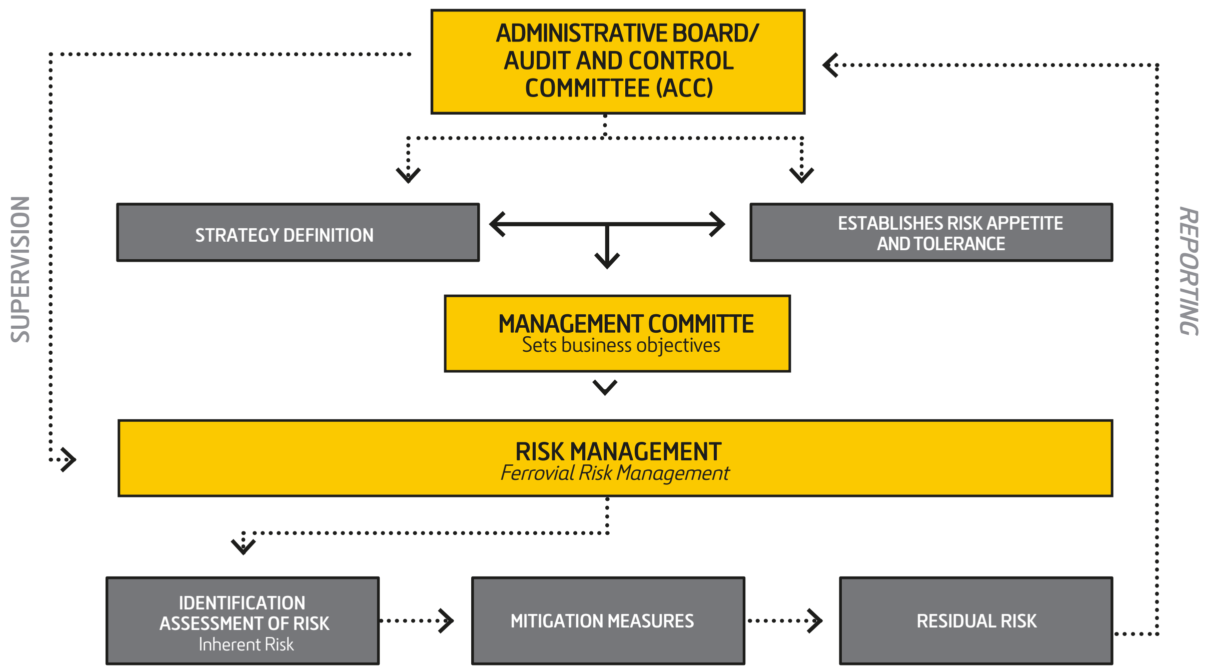
EFFECTIVE RISK MANAGEMENT. FERROVIAL RISK MANAGEMENT

In order to detect risks to attaining the business objectives sufficiently in advance, the company has a risk identification and assessment process called Ferrovial Risk Management (FRM), managed by the Compliance and Risk Department, promoted by the Management Committee and implemented in all the company's business areas, under the regular oversight of the Board of Directors' Audit and Control Committee.

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

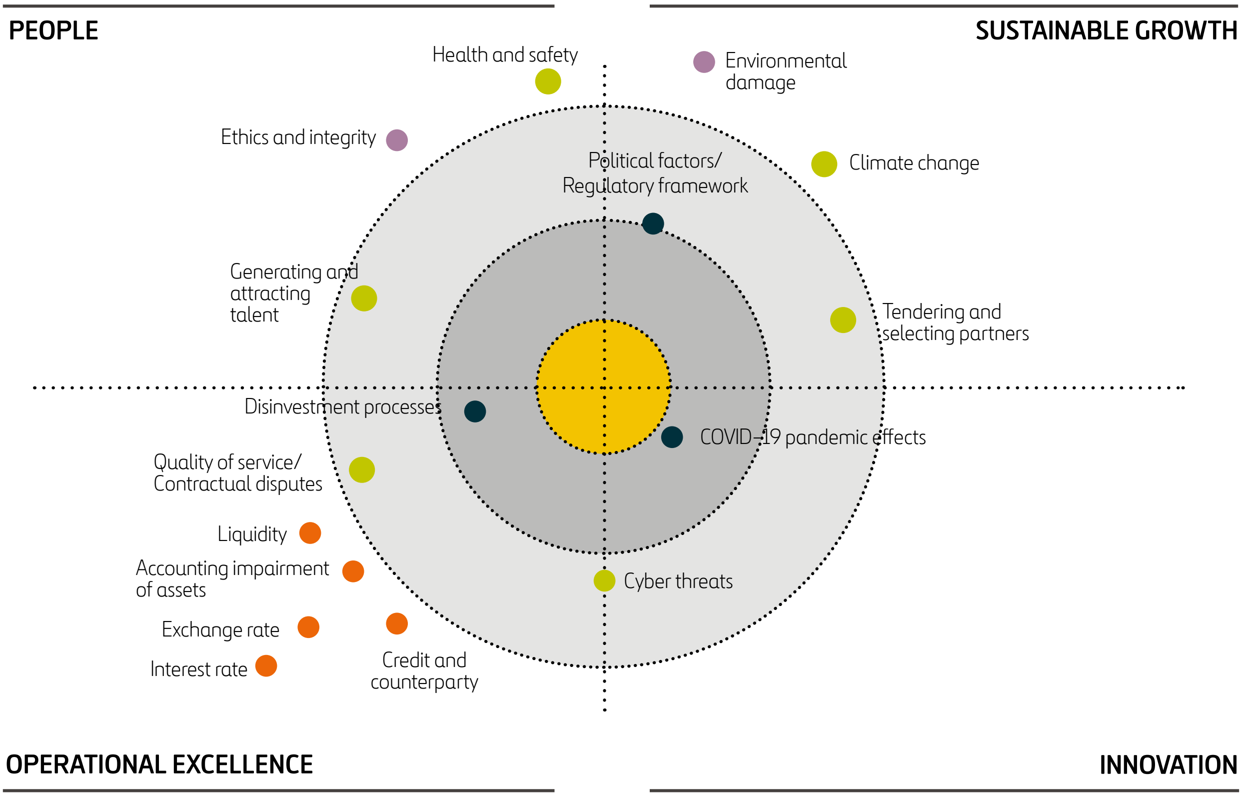
For each risk event identified, two assessments are carried out: one inherent, before the specific control measures put in place to mitigate the risk, and another residual, after implementing specific control measures.

FERROVIAL RISK MANAGEMENT



MAIN RISKS

The chart displays the most relevant risk events that threaten the Ferrovial corporate strategy being executed.



Strategic risks: related to the market and local influences on each business.

Financial risks: risks associated with changes to financial data, access to the financial markets, cash management, the reliability of financial information and tax-related risks.

Operational risks: risks associated with bidding processes, production, provision of service, generating income and incurring costs.

Compliance risks: risks linked to compliance with applicable law, commitments with third parties and self-imposed obligations deriving from the Code of Ethics.

Please note: Closer proximity to the center point of the diagram indicates greater relative severity. Risk events that threaten several strategic priorities have been placed in the quadrant with the highest relative impact.

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

RISK EVENT	DESCRIPTION	POTENTIAL IMPACT	CONTROL MEASURES
COVID-19 PANDEMIC EFFECTS (SEE COVID-19 SECTION, PAGE 42-43)	The mobility restrictive measures implemented by national and international authorities to deal with the serious effects of the pandemic on people's health (border closures, lockdowns, partial mobility limitations, etc.) have had an adverse effect on the global economy, contracting activity and reducing individual income, which has had a negative impact on margins and flows of the mobility-dependent infrastructure projects managed by Ferrovial (toll roads and airports). Uncertainty about the development and duration of the pandemic, as well as its effects on mobility habits in the medium and long term, and on the need to provide safe mobility, create an uncertain risk scenario for the fulfillment of Ferrovial's strategic objectives.	• Health and safety of employees. • Reductions in margins and flows in operating infrastructure projects. • Contractual breaches with third parties. • Reduction of business opportunities. • Standstills, delays or suspensions of tendering processes. • Liquidity strains. • Potential noncompliance with financial covenants. • Negative impact on asset valuation.	• Health and safety protection measures for employees, following the recommendations of the health authorities. • Creation of a specific committee to monitor the pandemic and its impact on employees. • Measures to preserve liquidity in the short/medium term. • Negotiation of financial waivers with creditors. • Opex and Capex optimization plans. • Use of temporary suspension of employment instruments. • Use of contractual guarantees and insurance coverage. • Constant monitoring of business plans, scenario analysis and risk anticipation.

RISK EVENT	DESCRIPTION	POTENTIAL IMPACT	CONTROL MEASURES
DISINVESTMENT PROCESSES	In December 2018, Ferrovial decided to start the process of selling the assets linked to its Services division. The process has been delayed in part by the effects of the COVID-19 pandemic on economic activity, putting at risk meeting sales targets and the value of assets.	• Delays in divestment. • Worsening of the financial situation of potential buyers and thus of sales opportunities. • Reduced expectations of value.	• Active search for sales opportunities. • Measures of asset value generation.
POLITICAL FACTORS/ REGULATORY FRAMEWORK	Some of Ferrovial's assets are subject to specific regulation of the activity. The increase in protectionist policies in some of the areas in which Ferrovial operates, together with the general situation of economic contraction, could lead to regulatory changes on permits and authorizations not being granted, which could have a negative impact on asset management and development plans, and on tendering new projects. In the case of Heathrow Airport, the negotiation of the next regulatory period, coupled with uncertainty over the airport's expansion, puts meeting business objectives at risk. Conversely, the start of the negotiation of the next regulatory period is an oppor tunity to improve the value of the asset.	• Compliance with asset development plans. • Reduction of tendering processes for projects in which Ferrovial has a competitive advantage (P3). • Impact on the project's cash flows and therefore on its liquidity in the short/medium term.	• Ongoing monitoring of regulatory and legislative processes that could affect activities. • Monitoring political movements in order to anticipate possible changes well in advance. • Active negotiation of new regulatory frameworks.
CYBER THREATS (SEE CYBERSECURITY SECTION, PAGE 98-99)	The infrastructures that Ferrovial operates are exposed to risks associated with the threat agents that exist in cyberspace (mafias, government agencies, hacktivists, insiders, etc.) that can compromise the security and normal operation of assets through various kinds of cyber-attacks. In December 2020, Amey, Ferrovial's British services subsidiary, was the victim of a ransomware cyberattack coming from hostile government agencies that also affected other large companies in the United Kingdom. The case required the activation of the containment, response, recovery and lessons learned protocols defined by the company, which made it possible to isolate the incident at Amey's local level, without affecting the rest of Ferrovial's businesses and activities.	• Degradation or impossibility of operation of the assets. • Loss or theft of know-how and/or intellectual and industrial property. • Economic loss due to the costs of recovering the activity. • Sanctions for regulatory and/or contractual breaches. • Damage to corporate reputation.	• Global Security Model, ISO 27001 certified, audited annually. • Periodic evaluation of security controls deployed in the organization. • Establishment of a Global Security Committee. • Insurance coverage for various kinds of cyber incidents.
PROJECTS TENDERING AND CHOICE OF PARTNERS	Ferrovial participates in highly competitive bidding processes for large infrastructure projects with long lead times to award. Success in these processes requires an adequate study of prices and deadlines, the availability of reliable suppliers, as well as the selection of suitable partners with sufficient technical and economic capacity. In this context, Ferrovial is exposed to the risk of committing errors in the study and choice of suitable partners and suppliers, with a potential impact on the profitability objectives set.	• Reduced margins in project implementation. • Breaches of contract with clients and imposition of penalties and sanctions. • Damage to corporate reputation.	• Investment approval procedure, whereby the most relevant risks for each project are assessed and weighted. • Implementation of a new tendering process that focuses on price analysis and the selection of suitable partners and suppliers. • Enhancing pre-award supplier agreements.
QUALITY OF SERVICE/ CONTRACTUAL DISPUTES (SEE QUALITY SECTION, PAGE 80-81)	Ferrovial's strategy is focused on technically complex projects and numerous risk factors, sometimes difficult to foresee, may arise while these are being undertaken. This may generate conflicts and disputes with third parties.	• Noncompliance with agreed quality standards. • Committed delivery deadlines. • Contractual disputes with third parties. • Damage to corporate reputation.	• Quality management systems by business (ISO 9001). • Indicators of quality levels in project implementation and service delivery. • Audit plan in place.
GENERATING AND ATTRACTING TALENT (SEE PEOPLE SECTION, PAGE 72-73)	The concentration of business opportunities in certain geographical areas in which Ferrovial operates increases competition and generates a strong demand for qualified professionals, making it difficult to attract, generate and retain the talent necessary to develop business plans.	• Loss of business opportunities due to lack of qualified staff. • Non-fulfillment of commitments with clients (deadline, quality, etc.)	• Plan for the identification and empowerment of talent in the organization. • Enhance the exploration of local markets. • Succession planning for key positions.

RISK EVENT	DESCRIPTION	POTENTIAL IMPACT	CONTROL MEASURES
HEALTH AND SAFETY (SEE HEALTH AND SAFETY SECTION, PAGE 74-75)	The nature of Ferrovial's activities exposes it to the risk of accidents that may cause damage to people and the company's operations. The current global pandemic context implies an additional risk to the health and safety of employees and the continuity of operations.	• Physical harm to employees and third parties. • Operational impacts of business interruption. • Civil/criminal liability. • Damage to corporate reputation.	• Implementation of health and safety systems (adapted with anti-COVID-19 measures) in accordance with the activities carried out and the characteristics of the workplaces. • Continuous health and safety training for employees. • Health and safety management systems audit plan. • Civil and professional liability cover.
CLIMATE CHANGE (SEE ENVIRON-MENT, PAGE 86)	Exposure to risks relating to climate change. First, extreme weather events that may affect infrastructure and, secondly, the economic effects (increased cost of raw materials) and technological changes resulting from regulatory changes aimed at reducing pollutant gases (increased taxes on fossil fuels, higher prices of fossil fuels, higher prices of fuels, prices of GHG emissions, new modes of transport with an impact on the business plan of the projects, etc.)	• Physical damage to infrastructure and disruption of operations. • Decreased productivity in extreme weather conditions. • Increase in coverage premiums. • Rising commodity prices, increased taxes on fossil fuels. • Payment for emissions produced or incorporation of activities within the emission allowance market.	• Process to identify and assess the risks arising from climate change in order to anticipate them sufficiently in advance to be able to implement remediation and adaptation measures in response to the new environment. • Control and monitoring tools.
ENVIRONMENTAL DAMAGE (SEE ENVIRONMENT, PAGE 86)	The nature of the activities carried out by Ferrovial is exposed to committing actions that may damage the environment and the natural surroundings in which they are carried out.	• Physical and structural damage to the environment in which the company operates. • Interruption of operations. • Civil and criminal liability of legal and natural persons. • Damage to corporate reputation.	• Certified environmental management system (ISO 14001), audited annually. • Insurance policy with sufficient cover and compensation limits to meet possible liability arising from environmental risks. • Digital media to ensure compliance with and awareness of all applicable technical legislation and regulations.
ETHICS AND INTEGRITY (SEE INTEGRITY, PAGE 82-83)	Ferrovial's activities are exposed to employees committing acts, with or without the help of third parties, which may involve a breach of the required principles of integrity, transparency and respect for legality and human rights.	• Criminal liability of legal and natural persons. • Reduced business opportunities due to noncompliance with ethical requirements. • Damage to corporate reputation.	• Compliance Program aimed at preventing unethical and unsound acts. • Certified anti-bribery and criminal prevention system (UNE-ISO 19601 and ISO 37001). • Training plan to combat crime and in particular corruption.
FINANCIAL RISKS	Risks associated with changes to financial and counterparty data, access to the financial markets, cash management, the reliability of financial information and tax-related risks. Financial risks and their treatment are detailed in the note 5.4 of the annual financial statements.	• Loss of opportunities due to reduced capacity to finance projects. • Reduced net margins.	• Assessment and management of the risk exposure of the main financial variables: liquidity, counterparty, interest rate, exchange rate and share price. The analysis makes a distinction between the policies applied in infrastructure project companies and the rest of companies, in those cases where such a difference is relevant.

In addition, Ferrovial assesses and monitors the performance of e**merging risks** that could have a significant long-term impact on the business, mainly those with a potentially significant impact on the mobility patterns of individuals, on raising finance in the capital markets, on the development of transport infrastructure and on the physical and digital security of processes. These risks include sustainable financing linked to nonfinancial or ESG criteria (environmental, social and governance) due to their impact on the availability of resources to finance projects and their profitability, as well as the risks associated with the transition to a low-carbon economy and the potential impact of extreme weather conditions on the management of the company's assets.

To mitigate these emerging risks, the company has developed a new Strategic Sustainability Plan, with environmental and social objectives, and is undertaking an analysis to categorize its activities to identify those that contribute substantially to sustainable growth and a climate-neutral economy.

Finally, it should be noted that increased global trade tension and the protectionist measures being implemented are having a negative impact on global trade, capital markets and the regulatory environment. In this context of socio-economic uncertainty, the relevance of some risks that are currently considered unlikely may increase.

LBJ Express Toll Road, Texas, United States. © José Manuel Ballester

1.6 CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

DIVERSITY AND INDEPENDENCE

Ferrovial's corporate governance seeks to guarantee integrity, which is construed as diligent, transparent and responsible conduct with its shareholders, employees, clients and the various agents involved in the company's activities. Integrity is key to ensuring profitable business and long-term sustainability in line with the company's strategy while strengthening the trust that shareholders and the different stakeholders have in the company.

In compliance with commercial law, the Annual Corporate Governance Report (ACGR) forms part of this Management Report. It was drawn up by the Board of Directors and has been filed with the Spanish National Securities Market Commission (CNMV). The ACGR details all corporate governance aspects at Ferrovial and is available at www.ferrovial.com.

As explained in the ACGR, Ferrovial is fully or partially compliant with a majority of the recommendations set out in the Good Governance Code of Listed Companies (57 out of the 59 recommendations that apply to it). The company regularly analyzes the best practices and regulations of good governance in the national and international scope to assess their application and incorporation to its internal regulations. In this regard, the Board of Directors and the Audit and Control Committee have been informed of the changes made in June 2020 to the Code of Good Governance, and of the main terms of the draft law amending Spanish legislation to incorporate the directive to promote long-term shareholder engagement.

In corporate governance, the Board agreed to the following:

- Amend its Regulations to incorporate several of the amended good governance recommendations into the internal regulations.
- A new policy for reporting corporate, financial and nonfinancial information, and for communicating with and contacting shareholders and institutional investor.
- Amend the Board of Directors' Selection Policy.
- Amend the Internal Rules of Conduct in the Securities Markets, in order to reflect the latest changes made to the Spanish Securities Market Law and to adapt the treasury stock policy.

GOVERNMENT BODIES

The ACGR details how the group's management bodies and the decision-making process work, with emphasis on the roles of the Annual General Meetings and Board of Directors as the company's most senior management bodies.

General Shareholders' Meeting

In accordance with the Company Bylaws, this is the supreme decision-making body of the company and has the power to decide on all matters attributed to it by law or the Company's Bylaws.

The General Shareholders' Meeting was held on April 17, 2020 on second call. Due to the declaration of a state of emergency on March 14, 2020, caused by the health crisis resulting from the spread of COVID-19 in Spain, the Board of Directors agreed, in accordance with current legislation, to hold the Annual General Meeting exclusively online. It also agreed to extend the means available to shareholders to exercise their rights to participate remotely, as detailed in the published complementary announcement to the call of the Meeting.

Board of Directors

The Board performs its duties with unity of purpose and independent judgment. It treats all shareholders in the same position equally, and works in the social interest, with the same understood to mean securing a profitable business that is sustainable in the long term, supporting its continuity and seeking optimal economic value for the company.

It comprises 12 members, facilitating an efficient and participative operation. Re-elections take place every three years, compared to the maximum of four prescribed by the company's regulations. This enables shareholders to validate their management more frequently.

In 2020, the Board held a total of eight meetings, with an average duration of 6 hours and 15 minutes per meeting. All directors attended all eight meetings in person. In addition, the Board of Directors adopted resolutions in writing and without a meeting on February 11, March 30, June 7 and October 29, 2020.

The Board evaluates the quality and efficiency of its operation and that of its committees on an annual basis. For the sixth consec-

EXTERNAL BOARD ASSESSMENT

6
consecutive years

VOTING RIGHTS ASSIGNED TO THE BOARD OF DIRECTORS

31.04%

LEAD DIRECTOR

1

INDEPENDENTS

58.33%
of the Directors (seven out of a total of twelve members)

RE-ELECTION OF BOARD MEMBERS

3
years

utive year, it has been assisted by a renowned external consultant, as detailed in the ACGR, which also reports on the consultant's relations with Ferrovial. As a result of the evaluation exercise, the Board agreed, among other issues, to continue to strengthen its work on the long-term strategy and to advance the Group's digital transformation.

BUSINESS DISCUSSED BY THE BOARD OF DIRECTORS

Every year, at the proposal of its Chairman, the Board of Directors draws up a calendar and an agenda for each of the meetings scheduled for the following year, taking into consideration the suggestions raised by directors and the recommendations of the company's external consultant who collaborated on the Board assessment process. Naturally the Board may also address any other unforeseen matters that require its attention during the year. The main matters addressed in 2020 are as follows (in addition to those mentioned above about corporate governance):

- Periodic financial reporting.
- Group cash position.
- Internal financial reporting system.
- General Shareholders' Meeting (notice of meeting, proposal of agreements and reports).
- Reports by business divisions and corporate areas.
- Annual budget and amendments to the budget for the current year.
- Health and safety (reviewed at each Board meeting due to the importance of this subject to the company).
- Fiscal and tax policies followed by the company during the year.
- Strategy.
- Guarantees given by the Group's parent companies.
- Compliance model.
- Technology and Innovation.
- Cybersecurity.
- Sustainability.
- Analysis of the shareholding structure and investor and analyst perception of Ferrovial.
- Composition of the Board and Senior Management.
- Ferrovial Flexible Dividend Program.
- Implementation of the share buy-back program aimed at reducing the share capital.
- Annual assessment of the Board and its Committees.
- Remuneration of Directors.
- Monitoring the impact of the health crisis resulting from the spread of COVID-19.

Executive Committee

This committee has all delegated powers of the Board of Directors, except those that cannot be legally or statutorily delegated. It comprises six members, four of whom are External Directors, being three of them Independent. Among other functions, it has followed up on the Group's financial reporting, to the performance of the main business indicators, to the impact of COVID-19 on the businesses, as well as the situation of the most relevant matters. Moreover, it approved the operations within its competence as a delegated body of the Board of Directors.

Audit and Control Committee

It comprises four External Directors, three of whom are Independent, including its Chairman, who have been appointed on the basis of their knowledge and experience in accounting, auditing and financial and nonfinancial risk management. Between them, they possess the required technical knowledge and expertise in relation to the sector in which the company operates.

The main duties, other than those attributed by law, are described below, representing the adoption of recommendations from the Good Governance Code for Listed Companies:

- Overseeing and assessing the preparation process and the integrity of financial and nonfinancial reporting, and ensuring that the financial statements that the Board submits to the General Meeting are prepared in line with accounting regulations.
- Being informed of the structural and corporate change operations planned by the company, previously reported to the Board of Directors, on its economic conditions and accounting impact, particularly, if applicable, on the proposed exchange ratio.
- Ensuring that the company and the accounts auditor adhere to rules governing the provision of services other than auditing, limits on the concentration of auditor services and other general regulations concerning the independence of account auditors.
- Ensuring that the remuneration of the auditor of accounts does not compromise quality or independence.
- Receiving regular information on activities from the Internal Audit Department and ensuring their independence. Approving the guidance and its annual work plan, ensuring that its activity is primarily focused on relevant risks (including reputational), being informed of its implementation, including incidents and limitations to its scope, as well as the results and follow-up of its recommendations.
- Establishing and overseeing a system that allows employees and other persons related to the Company (directors, shareholders,

suppliers, contractors) to confidentially and anonymously report any irregularities of potential importance, including financial, accounting or any other type, that are detected within Ferrovial.
- Overseeing and assessing Ferrovial's financial and nonfinancial risk control and management systems, including operational, technological, legal, social, environmental, political, reputational and corruption-related risks.
- Supervising compliance with internal corporate governance and conduct standards on securities markets, and proposing improvements, ensuring that the corporate culture is aligned with its purpose and values.
- Periodically assessing the effectiveness of the compliance program and the update proposals that the Compliance Directorate submits to the Board for continuous improvement, and ensuring that the Compliance Directorate has the resources and training to perform its functions.
- Ensuring that established internal control policies and systems are effectively implemented in practice.

The Committee held five meetings during 2020, all of which were attended by all its members. The activities performed by the Committee during the year are described in the report regarding its operation, available on the Ferrovial website. The Audit and Control Committee takes into account the recommendations of the CNMV Technical Guide on Audit Committees for Public-Interest Entities in its activity and operation.

Appointments and Remuneration Committee

The Committee comprises four Executive Directors, three of whom are Independent, including the Chairman. All have been appointed taking into account the knowledge, aptitude and experience needed to perform the Committee's functions.

Their main duties resulting from the adoption of the recommendations contained in the Good Governance Code of Listed Companies are described below, without prejudice to any others prescribed by law:

- Proposing basic terms for senior management contracts.
- Ensuring that all nonexecutive directors have sufficient time to duly perform their duties.
- Ensuring compliance with the remuneration policy established by the company.
- Verifying information on remuneration for directors and senior management contained in the various corporate documents, including the Annual Board of Directors' Remuneration Report.
- Ensuring that any conflicts of interest do not impair the independence of the advice provided to the committee.
- Reporting on the appointment of the members that are to sit on the committees, in view of the knowledge, skills and experience of directors and the duties of each committee.

The Committee held six meetings during 2020, all of which were attended by all its members, except for one meeting at which one of the members did not attend. The activities performed by the Committee during the year are described in the report regarding its operation, available on the Ferrovial website. Detailed information on the Committee's activities in the area of remuneration is also available in the Annual Report on Directors' Remuneration, available at www.ferrovial.com. The Appointments and Remuneration Committee takes into account the recommendations of the CNMV Technical Guide on Audit Committees for Public-Interest Entities in its activity and operation.

DETAIL OF ATTENDANCE TO THE BOARD OF DIRECTORS AND COMMITTEES

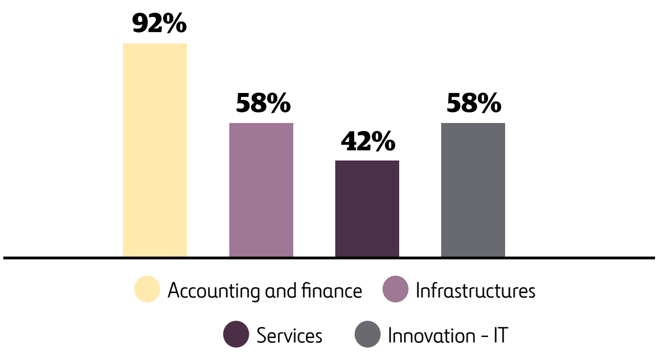
	BOARD OF DIRECTORS	EXECUTIVE COMMITTEE	AUDIT AND CONTROL COMMITTEE	APPOINTMENTS AND REMUNERATION COMMITTEE
NUMBER OF MEETINGS IN 2020	8	6	5	6
RAFAEL DEL PINO Y CALVO-SOTELO	8/8	6/6		
ÓSCAR FANJUL MARTÍN	8/8	6/6	5/5	
IGNACIO MADRIDEJOS FERNÁNDEZ	8/8	6/6		
MARÍA DEL PINO Y CALVO-SOTELO	8/8	6/6		
SANTIAGO FERNÁNDEZ VALBUENA	8/8		5/5	6/6
JOSÉ FERNANDO SÁNCHEZ-JUNCO MANS	8/8	6/6		6/6
JOAQUÍN DEL PINO Y CALVO-SOTELO	8/8			
PHILIP BOWMAN	8/8		5/5	
HANNE BIRGITTE BREINBJERG SØRENSEN	8/8			5/6
BRUNO DI LEO	8/8			6/6
JUAN HOYOS MARTÍNEZ DE IRUJO	8/8	6/6		
GONZALO URQUIJO FERNÁNDEZ DE ARAOZ	8/8		5/5	

		RAFAEL DEL PINO	ÓSCAR FANJUL	IGNACIO MADRIDEJOS	MARÍA DEL PINO	SANTIAGO FERNÁNDEZ VALBUENA	JOSÉ FERNANDO SÁNCHEZ-JUNCO	JOAQUÍN DEL PINO	PHILIP BOWMAN	HANNE SØRENSEN	BRUNO DI LEO	JUAN HOYOS (Lead Director)	GONZALO URQUIJO
	CARGO	Chair-man	VP	CEO	Member	Member	Member	Member	Member	Member	Member	Member	Member
Board of Directors	Executive Director	✓		✓									
	Proprietary	✓			✓			✓					
	Independent		✓				✓		✓	✓	✓	✓	✓
	Other external					✓							
Committees	Executive Committee	✓C	✓	✓	✓		✓					✓	
	Audit and Control Committee		✓C			✓			✓				✓
	Appointments and Remuneration Committee					✓	✓C			✓	✓		
Shareholding	% direct and indirect capital	20.265	0.005	0.009	8.143	0.003	0.024	2.55	0.003	0.000	0.000	0.000	0.000
Other data	Date of first appointment	1/9/1992	7/31/2015	9/30/2019	9/29/2006	5/30/2008	12/3/2009	10/29/2015	7/29/2016	4/5/2017	9/25/2018	10/2/2019	12/19/2019
	Nationality	SPANISH	SPANISH	SPANISH	SPANISH	SPANISH	SPANISH	SPANISH	AUSTRALIAN	DANISH	PERUVIAN	SPANISH	SPANISH
	Positions as directors at other listed companies*	0	2	0	0	1	0	0	2	4	1	0	1
	Age	62	71	55	64	62	73	59	68	55	63	68	59

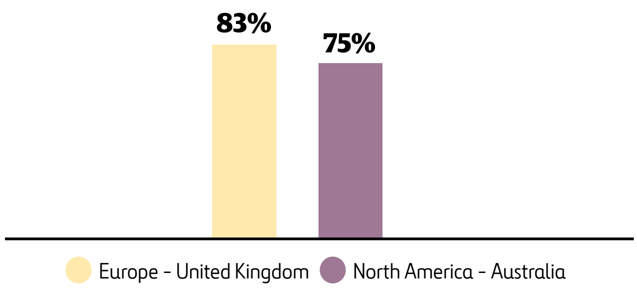
C: Chairman of the Executive Committee, Chairman of the Audit and Control Committee and Chairman of the Appointments and Remuneration Committee.
Information updated in February 2021.

TRAINING AND EXPERIENCE OF BOARD MEMBERS

PROFESSIONAL



INTERNATIONAL

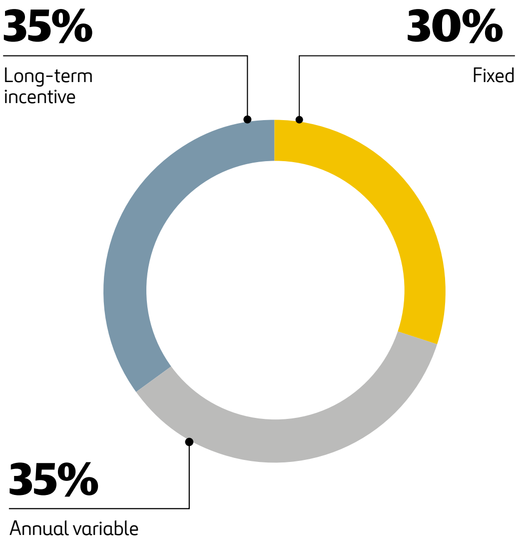


REMUNERATION

VALUE CREATION

Remuneration of Ferrovial's Board of Directors is established on the basis of the best practices in the marketplace and backed by studies on remuneration conducted by external consultants, internal rules and regulations, and pertinent legislation in force.

STRUCTURE OF THE REMUNERATION OF THE CHAIRMAN



CHAIRMAN'S ANNUAL VARIABLE REMUNERATION

TARGET ANNUAL VARIABLE REMUNERATION

125%

of fixed remuneration

MAXIMUM ANNUAL VARIABLE REMUNERATION

190%

of fixed remuneration

CEO'S ANNUAL VARIABLE REMUNERATION

TARGET ANNUAL VARIABLE REMUNERATION

100%

of fixed remuneration

MAXIMUM ANNUAL VARIABLE REMUNERATION

150%

of fixed remuneration

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

- Creating long-term value by aligning remuneration systems with the Strategic Plan.
- Attracting and retaining the finest professionals.
- External competitiveness in the setting of remuneration.
- Periodic involvement in plans linked to this activity and connected with achieving certain profitability metrics.
- Objective compliance pursuant to the Risk Management Policy.
- Maintenance of a reasonable balance between the different fixed remuneration components (short term) and variable components (annual and long term).
- Transparency.

EXECUTIVE DIRECTORS' REMUNERATION (THOUSAND €)*	FIXED	VARIA-BLE	SHARES PLAN	OTHER (1)	TOTAL 2020	TOTAL 2019
Rafael del Pino y Calvo- Sotelo	1,405	1,620	1,602	8	4,635	4,168
Ignacio Madridejos Fernández (2)	937	810	0	4	1,751	1,100
TOTAL	**2,342**	**2,430**	**1,602**	**12**	**6,386**	**5,268**

* Remuneration for their status as Executive Directors.
(1) Life insurance premiums.
(2) During 2020, the amount of 8 thousand € has been imputed to Mr. Ignacio Madridejos as remuneration in kind corresponding to a company car.

Fixed components

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

Variable components

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

a) Annual variable remuneration 2020

It is linked to individual performance and the attainment of specific economic-financial, industrial and operational targets, which are pre-established, quantifiable and coherent with the social interest, and contemplated in the Strategic Plans. They could be quantitative or qualitative targets.

The target amount of the annual variable remuneration for Executive Directors, i.e., the remuneration corresponding to a standard level of achievement insofar as objectives is equivalent to 125% of the fixed remuneration for the Chairman. The quantitative targets have an associated scale for compensating overachieved targets up to a certain limit, hence the annual variable remuneration has a ceiling of 190% on the fixed remuneration.

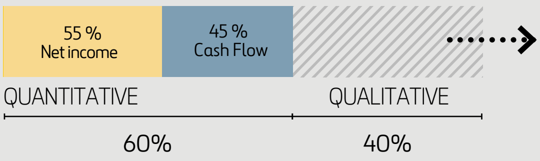
For the Chief Executive Officer, Mr. Ignacio Madridejos, a target variable remuneration has been set equivalent to 100% of the fixed remuneration and an overachievement of objectives up to a limit of 150% of the fixed remuneration.Quantitative targets comprise metrics to guarantee a suitable balance between financial and operational aspects relating to the management of the company. Qualitative targets are pegged to an assessment of the individual performance of Executive Directors.

EXCEPTIONAL MEASURES DUE TO COVID-19

The Board of Directors resolved to reduce by 20%, from April 7 until July 31, 2020, both the fixed compensation of the Executive Chairman and Chief Executive Officer for the performance of their executive duties, as well as the fixed and supplementary assignment provided for in the compensation system for all Directors in their capacity as such.

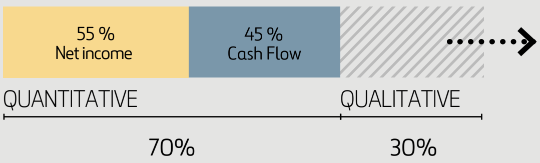
COMPONENTS OF THE VARIABLE REMUNERATION

CHAIRMAN



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

CEO



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

b) Current long-term incentive plans

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

They are structured on overlapping multiyear cycles (currently at 3 years) with yearly unit assignments, which are converted into shares at the end of the cycle (currently 3 years). For the valid plan (2020 – 2022), they are determined with the relative weighting of the metrics in the attached table:

SHARE PERFORMANCE PLAN 2020-2022 (ALLOCATION 2020)		% PAYOUT
ACTIVITY CASH FLOW (50%) [1]		
Maximum	≥977 M€	50%
Minimum	≤663 M€	0%
TOTAL STOCKHOLDER RETURN COMPARED TO A GROUP OF COMPANIES (50%)		
Maximum	Positions 1 to 3	50%
Minimum	Positions 10 to 18	0%

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

NON-EXECUTIVE DIRECTORS' REMUNERATION

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

Ferrovial's internal regulations states that remuneration for External Directors will be determined so as to adequately compensate for the responsibility and dedication required by the position without compromising their independence.

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

SENIOR MANAGEMENT REMUNERATION

SENIOR MANAGEMENT REMUNERATION (THOUSANDS OF €)	2020	2019
Fixed remuneration	5,317	4,714
Variable remuneration	3,657	3,202
Share Plan linked to objectives	4,528	3,090
Other [1]	47	53
Other [2]	2,291	0
TOTAL	15,840	11,059

(1) Life insurance premiums / Boards in other subsidiaries.
(2) Separation of two members of the Management Committee (figure subject to income tax) and an incorporation bonus.

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

BOARD OF DIRECTORS

RAFAEL DEL PINO
Executive and Proprietary Director

• Civil Engineer (Polytechnic University of Madrid, 1981); MBA (Sloan School of Management, MIT, 1986).
• Chairman of Ferrovial since 2000 and CEO since 1992. Chairman of Cintra from 1998 to 2009.
• Member of the MIT Energy Initiative's External Advisory Board and the MIT Sloan European Advisory Board. He also is a member of the IESE's International Advisory Board and the Royal Academy of Engineering of Spain.
•He has been Director of Zurich Insurance Group, Banesto and Uralita.
Other information
Mr. Rafael del Pino has a controlling interest in the shareholder Rijn Capital B.V.

ÓSCAR FANJUL
Vicepresident
External Independent Director

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

IGNACIO MADRIDEJOS
CEO
Executive Director

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

Directors

MARÍA DEL PINO
External Proprietary Director

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

SANTIAGO FERNÁNDEZ VALBUENA
Other External

• Degree in Economics (Universidad Complutense de Madrid); PhD and Master's Degree in Economics (Northeastern University, Boston).
• Director of Ferrovial since 2008.
• Non-Executive Chairman of the Board of Directors of AEDAS Homes, S.A.; Non-Executive Vice-Chairman of EBN Banco de Negocios and Director of Mapfre Brasil and Mapfre Internacional.
• Former Chairman of Telefónica Latinoamérica; Director and Chief Strategy, Finance and Corporate Development Officer at Telefónica; Managing Director of Société Générale Valores and Head of Equities at Beta Capital; Professor of Applied Economics at the Universidad Complutense and Professor at IE Business School.

01/ Rafael del Pino – **02/** Ignacio Madridejos – **03/** María del Pino – **04/** Santiago Fernández Valbuena – **05/** José Fernando Sánchez-Junco – **06/** Joaquín del Pino – **07/** Óscar Fanjul – **08/** Philip Bowman – **09/** Hanne Sørensen – **10/** Bruno Di Leo – **11/** Juan Hoyos – **12/**Gonzalo Urquijo

JOSÉ FERNANDO SÁNCHEZ-JUNCO
External Independent Director

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

JOAQUÍN DEL PINO
External Proprietary Director

• Degree in Economics and Business Administration; MBA (IESE).
• Director of Ferrovial since 2015 (and has represented the Director Karlovy, S.L. since 2010, reelected in 2013).
• Legal representative of Soziancor, S.L.U., that holds the positions of rotating Chairman / Vice-Chairman of the Board of Directors of Casa Grande de Cartagena, S.A.U. and Chairman of the Board of Directors of Pactio Gestión, SGIIC, S.A.U.; Trustee of the Rafael del Pino Foundation.
• Former Director of Banco Pastor and former Trustee of the Plan España Foundation.
Other information
Mr. Joaquín del Pino is the sole shareholder and sole director of the shareholder Soziancor, S.L.U..

PHILIP BOWMAN
External Independent Director

• Degree with honors in Natural Science (University of Cambridge); Master in Natural Science (University of Cambridge); Fellow of the Institute of Chartered Accountants in England & Wales.
• Director of Ferrovial since 2016.
• Non-Executive Chairman of Tegel Group Holdings Limited, Sky Network Television Limited and Majid Al Futtaim Properties; Non-Executive Director of its parent company, Majid Al Futtaim Holding LLC and related company Majid al Futtaim Capital LLC; and Non-Executive Director of Kathmandu Holdings Limited and of Better Capital PCC.
• Former Chairman of Potrero Distilling Holdings, Coral Eurobet and Liberty; Non-Executive Chairman of The Munroe Group (UK); CEO of Smiths Group, Scottish Power and Allied Domecq; and Director of Burberry Group, Berry Bros. & Rudd, Scottish & Newcastle Group, Bass, British Sky Broadcasting Group and Coles Myer.

HANNE SØRENSEN
External Independent Director

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

BRUNO DI LEO
External Independent Director

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

JUAN HOYOS
External Independent Director / Lead Director

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

GONZALO URQUIJO
External Independent Director

• Degree in Economic and Political Sciences (Yale University); MBA (Instituto de Empresa, Madrid).
• Director of Ferrovial since 2019.
• Executive Chairman of Abengoa-Abenewco; Director of Gestamp; Chairman of the Hesperia Foundation; member of the Board of Trustees of the Princess of Asturias Foundation.
• Former Chairman of ArcelorMittal Spain; member of the General Management of ArcelorMittal and head of the sectors of Long Products, Stainless Steel, Tubes, Emerging Markets; CFO and head of the Distribution sector of Arcelor; CFO of Aceralia Corporación Siderúrgica. He previously worked at Citibank and Crédit Agricole. He was also Chairman of the ArcelorMittal Foundation and of UNESID (the Spanish union of steel companies); Director of Aceralia, Atlantica Yield, Aperam, Vocento and other listed companies.

Secretary

SANTIAGO ORTIZ VAAMONDE
Secretario no Consejero

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

MANAGEMENT COMMITTEE

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01 / IGNACIO MADRIDEJOS
CHIEF EXECUTIVE OFFICER

Civil Engineer (ICCP) from the Polytechnical University of Madrid and MBA from Stanford Business School. He has professional experience in the United States, Europe, Latin America, and Africa. From 1990 to 1992, he was Site Manager at Ferrovial Construction and between 1993 and 1996, he worked as a consultant for McKinsey in Spain and Argentina. In 1996, he joined CEMEX, where he held the positions of CEO for Egypt (1999) and Spain (2003), Global Manager of Energy, Security, and Sustainability (2011), and President for Northern Europe (2008) and for the United States (2015). He has also held positions as President of Oficemen and President of CEMBUREAU (European Cement Association).

02 / ALEJANDRO DE LA JOYA
CHIEF EXECUTIVE OFFICER OF CINTRA

Civil Engineer (ICCP) and AMP from Harvard Business School. He joined the company in 1991, and he has built his professional career in Spain, Morocco, Italy, Portugal, and Poland (Budimex). He held the position of International Construction Manager from 2005 to 2008, when he was named Chief Executive Officer at Ferrovial Construction. In November 2018, he was chosen to be the Chief Executive Officer at Cintra.

03 / CARLOS CEREZO
CHIEF HUMAN RESOURCES OFFICER

He has a degree in Philosophy from Complutense University of Madrid, Master in Human Resources from CEU and Executive MBA from the Instituto de Empresa. He joined Ferrovial in 2006 and since 2015, he has held the position of Human Resources and Communications Director of Ferrovial Services. Previously, he was the Human Resources Development Director and the HR Director of the Corporate Area. In 2020, he was appointed Chief Human Resources Officer. Prior to joining the company, he held various positions of responsibility in the field of consulting at IBM and PWC.

04 / DIMITRIS BOUNTOLOS
CHIEF INFORMATION OFFICER AND INNOVATION OFFICER (CIIO)

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

05 / ERNESTO LÓPEZ MOZO
CHIEF FINANCIAL OFFICER (CFO)

He is a Civil Engineer (Polytechnical University of Madrid) and holds an MBA from The Wharton School of The University of Pennsylvania. In October 2009 he was appointed Chief Financial Officer of Ferrovial. Previously, he held various management positions at Telefonica Group, JP Morgan and Banco Santander. He worked in Civil Engineering before obtaining the MBA degree. Member of the IFRS Advisory Council (2013- 2015). Since 2017, he has been Chairman of the Audit and Control Committee and member of the Board of Directors of Aegon España, S.A

06 / FIDEL LÓPEZ SORIA
CHIEF EXECUTIVE OFFICER OF FERROVIAL SERVICES

He is a Mining Engineer from the Polytechnic University of Madrid and the École Nationale Superieure des Mines de Paris. He holds an MBA from MIT-Sloan School of Management. He joined Ferrovial in 2007, holding various positions in the Services and Airports divisions. Within the Services division, he has held the role of CEO of Broadspectrum, Development Director of the division and member of the boards of Amey, Tube Lines and Swissport. Within the Airports division, he has been a member of the boards of HAH and AGS, Commercial Director of Heathrow and director of Airports at BAA. Before joining Ferrovial, he developed his career at McKinsey and Enel.

07 / IGNACIO GASTÓN
CHIEF EXECUTIVE OFFICER OF FERROVIAL CONSTRUCTION

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

08 / JORGE GIL
CHIEF EXECUTIVE OFFICER OF FERROVIAL AEROPUERTOS

He has a double degree in Business Administration and Law from ICADE University. He joined Ferrovial in 2001, holding different positions in Cintra including Structured Finance Director and Corporate and Business Development Director. In 2010, he was appointed Director of Finance and Capital Markets of Ferrovial. He began his career at The Chase Manhattan Bank, where he was part of the Corporate Finance and M&A divisions. In December 2012 he was named CEO of Ferrovial Airports.

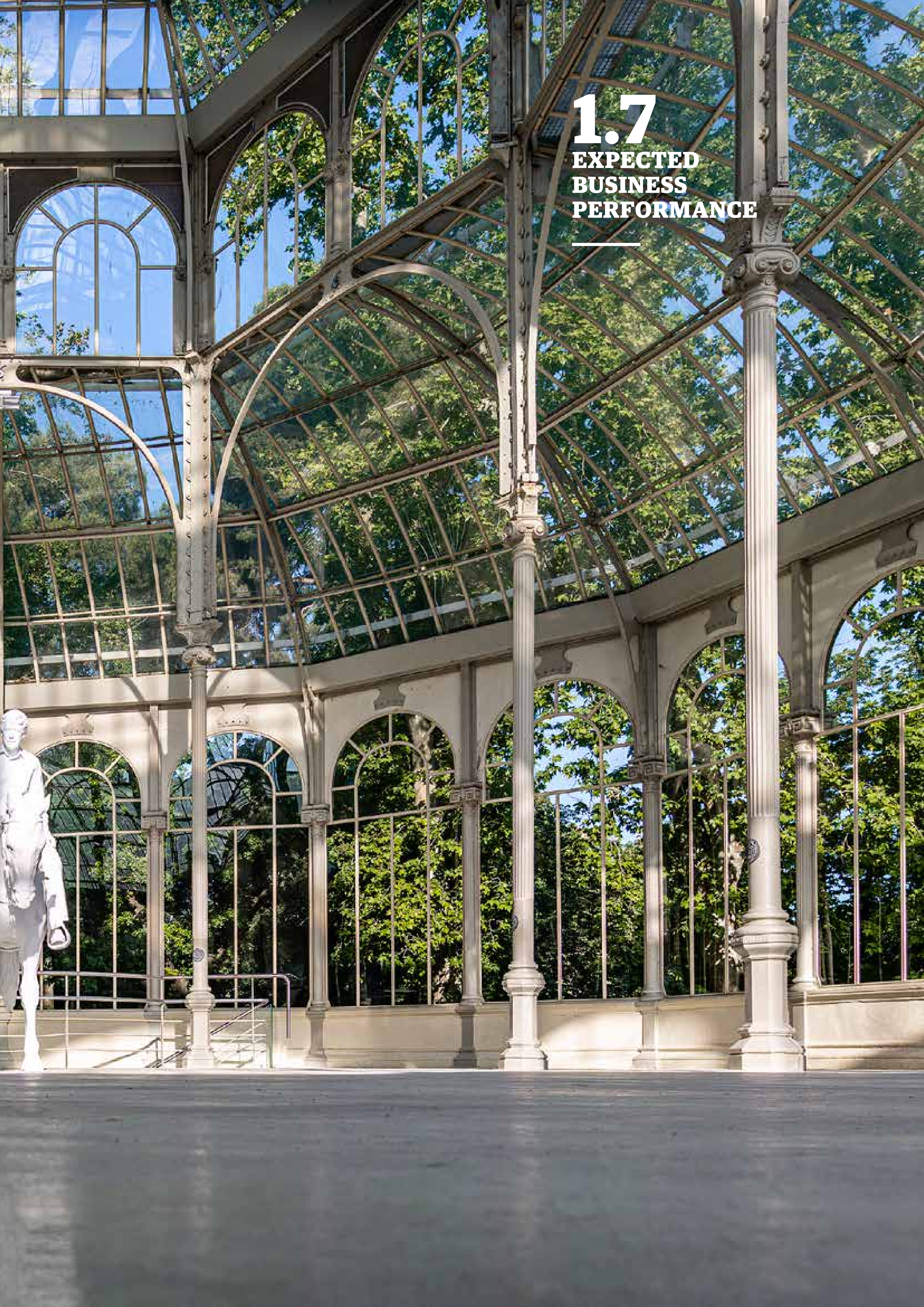
09 / MARÍA TERESA PULIDO
DIRECTOR OF CORPORATE STRATEGY

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

10 / SANTIAGO ORTIZ VAAMONDE
GENERAL COUNSEL

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

Palacio de Cristal, Madrid, Spain. © José Manuel Ballester



1.7 EXPECTED BUSINESS PERFORMANCE

EXPECTED BUSINESS PERFORMANCE

The 2021 will continue to be marked by the impact of COVID-19 on the various businesses and assets. This may vary to a large extent depending on the duration and future development of the pandemic in the countries where the company operates. By type of business, the effect is expected to be greater in infrastructure mainly due to four factors that may cause movement and consumption patterns to change:

- The crisis caused by the economic freeze and its duration.
- The growth of teleworking.
- The promotion of e-commerce, which has its main effect on heavy goods and commercial vehicle traffic. In this case the impact is positive because of the increase in heavy and commercial traffic due to distribution/logistics activities.
- Social distancing measures, which will change, at least temporarily, the movements of the population as long as there is a health risk.

These developments, and uncertainties about future prospects, have been considered as an indication for the purpose of analyzing the possible existence of impairment of assets related to these activities. In this regard, impairment tests have been performed on the main assets (all highways and airports, Webber, Budimex, Transchile and Services companies held for sale) using updated projections based on the development of the pandemic and revising the discount rate upward.

For each of the divisions, the following business performance is foreseen:

TOLL ROADS

During 2020, dividends of 340 million euros were distributed, compared to 494 million euros last year. Regarding the short and medium term COVID-19 impact on Toll Roads' main assets, if herd immunity is achieved during 2021 and with a economic bounce back, it is expected a quicker traffic recovery to take place. The company will continue to focus its efforts on providing top quality service while optimizing revenues and costs to the fullest extent permitted under the concession agreements.

- In **Canada**, in an environment recovering from the impacts caused by COVID-19, the 407 ETR will continue to work on optimization and cost control measures, without abandoning the development of its strategy of generating value for the user. The highway will continue to invest in the Data Lab to better understand the behavior of user groups and be able to personalize their value propositions, as well as in improving their customer management systems, which will allow them to provide more personalized attention through loyalty plans and individualized offers. Thanks to these strategic investments, the 407 ETR will be well positioned to meet the new challenges ahead.

- In the **United States**, Managed Lanes were impacted by the mobility restrictions resulting from the COVID-19 pandemic; however, the recovery of traffic has been remarkable in all assets as these restrictions have been eased in the various jurisdictions. This traffic performance demonstrates the robustness of the Managed Lanes and the economic strength of the environments in which the company operates, which has made it possible to mitigate the loss of revenue by leveraging the toll rate flexibility available under Managed Lanes.

  In addition, Cintra will continue executing projects under construction: I-66 and segment 3C of NTE35W.

- In **Australia**, Cintra will continue to manage the Toowomba highway, which was opened to traffic in September 2019. The Western Roads Upgrade project is also scheduled to be fully opened to traffic in 2021.

- In the **other markets**, Cintra will continue to manage the assets in operation, will complete opening several sections of the Cacao Route in Colombia and D4R7 in Slovakia to traffic, and will continue with the construction of Silvertown in the United Kingdom.

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

AIRPORTS

In airports, no additional dividends have been distributed in 2020 over and above the one made by Heathrow prior to the pandemic. In the coming years, dividend payments will largely depend on the duration and future development of the pandemic, while the recovery of traffic levels of these assets is expected to be slower than in the case of highways. AGS 2019 traffic levels are not expected to recover before 2025 and HAH traffic levels are not expected to recover through H7, which ends in 2026. There is high uncertainty due to the impact on traffic of governmental or international decisions that restrict or preclude passenger flows so any estimates will need to be reviewed periodically.

It is worth noting that, despite the consummation of Brexit, the aviation sector remains well positioned as a result of the contingency plans already in place, which ensure that airlines can operate between the EU and the United Kingdom.

At Heathrow Airport, the risk-bearing default debt is located in Heathrow Finance PLC (approximately 2.4 billion euros). It was expected to fail to comply with the RAR (Regulatory Asset Ratio financial covenants: Net Debt divided by RAB or regulated asset base less than 92.5%) and ICR (Interest Cover Ratio: EBITDA divided by interest in excess of 1x) for the 2020 financial year, with a realizable test in June 2021. However, Heathrow's management agreed last July with Heathrow Finance's creditors a waiver for the covenant ICR in 2020 and an extension of the covenant RAR from 92.5% to 95% and 93.5% for fiscal 2020 and 2021, so that no default is expected in June 2021 under the current traffic scenario.

In addition, in the company's financial statements ended December 2020, the directors have concluded that, although there is material uncertainty about the application of the going concern principle, the accounts can continue to be prepared under that principle.

This conclusion is based on the liquidity analysis and the degree of compliance with debt covenants. In this regard, the Heathrow's liquidity levels would allow it to meet all its payment needs at least until March 2022 even if it had no revenues. Regarding debt covenants, the company considers the "Severe but plausible downside" scenario until December 2021, which would mean a drop of more than 10 million passengers compared to the outlook. In this scenario, there would be operational and financial measures under the company's control that would allow it to mitigate a possible breach of debt covenants. However, should the uncertainty created by Covid-19 lead to scenarios more negative than the "Severe but plausible downside", the company may have to manage new waivers to comply with its financial covenants.

In the case of AGS, all three airports have been significantly affected by the impact of COVID-19. EBITDA in 2020 was -25 million euros, compared to 94 million euros in 2019. Such variation is explained by an 76% reduction in the number of passengers compared to that fiscal year. The contingency plans implemented during 2020 have allowed the company to close the year with a positive liquidity position. Based on this position, the company has prepared a scenario in which it assumes a slight recovery in traffic in the second half of the year following the stabilization of the vaccination process. This analysis leads to the conclusion that the company would not have any additional liquidity needs in addition to the 50 million euros already committed by the partners. On the other hand, the company has initiated a debt renegotiation process with financial institutions, which is at a very early stage. The approach is to reach an agreement for a possible extension of the current debt for a period of three years, a period that would allow the asset to be returned to normal operating conditions.

During 2021, Ferrovial Airports will continue to analyze investment opportunities that arise worldwide, with a special focus on those identified as sustainable infrastructures with high concession value.

As for the business responsible for developing and managing the electricity transmission networks, in 2021 the efficient operation of Transchile is expected to continue, as well as the development of the Centella and Tap Mauro projects and the participation in bidding processes that will enable the company's portfolio to increase.

CONSTRUCTION

Perspectives for 2021, by markets, are as follows:

In **Spain** the same level of sales as in 2020 is expected, as the moderate drop in order intake during the year, caused by delays in tendering due to COVID-19, will be offset by a faster pace of execution of projects awarded in 2019. In the medium term, a good dynamic of public and private construction initiatives is expected, reinforced by the approval of the State Budget and the EU Recovery Plan.

In **international** markets, despite pressure on margins due to strong competition, cost overruns and supply chain tensions caused by COVID-19, the positive profitability path from 2020 is expected to continue to progressively reach the target set in the Horizon 2024 Strategic Plan. This consolidation of margins is underpinned by improved operational processes in all phases of the project and the differential technical capabilities of the Construction division. This business line focuses its operations in countries with stable economies, which partially mitigates inflationary processes. In this sense, price control mechanisms have been reinforced through the use of statistical analysis and predictive models based on Artificial Intelligence for the estimation of bid costs, and the signing of long-term supply contracts with closed prices in those projects where it is possible to implement them..

- In the **USA** and **Canada** the favorable investment in transport infrastructure by states and provinces will continue, supported by the extension of the US Fast Act and by Canada's Federal Infrastructure Plan. In the US, following the 2020 presidential election and expressions of willingness to reach a political agreement, the market is optimistic about implementing a new multiannual infrastructure plan that will provide additional impetus at the federal level. Likewise, there is a lot of work in the pipeline, with P3/DBF projects being noteworthy with Ferrovial as the leader together with Ferrovial Construction as the builder. A slight increase in the level of sales is expected for 2021 thanks to a faster pace of execution of several large projects awarded in previous years and the new contracting of the SL 112 and IH-35 Webb County, Texas, which will compensate for some significant projects being completed in Canada.

- In **Poland** public tenders have good prospects thanks to the national road and rail investment plans until 2025-26, supported by the 2014-20 EU Funds. Similarly, a high level of funding allocation is expected under the EU's new 2021-27 multiannual financial framework, which ensures future stability of investment in the country. In 2021, sales are expected to remain stable, with the strategy of greater selectivity being maintained in order to avoid taking on high risks.

- In the **United Kingdom** and **Ireland**, despite the uncertainties arising from Brexit and COVID-19, the promotion of major infrastructure works continues, as evidenced by tendering major public works programs such as Highways England, High Speed 2, Network Rail, Transport for London or Irish National Development Plan. Sales in 2021 will show a slight growth, which will increase in the medium term thanks to the important awards in previous years and the recent UK high-speed rail awards.

- Also in **Latin America and other markets** expectations are favorable, with a lot of projects in the pipeline. This includes concession projects together with other Ferrovial divisions, and other important subway and tunnel projects, such as the recently awarded Porto subway. A sales level similar to 2020 is expected for 2021.

In short, moderate sales growth is expected for 2021, but with promising opportunities to win contracts down the line. Finally, profitability margins, in comparable terms, are expected to maintain after the implementation of control measures and the improvement of operational processes.

SERVICES

Ferrovial Services' expected performance in 2021 will depend mainly on the economic performance of the countries in which it operates. During the healthcare crisis, the company has strengthened its position as a benchmark company in the provision of essential services, while intensifying progress in two strategic pillars in all its activities and contract:

- Occupational safety, with the aim of actively developing a culture of zero tolerance for any risk to the well-being of employees and service users, through awareness and training programs, control and monitoring, regulations and technical and organizational measures, exchange of best practices, innovation projects, collaboration with administrations and professional associations, etc.

- Continuous improvement and operational efficiency, promoting cost optimization programs and investing in the digitalization of all operations, updating management systems and the application of new technologies based on data analytics and process automation.

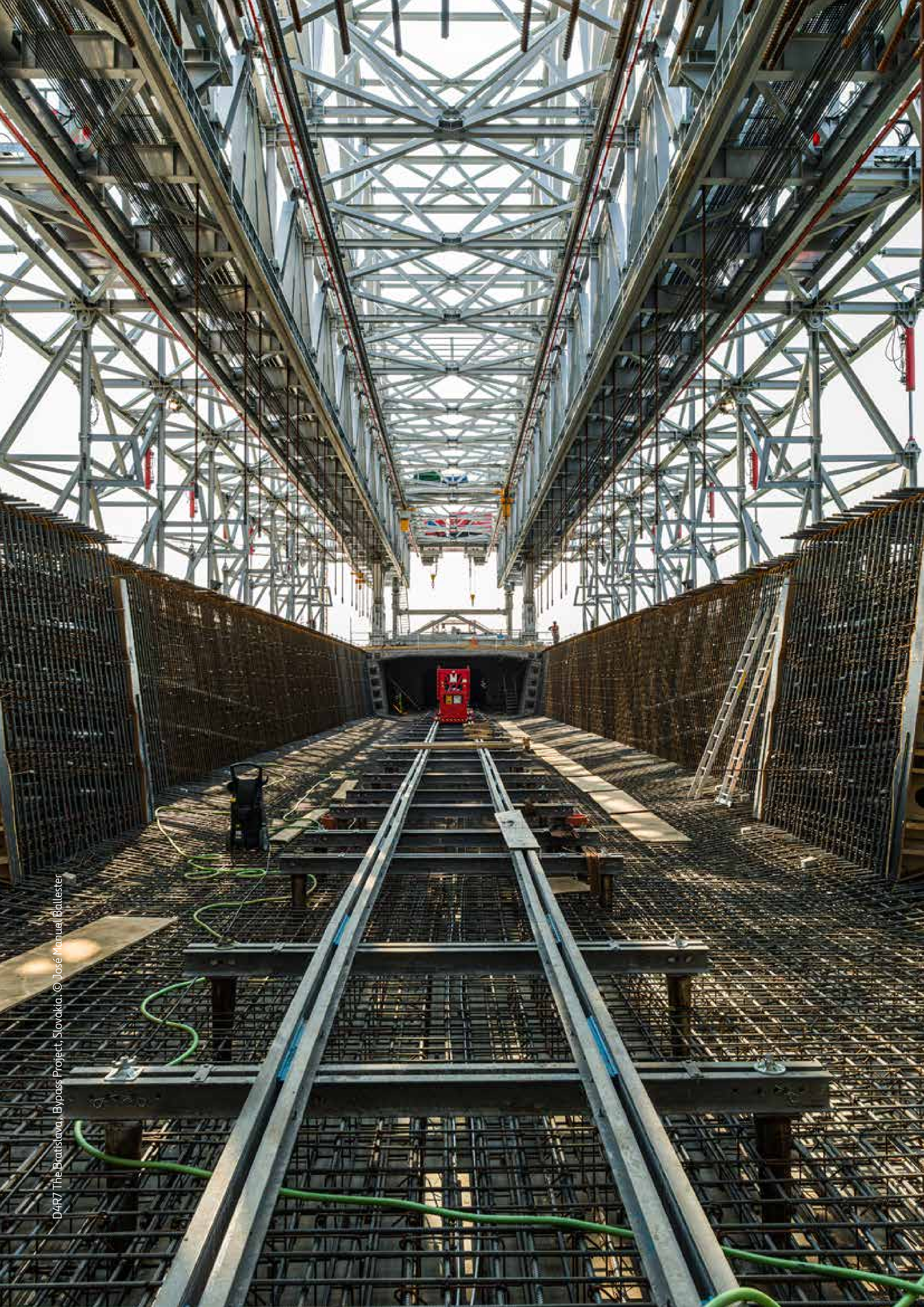
At the same time, Ferrovial remains committed to divesting all Services activities. Following the agreement reached with Ventia Services Group for the sale of Broadspectrum in December 2019, Ferrovial completed the sale of Ferrovial Servicios' operations in Australia and New Zealand on June 30, 2020 for 288 million euros. During 2021, the company expects to simultaneously progress several sale processes that, instead of the entire perimeter of the division, have been structured by specific assets and geographies.

In the **United Kingdom**, Amey is expected to benefit from increased public spending and new investments in infrastructure and public services announced by the government to mitigate the consequences of the pandemic. At the same time, the company does not expect to be negatively affected by the Brexit agreement reached with the EU in 2020. Amey has initiated several divestment processes of its nonstrategic assets such as the contracts transferred to Urbaser for waste collection with Solihull Metropolitan Borough Council, Gloucester City Council, Selby District Council, Eden District Council, Northamptonshire County Council and Central Bedfordshire Council. The company will combine further cost adjustments with increased specialization in consultancy, transport and facility management. In particular, major tenders are expected by clients such as the Ministry of Defense and Network Rail.

In **Spain**, Ferrovial Servicios' business will be driven by the Recovery, Transformation and Resilience Plan, in which green investment accounts for 37% of the total, followed by digitalization, with 33%. The company also expects to benefit from the demand for more sustainable lifestyles and the strengthening of more resilient public services, as envisaged in the new State Budget to compensate for the effects of the health crisis. Both factors give confidence that activity will be maintained during 2021 and there will be subsequent gradual growth, in line with the Spanish economy's recovery.

In **North America**, growth in the road maintenance business is expected to continue, supported by intense tendering activity and the increasing outsourcing of services by public administrations. The company also expects signs of recovery in oil infrastructure activity, favored by the growth of the United States and Canadian economies and by the foreseeable recovery in demand for refined oil products and, as a consequence, for industrial repair and maintenance services in these infrastructures. In the Chilean operations, the company is focused on consolidating the backlog growth achieved in 2020, while in Portugal it expects to achieve improved margins and an expansion of environmental activities.

In summary, the forecasts for 2021 will be conditioned by the development of economic activity in the various geographies in which Ferrovial Servicios operates, whose priority, together with the development of the different divestment processes, is the early recovery of profitability margins to the ratios prior to the start of the healthcare crisis.



D4R7 The Bratislava, Bypass Project, Slovakia. © José Manuel Ballester

Beti-Jai Fronton,, Madrid, Spain. © José Manuel Ballester

APPENDIX

ALTERNATIVE PERFORMANCE MEASURES

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

EBITDA = GROSS OPERATING RESULT

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

COMPARABLE ("LIKE-FOR-LIKE GROWTH" LFL)

- **Definition:** relative year-on-year variation in comparable terms of the figures for revenues, EBITDA, EBIT and order book. The comparable is calculated by adjusting the present year and the previous one, in accordance with the following rules:
  - Elimination of the exchange-rate effect, calculating the results of both periods at the rate in the current period.
  - Elimination from the EBIT of both periods of the impact of fixed asset impairments and results from company disposals (corresponds with the figure reported in the line "Impairments and disposals of fixed assets").
  - In the case of company disposals and loss of control, the homogenization of the operating result is undertaken by eliminating the operating results of the sold company when the impact occurred in the previous year, or if it occurred in the year under analysis, considering the same number of months in both periods.
  - Elimination of the restructuring costs, in both periods.
  - In acquisitions of new companies which are considered material, elimination, in the current period, of the operating results derived from those companies, except in the case where this elimination is not possible due to the high level of integration with other reporting units (material companies are those whose revenues represent ≥5% of the reporting unit's revenues before the acquisition).
  - In the case of changes in the accounting model of a specific contract or asset, when material, the homogenization is undertaking by applying the same accounting model to the previous year operating result.
  - Elimination in both periods of other non-recurrent impacts (mainly related to tax and human resources) considered relevant for a better understanding of the company's underlying results.
  - With respect to the Services division, which is presented in the Consolidated Profit and Loss Account as discontinued operations, in order to better explain the business performance, in the Management Report it has been included a separated breakdown of Revenues, EBITDA and Orderbook, in spite of being classified as discontinued operations
  - Note: the new contracts in the Toll Roads division coming into operation are not considered acquisitions and thus are not adjusted in the comparable.
- **Reconciliation**: the comparable growth is presented in separate columns on Business Performance of the Interim Management Report and its reconciliation in the Appendix of this document.
- **Explanation of use:** Ferrovial uses the comparable to provide a more homogenous measure of the underlying profitability of its businesses, excluding those non-recurrent elements which would induce a misinterpretation of the reported growth, impacts such as exchange-rate movements or changes in the consolidation perimeter which distort the comparability of the information. Addition-

ally, it also allows the Company to present homogenous information, thus ensuring its uniformity, providing a better understanding of the performance of each of its businesses.

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

FAIR VALUE ADJUSTMENTS

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

CONSOLIDATED NET DEBT

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

ORDER BOOK

- **Definition:** the income pending execution, which correspond to contracts which the Company has signed up to a certain date, and over which it has certainty on its future execution. The total income from a contract corresponds to the agreed price or rate corresponding to the delivery of goods and/or the rendering of the contemplated services. If the execution of a contract is pending the closure of financing, the income from said contract will not be added to the order book until financing is closed. The order book is calculated by adding the contracts of the actual year to the balance of the contract order book at the end of the previous year, less the income recognized in the current year.
- **Reconciliation:** the order book is presented under key figures under Services and Construction sections of the Management Report. There is no comparable financial measure in IFRS. However, a breakdown of reconciliation with Construction and Services sales figures is provided in Note 2.1 in the Consolidated Financial Statements. This reconciliation is based on the order book value of a specific construction being comprised of its contracting value less the construction work completed, which is the main component of the sales figure. The difference between the construction work completed and the Construction and Services sales figure reported in Ferrovial's Financial Statements is attributable to the fact that consolidation adjustments, charges to JVs, sale of machinery, confirming income and other adjustments are made to the latter. In addition to contracts awarded and the construction work completed, the exchange rate of contracts awarded in foreign currency, rescissions (when a contract is terminated early) or changes to the scope are all aspects that also have an impact on the movement between the original order book (corresponding to the previous year) and the end order book (for the

year in question), as shown in the tables at the end of this document. Management believes that the order book is a useful indicator in terms of the future income of the company, as the order book for a specific construction will be comprised of the final sale of said construction less the net construction work undertaken.

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

WORKING CAPITAL VARIATION

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

TOTAL SHAREHOLDER RETURN

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

MANAGED INVESTMENT

- **Definition:** managed investment is presented under Toll Roads in section 1.2 of the Management Report. During the construction phase, it is the total investment to make. During the operating phase, this amount is increased by the additional investment. Projects are included after signing the contract with the corresponding administration (commercial close), on which date the provisional financing terms and conditions, which will be confirmed after the financial closing, are normally available. 100% of investment is considered for all projects, including those that are integrated by the equity method, regardless of Ferrovial's participation. Projects are excluded with criteria in line with the exit from the consolidation scope.
- **Reconciliation:** Managed investments at the end of December 2020 came to approximately 20.8 billion euros (21.9 billion euros at December 2019) and are made up of 25 concessions in 9 countries. The composition of managed investments by asset type is as follows:
  1. Intangible Assets projects under IFRIC 12 (in operation), 7,133 million euros (7,324 million euros at 31, December 2019). The managed investment matches with the balance sheet gross investment in these projects included in the table of section 3.3.1 of the Consolidated Annual Accounts, except for the future investment commitments: 5,553 million euros of USA Toll Roads NTE, NTE35W, LBJ and I-77 (5,905 million euros at December 31, 2019). Additionally, 391 million euros from Azores are included in Other Toll roads, as well as 521 million euros transfer related to Autema Project, after the Spanish Supreme Court communicated it did not admit the appeal against the High Court of Catalonia's judgement which ratified the changes introduced in the concession regime by the Catalonian Regional Government (the Grantor) in 2015. As a consequence, as indicated in nota 6.5.1a) of the Consolidated Financial Statements, in 2020 this project is being accounted for according to the intangible asset model of IFRIC 12.
  2. Intangible Assets IFRIC 12 (under construction), no current projects under construction.
  3. Accounts receivable projects under IFRIC 12: no current projects under development, after said Autema transfer to intangible asset model.
- Consolidation using the equity method, 13,623 million euros (14,177 million euros at December 31, 2019). Includes both projects in operation and under construction that are consolidated using the equity method, such as 407ETR and extensions 4,178 million euros of 100% managed investment (4,421 million euros at December 31, 2019) or I-66 with 3,016 million euros at 100%

(2,695 million euros at December 31, 2019). In the consolidated statement of financial position, these projects are included under Investments in associates, meaning the investment cannot be reconciled with the balance sheet.

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

PROPORTIONAL RESULTS

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

This information is prepared to Revenues and EBITDA

- **Reconciliation:** a reconciliation between total and proportional figures is provided in the web
- **Explanation of use:** the proportional results can be useful for investors and financial analysts to understand the real weight of business divisions in the operative results of the group, especially keeping in mind the weight of certain assets consolidated under the equity method as 407 ETR from Toronto and the airport of Heathrow. It is an indicator that other competitors with significant subsidiaries in infrastructure projects consolidated under the equity method present.
- **Comparisons:** the company presents comparisons with previous years.
- **Consistency:** the criteria used to calculate proportional results has changed since previous year, where contribution to the consolidated results in the proportion of Ferrovial's ownership where applied to all group subsidiaries. As previously explained, in fiscal year 2020 proportional results have only been applied to infrastructure divisions, as the difference of applying the proportional method to the other business divisions would not be relevant.

COVID-19 IMPACT

- **Definition:** COVID-19 impact in Ferrovial businesses has been calculated considering the following premises for each business division.

Infrastructures divisions (Toll Roads and Airports)

COVID-19 impact has been estimated as the traffic drop when comparing current figures with the same period of last year. In terms of cash flow, as the reduction in dividends received from infrastructure assets, when comparing to previous year.

Construction division

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

- Fixed costs from activity stoppages, adapted processes for project ramp ups or productivity losses on the back of slower activity (i.e. rentals of machinery, offices and equipment, and other indirect costs)
- Increase in costs required to achieve project deadlines
- Delays in supplies
- Border closures and difficulties in mobilizing teams for self-performance.
- Related expenses to new H&S new measures.
- Delays in the start-up of new projects
- Services Division
- The impact has been calculated through a bottom-up analysis from contract level and comparing actual activity results to the budget 2020. The calculation includes the following types of impacts:
- Direct estimate of lower activity (i.g. tons of waste treatment, traffic or train frequencies).
- Clients strongly impacted by COVID-19 leading to significantly lower activity. The greatest impact can be seen in Oil & Gas contracts in N. America.
- In Transport (mostly Rail) & Utilities contracts in Amey, stoppages or delays in non-essential works and expected awards, coupled with costs overruns to cover employee availability due to quarantines and H&S measures reinforcement

- **Reconciliation:** a breakdown of COVID-19 impact by business division is included in the note 1.2 of the Consolidated Financial Statements.
- **Explanation of use:** Ferrovial reports COVID-19 impact to provide a more reliable measure of the underlying profitability of its businesses, when excluding the non-recurrent impact directly related to the pandemic.
- **Comparisons:** the comparison with previous year is not applicable, since the pandemic started in 2020
- **Consistency:** This is the first year where COVID-19 impact is applicabler.

SUSTAINABILITY MANAGEMENT

Ferrovial understands sustainability and corporate responsibility (CR) as a voluntary but essential commitment to participate in the economic, social and environmental development of the communities where it operates. The CR Policy is based on the principles of the Global Compact and internationally accepted agreements and r esolutions related to the subject. It is the responsibility of the Ferrovial Board of Directors to ensure that these principles that the company has voluntarily assumed are complied with. The policy is available at www.ferrovial.com.

The content of this document constitutes a CR Policy report in itself. This offers its stakeholders detailed information on the policy support instruments to enforce compliance; the Corporate Responsibility strategy, formulated in the 20.19 Plan and continues in the Sustainability Strategic Plan; and the specific practices in the field of sustainability and CR, which are mentioned in their corresponding sections.

COMMITTEE

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

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

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

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

STRATEGIC PLAN

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

Ferrovial develops its plan every three years, performing an annual analysis of its degree of compliance. In 2019, the period of application of the company's third CR plan, called Plan 20.19, which was in force during the period 2017 - 2019, has been completed.

For the 2020-2022 period the Sustainability Committee has promoted the new Plan, Sustainability Strategy 2030. This plan has been prepared taking into account the main global main trends, the regulatory and policy environment (UN Agenda 2030, Climate Change, and the European Green Deal), the main economic and financial frameworks (Task Force on Climate-Related Disclosures (TCFD), Taxonomy and the European Next Generation Plan), social challenges (new urban agenda, new mobility habits, post-COVID-19 effects such as teleworking as well as the rise of e-commerce), technological factors (energy transition and digitalization), environmental factors (climate change, water scarcity, biodiversity loss or public health), ESG investor requirements, major reporting frameworks (Global Reporting Initiative, Sustainability Accounting Standards Board (SASB)and the TCFD, as well as CR trend reports from various prestigious institutions. In addition, like the previous Plan, it is aligned with the global agenda set by the Sustainable Development Goals, focusing especially on SDGs 6 (water and sanitation), 9 (innovation and infrastructure) and 11 (sustainable cities and communities).

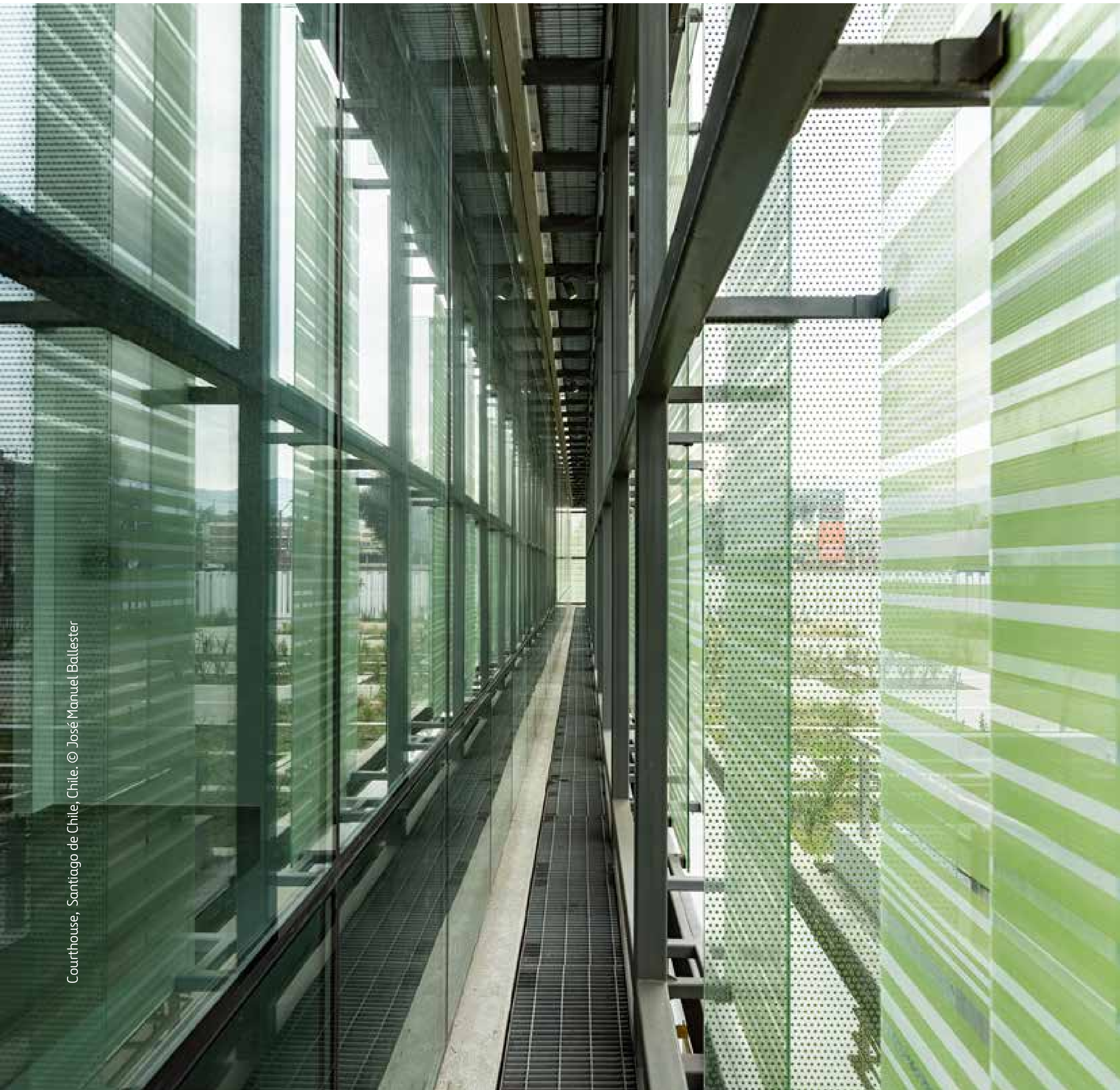
It has specific areas of action and objectives for each year it is in force, aligned with the business strategy, the Horizon 24 plan and covering Ferrovial's value chain, from customers to suppliers. The initiatives are grouped around six global main trends that will end up irrevocably conditioning the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

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

SUSTAINABILITY INDEXES

Ferrovial is periodically evaluated by analysts who take into account the company's ESG performance. In 2020, the company formed part of the main sustainability indexes:

- Dow Jones Sustainability Index (DJSI): Ferrovial has been a member of this selective index for the last 19 years. It recently received the Bronze distinction in the Sustainability Yearbook 2021.
- FTSE4Good: the company has been part of this index in its last 17 editions.
- CDP (Carbon Disclosure Project): highest rating "A" for its commitment in the fight against climate change.
- MSCI: "A", highest rating in its sector.
- VIGEO: member of the Euronext-Vigeo Eurozone 120 and Europe 120 indexes.
- STOXX: the company has been part of this index for six years running.
- ISS ESG: Prime category.
- GRESB: 81 points, A+


Courthouse, Santiago de Chile, Chile. © José Manuel Ballester

REPORTING PRINCIPLES

INFORMATION PERIMETER

Ferrovial is made up of the parent company, Ferrovial S.A. and its subsidiaries. For detailed information on the companies, see the group in the Consolidated Annual Accounts.

In 2020, there were operations that involved changes in the group due to the acquisition of companies, the awarding of new contracts and the start of new businesses. There have also been corporate restructurings. Highlights include the sale of Broadspectrum to Ventia for 465 million Australian dollars and the sale of 50% of TW Power Services for 20 million Australian dollars. For more information, see pages 48-70 on business performance.

CONSOLIDATION PROCESS

The report includes all the companies in which Ferrovial has economic control, meaning a participation of more than 50%. In these cases, 100% of the information is reported. The list of subsidiaries and associated companies can be found in Annex II of the Consolidated Financial Statements, pages 174-297. Although the Services business is treated as an activity classified as financially discontinued, because it is available for sale, to comply with the requirements of Law 11/2018, non-financial information does include this division in its perimeter, offering a complete vision of all aspects and impacts of the business. Therefore, in cases where material is considered, data from the Services division will be disaggregated.

Also, following the indications of the GRI Guide Sustainability Reporting Standards, Ferrovial provides information on the indicators and material aspects of "outside the organization", when the data has sufficient quality, and always separately. Ferrovial considers that the most relevant impacts are those related to the 407 ETR Toll Road in Canada and the airports in the United Kingdom, companies in which its shareholding is less than 50%. Some indicators of interest associated with these assets are those related to indirect emissions (scope 3), user satisfaction, and number of passengers travelling through airports.

TRACEABILITY

Ferrovial guarantees the traceability of information related to the Corporate Responsibility scope thanks to a reporting system, which has been available since 2007. This provides detailed information to company level, facilitating partial consolidation by geographical location or business. In 2020, a thorough review of the requested information was carried out to adapt the system to the information requirements of the company's different stakeholders and the recommendations of the external and internal auditors. The software used has enabled corporate management to gather quarterly information for management and internal reporting to Senior Management.

In 2020, the reporting system collected 643 quantitative and qualitative indicators, in 116 companies, thanks to the collaboration of more than 200 users.

REFORMULATION OF THE INFORMATION

There were a number of changes in the group in 2020 that may affect the comparability of the data contained in the Report, although they are not particularly relevant in comparison to the company as a whole. To guarantee the maximum transparency and comparability of the data, the body of the report shows when an indicator from previous years has been modified or shows significant changes that affect the comparability of the information. The Report takes into account most of the requirements regarding the Non-Financial Information Statement carried out by the National Securities Market Commission..

STAKEHOLDERS

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

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

This relationship is dynamic since the environment changes more and more rapidly. To a large extent, Ferrovial's business depends on its relations with the Public Administrations of the countries in which it operates. Ferrovial holds decision-making positions in organizations that promote Corporate Responsibility at a national and international level, such as Fundación SERES, Forética, Spanish Network of the Global Compact, CEO CSR Committee and the Spanish Association for Quality (AEC). In 2020, Ferrovial held the Chair of the Spanish Group of Green Growth and the Chief Executive Officer of Ferrovial became a member of the Executive Committee of the SERES Foundation.

Ferrovial is characterized by absolute political neutrality, developing its activities for both Public Administrations and private clients in the countries where it operates. The company does not make economic or in-kind contributions to political parties or electoral candidates. However, Ferrovial forms part of business or foundation representation organizations for commercial exchange between countries associated with the development of its activity or to the geographical area in which it operates. Through its presence and collaboration with these organizations, the company aspires to contribute to the progress and development of all those fields of action in which it is present. In 2020 the economic contribution to these organizations was around 0.93 million euros, which includes the Association of Construction Companies and Infrastructure Concessionaires (SEOPAN).

Ferrovial's considerations of the principles related to the content of the report, are explained in the specific section on materiality. For more information on the AA1000, GRI and SASB standards, see page 148 of GRI indicators.

MATERIAL ISSUES

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

A new materiality study was conducted in 2020 as part of Ferrovial's biennial update of this analysis. Given the exceptional situation arising from COVID-19, some specific reports addressing this issue have also been considered.

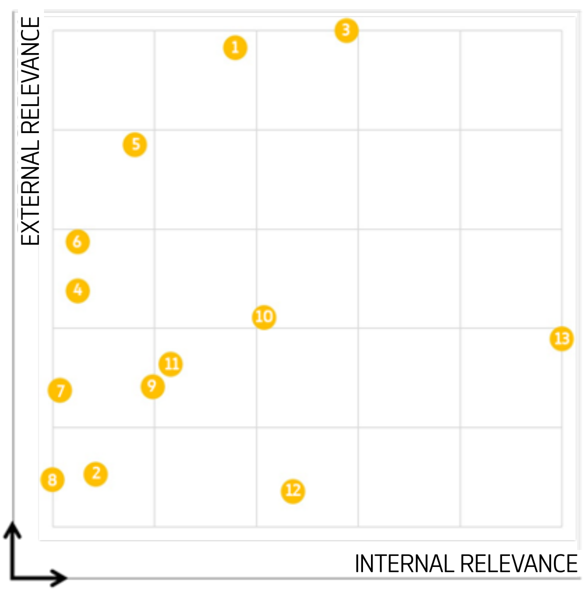
This edition of the materiality has been carried out in order to understand the relevant issues not only at a global level, but also in the geographies considered a priority business target. Thus, although only the global materiality matrix is presented in this report, the company is aware of the most relevant issues for each country.

The analysis process was carried out in several phases:

- Identification and validation of relevant issues. By consulting various relevant sources of information (GRI, Sustainability Accountant Standard Board (SASB), World Economic Forum, media coverage, consultations with socially responsible investors, specific sector reports on COVID-19 prepared by prestigious consulting firms, etc.), the main trends and most relevant issues for the sector in which Ferrovial operates were identified. Once the initial list of issues was obtained, it was agreed with the main corporate directors and a final list of 13 issues was determined.
- Determination of internal relevance. By means of an online survey addressed to the company's managers, both from corporate areas and business lines, they were asked to assess and prioritize the material issues identified.
- Determination of external relevance. The same survey sent to executives was sent to the main stakeholders in the main geographical areas in which Ferrovial operates.
- Prioritization. This is the result of graphically crossing internal and external relevance, represented in the materiality matrix.

According to the materiality analysis conducted, it has been determined that the most relevant issues for Ferrovial are " Health, safety, and wellbeing of employees and contractors", "Customer and user satisfaction" and "Innovation applied to the business".

1. Innovation applied to business
2. Cybersecurity
3. Customer and user satisfaction
4. Social impact
5. Climate change
6. Resource efficiency and biodiversity
7. Sustainable supply chain management
8. Human Rights
9. Good corporate governance
10. Ethical behavior
11. Career development, diversity and inclusion in the workplace
12. Adaptation to the new labor scenario (digitalization, teleworking, new equality laws, working environment-COVID-19
13. Health, safety and wellbeing of employees and contractors



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

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

	CONTENTS	LOCATION
GOVERNANCE	Describe the board's overview of climate-related risks and opportunities.	Climate Strategy section (page 86).
		Corporate Governance section (page 106-109).
	Describe the role of management in assessing and managing climate-related risks and opportunities.	Chapter on Risks (page 100-103).
		Climate Strategy section (page 86).
STRATEGY	Describe the climate-related risks and opportunities identified by the organization in the short, medium and long term.	Strategy Chapter (page 22-23).
		Section on risks and opportunities related to climate change (page 86).
		Risks Chapter (pg 100-103).
	Describe the impact of climate-related risks and opportunities on the organization's business, strategy and financial planning.	Climate Strategy section (page 86) and in each of the sections related to each of Ferrovial's divisions (pages 26-39).
	Describe the resilience of the organization's strategy, taking into account different future climate scenarios including a scenario of 2 °C or less.	Section on risks and opportunities related to climate change (page 84).
RISKS	Describe the organization's processes for identifying and assessing climate-related risks.	Risks chapter (page 101).
		Section on risks and opportunities related to climate change (page 86).
	Describe the organization's processes for managing climate-related risks.	Chapter on Risks (page 101).
		Section on risks and opportunities related to climate change (pg 86).
	Describe how the processes for identifying, assessing and managing climate-related risks are integrated with the organization's overall risk management.	Risks Chapter (pg 101).
		Section on risks and opportunities related to climate change (pg 86).
METRICS	Describe the metrics the organization uses to assess climate-related risks and opportunities and the risk management process.	Risks Chapter (pg 101).
		Risks and opportunities related to climate change (page 86).
	Break down GHG emissions, Scope 1, Scope 2 and, if appropriate, Scope 3, and associated risks.	Environment chapter (page 87).
		Annex of GRI Standards indicators (page 149).
	Describe the organization's objectives for managing climate-related risks and opportunities and performance against those objectives.	Environment Chapter (page 86-87).

SCOREBOARD

Shareholders	2018	2019	2020
Revenue (M€)	5,737	6,054	6,340
Operating cash flow excluding concessionaires (M€)	572	810	838
Dividends received (M€)[1]	520	520	377
Employees	**2018**	**2019**	**2020**
Workforce at year-end	92113	89968	80119
Total average turnover rate (%)	8.18 %	13.23 %	17.58 %
Frequency rate	12.2	10.3	9.2
Severity rate	0.29	0.25	0.26
Customers	**2018**	**2019**	**2020**
Portfolio by business unit (M€)	30,376	29,080	23,211
- Services	19,411	17,656	13,027
- Construction	10,965	11,424	10,129
Investment in R&D (M€)	48	45	52
User satisfaction with Managed Lanes (NTE and LBJ) (%)	+80%	77 %	70-80%
HAH passenger experience (scale 1-5)	4.15	4.17	4.18
Certified activity (ISO 9001)	88 %	86 %	89 %
Sociedad	**2018**	**2019**	**2020**
Renewal of presence on sustainability indexes: DJSI, Vigeo, FTSE4Good, MSCI, STOXX, CDP	Sí	Sí	Sí
Carbon intensity: direct and indirect greenhouse gases emissions in relative terms (tCO_2 eq /M€)[2]	55 %	59 %	56 %
Beneficiaries of potable water and sanitation projects[3]	213,713	223,314	229,639
Taxes (M€)[4]	2,127	2,087	1,833

(1) In scrip dividend and share buyback.
(2) Scope 1 & 2 compared to base year 2009.
(3) Data accumulated since 2008 (18 projects performed in Colombia, Peru, Mexico, Tanzania, Ethiopia, Uganda and Ghana).
(4) Taxes accrued, paid and collected (cash flow criteria).

CONTENTS OF NON-FINANCIAL INFORMATION STATEMENTS

11/2018 Law contents			GRI Standard	Location / additional information
Business Model	Description of the Group's business model	Brief description of the group's business model, including its business environment, organization and structure, the markets in which it operates, its objectives and strategies, and the main factors and trends that may affect its future development.	102-2, 102-4, 102-6, 102-7, 102-15	Section Ferrovial in two minutes (Pages 11-19). Section Strategy and value creation. (Pages 21-39)
Policies	Policies applied by the Group	Policies applied by the group, including due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, as well as the measures that have been adopted.	103-2 c) i	Section Integrity. (Pages 82-83)
Main risks	Main risks related to issues linked to the group's activities	Key risks related to issues linked to the group's activities, including, where relevant and proportionate, its business relationships, products or services that could have an adverse effect on those areas, and how the group manages those risks, explaining the procedures used to identify and assess them in accordance with national, European or international frameworks of reference for each subject. Information on the impacts that have been identified should be included, providing a breakdown of these impacts, in particular the main short, medium and long-term risks.	102-11, 102-15, 102-30, 201-2.	Section Risks. (Pages 100-103)
Information on environmental issues	Pollution	Efectos actuales y previsibles de las actividades de la empresa en el medio ambiente y en su caso, la salud y la seguridad	102-15, 102-29, 102-31	Capítulo Medio Ambiente, (Pág 90-92) y tabla de Indicadores GRI Stándards (GRI 307)
		Current and foreseeable effects of the company's activities on the environment and, where appropriate, on health and safety.	102-15, 102-29, 102-31	Environment Section, (Pages 86-88) and GRI Standards Indicators Table (GRI 307).
		Environmental assessment or certification procedures	102-11, 102-29 y 102-30	Quality Section. (Pages 80-81)
		Resources dedicated to environmental risk prevention	102-29	Currently 372 (503 in 2019) people work in the different Quality and Environment departments of Ferrovial and its subsidiaries, which implies an approximate expenditure of 16.11 million euros (22.86 in 2019).
		Application of the precautionary principle	102-11	Section Risks. (Pages 100-103)
				Environment Section (Page 86-88)
		Number of provisions and safeguards for environmental risks	307-1	See note 6.5.3. of the Consolidated Financial Statements.
		Measures to prevent, reduce or remediate CO2 emissions that seriously affect the environment.	103-2, 302-4, 302-5, 305-5, 305-7	Environment Section (Page 86-87) and Annex to GRI Standards (GRI 305-7).
	Circular economy and waste prevention and management	Measures to prevent, reduce or remediate emissions of all forms of air pollution (including noise and light pollution).	416-1	Quality Section. (Pages 80-81)
		Measures for waste prevention, recycling, reuse and other forms of waste recovery and disposal.	103-2, 301-1, 301-2, 301-3, 303-3, 306-1, 306-2, 306-3	Environment Section. (Page 88) and table of GRI Standards Indicators (GRI 306).
	Sustainable use of resources	Actions to combat food waste	No aplica	Due to the nature of Ferrovial's activities, this indicator is considered non-material.
		Water consumption and supply in accordance with local constraints.	303-1, 303-2, 303-3	Environment chapter, Water Footprint section. (Page 88) and table of GRI Standards Indicators (GRI 303).
		Consumption of raw materials and measures taken to improve the efficiency of their use.	301-1, 301-2, 301-3	Table of GRI Standards Indicators (GRI 301). Environment Section, Circular Economy section, (Page 88).

	Climate change	Consumption, direct and indirect; Measures taken to improve energy efficiency, use of renewable energies	302-1, 302-2, 302-3, 302-4, 302-5	GRI Standards Indicator Table (GRI 302).
		Significant elements of greenhouse gas emissions generated as a result of the company's activities (including goods and services produced).	305-1, 305-2, 305-3, 305-4	Section Environment, section Climate Strategy and Shadow Carbon Pricing (Page 86-87), and table of GRI Standards Indicators (GRI 305).
		Measures taken to adapt to the consequences of climate change.	102-15, 103-2, 201-2, 305-5	Section Environment, section Climate Strategy and Shadow Carbon Pricing (Page 86-87)
	Biodiversity protection	Voluntary reduction targets established in the medium and long term to reduce GHG emissions and the means implemented to this end.	103-2	Environment Section, Climate Strategy section (Page 90) and Airports chapter (Page 30-31)
		Measures taken to conserve or restore biodiversity.	304-3	Environment Section, Biodiversity section (Page 90-92) and GRI Standards Indicators table (GRI 304)
Information on social and personnel issues	Work organization	Total number and distribution of employees by gender, age, country, and occupational classification.	102-7, 102-8, 405-1	People Section, (Pages 72-73)
				GRI Standards Indicator Table (102-8)
		Total number and distribution of employment contracts.	102-8	GRI Standards Indicator Table (102-8)
		Average annual number of permanent, temporary, and part-time contracts by gender, age, and occupational classification.	102-8	Table of GRI Standards Indicators.
				Ferrovial's information systems do not allow segregation of contracts by age as this is not considered material information.
		Number of dismissals by gender, age and occupational classification.	401-1	GRI Standards Indicators Table (401-1)
		Average salaries and their evolution broken down by gender, age and occupational classification	405-2	Table of Indicators GRI Standards (405-2)
		Wage gap	405-2	People Section, (Page 73), and Table of Indicators GRI Standards (405-2)
		Remuneration for equal or average positions in the company.	202-1	Table of GRI Standards Indicators
		Average remuneration of directors and executives (including variable remuneration, allowances, indemnities, payments to long-term savings schemes and any other payments broken down by gender).	102-35, 102-36, 201-3	" Remuneration Section (Pg 112-113) Consolidated Financial Statements, Note 6.6."
		Implementation of policies of disconnection from work	402-1	Ferrovial has an internal policy for the exercise of the right to digital disconnection in the workplace, the purpose of which is to regulate Ferrovial's internal policy regarding the right to digital disconnection in the workplace of its professionals, as well as the methods for exercising this right and the training and awareness actions for personnel on the reasonable use of technological tools, in the context of exercising this right.
		Employees with disabilities	405-1	The number of employees with disabilities in 2020 amounted to 1,538 (1,587 in 2019).
	Health and safety	Organization of working time	102-8	The company has the tools to adapt the management of working time to the business needs and demands of employees, with the aim of improving both business competitiveness and the well-being of its workforce by enabling a results-oriented company culture to be generated. In addition, it facilitates the adoption of flexibility and conciliation measures according to the needs of each employee, taking into account their life cycles. Section People, (Pages 76-77)
		Number of hours of absenteeism	403-9	Table of GRI Standards Indicators (403-9)
		Measures aimed at facilitating the enjoyment of work-life balance and encouraging the co-responsible exercise of work-life balance by parents.	401-3	Ferrovial has an internal policy on Flexibility and Reconciliation, to which all employees have access and whose main objective is to promote an appropriate balance between the personal and professional lives of its employees, while encouraging co-responsibility.

	Health and safety	Health and safety conditions at work	103-2, 403-1, 403-3	Health and Safety Chapter (Pages 74-76)
		Occupational accidents, in particular their frequency and severity, as well as occupational diseases; disaggregated by gender.	403-9, 403-10	Table of GRI Standards Indicators. Ferrovial makes no distinction in its accident rates by gender, as health and safety measures are applied equally throughout the company, without differentiating between genders.
	Social relations	Balance of collective bargaining agreements (particularly in the field of occupational health and safety).	403-1, 403-4	The number of company collective bargaining agreements signed in 2020 was 629 (42 in 2019). In the aforementioned collective bargaining agreements there are provisions, articles, chapters or even specific titles that regulate different obligations in terms of occupational risk prevention, (Occupational Safety and Health), thereby giving compliance and adaptation to the regulation in each country. In the collective bargaining held during 2020, matters and obligations relating to occupational health and safety have been renewed, or even improved in some cases, as a result of Ferrovial's commitment to the welfare of its employees and their health and safety at work.
	Training	Policies implemented in the field of training.	404-2	People Chapter (Pages 72-73)
		Total number of hours of training by professional category.	404-1	Table of Indicators GRI Standards (404-1)
	Accessibility	Universal accessibility of people	103-2	In order to promote workplace integration, all work centers are adapted to be accessible spaces in accordance with the commitments to the inclusion strategy as well as any particular demands that may exist due to the diversity of the workforce.
	Equality	Measures taken to promote equal treatment and opportunities for women and men.	103-2	Human Rights Chapter (Pages 84-85)
		Equality plans (Chapter III of Organic Law 3/2007, of March 22, for the effective equality of women and men).	103-2	Human Rights Chapter (Pages 84-85)
		Measures adopted to promote employment	103-2, 404-2	Chapters People, Human Rights and Local Community, (Pages 72-73, 84-85 and 92-93)
		Policy against all types of discrimination and, where appropriate, integration of protocols against sexual and gender-based harassment.	103-2	Chapter Human Rights (Pages 80-81)
		Protocols against all types of discrimination and, where appropriate, diversity management protocols.	103-2, 406-1	Chapter People (Pages 72-73) and Human Rights (Pages 84-85)
Information on respect for human rights		Implementation of human rights due diligence procedures.	414-2	Chapter Human Rights (Pages 84-85)
		Prevention of risks of Human Rights violations and, where appropriate, measures to mitigate, manage and remedy possible abuses committed.	410-1, 412-1	Integrity Chapter (Page 82-83)
		Reporting of human rights abuses.	102-17, 419-1, 411-1	Integrity Chapter (Page 83). None of the complaints received were related to cases of human rights violations, neither in 2020 nor in the previous year. Human Rights Chapter (Page 84-85)
		Promotion and enforcement of the provisions of core ILO conventions concerning respect for freedom of association and the right to collective bargaining, elimination of discrimination in respect of employment and occupation, elimination of forced or compulsory labor, and the effective abolition of child labor.	103-2	Human Rights Chapter (Pages 84-85)

Information on anti-corruption and anti-bribery issues		Measures taken to prevent corruption and bribery.	103-2	Chapter Integrity (Pages 82-83)
		Measures to combat money laundering.	103-2	Integrity Chapter (Pg 82-83)
		Contributions to foundations and non-profit organizations.	103-2, 201-1, 203-2, 415-1	Community Chapter (Pages 92-93). Contributions to non-profit entities in 2020 amounted to €5.7 million (€2.7 million in 2019).
Información sobre la sociedad	Relationships with local community stakeholders and the methods of dialogue with them	Impact of the company's activities on employment and local development, local populations and the territory.	203-1, 203-2, 204-1, 413-1, 413-2	Community Chapter (Page 92-93)
		Relationships with local community stakeholders and methods of dialogue with them.	102-43, 413-1	Most of the projects developed by Ferrovial require the prior completion of an environmental impact study. Furthermore, in certain cases, their execution entails certain impacts on the local communities where they are carried out. In these circumstances, the company promotes a two-way dialogue, informing those affected of the possible implications of each of the phases, and also in the provision of communication channels to collect complaints, suggestions or reports. The company also carries out a biennial consultation with its stakeholders as part of its materiality study, and also has an Ethics Channel available to anyone on its website.
		Partnership or sponsorship actions	102-13, 203-1, 201-1	All donation, sponsorship, patronage and partnership projects are subject to analysis under the internal regulations that establish the Procedure for the approval and monitoring of Sponsorship, Patronage and Donation projects. In 2020, sponsorship actions were linked to the promotion of arts, culture, innovation or education. The company is a member of SEOPAN and of various national and international construction and infrastructure sector associations.
	Subcontracting and suppliers	Inclusion of social, gender equality and environmental issues in purchasing policies.	103-3	Chapter Supply Chain (Pages 90-91)
		Consideration of social and environmental responsibility in relations with suppliers and subcontractors.	102-9, 308-1, 308-2, 407-1, 409-1, 414-1, 414-2	Supply Chain Chapter (Pages 90-91)
		Monitoring and auditing systems and their resolution.	308-1, 308-2, 414-2	Supply Chain Chapter (Page 90-91). In 2020, 10,205 suppliers were evaluated (14,458 in 2019). The decrease compared to the previous year is due to the exit of Broadspectrum Australia and New Zealand.
	Consumers	Measures for the health and safety of consumers.	416-1, 416-2, 417-1	Toll Roads chapter (Pages 26-28) and Innovation chapter (Pages 76-78)
		Complaint and grievance systems received and resolution of complaints.	102-17, 418-1	Quality (Pages 80-81) and Integrity (Pages 82-83). In 2020, 876 (509 in 2019) customer complaints were recorded, of which 96% (96% in 2019) were resolved in the year.
	Tax information	Country-by-country profitability	201-1	Consolidated Financial Statements, note 2.8.1 (P. 31)
		Profit taxes paid	201-1	Consolidated Financial Statements, note 2.8.1 (Page 31)
		Government subsidies received	201-4	Consolidated Financial Statements, note 6.1 (Page 72)

* The GRI Standards Indicator tables (Page 141) should be used to identify the information related to each GRI indicator.

INDICADORES SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

A continuación, se presentan los indicadores de Sustainability Accounting Standards Board (SASB) correspondientes al sector Engineering and Construction Services.

TOPIC	METRIC	SASB CODE	REFERENCE / DIRECT ANSWER
Environmental Impacts of Project Development	Number of incidents of non-compliance with environmental permits, standards, and regulations	IF-EN-160a.1	See GRI 307-1 indicator
	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	IF-EN-160a.2	See Environment section, pages 86-88
Structural Integrity & Safety	Amount of defect- and safety-related rework costs	IF-EN-250a.1	8.03 million euros
	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	IF-EN-250a.2	11,761.4 euros
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	IF-EN-320a.1	See appendix to GRI indicators, indicators 403-9 and 403-10.
Lifecycle Impacts of Buildings & Infrastructure	Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification	IF-EN-410a.1	See Annex to GRI indicators, indicator CRE8
	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	IF-EN-410a.2	See Environment section, pages 86-88
Climate Impacts of Business Mix	Amount of backlog for (1) hydrocarbon related projects and (2) renewable energy projects	IF-EN-410b.1	The portfolio of projects related to hydrocarbons amounts to 155.8 million euros, corresponding to gas pipelines and other fuel storage infrastructures.
	Amount of backlog cancellations associated with hydrocarbon-related projects	IF-EN-410b.2	There were no portfolio cancellations associated with hydrocarbon projects.
	Amount of backlog for non-energy projects associated with climate change mitigation	IF-EN-410b.3	Ferrovial is currently carrying out an exercise to categorize its activities according to the European taxonomy, which will make it possible to determine which of its activities are aligned with climate change mitigation and adaptation. The information will be available during 2021
Business Ethics	(1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	IF-EN-510a.1	Ferrovial does not develop projects in any of the 20 countries ranked in the bottom 20 of the Corruption Perceptions Index.
	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anticompetitive practices	IF-EN-510a.2	See Consolidated Financial Statements, note 6.5.
	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behavior in the project bidding processes	IF-EN-510a.3	See Integrity section, pages 82-83

GRI STANDARDS INDICADORS

Standard GRI	Page / Reference	Scope
FUNDAMENTOS (GRI 101)		
GRI 102 General Disclosures 2016		
Organizational Profile		
102-1 Name of the organization	Note 1.1. of Ferrovial's Consolidated Financial Statements 2020	Ferrovial
102-2 Activities. brands. products. and services	14-15 and 22	Ferrovial
102-3 Location of headquarters	Note 1.1. of Ferrovial's Consolidated Financial Statements 2020	Ferrovial
102-4 Location of operations	14-15 and 22	Ferrovial
102-5 Ownership and legal form	Note 1.1. of Ferrovial's Consolidated Financial Statements 2020	Ferrovial
102-6 Markets served	14-15 and 22	Ferrovial
102-7 Scale of the organization	12-19	Ferrovial
102-8 Information on employees and other workers	72-73 and Appendix to GRI Indicators	Ferrovial
102-9 Supply Chain	90-91 and Appendix to GRI Indicators	Ferrovial
102-10 Significant changes to the organization and its supply chain	Notes 1.1.2 and 1.1.3 of Ferrovial's Consolidated Financial Statements 2020	Ferrovial
102-11 Precautionary Principle or approach	96-88 and 99-103	Ferrovial
102-12 External Initiatives	130	Ferrovial
102-13 Membership of associations	130	Ferrovial
Strategy		
102-14 Statement from senior decision-maker	9, 22-23, 100	Ferrovial
102-15 Key impacts. risks. and opportunities	9, 100-103	Ferrovial
Ethics and integrity		
102-16 Values. principles. standards. and norms of behavior	24, 82-83 and 92-93	Ferrovial
102-17 Mechanisms for advice and concerns about ethics	82-83	Ferrovial
Governance		
102-18 Governance structure	106-108 Section C of Ferrovial's Annual Corporate Governance Report 2020	Ferrovial
102-19 Delegating authority	106-108 Section C of Ferrovial's Annual Corporate Governance Report 2020	Ferrovial
102-20 Executive-level responsibility for economic. environmental. and social topics	106-108 Section C of Ferrovial's Annual Corporate Governance Report 2020	Ferrovial
102-21 Consulting stakeholders on economic. environmental. and social topics	130-131	Ferrovial
102-22 Composition of the highest governance body and its committees	106-108 Section C of Ferrovial's Annual Corporate Governance Report 2020	Ferrovial
102-23 Chair of the highest governance body	106-108 Section C of Ferrovial's Annual Corporate Governance Report 2020	Ferrovial
102-24 Nominating and selecting the highest governance body	106-108 Section C of Ferrovial's Annual Corporate Governance Report 2020	Ferrovial
102-25 Conflicts of interest	106-108 Section D.6 of Ferrovial's Annual Corporate Governance Report 2020	Ferrovial
102-26 Role of highest governance body in setting purpose. values. and strategy	106-108	Ferrovial
102-27 Collective knowledge of highest governance body	The Board of Directors is informed annually regarding environmental management issues for the company. as well as regarding monitoring of the corporate responsibility strategic plan. Furthermore. the Board. directly or via its committees. remains abreast of a series of issues on which it is required to make decisions. These include approving policies on a wide range of issues.	Ferrovial
102-28 Evaluating the highest governance body's performance	Sections C.1.19 to C.1.21 of Ferrovial's Annual Corporate Governance Report 2020	Ferrovial
102-29 Identifying and managing economic. environmental. and social impacts	106-108 Section E of Ferrovial's Annual Corporate Governance Report 2020	Ferrovial

102-30 Effectiveness of risk management processes	106-108 Section E of Ferrovial's Annual Corporate Governance Report 2020	Ferrovial
102-31 Review of economic. environmental. and social topics	106-108 Section E of Ferrovial's Annual Corporate Governance Report 2020	Ferrovial
102-32 Highest governance body's role in sustainability reporting	128	Ferrovial
102-33 Communicating critical concerns	83, 128 and 130-131	Ferrovial
102-34 Nature and total number of critical concerns	83, 128 and 130-131	Ferrovial
102-35 Remuneration policies	110-111	Ferrovial
102-36 Process for determining remuneration	110-111	Ferrovial
102-37 Stakeholders' involvement in remuneration	110-111	Ferrovial
102-38 Annual total compensation ratio	See Appendix to GRI Indicators	Ferrovial
102-39 Percentage increase in annual total compensation ratio	See Appendix to GRI Indicators	Ferrovial
Stakeholders Engagement		
102-40 List of stakeholder groups	130-131	Ferrovial
102-41 Collective bargaining agreements	85. See Appendix y and table of contents of non-Financial Information Statements	Ferrovial
102-42 Identifying and selecting stakeholders	2, 130-131	Ferrovial
102-43 Approach to stakeholder engagement	128 and 130-131	Ferrovial
102-44 Key topics and concerns raised	128-132	Ferrovial
Reporting practice		
102-45 Entities included in the consolidated financial statements	Appendix II of Ferrovial's Consolidated Financial Statements 2020	Ferrovial
102-46 Defining report content and topic Boundaries	2, 130-131	Ferrovial
102-47 List of material topics	131	Ferrovial
102-48 Restatements of information	130	Ferrovial
102-49 Changes in reporting	130	Ferrovial
102-50 Reporting period	Fiscal year 2020	Ferrovial
102-51 Date of most recent report	Fiscal year 2019	Ferrovial
102-52 Reporting cycle	Annual	Ferrovial
102-53 Contact point for questions regarding the report	Back cover	Ferrovial
102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the Comprehensive option of the GRI Standards.	Ferrovial
102-55 GRI content index	138	Ferrovial
102-56 External assurance	155	Ferrovial

GRI Standard	Indicator and description	Page / Reference	Scope
GRI 103 Management approach 2016	103-1 Explanation of material issue and its limitations	131	Ferrovial
	103-2 Management approach and components	12-15	Ferrovial
	103-3 Evaluation of the management approach	12- 15	Ferrovial
THEMATIC CONTENTS			
Economic Performance			
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	See Appendix to GRI Indicators	Ferrovial
	201-2 Financial implications and other risks and opportunities due to climate change	86-88 Risks and opportunities are disclosed in the Carbon Disclosure Project report. which is publicly-available on the CDP website. Information for 2020 will be made available during 2020.	Ferrovial
	201-3 Defined benefit plan obligations and other retirement plans	Note 6.6.4 of Ferrovial's Consolidated Financial Statements 2020 Note 6.2 of Ferrovial's Consolidated Financial Statements 2020	Ferrovial
	201-4 Financial assistance received from government	Note 6.1 of Ferrovial's Consolidated Financial Statements 2020 Note 6.4 of Ferrovial's Consolidated Financial Statements 2020	Ferrovial

Market presence			
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	The relationship betwen entry level wage and the local minimum wage in relevant countries by gender (Men/Women) is as follows: Spain: 1.28 / 1.28 (1.34 / 1.34 in 2019) United Kingdom: 1.3 / 1.3 (1 / 1 in 2019) USA: 1.66 / 1.66 (1.71 / 1.71 in 2019) Poland: 1 / 1 (1 / 1 in 2019) Chile: 1 / 1 (1.04 / 1.04 in 2019)	Ferrovial
	202-2 Proportion of senior management hired from the local community	In 2020, the proportion of senior management was 84.3% (85.79% in 2019)	Ferrovial
Indirect economic impacts			
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	92-93	Ferrovial
	203-2 Significant indirect economic impacts	14-15, 26,30,33,36,39,76,80,81	Ferrovial
Procurrent practices			
GRI 204: Procurrent practices 2016	204-1 Proportion of spending on local suppliers	91	Ferrovial
Anti-corruption			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	82-83	Ferrovial
	205-2 Communication and training about anti-corruption policies and procedures	82-83	Ferrovial
	205-3 Confirmed incidents of corruption and actions taken	82-83	Ferrovial
Anti-competitive			
GRI 206: Anti-competitive 2016	206-1 Legal actions for anti-competitive behavior. anti-trust. and monopoly practices	In 2020, three cases and litigations related to monopoly practices were open (two in 2019). Note 6.5 of Ferrovial's Consolidated Financial Statements 2020"	Ferrovial
GRI 207: Tax 2019	207-1 Approach to tax	94-96	Ferrovial
	207-2 Tax governance. control. and risk management	94-96	Ferrovial
	207-3 Stakeholder engagement and management of concerns related to tax	94-96	Ferrovial
	207-4 Country-by-country reporting	94-96 Appendix to GRI Indicators	Ferrovial

GRI Standard	Indicator and description	Page / Reference	Alcance
GRI 103 Management approach 2016	103-1 Explanation of material issue and its limitations	129	Ferrovial
	103-2 Management approach and components	86-88	Ferrovial
	103-3 Evaluation of the management approach	86-88	Ferrovial
Materials			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	See Appendix to GRI Indicators. It is given information about the most representative used material for each division. The most significant material could change every year, so it is not comparable.	Ferrovial
	301-2 Recycled input materials used	See Appendix to GRI Indicators	Ferrovial
	301-3 Reclaimed products and their packaging materials	The activity of the company does not include the production of goods destined for sale with packaging	Ferrovial
Energy			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	See Appendix to GRI Indicators	Ferrovial
	302-2 Energy consumption outside of the organization	See Appendix to GRI Indicators	Ferrovial
	302-3 Energy intensity	Energy intensity is 566.0 GJ/M€ (555.4 GJ/M€ in 2019). The 2019 data have been recalculated with the information available in 2020.	Ferrovial
	302-4 Reduction of energy consumption	Energy consumption reduced 4.46% compared to 2020.	Ferrovial
	302-5 Reductions in energy requirements of products and services	86-88	Ferrovial

Water			
GRI 303: Water 2016	303-1 Interactions with water as a shared resource	See Appendix to GRI Indicators. Data reported for 2020 include estimates based on the best information available at the date of preparation of the report. The main consumptions have been estimated based on average water consumption prices per country.	Ferrovial
	303-2 Management of water discharge-related impacts	See Appendix GRI Indicators. Water abstractions require authorization, which limits the volume that can be abstracted, always below the maximum limits established by the competent authority. For this reason, it is considered that the water abstractions carried out by Ferrovial, in accordance with these authorizations, do not significantly affect the water resource.	Ferrovial
	303-3 Water withdrawal	See Appendix GRI Indicators	Ferrovial
	303-4 Water discharge	Total wastewater discharge amounted to 868,052 m3 (1,127,466 m3 in 2019). The discharge data has been calculated based on standard discharge indicators for certain activities published by various sources, not constituting actual discharge measurements.	Ferrovial
	303-5 Water consumption	See Appendix GRI Indicators.	Ferrovial
Biodiversity			
GRI 304: Biodiversity 2016	304-1 Operational sites owned. leased. managed in. or adjacent to. protected areas and areas of high biodiversity value outside protected areas	In 2020, Ferrovial worked on 18 projects subject to Environmental Impact Statement (or equivalent figures), according to the legal framework of each country. (17 in 2019).	Construction business and Ferrovial Services Spain
	304-2 Significant impacts of activities. products. and services on biodiversity	The most significant impacts on biodiversity have been contemplated in the respective Environmental Impact Statements or equivalent figures, according to the legal framework of each country, of the activities that so require. Likewise, compensation actions are carried out in those cases in which this has been required in accordance with the provisions of said declarations or equivalent figures.	Ferrovial
	304-3 Habitats protected or restored	Ferrovial carries out the ecological restoration of habitats affected by the construction and operation of its infrastructures in accordance with the regulations in force in each country, introducing wherever possible improvements over the minimum requirements as well as ecological restoration criteria that ensure better long-term results.	Ferrovial
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	See Appendix GRI Indicators	Ferrovial
Emisions			
GRI 305: Emisions 2016	305-1 Direct (Scope 1) GHG emissions	91. See Appendix GRI Indicators	Ferrovial
	305-2 Energy indirect (Scope 2) GHG emissions	91. See Appendix GRI Indicators	Ferrovial
	305-3 Other indirect (Scope 3) GHG emissions	91. See Appendix GRI Indicators. Scope 3 emissions are limited to the scope described in table 305-3 of the GRI Indicators Appendix.	Ver Anexo Indicadores GRI
	305-4 GHG emissions intensity	Greenhouse emissions intensity is 72.01 tCO2/M€ in 2020, (75.55 tCO2/M€ in 2019).	Ferrovial
	305-5 Reduction of GHG emissions	91. See GRI Indicators Appendix.	Ferrovial
	305-6 Emissions of ozone-depleting substances (ODS)	This data is not considered material because Amey no longer has operational control over centers using refrigeration equipment, which use refrigerants based on fluorinated gases or ozone depleting substances.	Ferrovial
	305-7 Nitrogen oxides (NOX). sulfur oxides (SOX). and other significant air emissions	See Appendix to GRI Indicators.	Ferrovial

Effluents and Waste			
GRI 306: Effluents y waste 2016	306-1 Water discharge by quality and destination	Total wastewater discharge amounted to 868,052 m3 (1,127,466 m3 in 2019). The discharge data has been calculated based on standard discharge indicators for certain activities published by various sources, not constituting actual discharge measurements.	Ferrovial
	306-2 Waste by type and disposal method	See Appendix to GRI Indicators. Data reported for 2020 include estimates based on the best information available at the date of preparation of the report.	Ferrovial
	306-3 Significant spills	During 2019 and 2020 no significant spills have been recorded.	Ferrovial
	306-4 Transport of hazardous waste	During 2020 the amount of transboundary waste transported was 151.56 t (47.32 t in 2019).	Ferrovial Servicios España
	306-5 Water bodies affected by water discharges and/or runoff	In the projects developed by Ferrovial in 2020, 23 had high quality watercourses in their vicinity (19 in 2019), of which 2 started in 2020.	Ferrovial Construction
Environmental Compliance			
GRI 307 Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	The most significant penalties paid in 2020 for non-compliance with environmental legislation were €19,228 (€25,200 in 2019), corresponding to one case imposed in 2020, and €76,551 corresponding to two cases imposed in previous years (€90,751 in 2019).	FS España Oficinas Centrales (Ferrovial Servicios. S.A.) y Ferrovial Construction Portugal
Supplier Environmental Assessment			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	90-91	Ferrovial
	308-2 Negative environmental impacts in the supply chain and actions taken	90-91. In Construction. the negative environmental impacts had by the supply chain are evaluated. identifying potential risks and substandard work. The measures adopted range from expulsion from the project and/or rejection of the supplier. to warnings that improvements are required in less serious cases. In the Services division. face-to-face audits are carried out on a sample of suppliers.	Ferrovial

GRI Standard	Indicator and description	Page / Reference	Scope
GRI 103 Management approach 2016	103-1 Explanation of material issue and its limitations	130-131	Ferrovial
	103-2 Management approach and components	72-75	Ferrovial
	103-3 Evaluation of the management approach	72-75	Ferrovial
Employment			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	See Appendix to GRI Indicators	Ferrovial
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social benefits for each country and bussiness are offered equally to full-time employees and part-time employees. In some cases. employees need to have held their posts for at least one year to be eligible for certain social benefits.	Ferrovial
	401-3 Parental leave	Ferrovial does not consider this a risk. as the countries where it operates have protectionist legislation in place for such matters. Such information is therefore not subject to specific managerial procedures.	Ferrovial
Labor Relations			
GRI 402: Labor Relations 2016	402-1 Minimum notice periods regarding operational changes	Ferrovial complies with the advance notice periods established in labor legislations or those enshrined. if applicable. in the collective agreements pertinent to each business. with no corporate advance notice periods having been established.	Ferrovial

Occupational Health and Safety			
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	42, 74-75	Ferrovial
	403-2 Hazard identification. risk assessment. and incident investigation	74-75	Ferrovial
	403-3 Occupational health services	42, 74-75	Ferrovial
	403-4 Worker participation. consultation. and communication on occupational health and safety	74-75	Ferrovial
	403-5 Worker training on occupational health and safety	75	Ferrovial
	403-6 Promotion of worker health	74-75	Ferrovial
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Risk of developing occupational diseases is detected through risk assessments conducted by the Safety and Health Department and controlled through the health surveillance. where relevant relevant protocol according to the risk exposure of the workers are defined and applied.	Ferrovial
	403-8 Workers covered by an occupational health and safety management system	See Appendix to GRI Indicators	Ferrovial
	403-9 Work-related injuries	See Appendix to GRI Indicators	Ferrovial
	403-10 Work-related ill health	See Appendix to GRI Indicators	Ferrovial
Training and education			
GRI 404 Training and education 2016	404-1 Average hours of training per year per employee	See Appendix to GRI Indicators	Ferrovial
	404-2 Programs for upgrading employee skills and transition assistance programs	All training and development programs are aimed at improving the employability of the candidate. In the case of early retirement or restructuring plans (e.g. redundancy packages). specific training plans may be negotiated as part of other outplacement plans.	Ferrovial
	404-3 Percentage of employees receiving regular performance and career development reviews	The percentage of employees receiving regular assessments of Ferrovial's performance and professional development is 31.94% (33.12%)	Ferrovial
Diversity and Equality of Opportunities			
GRI 405: Diversity and equality of opportunities 2016	405-1 Diversity of governance bodies and employees	See Appendix to GRI Indicators Section C of Annual Corporate Governance Report 2020	Ferrovial
	405-2 Ratio of basic salary and remuneration of women to men	See Appendix to GRI Indicators	Ferrovial
No discrimination			
GRI 406: No discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	83. Information about complaints received through the Corporative Ethics Linel in Spain is given.	Ferrovial
Freedom of association			
GRI 407 Freedom of association 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	90-91	Ferrovial
Child Labor			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	90-91	Ferrovial
Forced or compulsory labor			
GRI 409 Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	90-91	Ferrovial
Security practices			
GRI 410 Security practices 2016	410-1 Security personnel trained in human rights policies or procedures	Security guards at Ferrovial offices are hired via a company that certifies that said personnel have received the due training	Ferrovial headquarters
Rights of indigenous people			
GRI 411: Rights of indigenous people 2016	411-1 Incidents of violations involving rights of indigenous peoples	During 2019 and 2020 there hasn't been detected incidents of violations involving rights of indigenous people	Ferrovial

Human Rights Assessment			
GRI 412 Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	84-85	Ferrovial
	412-2 Employee training on human rights policies or procedures	82	Ferrovial
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	82-86, 90-91	Ferrovial
Local Communities			
GRI 413:Local Communities 2016	413-1 Operations with local community engagement. impact assessments. and development programs	92-93	Ferrovial
	413-2 Operations with significant actual and potential negative impacts on local communities	During 2020 there has not been detected situations in which Ferrovial activities had caused a negative impact on local communities.	Ferrovial
Supplier Social Assessment			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	90-91	Ferrovial
	414-2 Negative social impacts in the supply chain and actions taken	90-91	Ferrovial
Public Policy			
GRI 415: Public Policy 2016	415-1 Political contributions	82-83, 130	Ferrovial
Customer Health and Safety			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	80-81	Ferrovial
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	In 2020, no cases and litigation related to the safety of workers. subcontractors and users were open (109 in 2019). Note 6.3 of Ferrovial's Consolidated Financial Statements 2020 Note 6.5 of Ferrovial's Consolidated Financial Statements 2020	Ferrovial
Marketing and labeling			
GRI 417: Marketing and labeling 2016	417-1 Requirements for product and service information and labeling	80-81	Ferrovial
	417-2 Incidents of non-compliance concerning product and service information and labeling	There has not been identified non-compliance incidents on this subject in 2019 and 2020	Ferrovial
	417-3 Incidents of non-compliance concerning marketing communications	There has not been identified non-compliance incidents on this subject in 2019 and 2020	Ferrovial
Customer Privacy			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	There has not been identified non-compliance incidents on this subject in 2019 and 2020	Ferrovial
Socioeconomic Compliance			
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	In 2020 no files and disputes relating to the safety of workers. subcontractors and users were closed with a penalty (109 in 2019). Note 6.3 of Ferrovial's Consolidated Financial Statements 2020 Note 6.5 of Ferrovial's Consolidated Financial Statements 2020	Ferrovial

REPORTING PRINCIPLES

AA1000 APS2008 Standard

The standard is based on three fundamental principles:

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

GRI STANDARDS GUIDELINES

The GRI Guidelines principles applied are:

Establishing report contents:

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

Establishing the quality of the report:

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

APPENDIX GRI STANDARS

102-8. INFORMATION ON EMPLOYEES AND OTHER WORKERS

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

	Total		2019	2020
Jornada Completa	66,382	Men	58,177	49,712
		Women	17,241	16,670
Jornada Parcial	13,737	Men	4,079	4,452
		Women	10,471	9,285

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

	Total		2019	2020
Temporary contract	18,859	Men	11,369	12,804
		Women	5,187	6,055
Undefined contract	61,260	Men	50,887	41,359
		Women	22,525	19,901

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

Category	Unlimited		Temporary		Total		Total 2020	Total 2019
	Men	Women	Men	Women	Men	Women		
Executives	140.6	17.1	7.3	2.0	147.9	19.1	167.0	187.1
Senior Manager	536.6	107.0	10.0	–	546.6	107.0	653.6	970.4
Manager	3,129.6	762.6	163.1	62.4	3,292.8	825.0	4,117.8	4,338.9
Senior Professional / Supervisor	2,331.5	985.1	130.7	46.1	2,462.2	1,031.1	3,493.4	4,055.1
Professional	6,859.1	2,512.3	713.7	497.9	7,572.8	3,010.2	10,583.0	6,573.8
Administratives / Support	887.2	1,269.1	169.4	360.3	1,056.7	1,629.4	2,686.1	2,457.7
Blue Collar	32,289.2	13,851.3	10,193.7	6,270.6	42,482.9	20,121.8	62,604.8	72,627.7
TOTAL	**46,173.9**	**19,504.5**	**11,388.0**	**7,239.3**	**57,561.9**	**26,743.8**	**84,305.7**	**91,210.7**

Data for 2019 can be found in the 2019 Integrated Annual Report, page 125.

Number of employees at year-end by region and gender

	2019	2020		
		Men	Women	Total
Spain	42,262	25,450	17,442	42,892
United Kingdom	16,115	10,830	4,415	15,245
United States	5,306	5,174	772	5,946
Canada	722	707	76	783
Poland	6,393	4,851	1,517	6,368
Latin America	4,035	4,283	449	4,732
Rest	15,135	2,868	1,285	4,153
TOTAL	**89,968**	**54,163**	**25,956**	**80,119**

102-10 SUPPLY CHAIN

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

In the Construction area, the vast majority of purchases are destined for works in progress at any time. A small part goes to the offices, departments and services that support the execution of the same. The supply chain is made up of suppliers (manufacturers and distributors) and subcontractors. The specific characteristics of the construction supply chain are: high number of suppliers; degree of significant subcontracting, which varies depending on the type and size of the work and the country in which it is carried out; high percentage of local suppliers, since the sector is closely linked to the country / area in which each work is executed; very diverse supplier typology, from large multinationals with global implantation and highly technified, to small local suppliers (mainly subcontractors) for less qualified jobs; and need to adapt to the requirements of each local market. In the Services business, the supply chain includes all the main and secondary suppliers (suppliers of raw materials, industrial supplies or energy, suppliers of capital goods, machinery and finished product) as well as the subcontractors and service providers involved in the company's activities, evaluating them to ensure adequate training. In Spain, from the Procurement and Fleet department, guidelines are drawn up for the different business areas regarding contracting with third parties and all the critical suppliers involved in the provision of services and supply of products for the company are managed. In the international part, each country has its procurement procedure, based on the Global Procurement Procedure defined by the Global Procurement Committee. In the United Kingdom, the typology of the supply chain is very diverse due to the wide range of activities that are carried out.

102-38. ANNUAL TOTAL COMPENSATION RATIO

	2018	2019	2020
TOTAL Ferrovial	103.18	117.05	129.08
EE.UU.	5.79	7.39	8.59
España	32.59	26.18	29.41
Polonia	27.93	30.97	30.21
Reino Unido	23.78	21.76	25.59
Chile	15.12	15.09	16.34

102-39. PERCENTAGE INCREASE IN ANNUAL TOTAL COMPENSATION RATIO

	2018	2019	2020
TOTAL Ferrovial	20.07%	-15.91%	0.00%
USA	36.36%	-8.91%	-1.64%
Spain	3.93%	19.38%	-2.22%
Poland	2.99%	-14.75%	1.71%
United Kingdom	2.68%	7.81%	-2.26%
Chile	-15.54%	5.41%	-0.07%

102-41. PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

	Total Workforce	Employees represented	% 2020	% 2019
Spain	42,892	42,702	99.6%	100.0%
United Kingdom	15,245	3,882	25.5%	26.3%
UNITED STATES	5,946	346	5.8%	1.1%
Canada	783	163	20.8%	42.2%
Poland	6,368	5,163	81.1%	81.5%
Latin America	4,732	3,168	66.9%	72.5%
Rest of the world*	4,153	1,339	32.2%	74.7%
TOTAL	**80,119**	**56,763**	**70.8%**	**73.7%**

*The percentage of employees covered by collective bargaining agreements for the "rest" of the countries in 2019 has been recalculated to include Australia and exclude Latin America

201-1. DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

ECONOMIC VALUE GENERATED(M€)	2018	2019	2020
a) Revenues:			
Sales revenue	5,737	6,054	6341
Other operating income	2	2	3
Financial income	72	101	51
Disposals of fixed assets	95	423	0
Income from companies accounted for by the equity method	240	269	-328
TOTAL	**6,146**	**6,849**	**6,067**

ECONOMIC VALUE DISTRIBUTED (M€)			
b) Consumption and expenses (1)			
Consumption	985	949	1005
Other operating expenses	3,324	3,959	3815
c) Salaries and employee benefits			
Personnel expenses	945	1,027	1115
d) Financial expenses and dividends			
Dividends to shareholders	240	238	119
Treasury stock transactions (2)	280	282	259
Financial expenses	287	328	327
e) Taxes			
Corporate income tax	19	39	-28
TOTAL	**6,080**	**6,822**	**6,612**
ECONOMIC VALUE RETAINED (M €)	**66**	**27**	**-545**

(1) The Group's social action expenses, recorded under Other Operating Expenses, together with the Foundation's expenses, are detailed in the Community Chapter. Foundation expenses are detailed in the Community Chapter.
(2) Capital reduction through cancellation of treasury stock. For further information, see note 5.1. see note 5.1. Shareholders' Equity of the Consolidated Financial Statements.

207-4. TAX: COUNTRY-BY-COUNTRY REPORT

The following table reflects the amounts paid by Ferrovial in 2019 in euros.

2019 (M€)								
		Revenue(3)						
Jurisdiction(1)	Number of employees (2)	Third parties	Associated	Total	Profit before income tax (3)	Income tax (paid) (3)	Income tax (accrued) (3)	Tangible Assets (3)
Germany	1,030	48.50	0.00	48.50	5.21	-1.24	-1.21	0.09
Saudi Arabia	418	17.44	0.36	17.80	-4.65	0.00	0.00	1.91
Australia	9,183	1516.51	5.46	1521.96	-84.83	0.00	0.00	104.51
Brazil	2	1.07	0.00	1.07	0.67	-0.52	-0.24	0.00
Canada	730	459.14	2.37	461.50	326.96	-7.21	-7.40	14.81
Chile	3,920	272.28	0.96	273.25	21.71	-11.70	-16.80	78.27
Colombia	150	111.29	0.00	111.29	16.32	0.00	-3.97	5.08
United Arab Emirates	1	0.00	0.00	0.00	0.16	0.00	0.00	0.00

Slovakia	240	286.07	0.04	286.11	0.59	0.00	-0.69	10.22
Spain	36,732	3,520.11	248.91	3,769.02	647.29	-15.62	-19.80	1431.42
United States of America	5,465	2,328.22	9.52	2,337.74	-357.80	3.42	-10.15	6,008.13
France	46	67.60	0.00	67.60	10.06	-0.10	-3.09	0.53
Greece	0	0.00	0.00	0.00	0.00	0.00	0.00	0.01
India	0	0.01	0.00	0.01	-0.17	0.00	0.00	0.00
Ireland	4	0.09	20.28	20.36	18.18	-2.19	-1.54	0.00
Mauritius Islands	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Italy	2	0.31	0.00	0.31	-0.08	0.00	0.00	0.00
Luxembourg	0	3.09	0.02	3.11	2.49	0.00	0.06	0.00
Lithuania	45	35.41	0.00	35.41	-17.95	0.00	0.00	2.43
Malaysia	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Morocco	1	0.00	0.00	0.00	2.25	0.00	0.00	0.00
Mexico	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Zealand	1,436	257.67	0.00	257.67	-0.77	0.00	0.34	9.34
Oman	27	1.59	0.12	1.71	3.19	0.00	0.00	0.00
Netherlands	16	158.58	30.02	188.61	-265.12	-1.40	0.00	0.00
Peru	8	0.01	0.00	0.01	-2.80	-0.04	0.00	0.14
Poland	6,292	1,738.96	0.55	1,739.52	85.87	-13.60	-39.01	582.40
Portugal	1,810	145.31	1.37	146.69	-27.34	-0.47	-1.95	312.07
Puerto Rico	197	43.51	0.52	44.03	1.45	0.15	-0.32	2.75
Dominican Republic	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Qatar	0	0.00	0.00	0.00	0.14	-0.04	0.03	0.00
United Kingdom	14,937	3,181.09	19.54	3,200.62	-934.25	1.67	-3.19	136.96
Singapore	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tunisia	1	0.00	0.00	0.00	-0.02	0.00	0.00	0.00
Total	**82,693**	**14,193.86**	**340.04**	**14,533.90**	**-553.24**	**-48.88**	**-108.92**	**8,701.07**

(1)In the Consolidated Financial Statements for the fiscal year 2019, Appendix II, the entities comprising the business group, their residence, as well as the activities they carry out are detailed.
(2)Regarding the number of employees, an estimate of the total number of employees has been made on a full-time equivalent basis. The information is homogeneous across jurisdictions and does not change from year to year.
(3) The average exchange rate for the year is used for revenues, income and taxes in foreign currencies and the year-end exchange rate for tangible assets.

Income Tax: legal vs. effective rate by jurisdiction.

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

2019				
	Income tax			
Jurisdiction	Legal tax rate	Effective tax rate	Difference	Explanation
Germany	25%	23%	2%	Effective and nominal rates are aligned.
Saudi Arabia	20%	0%	20%	Country in which losses have been generated so no tax is payable.
Australia	30%	0%	30%	Country in which losses have been generated so no tax is payable.
Brazil	34%	35%	-1%	Effective and nominal rate are aligned.

Canada	27%	2%	24%	The effective rate is lower than the nominal rate due to the inclusion of exempt income (dividends) in its calculation base.
Chile	27%	77%	-50%	There are companies with profits (mainly FC Chile, SA) that are taxed on the amount accrued, and others that are in loss and do not accrue current tax expense. These profits and losses are not offset for tax purposes, causing the effective rate to be higher than the nominal rate.
Colombia	32%	24%	8%	The effective rate is lower than the nominal rate because losses not capitalized in accounting are included in the calculation basis.
United Arab Emirates	0%	0%	0%	Effective and nominal rates are aligned.
Slovakia	21%	117%	-96%	A company with a profit is taxed on the amount that has been accrued and another that is in loss and does not accrue current tax expense. These profits and losses are not offset for tax purposes, causing the effective rate to be higher than the nominal rate.
Spain	25%	3%	22%	The effective rate is lower than the statutory rate because it includes tax-exempt capital gains in its calculation base.
United States of America	21%*	-3%	24%	Despite the losses generated in the year, current tax is recorded for a project that is outside the tax consolidation (Denver Airport) and for the state tax payable.
France	32%	31%	1%	Effective and nominal rates are aligned.
Greece	29%	0%	29%	A tax loss is incurred and no current tax is recorded.
India	30%	0%	30%	Despite the losses generated in the year, current tax is recorded for local taxes.
Ireland	12.50%	8%	5%	The effective rate is lower than the statutory rate due to the application of international double taxation tax credits.
Mauritius Islands	15%	0%	15%	Country in which no activity has been carried out.
Italy	27.90%	0%	28%	A tax loss is incurred and therefore no current tax is generated.
Luxembourg	15.00%	0%	15%	A tax loss is incurred and no current tax is recorded.
Lithuania	25.00%	-2%	27%	A credit to be recovered for corporate income tax is recorded.
Malaysia	24%	0%	24%	Country in which no activity has been developed.
Morocco	30%	0%	30%	Country in which losses have been generated and therefore no tax is payable.
Mexico	30%	0%	30%	Country in which no activity has been developed.
New Zealand	28%	44%	-16%	There are positive permanent differences that make the effective rate higher than the nominal rate.
Oman	15%	0%	15%	The effective rate is lower than the nominal rate due to the inclusion in its calculation base of losses from previous years.
Netherlands	25%**	0%	25%	A tax loss is incurred and no current tax provision is recorded.
Peru	29.50%	0%	30%	Country in which losses have been generated and therefore no tax is payable.
Poland	19%	45%	-26%	The effective rate is much higher than the nominal rate due to the inclusion in its calculation base of non-deductible expenses that constitute permanent differences.
Portugal	23%	-7%	30%	Despite the pre-tax loss, a current tax expense is generated due to the limitation on the tax deductibility of financial expenses and the limitation on the use of tax losses.
Puerto Rico	29%	22%	7%	Effective and nominal rates are aligned.
Dominican Republic	10%	-25%	35%	A credit to be recovered for corporate income tax is recorded in the accounting records.
Qatar	19.00%	0%	19%	Despite the overall losses generated in the year, current tax is recorded for companies that generate tax payable.
United Kingdom	27%	0%	27%	Country in which losses have been generated and therefore no tax payable is generated.
Singapore	17%	0%	17%	Country in which no activity has been carried out.
Tunisia	25%	0%	25%	Country in which losses have been generated so that no tax payable is generated.

* The federal/national tax rate is taken into consideration.
** The first 200,000 euros are taxed at a 20% tax rate.

301-1. MATERIALS USED BY WEIGHT OR VOLUME

	2018	2019	2020
Paper (kg)	616,444	706,053	325,575
Wood (m3)	48,131	31,861	14,832
Bitumen (t)	268,994	250,806	182,067
Concrete (t)	6,858,266	5,951,699	6,145,987
Corrugated steel (t)	162,558	179.861	173,370

301-2. RECYCLED MATERIALS CONSUMED

	2018	2019	2020
Total recycled material (t)	2,726,667	2,541,258	2,395,827

302-1. ENERGY CONSUMPTION WITHIN THE ORGANIZATION

		2018	2019*	2020
Fuels used in Stationary and Mobile sources (total) (GJ)	Diesel	5,196,171	4,530,865	4,482,155
	Fuel	98,703	137,269	100,551
	Gasoline	464,416	585,698	644,860
	Natural Gas	260,542	304,364	238,525
	Coal	570,558	361,701	268,802
	Kerosene	2,192	1,995	10,538
	Propane	27,732	22,793	20,972
	LPG	6,600	6,856	5,094
	TOTAL	**6,626,913**	**5,951,540**	**5,771,497**
Electricity Consumption from Non-Renewable Sources (GJ)	Construction	342,664	261,596	214,178
	Corporation	4,073	4,239	3,837
	Infrastructure	61,702	61,360	18,901
	Services	315,478	188,480	130,909
	Airports	2	4	0
	TOTAL	**723,920**	**515,679**	**367,825**
Electricity Consumption from Renewable Sources (GJ)	Construction	449,183	325,152	274,704
	Infrastructure	4,009	4,058	28,356
	Services	227,537	438,589	469,646
	Airports	0	0	0
	Corporation	0	0	0
	TOTAL	**680,730**	**767,799**	**772,706**

*The 2019 figure has been restated due to recalculations arising during 2020 as a result of the energy review of the businesses.

ENERGY PRODUCED (GJ)	2018	2019	2020
Electrical energy from biogas recovery	329,473	207,541	378,689
Thermal energy from biogas recovery	261,406	31,349	62,459
Electrical energy generated in Water Treatment Plants	113,433	120,155	110,829
Electrical energy generated in thermal drying plants	352,380	285,752	368,328
Energy generated in incineration plants	598,836	763,254	734,500
TOTAL	**1,655,527**	**1,408,051**	**1,654,806**

302-2. ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION

		2018	2019	2020
Consumption of energy acquired, by primary sources (GJ)	Coal	1,012,286	569,786	451,027
	Diesel	90,076	45,159	22,849
	Gas	457,585	260,090	179,877
	Biomass	101,151	78,764	63,144
	Waste	13,253	10,714	7,546
	Others	491,549	328,485	210,372
	TOTAL	**2,165,900**	**1,292,998**	**934,815**

303-1. WATER WITHDRAWAL BY SOURCE

303-5. WATER CONSUMPTION

	2018	2019*	2020
Rainwater (m3)	29,946	65,796	43,592
Wastewater (m3)	27,388	38,504	57,556
Fresh surface water (m3)	374,629	160,067	321,578
Cadagua Fresh surface water (m3)	141,545	2,414	23
Pretreated water in Cadagua (m3)	1,688,379	2,601,519	2,518,935
Supply network (m3)	3,339,185	3,268,861	2,956,215
Groundwater (m3)	233,881	338,730	184,178
Recycled / reused water (m3)	150,794	139,970	67,017
TOTAL (m3)	**5,834,952**	**6,475,892**	**6,082,078**

*In the 2019 data, the reporting criteria has been updated to homogenize the calculation with the rest of the plants.

304-4. SPECIES APPEARING ON THE IUCN RED LIST AND NATIONAL CONSERVATION LISTS WHOSE HABITATS ARE IN AREAS AFFECTED BY THE OPERATIONS.

Species (scientific name)	Common name	IUCN Red List	Protection figure
Streptopelia turtur	Tórtola Europea	Vulnerable	
Myotis septentrionalis	Northern Long-eared Bat	Not threatened	Federally listed as endangered and state-listed as endangered in Virginia
Alasmidonta heterodon	Dwarf Wedge Mussel	Vulnerable	Placed on the United States' Endangered Species List in 1988
Ptilimnium nodosum	Harperella		Rare and endangered (Little river canyon National Park)
Glyptemys insculpta	Wood turtle/ Galápago de bosque	Endangered	
Alasmidonta Varicosa	Brook floater	Vulnerable	
Potamilus amphichaenus	Texas heelsplitter	Endangered	
Macrochelys temminckii	Alligator snapping turtle	Vulnerable	
Dipodomys nitraoides nitraoides	Tipton kangaroo rat	Vulnerable	
Ammospermophilus nelsoni	San Joaquin antelope squirrel	Endangered	
Vulpes macrotis mutica	San Joaquin kit fox	Endangered	
Gambelia sila	Blunt Nose Lepoard Lizard	Endangered	
Hieraaetus fasciatus	Aguila Bonelli	Least concern	Declining stocks, special surveillance measures on construction site
Chioglossa lusitanica	Golden-striped salamander	Vulnerable	

Rana iberica	Iberian frog	Vulnerable	
Margaritifera margaritifera	Freshwater pearl mussel	Endangered	
Cedrela odorata	Spanish Cedar	Vulnerable	Regional closure
Anacardium excelsum	Caracolí		Regional closure
Lecythis tuyrana	Coco Cuna	Vulnerable	Regional closure
Pseudophryne australis	Red crowned toadlet	Vulnerable	
Apium repens	Creeping Marshwort/ Apio rastrero	Vulnerable	
Mustela lutreola	European mink	Critically endangered	
Testudo graeca	Common Tortoise	Vulnerable	
Otis tarda	Great Bustard	Vulnerable	
Neophron percnopterus	Egyptian vulture	Endangered	
Oxyura leucocephala	White-headed duck	Endangered	
Elephas maximus	Asian elephant	Endangered	

305-1. DIRECT (SCOPE 1) GHG EMISSIONS (TCO2 EQ)

BY BUSINESS	2009 (base-year)	2018	2019	2020
Budimex	27,744	77,094	64,373	55,237
Cadagua	18,669	599	695	467
Ferrovial Construction	61,287	81,326	85,681	90,193
Webber	55,532	40,664	41,572	46,632
Ferrovial Corporation	375	260	219	151
Cintra	6,024	2,220	2,053	2,018
Amey	252,999	216,716	233,669	231,706
Broadspectrum	98,015	62,539	42,177	38,292
Ferrovial Services	452,448	350,891	444,391	352,793
Transchile	41	30	17	13
TOTAL tCO2 eq	**973,135**	**832,339**	**914,847**	**817,503**

BY SOURCE	2009 (base-year)	2018	2019*	2020
Refrigerants	185	136	128	136
Stationary	258,406	287,157	292,637	293,795
Heating	3,942	5,356	7,591	8,677
Machinery	254,464	281,801	285,046	285,118
Mobile	384,578	307,211	271,227	261,123
Diffuse	329,965	237,834	350,855	262,449
TOTAL tCO2 eq	**973,135**	**832,339**	**914,847**	**817,503**

*The 2019 figure has been restated due to recalculations during 2020.

Biogenic CO2 (tCO2/eq)	2009 (base-year)	2018	2019	2020
Construction	768	51,935	54,678	52,390
Services	729,776	736,842	733,912	941,046
TOTAL	**730,544**	**788,777**	**788,590**	**993,436**

305-2. ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS (TCO_2 EQ)

BY BUSINESS	2009 (base-year)	2018	2019	2020
Budimex	19,921	18,446	15,953	16,726
Cadagua	44,552	11,138	5,920	2,095
Ferrovial Construction	13,647	10,723	10,180	8,851
Webber	10,023	6,112	3,050	3,187
Ferrovial Corporation	521	345	360	365
Cintra	20,006	7,640	7,563	1,936
Amey	14,291	2,524	2,108	85
Broadspectrum	27,946	22,126	21,328	19,112
Ferrovial Services	15,049	12,376	2,070	274
Transchile	4	0	1	0
TOTAL tCO_2 eq	**165,959**	**91,430**	**68,533**	**52,632**

GHG EMISSIONS (SCOPE 1 + SCOPE 2) (TCO_2 EQ/M€)

BY BUSINESS	2009 (base-year)	2018	2019	2020
Construction	46.22	47.59	43.20	43.07
Corporate	10.43	175.56	46.87	72.86
Infrastructure	60.26	17.36	15.61	10.12
Services	230.75	98.36	105.04	108.35
Airports	6.29	4.69	2.60	2.00
Relative emissions (tCO_2 eq/ M€)	162.36	74.13	75.55	72.01

305-3. OTHER INDIRECT GHG EMISSIONS (SCOPE 3)

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

- Purchased goods and services: include emissions related to the life cycle of materials purchased by Ferrovial that have been used in products or services that the company offers. This is limited to emissions derived from the purchase of paper, wood, water and other relevant materials (concrete and asphalt) described in indicator 301-1. Data from subcontractors are not included.
- Capital goods: Includes all upstream emissions (i.e., cradle to gate) from the production of capital goods purchased or acquired by the company in the year, based on the information contained in the Consolidated Financial Statements.
- Fuel and energy related activities: this section includes the energy required to produce the fuels and electricity consumed by the company and the loss of electricity in transportation.
- Upstream transportation and distribution: includes emissions from the transportation and distribution of the main products acquired during the year.
- Waste generated in operations: Emissions in this section are related to waste generated by the company's activity that have been reported in 2019.
- Business travel: Includes emissions associated with business travel: train, plane and cabs reported by the main travel agency with which the group works in Spain.
- Employee commuting: Includes emissions from employee commuting from their homes to their workplaces at the head offices in Spain.
- Investments: Investments include emissions related to investments in British airports and toll roads over which the Group does not have operational control. All airports carry out independent external verification of their emissions. At the date of publication of this report, data for 2020 is not available, so emissions for 2019 have been considered.
- Use of sold products: Ferrovial calculates emissions from the use of land transport infrastructures managed by Cintra.
- End of life treatment of sold products: This category includes exclusively emissions from the disposal of waste generated at the end of the useful life of products sold by Ferrovial in the reporting year. Only emissions derived from products (wood, paper, asphalt and concrete) reported in the Purchased goods and services category have been taken into consideration.
- Upstream leased assets: Includes emissions related to the electricity consumption of those client buildings where Amey carries out maintenance and cleaning and manages consumption.

	2012 (base-year)	2018	2019	2020
Business travel	6,606	8,334	7,232	1,796
Capital Goods	569,407	314,611	118,081	411,535
Employee commuting	792	1,821	1,763	1,645
End of life treatment of sold products	57,368	40,708	31,667	23,152
Fuel and energy related activities	191,927	178,902	136,217	121,965
Purchased goods and services	1,756,724	1,114,191	1,102,148	1,021,375
Upstream leased	1,405	0	0	0
Upstream transportation and distribution	560,420	498,210	477,374	475,720
Use of sold product	478,824	436,067	499,904	209,022
Waste generated in operations	191,948	140,808	141,389	125,990
Investments	1,364,386	995,582	864,782	774,570
TOTAL	**5,179,806**	**3,729,233**	**3,380,558**	**3,166,769**

305-5. REDUCTION OF GHG EMISSIONS

	2018	2019*	2020
AVOIDED EMISSIONS FROM TRIAGE AND BIOGAS CAPTURE ACTIVITIES			
GHG avoided by triage activity (t CO2eq)	659,059	899,577	827,682
GHG avoided by biogas capture (t CO2eq)	815,778	778,721	872,055
GHG avoided from biogas capture at treatment plants (t CO2eq)	420,360	422,724	398,678
AVOIDED EMISSIONS FROM ENERGY GENERATION			
In landfills (t CO2eq)	29,626	18,760	35,490
In water treatment plants (t CO2eq)	39,511	34,429	45,533
At waste incineration plants (t CO2eq)	47,087	54,191	47,567
AVOIDED EMISSIONS FROM THE PURCHASE OF ELECTRICITY FROM RENEWABLE SOURCES			
Electricity purchased from third parties (t CO2eq)	51,107	55,891	62,184
TOTAL	**2,062,528**	**2,264,293**	**2,289,190**

*Data for 2019 has been recalculated to homogenize it with the conversion factors used in 2020.

305-7. NITROGEN OXIDES (NOX), SULFUR OXIDES (SOX), AND OTHER SIGNIFICANT AIR EMISSIONS

	NOx (Tn)	CO (t)	COVNM (t)	SOx (t)	Particles (t)
Emissions from boilers	66.25	26.00	5.88	76.54	15.10
Emissions caused by motor vehicles	966.72	2,234	278.53	0	117.21
Emissions caused by electricity	44.02	17.09	0.34	68.93	3.75
	NOx (g/Kg)	**CO (g/Kg)**	**COVNM (g/Kg)**	**SOx (g/kg)**	**Particles (g/Kg)**
Emissions caused by mobile equipment used in construction works	1,372.86	313.67	97.24	0	110.88

Data for 2019 can be found in the 2019 Integrated Annual Report, page 127.

306-2. WASTE BY TYPE AND DISPOSAL METHOD

	2018	2019	2020
Construction and demolition waste produced (m3)	2,344,504	1,466,767	7,569,434
Total excavation soil (m3)	19,363,051	21,648,346	21,291,070
Reused topsoil (m3)	922,936	2,894,515	1,576,854

Material sent to landfill outside the construction site (m3)	528,749	762,077	931,948
Material reused on site (m3)	14,336,346	12,059,463	15,889,312
Material sent to another construction site or authorized landfill (m3)	3,575,020	5,932,290	2,892,956
Non-hazardous waste produced (t)* (m3)	450,707	442,691	357,901
Total hazardous waste produced (t)* (t)	18,419	37,973	20,002

*There has been a change in reporting criteria from reporting waste managed to reporting waste produced to avoid confusion for the reader.

CRE8. TYPE AND NUMBER OF SUSTAINABILITY CERTIFICATIONS, RATINGS AND LABELING SYSTEMS FOR NEW CONSTRUCTION, MANAGEMENT, OCCUPANCY AND RECONSTRUCTION.

Sustainable building certifications obtained in Spain and Poland

Description	Area	Class
Fractal Rivas Hotel Building	Spain	BREEAM GOOD
Claudio Coello office refurbishment	Spain	LEED
Plataf Logist Marchamalo 2f-2	Spain	LEED
Puerto Seco UTE	Spain	BREEAM VERY GOOD
58 Vdas. Paseo De La Habana	Spain	BREEAM GOOD
Office Building Las Tablas	Spain	LEED Platino y WELL Platino
Acond. Office Building Velázquez 88 Madrid	Spain	LEED Platino
Office Building Citrus Pozuelo	Spain	LEED Platino
C.I.T. Metro De Madrid	Spain	VERDE
Nave B Pulsar in Torija	Spain	LEED Silver
Nave Pulsar in Torija	Spain	LEED Silver
Office Building Las Tablas	Spain	LEED Gold
Power & Control Bldg.	Castilla La Mancha	B
Warehouse B Pulsar In Torija	Castilla La Mancha	A
Warehouse Pulsar In Torija	Castilla La Mancha	O
26 Single-Family Dwellings. R. Conquistadores Badajoz	Extremadura	A
Rectorate CEU Valencia	Valencia	B
Commercial and office building IKEA Poznań	Poland	BREEAM
Construction of the Monopolis complex in Łódź	Poland	BREEAM

401-1. NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

Throughout 2020, the total number of new hires was 33,616 (30,305 in 2019), which corresponds to a total hiring rate of 41.96% (33.68 in 2019), with respect to the headcount at year-end. The breakdown by country, gender and age is as follows: :

		<30	30 - 45	>45	Subtotal	TOTAL
Spain	Men	2,165	2,460	1,821	6,446	**14,441**
	Women	2,261	2,713	3,021	7,995	
United Kingdom	Men	646	750	398	1,794	**2,487**
	Women	248	267	178	693	
USA	Men	1,649	1,962	1,583	5,194	**5,876**
	Women	196	315	171	682	
Canada	Men	111	191	356	658	**721**
	Women	11	29	23	63	

Poland	Men	261	336	166	763	**967**
	Women	111	80	13	204	
Latam	Men	1,665	2,431	1,655	5,751	**6,072**
	Women	114	159	48	321	
Rest of countries	Men	581	740	624	1,945	**3,052**
	Women	276	352	479	1,107	
TOTAL	Men	7,078	8,870	6,603	22,551	**33,616**
	Women	3,217	3,915	3,933	11,065	
	Subtotal	10,295	12,785	10,536		

The voluntary and involuntary turnover rate for 2020, broken down by professional category, age and gender, is as follows

	Voluntary						Involuntary*						Total						
	Men			Women			Men			Women			Men			Women			Total by category
	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	
Executives	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.01	0.02
Senior Manager	0.00	0.02	0.03	0.00	0.01	0.01	0.00	0.01	0.03	0.00	0.00	0.01	0.00	0.03	0.05	0.00	0.01	0.01	0.11
Manager	0.02	0.17	0.12	0.01	0.04	0.01	0.00	0.04	0.05	0.00	0.01	0.01	0.02	0.21	0.17	0.01	0.06	0.02	0.49
Senior Professional / Supervisor	0.02	0.13	0.11	0.02	0.05	0.02	0.01	0.07	0.07	0.00	0.03	0.02	0.03	0.20	0.17	0.02	0.08	0.03	0.54
Professional	0.22	0.35	0.31	0.09	0.12	0.05	0.05	0.12	0.09	0.02	0.03	0.02	0.27	0.47	0.41	0.11	0.15	0.06	1.47
Administratives / Support	0.05	0.03	0.01	0.06	0.05	0.04	0.05	0.03	0.02	0.03	0.03	0.03	0.10	0.07	0.03	0.09	0.08	0.08	0.45
Blue Collar	1.59	1.87	1.26	0.67	0.46	0.54	1.93	2.97	2.44	0.18	0.29	0.30	3.52	4.84	3.69	0.85	0.76	0.85	14.50
Subtotal by age	1.90	2.58	1.84	0.85	0.74	0.67	2.04	3.24	2.69	0.24	0.40	0.39	3.94	5.82	4.54	1.08	1.14	1.06	
Subtotal by gender		6.32			2.26			7.98			1.03			14.30			3.28		17.58
Total			8.57						9.01						17.58				

* The total number of involuntary departures in 2020 was 7,593 (5,059 in 2019).
Note: turnover data are given as ratios only, as they reliably represent the variations in headcount during the year.

403-1. WORKER REPRESENTATION ON FORMAL WORKER-COMPANY HEALTH AND SAFETY COMMITTEES.

	2018	2019	2020
Percentage of employees represented in Health and Safety Committees	70.2	70.3	67.5

403-8 WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM.

	2018	2019	2020
Workers covered by an occupational health and safety management system (%)	94	92	93

403-9. INJURIES DUE TO OCCUPATIONAL ACCIDENTS

403-10 OCCUPATIONAL DISEASES AND ILLNESSES

	2018	2019	2020
Frequency rate	12.2	10.3	9.18
Frequency rate (including contractors)	10.0	7.7	7.21
Total recordable frequency rate	2.66	2,32	1.96
Total recordable frequency rate (including contractors)	2,18	1,75	1.55
Severity rate	0.29	0.25	0.26
Absenteeism rate	5.66	5.54	7.13
Occupational Disease Frequency Rate	0.44	0.39	0.26
Absenteeism hours (mill.hours)	9.77	9.52	10.85

Number of employee fatalities	5	5	2
Number of contractor fatalities	3	9	3

Frequency rate = number of accidents with sick leave*1,000,000/No. hours worked
Total recordable frequency rate = total recordable accidents*200,000/No. hours worked
Severity rate = number of lost days*1,000,000/no. hours worked
Note: accident rate data are given as ratios only, as they are a reliable representation of the company's health and safety performance.

404-1 AVERAGE TOTAL TRAINING HOURS AND AVERAGE NUMBER OF TRAINING HOURS PER YEAR PER EMPLOYEE

			2020										
	2018	2019		Executives	Senior Manager	Manager	Senior Professional/ Supervisor	Professional	Admin / Support	Blue Collar	Subtotal	Hours per employee and category 2020	Horas por división 2020
Corporation	34,342	19,453	Men	532	714	669	2,363	370	163	34	4,845	16.9	19.0
			Women	58	738	617	2,089	313	541	9	4,365	22.0	
Toll Roads	21,087	14,446	Men	77	338	1,132	813	1,545	30	1,021	4,954	15.1	14.1
			Women	8	176	243	525	539	274	102	1,865	12.0	
Airports	1,941	2,518	Men	12	148	151	21	-	-	-	332	10.4	12.9
			Women	5	119	56	38	15	65	-	298	17.5	
Construction	193,476	200,800	Men	1,691	10,486	40,306	26,956	31,420	5,738	23,008	139,605	9.5	10.7
			Women	204	1,680	10,446	11,313	15,744	7,148	463	46,997	16.4	
Services	606,195	648,730	Men	834	3,453	14,147	25,362	28,528	2,082	294,329	368,735	9.5	8.4
			Women	234	1,327	7,594	10,346	8,380	6,705	114,607	149,191	6.6	
Subtotal			Men	3,146	15,138	56,405	55,515	61,863	8,012	318,391	518,470	9.6	9.0
			Women	507	4,038	18,955	24,310	24,991	14,733	115,181	202,716	7.8	
TOTAL	**857,041**	**885,947**					**721,186**						**9.0**

405-1. DIVERSITY IN GOVERNING BODIES AND EMPLOYEES

		2020								
		Executives	Senior Manager	Manager	Senior Professional / Supervisor	Professional	Administratives / Support	Blue Collar	Subtotal	TOTAL
Corporation	Men	49	41	35	107	16	3	35	286	484
	Women	6	20	27	92	12	24	17	198	
Toll Roads	Men	-	37	54	48	42	6	141	328	483
	Women	-	7	15	32	37	19	45	155	
Airports	Men	1	11	14	6	-	-	-	32	49
	Women	-	3	1	5	3	5	-	17	
Construction	Men	70	290	1,722	1,372	2,660	527	7,996	14,637	17,499
	Women	5	29	388	509	1,194	531	206	2,862	
Services	Men	23	127	1,288	1,391	3,842	374	31,836	38,880	61,604
	Women	5	31	346	519	1,402	868	19,554	22,724	
TOTAL	**Men**	**143**	**506**	**3,113**	**2,924**	**6,560**	**910**	**40,008**	**54,163**	**80,119**
	Women	**16**	**90**	**777**	**1,157**	**2,648**	**1,447**	**19,822**	**25,956**	

Data for 2019 can be found in the 2019 Integrated Annual Report, page 129.

405-2 RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN VS. MEN

Gender pay gap 2020 (expressed in local currency).

Country	Gender	% of empleados	Median salary	Average salary	% gender pay gap (median salary) 2020	% gender pay gap (average salary) 2020	% gender pay gap (median salary) 2019	% gender pay gap (average salary) 2019
Spain	Men	40.5%	23,945 €	27,861 €	17.39%	15.59%	16.93%	15.50%
	Women	59.5%	28,986 €	33,006 €				
United Kingdom	Men	29.0%	£22,494	£30,724	32.61%	24.56%	28.95%	25.60%
	Women	71.0%	£33,379	£40,725				
USA and Canada	Men	12.3%	$61,227	$69,424	-2.00%	3.12%	-1.70%	-1.76%
	Women	87.7%	$60,026	$71,662				
Poland	Men	23.8%	83,310 zł	106,757 zł	-5.69%	10.27%	10.65%	12.55%
	Women	76.2%	78,824 zł	118,970 zł				
Chile	Men	8.1%	13,076,366 CLP	16,380,451 CLP	-6.35%	-8.33%	1.19%	3.23%
	Women	91.9%	12,295,759 CLP	15,120,235 CLP				
Portugal	Men	50.0%	10,135 €	11,548 €	13.41%	17.68%	8.16%	11.90%
	Women	50.0%	11,705 €	14,029 €				

Average salaries (base salary + salary supplements) by professional category (expressed in local currency):

Country	Professional Category	Gender	% employees	Average salary
Spain	Executives/Senior Manager/Manager	Women	19.7%	75,795 €
		Men	80.3%	103,095 €
	Senior Professionals/Supervisors	Women	34.1%	43,033 €
		Men	65.9%	50,071 €
	Professionals	Women	27.1%	34,495 €
		Men	72.9%	43,727 €
	Administratives/Support	Women	43.8%	30,680 €
		Men	56.2%	32,623 €
	Blue Collars	Women	41.7%	26,535 €
		Men	58.3%	28,888 €
	TOTAL 2020	**Women**	**40.5%**	**27,861 €**
		Men	**59.5%**	**33,006 €**
	TOTAL 2019	**Women**	**38.9%**	**27,464 €**
		Men	**61.1%**	**32,503 €**

United Kingdom	Executives/Senior Manager/Manager	Women	18.3%	£82,360
		Men	81.7%	£90,609
	Senior Professionals/Supervisors	Women	22.7%	£40,941
		Men	77.3%	£47,657
	Professionals	Women	25.8%	£35,193
		Men	74.2%	£41,512
	Administratives/Support	Women	69.7%	£23,075
		Men	30.3%	£24,695
	Blue Collars	Women	28.6%	£22,015
		Men	71.4%	£27,286
	TOTAL 2020	**Women**	**29.0%**	**£30,724**
		Men	**71.0%**	**£40,725**
	TOTAL 2019	**Women**	**27.1%**	**£26,354**
		Men	**72.9%**	**£35,422**
USA and Canada	Executives/Senior Manager/Manager	Women	27.7%	$138,617
		Men	72.3%	$192,068
	Senior Professionals/Supervisors	Women	18.8%	$95,648
		Men	81.3%	$118,280
	Professionals	Women	18.5%	$75,199
		Men	81.5%	$88,308
	Administratives/Support	Women	61.5%	$53,773
		Men	38.5%	$76,797
	Blue Collars	Women	6.8%	$52,421
		Men	93.2%	$59,743
	TOTAL 2020	**Women**	**12.3%**	**$69,424**
		Men	**87.7%**	**$71,662**
	TOTAL 2019	**Women**	**13.1%**	**$67,475**
		Men	**86.9%**	**$66,311**
Poland	Executives/Senior Manager/Manager	Women	18.0%	174,538 zł
		Men	82.0%	200,796 zł
	Senior Professionals/Supervisors	Women	38.9%	135,054 zł
		Men	61.1%	158,949 zł
	Professionals	Women	46.7%	84,429 zł
		Men	53.3%	89,822 zł
	Administratives/Support	Women	71.5%	61,127 zł
		Men	28.5%	71,093 zł
	Blue Collars	Women	1.3%	46,485 zł
		Men	98.7%	60,506 zł
	TOTAL 2020	**Women**	**23.8%**	**106,757 zł**
		Men	**76.2%**	**118,970 zł**
	TOTAL 2019	**Women**	**22.6%**	**101,465 zł**
		Men	**77.4%**	**116,029 zł**

Chile	Executives/Senior Manager/Manager	Women	23.3%	50,849,773 CLP
		Men	76.7%	72,902,798 CLP
	Senior Professionals/Supervisors	Women	17.0%	28,451,819 CLP
		Men	83.0%	36,453,011 CLP
	Professionals	Women	20.2%	19,548,974 CLP
		Men	79.8%	24,425,478 CLP
	Administratives/Support	Women	40.9%	12,908,606 CLP
		Men	59.1%	14,208,108 CLP
	Blue Collars	Women	5.9%	10,571,875 CLP
		Men	94.1%	11,725,925 CLP
	TOTAL 2020	**Women**	**8.1%**	**16,380,451 CLP**
		Men	**91.9%**	**15,120,235 CLP**
	TOTAL 2019	**Women**	**10.0%**	**14,349,130 CLP**
		Men	**90.0%**	**14,828,112 CLP**
Portugal	Executives/Senior Manager/Manager	Women	31.6%	60,862 €
		Men	68.4%	73,182 €
	Senior Professionals/Supervisors	Women	36.4%	39,161 €
		Men	63.6%	50,085 €
	Professionals	Women	23.8%	19,041 €
		Men	76.2%	20,499 €
	Administratives/Support	Women	58.3%	16,013 €
		Men	41.7%	16,853 €
	Blue Collars	Women	54.1%	10,266 €
		Men	45.9%	10,705 €
	TOTAL 2020	**Women**	**50.0%**	**11,548 €**
		Men	**50.0%**	**14,029 €**
	TOTAL 2019	**Women**	**47.3%**	**9,343 €**
		Men	**52.7%**	**10,605 €**

Average salaries (base salary + salary supplements) by age group (expressed in local currency):

Country	Age group	Gender	% employees	Average salary
Spain	0-30	Women	42.6%	23,973 €
		Men	57.4%	24,835 €
	30-45	Women	37.8%	28,999 €
		Men	62.2%	31,240 €
	>45	Women	42.0%	27,854 €
		Men	58.0%	35,778 €
	TOTAL 2020	**Women**	**40.5%**	**27,861 €**
		Men	**59.5%**	**33,006 €**
United Kingdom	0-30	Women	31.9%	£39,980
		Men	68.1%	£40,138
	30-45	Women	31.0%	£33,801
		Men	69.0%	£35,635
	>45	Women	26.8%	£39,852
		Men	73.2%	£38,707
	TOTAL 2020	**Women**	**29.0%**	**£30,724**
		Men	**71.0%**	**£40,725**

USA and Canada	0-30	Women	12.5%	$62,649
		Men	87.5%	$56,641
	30-45	Women	15.3%	$69,899
		Men	84.7%	$77,894
	>45	Women	9.6%	$75,012
		Men	90.4%	$76,979
	TOTAL 2020	**Women**	**12.3%**	**$69,424**
		Men	**87.7%**	**$71,662**
Poland	0-30	Women	36.6%	74,861 zł
		Men	63.4%	72,677 zł
	30-45	Women	25.6%	110,944 zł
		Men	74.4%	122,801 zł
	>45	Women	10.7%	150,294 zł
		Men	89.3%	104,699 zł
	TOTAL 2020	**Women**	**23.8%**	**106,757 zł**
		Men	**76.2%**	**118,970 zł**
Chile	0-30	Women	10.1%	12,831,361 CLP
		Men	89.9%	11,566,074 CLP
	30-45	Women	7.9%	19,776,287 CLP
		Men	92.1%	15,230,930 CLP
	>45	Women	6.6%	14,115,065 CLP
		Men	93.4%	17,964,317 CLP
	TOTAL 2020	**Women**	**8.1%**	**16,380,451 CLP**
		Men	**91.9%**	**15,120,235 CLP**
Portugal	0-30	Women	40.4%	10,342 €
		Men	59.6%	10,971 €
	30-45	Women	44.9%	11,459 €
		Men	55.1%	12,287 €
	>45	Women	55.5%	13,360 €
		Men	44.5%	14,350 €
	TOTAL 2020	**Women**	**50.0%**	**11,548 €**
		Men	**50.0%**	**14,029 €**

In 2020, information on average salaries by age group, gender and country will be reported for the first time, as computer systems have been adapted for their collection.

GLOSSARY OF TERMS

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

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

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

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

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

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

CAA: Civil Aviation Authority. The Civil Aviation Authority is the statutory corporation which oversees and regulates all aspects of civil aviations in the United Kingdom. The CAA is a public corporation of the Department for Transport establishd by the British Parliament in 1972 and an independent aviation regulator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IAGC: Informe Anual de Gobierno Corporativo.

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

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

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

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

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

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

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

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

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

OMEGA: Optimization of Equipment Maintenance and Asset Management.

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

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

RCE: Risk Control Effectiveness.

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

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

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

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

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

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

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

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

UTE: Unión Temporal de Empresas.

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

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

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

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

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

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

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

To the Shareholders of Ferrovial, S.A.:

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the non-financial information for the year ended December 31, 2020, of Ferrovial, S.A. and Subsidiaries (hereinafter, Ferrovial), which is part of the Consolidated Management Report of Ferrovial.

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

Responsibility of the Board of Directors

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

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

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

Our independence and quality control

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

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

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

Our responsibility

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

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

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

- Meeting with Ferrovial personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- Analyzing the scope, relevance and integrity of the content included in the non-financial information included in the CMR based on the materiality analysis made by Ferrovial and described in "Reporting Principles", considering the content required by prevailing mercantile regulations.
- Analyzing the processes for gathering and validating the data included in the 2020 non-financial information included in the CMR.
- Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the non-financial information included in the CMR.
- Checking, through tests, based on a selection of a sample, the information related to the content of the 2020 non-financial information included in the CMR and its correct compilation from the data provided.
- Obtaining a representation letter from the Board of Directors and Management.

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

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Conclusions

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that Ferrovial non-financial information included in the CMR for the year ended December 31, 2020 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and in conformity with the criteria outlined in the Global Reporting Initiative Sustainability Reporting Standards (GRI standards) according to comprehensive option, described as explained for each subject matter in the table "Contents of Non-Financial Information Statements" and in the table "GRI Standards Indicators" of the Management Report.

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

Recommendations

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

- Inclusivity: Ferrovial continues to make progress in identifying and diagnosis through the management model of its stakeholders, including investees, based on its specific management model for these companies. We also recommend Ferrovial continue to update the stakeholders as it determines new strategic priorities and that it likewise persist in processing data and consulting with local communities to enhance management of local stakeholders.

- Materiality: Ferrovial identifies and values material matters that are relevant to its stakeholders, enabling to define its Horizon 24 Strategic Plan focused on the promotion, construction and management of sustainable infrastructures. Considering the ever-changing social and market context, it is recommended to periodically reassess material matters to ensure the inclusion of relevant aspects in the 2030 Sustainability Plan framed in said Strategic Plan.

- Responsiveness: Through its 2030 Sustainability Plan, Ferrovial monitors its areas of action and specific objectives for each effective year, aligning itself with the relevant issues of the organization. It is recommended to continue incorporating the expectations of local stakeholders in future years, focusing efforts on monitoring the initiatives that Ferrovial intends to address. On the other hand, and given the complexity of the process of consolidation and reporting of information from a large number of subsidiaries, we recommend continuing to strengthen the internal control systems for non-financial information in order to ensure the quality and integrity of the information reported.

- Impact: Ferrovial's 2030 Sustainability Plan supports the initiatives that are grouped around its six global macro trends, which complement the development of its Horizon 24 Strategic Plan according to its four strategic priorities. We recommend advancing in the measurement and analysis of the long-term value created by Ferrovial, developing a process to evaluate and manage the real and potential impacts of the organization in the different areas in which it has influence, as well as continuing to optimize the methodologies for calculating carbon footprint and water footprint that measure the impact of its activity.

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Use and distribution

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

Este informe se corresponde con el sello distintivo nº 01/21/02947 emitido por el Instituto de Censores Jurados de Cuentas de España

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Alberto Castilla Vida

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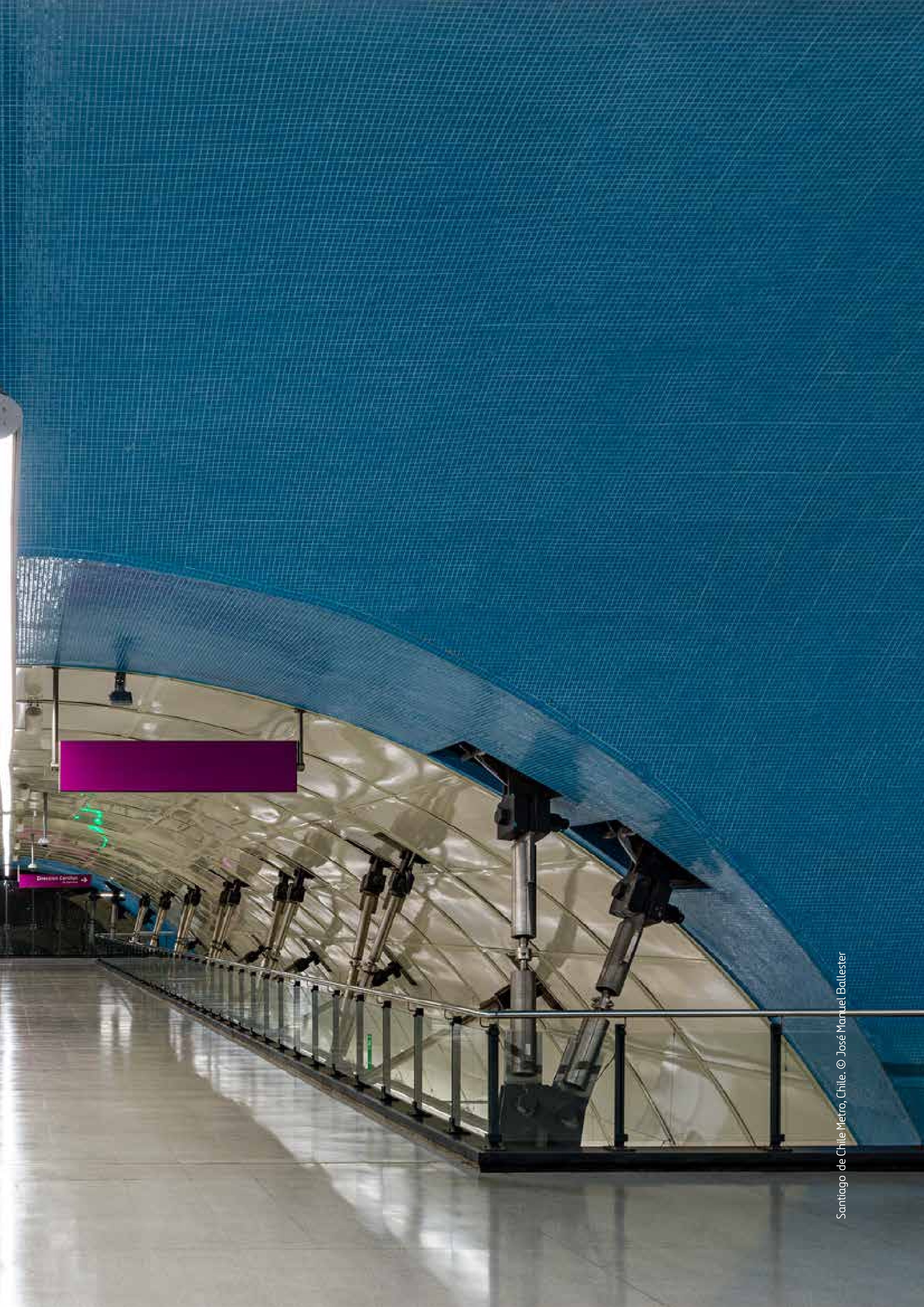
February 25, 2021

2. CONSOLIDATED ANNUAL REPORT



Santiago de Chile Metro, Chile. © José Manuel Ballester

INDICE.

A. CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR 2020 AND 2019

ASSETS (Millions of euros)	NOTE	2020	2019
Non-current assets		**10,462**	**12,358**
Goodwill on consolidation	3.1	208	248
Intangible assets	3.2	60	63
Fixed assets in infrastructure projects	3.3	6,200	6,880
Intangible asset model		6,110	5,998
Financial asset model		90	882
Investment property		2	2
Property, plant and equipment	3.4	272	299
Right of use	3.7	97	126
Investments in associates	3.5	1,710	2,557
Non-current financial assets	3.6	852	1,247
Loans granted to associates		164	171
Restricted cash in infrastructure projects and other financial assets	5.2	654	970
Other receivables		34	106
Deferred taxes	2.8	586	502
Long-term financial derivatives at fair value	5.5	475	434
Current assets		**12,666**	**11,751**
Assets classified as held for sale	1.1.3	4,071	4,936
Inventories	4.1	691	700
Current income tax assets		108	97
Short-term trade and other receivables	4.2	1,292	1,256
Trade receivables for sales and services		956	891
Other short-term receivables		336	365
Cash and cash equivalents	5.2	6,432	4,735
Loans with Group companies		0	0
Other		0	0
Infrastructure project companies		111	118
Restricted cash		8	6
Other cash and cash equivalents		103	112
Ex-infrastructure project companies		6,321	4,617
Short term financial derivatives at fair value	5.5	72	27
TOTAL ASSETS		**23,128**	**24,109**

LIABILITIES AND EQUITY (Millions of euros)	NOTE	2020	2019
Equity	5.1	**3.827**	**5.087**
Equity attributable to shareholders		3,187	4,304
Equity attributable to non-controlling interests		640	783
Deferred income	6.1	1,245	1,347
Non-current liabilities		**9,320**	**9,054**
Pension plan deficit	6.2	4	4
Long-term provisions	6.3	421	518
Long-term lease liabilities	3.7	61	82
Borrowings	5.2	7,970	7,565
Debt securities and payables of infrastructure project companies		5,078	5,471
Debt securities and payables of ex-infrastructure project companies		2,892	2,094
Other payables	6.4	17	25
Deferred taxes	2.8	428	475
Financial derivatives at fair value	5.5	419	385
Current liabilities		**8,736**	**8,621**
Liabilities classified as held for sale	1.1.3	2,958	3,491
Short-term lease liabilities	3.7	59	71
Borrowings	5.2	1,657	1,033
Debt securities and payables of infrastructure project companies		28	23
Bank borrowings of ex-infrastructure project companies		1,629	1,010
Financial derivatives at fair value	5.5	49	97
Current income tax liabilities		91	107
Short-term trade and other payables	4.3	3,030	3,072
Trade payables		1,390	1,327
Advance payments from customers and work certified in advance		1,333	1,390
Other short-term payables		307	355
Trade provisions	6.3	892	750
TOTAL LIABILITIES AND EQUITY		**23,128**	**24,109**

The accompanying Notes 1.1 to 7.1 form an integral part of the Consolidated statement of financial position for 2020 and 2019

B. CONSOLIDATED INCOME STATEMENT FOR 2020 AND 2019

		2020			2019		
INCOME STATEMENT (Millions of euros)	**NOTE**	**BEFORE FAIR VALUE ADJUSTMENTS**	**FAIR VALUE ADJUSTMENTS (*)**	**TOTAL 2020**	**BEFORE FAIR VALUE ADJUSTMENTS**	**FAIR VALUE ADJUSTMENTS (*)**	**TOTAL 2019**
Revenue		6,341	0	6,341	6,054	0	6,054
Other operating income		3	0	3	2	0	2
TOTAL OPERATING INCOME	2.1	**6,344**	**0**	**6,344**	**6,056**	**0**	**6,056**
Materials consumed		1,005	0	1,005	949	0	949
Other operating expenses	2.2	3,815	0	3,815	3,959	0	3,959
Staff costs	2.3	1,115	0	1,115	1,027	0	1,027
TOTAL OPERATING EXPENSES		**5,935**	**0**	**5,935**	**5,935**	**0**	**5,935**
EBITDA	2.4	**409**	**0**	**409**	**121**	**0**	**121**
Fixed asset depreciation		198	0	198	180	0	180
Operating profit/(loss) before impairment and disposal of fixed assets	2.4	**211**	**0**	**211**	**-59**	**0**	**-59**
Impairment and disposal of fixed assets	2.5	0	15	15	423	36	460
Operating profit/(loss)		**211**	**15**	**226**	**364**	**36**	**401**
Net financial income/(expense) from financing		-234	0	-234	-264	0	-264
Profit/(loss) on derivatives and other net financial income/(expense)		-1	39	37	2	-1	1
Net financial income/(expense) from infrastructure projects		**-235**	**39**	**-197**	**-262**	**-1**	**-263**
Net financial income/(expense) from financing		-8	0	-8	28	0	28
Profit/(loss) on derivatives and other net financial income/(expense)		-32	5	-27	6	36	42
Net financial income/(expense), ex-infrastructure projects		**-40**	**5**	**-35**	**34**	**36**	**70**
Net financial income/(expense)	2.6	**-275**	**44**	**-232**	**-228**	**35**	**-193**
Share of profits of equity-accounted companies	2.7	-328	-50	-378	269	27	296
Consolidated profit/(loss) before tax		**-392**	**9**	**-384**	**405**	**98**	**504**
Corporate income tax	2.8	42	-13	28	-39	-8	-47
Consolidated profit/(loss) from continuing operations		**-350**	**-4**	**-356**	**366**	**90**	**457**
Profit/(loss) from discontinued operations		-4	0	-3	265	-463	-198
Consolidated profit/(loss) for the year		**-354**	**-4**	**-359**	**631**	**-373**	**259**
Profit/(loss) for the year attributed to non-controlling interests	2.10	-42	-9	-51	9	0	9
Profit/(loss) for the year attributed to the parent company		**-396**	**-13**	**-410**	**640**	**-373**	**268**
Net earnings per share attributed to the parent company (euros)	2.11		Basic	-0.57		Basic	0.35
			Diluted	-0.57		Diluted	0.35

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

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

The accompanying Notes 1.1 to 7.1 form an integral part of the consolidated income statement for 2020 and 2019.

C. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR 2020 AND 2019

(Millions of euros)	NOTE	2020	2019
a) Total consolidated profit/(loss) for the year		**-359**	**259**
Attributed to the parent company		-410	268
Attributed to non-controlling interests		51	-9
b) Income and expense recognised directly in equity	5.1	**-399**	**92**
Fully-consolidated companies		-226	-27
Impact on hedge reserves	5.5	-188	-14
Impact on reserves for defined benefit plans	6.2	0	0
Currency translation differences		-87	-16
Tax effect		49	3
Companies held for sale		11	-12
Impact on hedge reserves		3	0
Impact on reserves for defined benefit plans		0	0
Currency translation differences		9	-12
Tax effect		-1	0
Equity-accounted companies		-184	131
Impact on hedge reserves		-28	-15
Impact on reserves for defined benefit plans		-38	-6
Currency translation differences		-132	147
Tax effect		14	5
c) Transfers to income statement	5.1	**46**	**0**
Fully-consolidated companies		0	0
Transfers to income statement		0	0
Tax effect		0	0
Companies held for sale		43	0
Transfers to income statement		53	0
Tax effect		-10	0
Equity-accounted companies		3	0
Transfers to income statement		4	0
Tax effect		-1	0
a+b+cTOTAL COMPREHENSIVE INCOME		**-712**	**351**
Attributed to the parent company		**-711**	**333**
Attributed to non-controlling interests		-1	18

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

The accompanying Notes 1.1 to 7.1 form an integral part of the consolidated statement of Comprehensive income for 2020 and 2019.

D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR 2020 AND 2019

(Millions of euros)	SHARE CAPITAL	SHARE/MERGER PREMIUM	TREASURY SHARES	OTHER EQUITY INSTRUMENTS	MEASUREMENT ADJUSTMENTS	RETAINED EARNINGS AND OTHER RESERVES	ATTRIBUTED TO SHAREHOLDERS	ATTRIBUTED TO NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance at 31.12.19	**147**	**995**	**-75**	**505**	**-1,195**	**3,928**	**4,304**	**783**	**5,087**
							0		0
Balance at 01.01.20	**147**	**995**	**-75**	**505**	**-1,195**	**3,928**	**4,304**	**783**	**5,087**
Consolidated profit/(loss) for the year	0	0	0	0	0	-410	-410	51	-359
Income and expense recognised directly in equity	0	0	0	0	-347	0	-347	-52	-399
Transfers to income statement	0	0	0	0	46	0	46	0	46
Total recognised income and expenses during the year	**0**	**0**	**0**	**0**	**-301**	**-410**	**-711**	**-1**	**-712**
Scrip dividend agreement	3	-92	0	0	0	-29	-119	0	-119
Other dividends	0	0	0	0	0	0	0	-134	-134
Treasury share transactions	-3	-256	62			-62	-258	0	-258
Shareholder remuneration	**0**	**-348**	**62**	**0**	**0**	**-91**	**-377**	**-134**	**-511**
Share capital increases/reductions	0	0	0	0	0	0	0	15	15
Share-based remuneration schemes	0	0	0	0	0	-9	-9	0	-9
Other movements	0	0	0	0	0	-17	-17	1	-16
Other transactions	**0**	**0**	**0**	**0**	**0**	**-26**	**-26**	**16**	**-10**
Perpetual subordinated bond issues	**0**	**0**	**0**	**1**	**0**	**-8**	**-8**	**0**	**-8**
Consolidation scope changes	**0**	**0**	**0**	**0**	**0**	**5**	**5**	**-24**	**-20**
Balance at 31.12.2020	**147**	**647**	**-13**	**505**	**-1,496**	**3,397**	**3,187**	**640**	**3,827**

(Millions of euros)	SHARE CAPITAL	SHARE/MERGER PREMIUM	TREASURY SHARES	OTHER EQUITY INSTRUMENTS	MEASUREMENT ADJUSTMENTS	RETAINED EARNINGS AND OTHER RESERVES	ATTRIBUTED TO SHAREHOLDERS	ATTRIBUTED TO NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance at 31.12.18	**148**	**1,274**	**-128**	**504**	**-1,261**	**3,993**	**4,530**	**833**	**5,363**
Transition to IFRS 16	0	0	0	0	0	-25	-25	0	-25
Balance at 01.01.19	**148**	**1,274**	**-128**	**504**	**-1,261**	**3,968**	**4,505**	**833**	**5,338**
Consolidated profit/(loss) for the year	0	0	0	0	0	268	268	-9	259
Income and expense recognised directly in equity	0	0	0	0	66	0	65	27	92
Transfers to income statement	0	0	0	0	0	0	0	0	0
Total recognised income and expenses during the year	**0**	**0**	**0**	**0**	**66**	**268**	**333**	**18**	**351**
Scrip dividend agreement	2	0	0	0	0	-240	-238	0	-238
Other dividends	0	0	0	0	0	0	0	-128	-128
Treasury share transactions	-3	-279	53	0	0	-53	-282	0	-282
Shareholder remuneration	**-1**	**-279**	**53**	**0**	**0**	**-293**	**-520**	**-128**	**-648**
Share capital increases/reductions	0	0	0	0	0	0	0	66	66
Share-based remuneration schemes	0	0	0	0	0	3	3	0	3
Other movements	0	0	0	0	0	-6	-6	-4	-10
Other transactions	**0**	**0**	**0**	**0**	**0**	**-3**	**-3**	**62**	**59**
Perpetual subordinated bond issues	**0**	**0**	**0**	**1**	**0**	**-8**	**-8**	**0**	**-8**
Consolidation scope changes	**0**	**0**	**0**	**0**	**0**	**-4**	**-4**	**-2**	**-7**
Balance at 31.12.2019	**147**	**995**	**-75**	**505**	**-1,195**	**3,928**	**4,304**	**783**	**5,087**

The accompanying Notes 1.1 to 7.1 form an integral part of the consolidated statement of changes in equity for 2020 and 2019

E. CONSOLIDATED CASH FLOW STATEMENT FOR 2020 AND 2019

(Millions of euros)	NOTE	2020	2019
Net profit/(loss) attributable to parent company	**2.11**	**-410**	**268**
Adjustments to profit/(loss)		997	236
Non-controlling interests		51	-9
Net profit/(loss) from discontinued operations		3	198
Tax		-28	47
Profit/(loss) from equity-accounted companies		378	-296
Net financial income/(expense)		232	194
Impairment and disposal of fixed assets		-15	-460
Depreciation/amortisation		198	180
EBITDA discontinued operations	2.9	178	382
EBITDA including discontinued operations		**587**	**504**
Tax payments	2.8.2	-101	-61
Change in working capital (receivables, payables and other)	5.3	308	206
Dividends from infrastructure project companies received	3.5	299	529
Cash flows from operating activities	**5.3**	**1,093**	**1,178**
Investment in property, plant and equipment/intangible assets	3.2 and 3.4	-116	-202
Investment in infrastructure projects	3.3	-129	-157
Loans granted to associates/acquisition of companies		-152	-34
Interest received	2.6	25	40
Investment of long-term restricted cash		253	-528
Divestment of infrastructure projects	6.3	0	115
Divestment/sale of companies	1.1.4	501	484
Cash flows from investing activities		**382**	**-282**
Cash flows before financing activities		**1,475**	**896**
Capital cash flows from non-controlling interests		19	70
Scrip dividend		-122	-238
Treasury share purchases		-255	-282
Shareholder remuneration	5.1	-377	-520
Dividends paid to non-controlling interests of investees	5.1	-133	-124
Other movements in shareholder's funds	1.2.3.3 and 5.1.2	-24	-6
Cash flows from shareholders and non-controlling interests		**-515**	**-580**
Interest paid	2.6	-274	-286
Lease instalments		-89	-135
Increase in borrowings		2,209	1,376
Decrease in borrowings		-805	-633
Net change in financial borrowing discontinued operations		-96	117
Cash flows from financing activities		**430**	**-141**
Effect of exchange rate on cash and cash equivalents		**-133**	**58**
Change in cash and cash equivalents due to consolidation scope changes		**-6**	**-34**
Change in cash and cash equivalents from discontinued operations	**5.3**	**-70**	**-49**
Change in cash and cash equivalents	**5.2**	**1,697**	**730**
Cash and cash equivalents at beginning of year		4,735	4,005
Cash and cash equivalents at year end		6,432	4,735

The accompanying Notes 1.1 to 7.1 form an integral part of the consolidated cash flow for 2020 and 2019.

F. NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR 2020

SECTION 1: BASIS OF PRESENTATION AND CONSOLIDATION

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

BASIS OF PRESENTATION AND NEW ACCOUNTING STANDARDS

The Ferrovial consolidated financial statements have been prepared in accordance with the IFRS standards that apply within the European Union. The accounting policies applied are explained in Note 1.3 of this section. During 2020, no accounting standard having a material impact on the financial statements came into force.

Company activities

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

Discontinued operations

At 31 December 2020, the Company continued to classify the main assets and liabilities linked to the Services Division as discontinued operations, despite more than one year having elapsed since its initial classification, as the Company still considers that it is highly probable that this divestment will be made. Advisor mandates are in force and conversations are in progress with potential investors, with the objective being to sell the assets at a reasonable price, in line with its current market value.

The delay in completion is due to the impact of the COVID-19 crisis and the conclusion that, given the current market conditions, it was necessary to consider selling different parts of the division separately based on the type of activity in each country, as compared with the initial approach in which the sale was to be based on the different geographic areas in which the organisation was being managed, that is Spain, United Kingdom, Australia and the rest of the international business.

On 30 June, the sale of the services activity in Australia was completed following fulfilment of the conditions precedent stipulated in the sale and purchase agreement dated December 2019 (Note 1.1.3).

Impact of COVID-19

The COVID-19 pandemic had a very significant impact on Ferrovial's businesses, particularly Airports and Toll roads. As a result of the losses generated in the Airports business, the Company's financial statements for the year reflect a loss of EUR -410 million, although a positive flow of EUR 965 million (Note 5.3) was generated from the ex-project activity before taxes EUR 1,054 million and the liquidity position stands at EUR 7,964 million (cash and cash equivalents + undrawn credit lines), which is a historical high.

With the aim of presenting the global impact of the pandemic and in line with ESMA's recommendations, Note 1.2 provides an explanation of the impact of the pandemic on the financial statements for 2020, description of the analysis performed to conclude that the Company can continue to do business under the going concern principle, analysis of the possible impact of COVID-19 on the impairment of assets and assessment of the potential impact on the main financial risks, including an analysis of the risk of breach of covenants included in financing agreements.

Consolidation scope changes

Note 1.1.4 provides detailed information on the main changes in the consolidation scope in the reporting period, primarily highlighting the partial sale of the shareholding in the Portuguese toll roads Norte Litoral and Algarve Via do Infante.

Judgements and estimates

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

Exchange rate

Although Ferrovial's functional currency is the euro, a significant portion of its activities is carried out in countries outside the eurozone, its exposure including most notably that to the pound sterling, the US dollar, the Canadian dollar and the Polish zloty. The evolution of these currencies vis-à-vis the euro is shown in Note 1.3.

During 2020 all of the currencies depreciated against the euro, except for the Australian dollar closing exchange rate.

The impact recorded in this regard on shareholders' funds attributable to the parent company is EUR -187 million (Note 5.1.1 changes in equity).

1.1. BASIS OF PRESENTATION, COMPANY ACTIVITIES AND CONSOLIDATION SCOPE

1.1.1. Basis of presentation

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

1.1.2 Company activities

Ferrovial comprises the parent company, Ferrovial, S.A., which was incorporated in Spain and has not changed its name, and the subsidiaries detailed in Appendix II. Its registered office is in Madrid, at Calle Príncipe de Vergara 135.

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

- **Construction:** Design and build of all manner of public and private works, including most notably the construction of public infrastructure.
- **Toll roads:** Development, financing and operating of toll roads.
- **Airports:** Development, financing and operating of airports, as well as integrated solutions for the development and management of electrical networks.
- **Services:** maintenance and upkeep of infrastructure, facilities and buildings; waste collection and treatment; maintenance of energy and industrial facilities and rendering of other kinds of public services. As detailed in Note 1.1.3, this business activity has been classified as a discontinued operation since 31 December 2018.

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

For the purpose of understanding these financial statements, it should be noted that a part of the activity carried out by the Group's business divisions consists of the development of infrastructure projects, primarily in the toll road and airport business lines, but also in the construction and services fields.

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

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

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

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

Lastly, it should be noted that the Real Estate and Services businesses carried out by Budimex in Poland are included in the Construction segment. In 2019, the Services business was classified under discontinued operations and was carried out by its subsidiary FB Serwis, which was 51% owned by Ferrovial Servicios and 49% by Budimex. In 2020 Budimex acquired the remaining 51% owned by Ferrovial Servicios, therefore it now owns 100% of the company, which is now reported within the Construction Division under continuing operations

1.1.3. Assets and liabilities held for sale and discontinued operations

Discontinued operations

At 31 December 2020 all assets and liabilities linked to the Services business division are classified as discontinued operations and various sales processes are currently open with regard to the different lines of business of the division.

As detailed in Note 1.1.4, on 30 June 2020, Ferrovial completed the sale of its Australian subsidiary Broadspectrum for AUD 485.5 million (approximately EUR 303 million). The transaction was completed after receiving regulatory and competition approvals. This figure does not include the value of the 50% interest in a joint venture with a local partner, which was sold to it in July 2020 for AUD 20 million (EUR 12 million).

This sale forms part of the process of divesting the Services subsidiary, which began in February 2019 and which entails the sale of the Broadspectrum business in the Australia and New Zealand markets. This transaction has resulted in a loss of EUR 64 million in net income from discontinued operations, relating mainly to the reclassification from shareholders' funds to results of the amounts accumulated in equity in respect of currency translation differences and due to changes to the derivatives used to hedge the net exposure of overseas investment (IAS 21).

This impact is explained by the depreciation of the Australian dollar against the euro between the purchase date and the divestment date. This loss had no impact on cash flow or shareholders' funds.

The impact on cash of the transaction, including the sale of the above-mentioned joint venture, amounts to EUR 300 million, of which EUR 291 million relates to the price paid for Ventia (AUD 465.5 million), less EUR 2.3 million in transaction costs. The cash flow impact of the scope exit totals EUR -78 million due to the variation in the net cash position, primarily due to the elimination of the Group's intercompany positions with its Australian subsidiary.

As regards the other activities and as stated in the Annual General Meeting held on 17 April 2020, at the date these financial statements are authorised for issue, the Group remains committed to selling the Services Division.

The delay in completion is due to the impact of the COVID-19 crisis and the conclusion that, given the current market conditions, it was necessary to consider selling different parts of the division separately based on the type of activity in each country, as compared with the initial approach in which the sale was to be based on the different geographic areas in which the organisation was being managed, that is Spain, United Kingdom, Australia and the rest of the international business.

Advisor mandates are in force and conversations are in progress with potential investors, with the objective being to sell the assets at a reasonable price, in line with its current market value.

Measurement of assets at fair value

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

The fair value of assets for which there are currently non-binding or binding offers was determined using information relating to the offers. In the case of the Amey business, as already occurred in 2019, the independent expert valuation was employed (which took into account the existence of bids in those business units where this information was available), and in the case of the other businesses for which there is no offer or third-party valuation, the multiples valuation method was applied by reference to 2020 year-end EBITDA. The analysis took into account the impact of COVID-19 so as to arrive at a normalized EBITDA reflecting the best forward-looking estimate of the companies' situation. As regards the multiples, available reference values were used, relating to the offers received in 2019, listed companies and comparable transactions, including transactions completed post-COVID-19 for which information is available. The value of multiples was contrasted by means of a discounted cash flow valuation.

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

Following the valuation exercise and the comparison with the carrying amount of the assets, the following impairments were recognised in 2020: EUR -34 million essentially in relation to the Waste Treatment business in the UK (Amey) and EUR -25 million in relation to the International Services business.

Impact on the presentation of the financial statements

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

- The profit/(loss) after tax generated by the Services business is not reported on each line of the income statement but on a single line named "Profit/(loss) from discontinued operations", in both 2020 and 2019 (Note 2.9). Pursuant to IFRS 5, this profit/(loss) does not include depreciation/amortisation charged on the assets. This heading also includes the potential profit/(loss) of impairments due to the fair value adjustment of the assets, as well as the final profit/(loss) created at the moment of sale.
- For the purposes of the balance sheet, all assets and liabilities attributable to the Services business have been reclassified to "Assets/liabilities held for sale and discontinued operations".
- Note 6.5 on "Contingent assets and liabilities and investment commitments" includes information on discontinued operations.
- The following table details the different types of assets and liabilities that are classified as discontinued operations as at December 2020 and December 2019:

SERVICES DIVISION (Millions of euros)	DEC. 2020	DEC. 2019	VAR.
Non-current assets	**3,093**	**3,944**	**-851**
Goodwill	1,342	1,708	-366
Intangible assets	207	390	-183
Fixed assets in infrastructure projects	437	423	15
Property, plant and equipment	406	498	-92
Right of use	328	377	-49
Deferred taxes	272	421	-149
Other non-current assets	101	127	-26
Current assets	**1,627**	**2,271**	**-645**
Inventories	27	59	-32
Short-term trade and other receivables	1,193	1,606	-413
Cash and cash equivalents	394	570	-177
Other current assets	14	36	-22
TOTAL assets	**4,720**	**6,215**	**-1,495**
Fair value provision	-836	-1,279	443
TOTAL assets classified as discontinued operations	**3,884**	**4,936**	**-1,052**

SERVICES DIVISION (Millions of euros)	DEC. 2020	DEC. 2019	VAR.
Deferred income	**38**	**44**	**-6**
Non-current liabilities	**1,074**	**1,423**	**-350**
Long-term provisions	261	272	-11
Long-term lease liabilities	143	191	-48
Borrowings	275	544	-269
Other non-current liabilities	394	416	-21
Current liabilities	**1,760**	**2,023**	**-263**
Short-term lease liabilities	51	77	-26
Borrowings	82	56	26
Short-term trade and other payables	1,328	1,661	-333
Trade provisions	272	224	48
Other current liabilities	27	6	21
TOTAL liabilities classified as discontinued operations	**2,872**	**3,491**	**-618**

As shown in the table, the net balance of assets and liabilities relating to the discontinued Services operation is EUR 1,012 million, of which EUR 1,001 million pertains to the parent company. The decrease in the balance sheet items with respect to 2019 is due mainly to the sale of Broadspectrum in June 2020.

Assets and liabilities held for sale

As indicated in Note 1.1.4, in September 2020 an agreement was reached to sell the equity-accounted Portuguese toll roads Norte Litoral and Via do Infante to the fund DIF Infrastructure VI, the partial sale of both toll roads having been completed in December 2020. At the year end, the Group still records the 20% ownership interest in both concessions, the sale of which will be finalised during 2021.

In addition, 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. (URBICSA), for EUR 40.7 million and EUR 16.2 million, respectively. Completion under the agreement is pending authorisation from the competent bodies at the reporting date, so the accounting effects of the transaction have not been recognised.

In contrast to the Services Division, as this does not involve a business segment or activity, the profit/(loss) generated is still reported on the relevant income statement lines.

The following table details the different types of assets and liabilities that are classified as held for sale at December 2020:

ASSETS HELD FOR SALE (Millions of euros)	DEC. 2020
Non-current assets	170
Fixed assets in infrastructure projects	96
Investments in associates	68
Deferred taxes	5
Current assets	16
Short-term trade and other receivables	5
Cash and cash equivalents	11
TOTAL assets classified as held for sale	**186**

LIABILITIES HELD FOR SALE (Millions of euros)	DEC. 2020
Non-current liabilities	82
Borrowings	56
Other payables	8
Financial derivatives at fair value	18
Current liabilities	3
Borrowings	2
Current income tax liabilities	1
TOTAL liabilities classified as held for sale	**85**

1.1.4. Consolidation scope changes and other disposals in investees

Below is a description of the most significant movements in the consolidation scope in 2020.

Toll roads

In 2020, the terms for the direct sale to DIF, currently a shareholder, of 49% of Norte Litoral, 48% of Algarve and Algarve International B.V. ("AIBV") which holds Algarve debt, were presented for approval. The overall price amounts to EUR 171.9 million.

As the sale was subject to authorisation from the banks and also administrative authorisation (provided that Cintra's shareholding fell below 20%), and in order to bring forward as far as possible the receipt of funds, during negotiations with DIF the possibility of making an initial partial sale of a 29% equity interest in Norte Litoral and 28% of Algarve was envisaged. The partial sale price amounts to EUR 100 million. This partial sale was carried out on 17 December, with this transaction generating a capital loss of EUR -1 million. At December 2020, Cintra holds a 20% shareholding in both concessions, which will be sold in the following year.

Ferrovial, through its toll road subsidiary Cintra, acquired a further 15% interest in the I-77 toll road in North Carolina, USA on 4 December 2020. The transaction is valued at USD 77.7 million (comprising approximately EUR 68 million) plus a deferred payment based on the asset's performance in June 2024, estimated at USD 2.7 million (approximately EUR 2.4 million). Accordingly, Ferrovial's ownership interest will increase from 50.1% to 65.1%. The impact of this transaction amounted to EUR -38 million in parent company reserves and EUR -30 million in non-controlling interests (Note 5.1).

Construction

In June 2020, 1,276,505 shares in Budimex (equivalent to 5% of the ownership interest) were sold, there having been no impact on the consolidated income statement since a controlling interest is still held in the company (50.1%).

The effect of the transaction on cash resources totals EUR 58 million (PLN 255 million). The difference between the transaction price and the carrying amount of the ownership interest sold entailed the recognition of a consolidated capital gain of EUR 43 million, recognised in reserves attributable to the parent company.

On 29 December 2020, Ferrovial Construcción, S.A. acquired all the share capital of Siemsa Industria, S.A. from Ferrovial Servicios S.A.U. for EUR 16 million. This company provides services for the energy, petrochemical and industrial sectors. Following this internal transaction, it no longer forms part of the Services Division, where it was classified as a discontinued operation, and is included in the Group's Construction Division.

Services

On 30 June 2020, Ferrovial also completed the sale of its Australian services subsidiary Broadspectrum to Ventia for AUD 485.5 million (approximately EUR 303 million). The sale equated to a loss of EUR -64 million (Note 1.3).

Other businesses

On 01 July 2020, Ferrovial completed the sale of 30% of Car Sharing Mobility Services, S.L. (CSMS) to Renault for EUR 1.7 million, which equated to the amount Ferrovial contributed for that 30% since the start of business. CSMS is now jointly controlled by Ferrovial and Renault.

1.2. IMPACT OF COVID-19

The World Health Organization declared a global pandemic caused by COVID-19 in March 2020. Most of Ferrovial's business is conducted in countries that are exposed to a greater or lesser extent to COVID-19 outbreaks and have implemented drastic measures such as states of emergency, border closures to international travellers and restrictions on the movements of their own citizens.

These measures have caused a reduction in consumption, commercial activities and industrial production, seriously affecting the countries' economies and pushing down demand for Ferrovial's services. This has impacted mobility services in particular, though not exclusively.

With the aim of presenting the global impact of the pandemic and in line with ESMA's recommendations, this note provides an explanation of the impact of the pandemic on the financial statements for 2020, description of the analysis performed to conclude that the Company can continue to do business under the going concern principle, analysis of the possible impact of COVID-19 on the impairment of assets and assessment of the potential impact on the main financial risks, including an analysis of the risk of breach of covenants included in financing agreements.

1.2.1. Impact on the financial statements for 2020 and mitigating measures adopted

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

Airports Division

The pandemic has led to a drastic reduction in the number of passengers both at Heathrow and at AGS (the holding company of Aberdeen, Glasgow and Southampton airports), both of which are equity-accounted companies.

This explains the net loss posted by Ferrovial, since the Airports business contributed EUR -466 million of the total losses for the year of EUR -410 million, Heathrow Airport and AGS contributing EUR -396 and EUR -51 million, respectively.

Passenger trends in the months following the outbreak of the pandemic were as follows.

Passenger trends (*)	JUN-20	SEP-20	DEC-20	2020
HEATHROW	-95.2%	-81.5%	-82.9%	-72.7%
Aberdeen	-83.6%	-71.8%	-70.9%	-65.3%
Glasgow	-98.7%	-82.9%	-90.2%	-78.0%
Southampton	-97.6%	-89.8%	-95.8%	-83.4%
TOTAL AGS	-95.6%	-81.5%	-86.3%	-75.9%

(*) Monthly information compared with the same month of the previous year, except for 2020 information, which reflects cumulative changes for all 12 months of the year.

Due to the impact of COVID-19, the reduction in investment projects and the delay in the expansion process, Heathrow airport undertook a detailed review of its organisational structure to simplify operations and cut costs. As a result, an extraordinary expense of GBP -92 million (EUR -21 million for Ferrovial's % shareholding) was recognised in connection with staff cost reduction measures, which will be a cost saving in the future. Heathrow also reviewed the asset portfolio, particularly assets under construction. Some projects have been put on hold, while others are not expected to restart in the near future. This led to the recognition of a fixed asset impairment loss of GBP -92 million (EUR -21 million for Ferrovial's % shareholding). AGS recognised an extraordinary expense of GBP 7 million (EUR 3 million for Ferrovial's % shareholding) relating to organisational restructuring.

At Heathrow airport, there was also an adverse effect on the income statement due to the variation in derivatives for a total amount of GBP -202 million (EUR -46 million for Ferrovial's % shareholding), the negative value of which increased mainly as a result of decreasing interest rate expectations due to the global economic crisis and an average reduction of 60 basis points in the 6-month LIBOR curve.

At Heathrow and at AGS, measures were taken to cushion the impact on the income statements and preserve the cash resources available. The following measures are particularly worthy of mention:

- Reduction in Heathrow's and AGS' operating expenditure in 2020 by GBP 303 million and GBP 37 million, respectively, compared with the figures budgeted for 2020. These measures include an organisational restructuring and other temporary measures (furlough and wage cuts), renegotiation of supplier contracts, interruption of non-essential activities and consolidation of operations.
- Revenue maximisation, taking advantage of the capacity at Heathrow to increase London market share, as well as cargo flights.
- Reduction of GBP 700 million in fixed asset investments at Heathrow and GBP 25 million at AGS.
- Dividend reduction. No dividend distributions have been carried out in 2020, other than those carried out prior to the start of the pandemic.

Toll Roads Division

Traffic was severely affected in April, followed by a gradual recovery in the following months that slowed in the second half. Traffic trends on the main toll roads in North America are analysed below:

TRAFFIC TRENDS (*)	JUN-20	SEP-20	DEC-20	2020
407 ETR	-57.8%	-38.2%	-48.6%	-45.4%
NTE	-31.3%	-20.3%	-19.4%	-26.2%
LBJ	-45.6%	-42.9%	-40.0%	-38.5%
NTE 35W	-15.9%	-10.0%	-10.4%	-14.7%

(*) Compared with the same month of the previous year

The decline in traffic caused the Toll Roads Division's EBITDA to fall to EUR 251 million, as compared with a figure of EUR 436 million for the same period of the previous year. Similarly, the contribution by equity-accounted businesses, particularly 407 ETR, was also considerably lower (EUR 33 million as compared with EUR 153 million in 2019).

The toll roads are adapting to the new situation by taking certain mitigating measures that include:

- Reduction in operating expenditure: lower toll collection costs, reduction in communication and marketing campaigns, and temporary staff lay-offs.
- Postponement of fixed asset investments. The combined effect of these measures is estimated at EUR 41 million (in proportional terms).
- Dividend reduction. 407 ETR did not pay the dividend for the second or final quarters of the year, entailing a fall of EUR 160 million in dividends received by Ferrovial from this asset, as compared with the amount of EUR 309 million received in 2019.

Construction Division

Unlike Airports and Toll Roads, the impact on this division was less significant and distributed unevenly from region to region. Spain and South America were the most affected due to the lower rates of production in construction work with fixed costs, delays in the arrival of personnel and supplies, acceleration costs and additional health and safety materials. The total impact on operating results amounted to EUR -49 million.

Mitigating measures were also implemented in this business area in order to cut costs (estimated at EUR 3 million), as well as compensation claims due to the delays and/or the costs of project execution under contracts including force majeure or similar clauses.

Services Division (discontinued operation)

COVID-19 also had an adverse effect on the Services Division, particularly during the lockdown months (April and May in Spain; a longer period in the United Kingdom, to the end of June), which was then followed by less severe mobility restrictions, as well as second and third waves.

The pandemic has affected the Services business across all geographies: In Spain traffic-related revenues have been particularly impacted, such as train on-board services and road maintenance in shadow toll concessions, cost overruns, delays and reduction of non-essential work in industrial maintenance and support activities.

In the UK, water and electricity transmission and infrastructure maintenance activities have been impacted. Also, of note is the considerable decrease in oil & gas activities in the United States due to the sharp fall in demand for petroleum derivatives. The impact on this division's EBITDA amounted to EUR -102 million.

As regards the mitigating measures implemented, Ferrovial Servicios availed itself of temporary lay-off proceedings (ERTEs) applicable to certain contracts in Spain, which affected 4,500 employees, leading to a positive impact of EUR 41.5 million.

In the United Kingdom, Amey applied a number of initiatives promoted by the British Government to support the economy, such as:

- 80% subsidy for salaries of furloughed employees up to the limit of GBP 2,500 per employee, which came to an end in the fourth quarter and lead to aid amounting to EUR 7.9 million.
- Advance receipts from public customers in order to bolster the liquidity of public service providers, accompanied by higher payments to suppliers and subcontractors to assure supply chain liquidity.
- Deferral of VAT payments for March and April 2020 until the period April 2021 to March 2022.

In addition to the measures described, the Services Division has implemented cost-cutting initiatives to adapt to the new market circumstances totalling approximately EUR 110 million (in proportional terms), including delay savings on investments in Spain amounting to EUR 15 million, as well as savings brought about by temporary working hour reductions: EUR 42 million from ERTEs in Spain and EUR 7 million from the furlough scheme in the UK).

Impact on cash flows

The impact of the pandemic on cash flows in the infrastructure businesses is quantified in terms of the reduction in dividends received (mainly due to the cancellation of 407 ETR's second and fourth quarter dividends and all of the Heathrow dividends following the start of the pandemic). Dividend trends with respect to the previous year are as follows:

DIVIDENDS RECEIVED	DEC-20	DEC-19	CHANGE
407 ETR	160	309	-149
LBJ	109	0	109
NTE	25	166	-140
HAH	29	145	-116
AGS	0	17	-17
Other	134	92	42
TOTAL	**458**	**729**	**-271**

In the Construction Division, cash flow impacts are largely in line with the trend in results (EUR -59 million). On the other hand, the Services division has experienced a temporary positive impact in working capital derived from the Spanish and UK initiatives stated above. This positive impact is expected to gradually reverse in the following months.

1.2.2. Going concern assessment

As indicated in the previous paragraph, losses for the year of EUR -410 million are explained by the impact of the COVID-19 pandemic, particularly on the Airports business. The pandemic also caused a significant cut in dividends received from the main infrastructure projects.

Bearing in mind this situation and in order to draw conclusions on the application of the going concern principle to these financial statements, an analysis of the Group's cash requirements up to 2022 has been made based on its current cash position.

In this regard, Ferrovial ended the year with an all-time high position of liquidity. In December 2020, ex-infrastructure projects liquidity amounted to EUR 7,964 million (cash and cash equivalents + undrawn credit lines) and the ex-infrastructure projects net cash position amounted to EUR 1,991 million. It should also be noted that the Group's short-term assets and liabilities, including cash and debt position, show a positive balance at end-December 2020.

Beginning with this liquidity position, Ferrovial updated its business plan for the coming five years to include the estimated impact of COVID-19 on each business area, assuming a gradual recovery of business levels in the second half of 2021, once progress has been made in the vaccination process, achieving herd immunity and allowing an economic bounce back. In that scenario, although no dividends distributions are expected from Airports assets, it is assumed a gradual recovery from Toll Roads assets dividends since 2021 second half and 2022. In the Construction division, no significant impacts related to Covid-19 have been considered, and regarding the open divestments processes they are expected to be signed off within 2021, with cash collections to be received within 2021-2022. This baseline scenario would have no material impact on the company's current liquidity position.

A stress scenario was added to this baseline scenario to include a number of assumptions regarding the Company's cash resources in 2021 and 2022 if there is no recovery from the effects of the pandemic. The impacts considered in this stress scenario are as follows:

a. No dividends from infrastructure projects are expected to be received in 2021 and 2022.
b. Worsening of cash projections in the Construction business.
c. Delay in sale processes currently under way, until after 2022
d. Specific recapitalisation needs in certain projects due to the breach of the financing agreements (covenants).

The conclusion drawn from the analysis is that, although this stress scenario would entail a very significant deterioration of the Company's cash position, cash resources would continue to be sufficient to meet commitments. Therefore, based on the available information at the reporting date of these financial statements, Ferrovial's financial position, the diversity of Ferrovial's assets portfolio that could be eligible for divestments or refinancing processes, as well as the measures adopted to offset the effects of the pandemic on its business activities, Ferrovial's finances are sufficient to guarantee the capacity of the Group to continue operating under the going concern principle during the years 2021 and 2022, with no material uncertainties having been identified to doubt this conclusion.

1.2.3. Impact on asset impairment

As indicated previously, the main uncertainties caused by COVID-19 relate to infrastructure projects (tolls roads and airports), due to the drastic reduction in toll road traffic caused by the restrictions imposed on mobility and in the number of airport passengers.

Future trends relating to these assets are subject to a series of uncertainties such as the impact on traffic of the economic freeze, promotion of working from home and electronic commerce (in this case, the impact is positive due to the increase in heavy goods and commercial vehicle traffic related to distribution/logistics activities) or the social distancing measures, which will change mobility habits, at least temporarily.

This situation and the uncertainties as to future trends are relevant when analysing possible impairment loss on the assets used in these activities. Impairment tests were carried out on the main assets (all toll roads and airports, Webber, Budimex, Transchile and service companies classified as discontinued operations) using projections discounted based on the estimated evolution of the pandemic and adjusting upwards the discount rates applied.

As regards the short- and medium-term impact of COVID-19 on the main toll road assets, provided that herd immunity is achieved and that there is a economic bounce back in 2021, we expect a quicker traffic recovery to take place.

In the case of airports, in the base case recovery of traffic levels is expected to be slower than in toll roads, in view of the uncertainty generated by COVID-19. AGS traffic levels are not expected to return to 2019 levels before 2025 and HAH traffic levels are not expected to recover over the course of H7, which completes in 2026. There is considerable uncertainty due to the impact on traffic of government or international decisions restricting or preventing passenger flows, so any estimate will have to be reviewed periodically.

The discount rates used in the impairment testing were determined by analysing trends in the main market parameters, the Company having decided to increase the discount rate by between 25 and 50 basis points with respect to pre-COVID levels. Despite the fall in the risk-free rate in Ferrovial's main markets, the recent increase in risk perception and in returns expected by investors, caused by the pandemic, justify raising cost of capital. It should be noted that the Company uses conservative parameters in order to arrive at a normalised risk-free rate (normalised risk-free rates are between 100 and 200 basis points above the spot rate).

As described in more detail in Note 3.1.2., the conclusion drawn from the exercise carried out, and with the information available to date, is that the assets analysed are not expected to become impaired.

Finally, in respect of the Services business, as these assets continue to be classified as discontinued operations, a fair value restatement has been performed

1.2.4. Impact on financial risks

Covenants

The most relevant covenants in the Group's financing agreements relate to default ratios (breaches) in the infrastructure areas (toll roads and airports).

Toll roads

The financing agreements for the main toll road projects contain no default ratios that might entail the early repayment of the debt. They only contain lock-up ratios, which can prevent dividend distribution by the toll road companies.

The decision taken by 407 ETR not to pay out the second and fourth quarter dividend is presented as a prudent measure in view of the uncertainty, rather than as a contractual impediment.

Airports:

In July 2020, approval was received from Heathrow Finance PLC's creditors (over 95% support) a waiver of the ICR (Interest Coverage Ratio): Cash flows from operating activities divided by interest of above 1x) for 2020 and a modification of the RAR covenant (Regulatory Asset Ratio: Net debt divided by the RAB or regulatory asset base of below 92.5%) increasing the current limit of 92.5% to 95% in 2020 and 93.5% in 2021, so that no default is expected in June 2021 under the current traffic scenario.

This waiver temporarily imposes a number of conditions on the payment of dividends and a minimum liquidity of GBP 200 million. Heathrow also granted bondholders an additional yield increase of up to 0.75%, 0.25% as from the day the waiver comes into effect, a further two 0.25% increases if the RAR is above 92.5% and the remainder if the rating for any bond falls below Ba3 or BB-.

In AGS, the Net borrowings/ EBITDA ratio <9.5x and the debt service coverage ratio (DSCR) >1.1x were expected to breach in 2020. On 15 June a waiver was obtained for both June and December 2020 covenants. The December waiver successfully overcame a liquidity test at 30 November 2020.

Corporate debt:

Corporate date consists primarily of the following debt instruments: corporate bonds, Euro Commercial Paper (ECP) and corporate liquidity lines. None of the instruments includes default ratios, so there is no risk of default on this type of obligations.

Measurement of derivatives

The coronavirus pandemic and related economic consequences have triggered major upheavals in financial markets having a direct impact on the value of the Ferrovial Group's portfolio of derivatives. The fall in interests rates affecting certain currencies and the generalised increase in credit risk are particularly significant.

Interest rates

In some regions, the pandemic has forced central banks to apply emergency interest rate cuts and extraordinary liquidity measures that have caused interest rates to fall across the board.

The interest rate cuts affecting the GBP, EUR and USD have directly affected the valuation of Ferrovial's Interest Rate Swaps (IRS) in the period January-December 2020 (GBP -28 million (ex- Heathrow), EUR -14 million and USD -6 million, with balancing items in reserves). In the case of Heathrow an impact of EUR -15 million (net profit/(loss) attributable to Ferrovial) has been registered in this regard in the income statement for 2020.

Credit risk

The increase in credit risk due to the economic consequences of the pandemic has caused a sharp widening of credit spreads and of Credit Default Swaps (CDS), as well as deterioration in the credit worthiness of some of the projects and counterparties. This has had a direct impact on the calculation of credit risk adjustments for derivatives. In general, the widening of credit risk has a positive impact on liability derivatives (negative valuation) and a negative effect on asset derivatives (positive valuation). Specifically, it had an impact between January and December 2020 of EUR +11 million on IRS in Euros and EUR -1.4 million in the Autema index-linked swap. These impacts have been reflected in reserves and in the income statement based on the accounting treatment of each derivative.

This credit risk rise could lead to hedge ineffectiveness, although there has been no significant decline in the effectiveness of any of the Ferrovial Group's derivatives according to the tests performed to date, except for Heathrow cross-currency swaps (CCS), which had a net impact of EUR -15 million in the Ferrovial income statement as at December 2020, of which EUR -4 million relate to those generated by the CVA impact.

UK inflation (Retail Price Index, RPI)

Although expected inflation in the United Kingdom (RPI) is at slightly lower levels than at the start of the pandemic, which is beneficial for Heathrow's index-linked swap (ILS) portfolio, the sharp fall in GBP nominal interest rates had a broader adverse impact due to the negative effect of discount factors and variable interest rate (LIBOR) receipts for a part of the portfolio (a net amount of EUR -16 million for Ferrovial's % shareholding, impacting the income statement).

Impairment of financial assets

The Group applies the IFRS 9 expected credit loss approach to the impairment of receivables. The Group reviews the ratings of customers (or awarding entities in the case of financial assets under IFRIC 12) annually and calculates a percentage reflecting the probability of default and the percentage loss that this would entail. This credit review exercise revealed losses of EUR 9 million, primarily related to the AGS airports project (Note 3.6.1).

1.3. ACCOUNTING POLICIES

1.3.1. New accounting standards

1.3.1.a) New standards, amendments and interpretations adopted by the European Union mandatorily applicable for the first time in 2020:

The same accounting policies have been applied when preparing these consolidated annual accounts as were applied to the consolidated annual accounts for the financial year ended 31 December 2019, except for the adoption of the amendments to IFRS 9, IAS 39 and IFRS 7 due to the interest rate benchmark reform. These amendments came into effect in the European Union on 1 January 2020 and have therefore been first-time adopted this year.

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

The amendments brought in by the standard provide a number of exemptions applicable to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty regarding the timing and/or amount of cash flows linked to the interest rate of the hedged item or hedging instrument.

The Group has applied these exemptions retroactively to hedging relationships in force at 1 January 2020 or designated since that date and affected by the interest rate benchmark reform. This amendment to IFRS 9 will be applied until the uncertainty regarding the timing or amount of cash flows from the hedged item or hedging instrument ends or the hedging relationship is discontinued.

The hedging instruments within the scope of the changes to interest rates by hedge type are set out below:

BENCHMARK	NOTIONAL (M EUR)	NOTIONAL (M LOCAL
Euribor	**1,741.04**	**1,741.04**
IRS	1,741.04	1,741.04
Libor GBP	**2,130.12**	**1,931.21**
IRS	*646.81*	*579.24*
CCS	*1,483.31*	*1,351.97*
Libor USD	**399.73**	**456.79**
IRS	*149.73*	*183.04*
CCS	*250.00*	*273.75*

1.3.1.b) New standards, amendments and interpretations mandatorily applicable in annual reporting periods subsequent to 31 December 2020:

The new standards, amendments and interpretations approved by the IASB but not yet mandatorily applicable at 31 December 2020 that might have an effect on the Group are as follows:

STANDARD, INTERPRETATION OR AMENDMENT	DATE PUBLISHED IN THE EU OFFICIAL JOURNAL	DATE APPLICABLE IN THE EU	IASB APPLICABLE DATE
Amendment to IFRS 4 Insurance contracts - deferral of IFRS 9	16 December 2020	01 January 2021	01 January 2021
IFRS 17 – Insurance contracts	Pending	Pending	01 January 2023
Amendment to IAS 1 Presentation of financial statements: classification of financial liabilities as current or non-current	Pending	Pending	01 January 2023
Amendments to: IFRS 3 Business combinations IAS 16 Property, plant and equipment IAS 37 Provisions, contingent liabilities and contingent assets Annual improvements 2018 - 2020	Pending	Pending	01 January 2022
Amendments to IFRS 9. IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest rate benchmark reform – phase 2.	Pending	Pending	01 January 2021

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

1.3.2. Basis of consolidation

In 2020 and 2019 the reporting dates of the individual annual accounts of all the companies included in the consolidation scope were either the same as, or were temporarily brought into line with, that of the parent company.

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

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

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

In all these cases, it has been concluded that the projects in question should be equity-accounted, because Ferrovial does not have the right to nominate the majority of the Board of Directors of these companies, and the decisions of the said Boards (including the appointment of the main executive positions) always require a simple or qualified majority, when Ferrovial does not itself have a casting vote in the event of a tie. Notable cases in this regard are the stakes held in the companies that own the following Toll Road projects (the percentage stake held in each is shown in brackets): I-66 (50%), 407 ETR (43.23%), Slovakia (35%), Toowoomba (40%) and Osars (50%).

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

It is considered that, in these cases of joint control, the partners have direct control over the assets, liabilities, income and expenses of these entities and joint and several liability. Operations of this nature contributed to the consolidated Group assets, profit/(loss) and revenues of EUR 29 million, EUR -126 million and EUR 1,074 million, respectively (2019: EUR 182 million, EUR -133 million and EUR 963 million). Particularly worthy of note due to their materiality (sales representing more than 0.5% of consolidated sales) are the following companies relating to construction projects:

PROJECT	ACTIVITY	% SHAREHOLDING		REVENUE (€M)
Northern Line / Thames Tideway Tunnel	Design and construction of the Thames Tideway tunnel and Northern Line extension of the London Underground	50	%	199
HS2 Enabling Works	Preliminary ground and enabling works for the HS2 high speed line in the UK	37	%	116
Bucaramanga Toll Road (Ruta del Cacao)	Engineering, procurement and construction of the Bucaramanga-Barrancabermeja-Yondó project	70	%	59
Tokamak Iter	Construction of the Tokamak reactor located in Cadarache (France)	30	%	34
HS2 Main works	Works on 80 km of the HS2 between Chilterns and Warwickshire, including 15 viaducts, 5 km of green tunnels, 22 km of road diversions, 67 bridges and 30 million cubic metres of excavation.	15	%	30
TOTAL				**438**

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

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

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

The non-elimination of these transactions had an impact of EUR -22 million on the income statement, after taxes and non-controlling interests (2019: EUR -127 million). The detail of the transactions not eliminated on the basis of the foregoing is shown in Note 6.8, related party transactions.

Appendix II contains a list of subsidiaries and associates.

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

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

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

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

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

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

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

1.3.3.2. Investments in infrastructure projects

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

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

IFRIC 12 Intangible Asset Model

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

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

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

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

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

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

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

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

Toll road concessions accounted for using the intangible asset model:

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

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

Financial Asset Model IFRIC 12

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

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

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

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

At 31 December 2020 and 2019, the financial income included in sales revenue amounted to EUR 14 million and EUR 113 million, respectively. This reduction is due to the fact that the cassation appeal in the litigation brought by Autema (Autopista Terrasa Manresa, S.A.) that was in progress with the Catalan Regional Government in connection with the project concession scheme was not given leave to proceed. As a result of this rejection, the project was recognised under the intangible asset model as from January 2020 and no financial income is therefore applicable (Notes 2.1 and 6.5.1). Also, the borrowing costs associated with the financing of concessions to which the financial asset model is applied amounted to EUR 22 million in 2020 and EUR 26 million in 2019.

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

Toll road concessions accounted for using the financial asset model

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

(*) First year of the concession (if in service) or year of commencement of construction (if at the construction phase).
(**) Owned 20% through Cintra and 20% through Amey

Other concession arrangements accounted for using the financial asset model

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

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

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

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

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

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

Fair value measurement

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

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

As indicated in Note 5.5, “financial derivatives”, all the Group's financial derivatives are categorised as Level 2.

Financial instruments

Impairment of financial assets

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

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

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

The Group applies the simplified approach to trade and other receivables. In order to calculate expected loss, an average rating is obtained for customers by business and geographic area and is used to generate the rates to be applied to the balances, depending on whether the customer is a public or private entity and on its business sector (only in the case of private sector customers).

Moreover, if the customer is declared insolvent, a claim is filed against it or it defaults on payment, a breach is deemed to have occurred and the entire trade receivable will be provisioned. To this end, the Group has defined payment periods per type of customer that trigger a breach and thus the posting of a provision.

In the case of receivables under the IFRIC 12 model (Note 3.3.2), the expected loss provision is calculated individually for each asset based on the awarding entity's credit quality. If the credit risk has not increased significantly, the calculation will be made based on the same amount as the expected credit losses over the next 12 months. The risk is deemed not to have increased significantly if the awarding entity has a rating above investment grade and has maintained this level since initial recognition.

Classification and measurement of financial assets.

According to IFRS 9 the classification and measurement method is based on two aspects, these being the features of the contractual cash flows from the financial asset and the entity's business model. This sets out three potential measurement methods: amortised cost, fair value through other comprehensive income (equity) and fair value through profit or loss. The Group's financial assets are mainly assets held to maturity, the cash flows of which are only payments of principal and interest, so, on this basis, financial assets are carried at amortised cost. We would solely note that for its equity instruments that are measured by default at their fair value with changes reported in profit/(loss), there is an option to report changes in fair value in other comprehensive income from the outset. This decision cannot be revoked and must be taken for each asset individually.

Hedge accounting. IFRS 9 attempts to align hedge accounting more closely with risk management, and the new requirements establish a principle-based approach.

Other equity instruments

These are perpetual bonds with payment at the discretion of the party that issues the coupon in question. They do not meet the conditions to be considered as a financial liability for accounting purposes, because they do not include any contractual obligation to make payment in the form of cash or any other financial asset, nor do they include any obligation to exchange financial assets or liabilities. They are therefore entered as part of the company's equity, in other equity instruments.

Non-refundable grants related to assets

Non-refundable capital grants are measured at the amount granted under "deferred income" (Note 6.1) in the consolidated statement of financial position, and are taken to profit or loss gradually in proportion to the period of depreciation on the assets financed with these grants, which is recognised under "depreciation and amortisation charge". From the cash flow standpoint, the amount of the grants collected in the year is presented as a reduction of the amount of the investments made.

Trade payables

"Trade payables" include the balances payable to suppliers under reverse factoring arrangements with banks.

These balances are classified as trade payables and the related payments as cash flows from operating activities, since the payments are made to the banks under the same conditions as those agreed with the supplier, the company bound by the obligation to make payment does not agree an extension with the banks beyond the due dates agreed with the supplier, and there are no special guarantees to secure the payments to be made.

1.3.3.4 Revenue recognition

In order to ensure that policy is standardised across all its different lines of business, Ferrovial has prepared a common revenue recognition policy adapted to IFRS 15 "revenue from contracts with customers".

i) General revenue recognition criteria

The first step in the revenue recognition process involves identifying the relevant contracts and the performance obligations that they contain.

Generally speaking, the performance obligations in the Construction and Services activities carried out by Ferrovial are met over time, rather than at a specific moment, since the customer simultaneously receives and consumes the benefits offered by the company's performance as the service is provided.

As regards the criterion for recognising revenues over time (the method of measuring the progress of performance of an obligation), Ferrovial has established certain criteria that are consistently applied in respect of similar performance obligations.

In this regard, the Group has chosen the output method as its preferred method for measuring the value of assets or services for which control is transferred to the customer over time, which is applied whenever the progress of the work performed can be measured on the basis and over the course of the contract.

In contracts for the provision of different, highly interrelated goods or services required to produce a combined output, which often occurs in contracts for construction activities, the applicable output method is that of measurement of units produced ("surveys of performance" under "output methods"), in which the revenue recognised relates to the work units completed, based on the price assigned to each unit. In accordance with this method, the units produced under each contract are measured and the output for the month is recognised as revenue. The costs of carrying out works or service projects are recognised on an accrued basis, and the costs actually incurred in producing the units of output are recognised as an expense together with those which, because they might be incurred in the future, have to be allocated to the units produced to date. (see note 1.3.3.4. v) on provisions for deferred expenses).

In routine or recurring service contracts (in which the services are substantially the same), such as maintenance and cleaning services, which are transferred with the same pattern of consumption over time and whose remuneration consists of a recurring fixed amount over the term of the contract (e.g. monthly or annual payment), in such a way that the customer receives and consumes the benefits of the services as the entity provides them, the method selected by the Group to recognise revenue is the "time elapsed output method". Under this method, revenue is recognised on a straight-line basis over the term of the contract and costs are recognised on an accrual basis.

Only in those contracts that are not for routine or recurring services and for which the unitary price of the units to be performed cannot be determined, use of the stage of completion measured in terms of the "costs incurred" (input method) is permitted. Under this method, the company recognises revenues based on the costs as they accrue, as a percentage of the total costs forecast for completion of the works, taking account of the expected profit margins for the whole project, according to the most recently updated budget. This method entails measuring the costs incurred as a result of the work completed to date as a proportion of the total costs forecast, and recognising revenues in proportion to the total revenues expected. As indicated above, this method only applies to those complex, lump-sum construction or services contracts in which it is not possible to break down the price and measure the units to complete.

Finally, as regards determining whether the company acts as a principal or agent, Ferrovial is the principal in both construction and service contracts if it provides goods and services directly to the customer and transfers control of them without involving intermediaries.

In the case of concession agreements in which Ferrovial both builds and operates the toll road, the construction company is the principal if it is ultimately responsible for fulfilling the commitment to execute the work in accordance with the concession agreement specifications and assumes the contractual obligations in the event of a claim or delay.

ii) Recognition of revenue from contract modifications, claims and disputes

Modifications are understood to mean changes to the scope of the work that are not provided for in the original contract and that could result in a change to the revenues attached to the contract in question. Changes to the initial contract require the customer's technical and financial approval prior to the issue of billings and collection of the amounts relating to additional work.

The criterion applied by the Group is not to recognise any revenue from this additional work until the additional work has been approved by the client. In cases where the work has been approved but its measurement remains pending, the "variable consideration" requirement (as explained below) will apply. This entails recognising revenue in an amount that will be most likely not to suffer any significant reversal. Any costs associated with the units completed or services rendered will be recognised at the time at which they are incurred, regardless of whether or not the modification has been approved.

A claim is a request seeking payment or compensation from the customer (for example, cases involving compensation, reimbursement of costs, legally mandatory inflation-linked review), subject to the submission of a direct application to the customer. The criterion followed by the Group with regard to claims is to apply the method mentioned above in relation to changes, when such claims are not covered by the contract, or to apply the variable consideration method, when they are covered by the contract but need to be quantified.

A dispute is the result of an incident of non-compliance or rejection after a claim has been made to the customer under the terms of the contract, the result of which is pending in a procedure being pursued directly with the customer or in court or arbitration proceedings. In line with the criteria followed by the Group, in the event that the revenues relating to a dispute in which the enforceability of the amount being claimed are in doubt, these revenues will not be recognised and any recognised earlier will be cancelled, since the dispute shows that the customer has not given its approval for the completed work. In the event that the customer questions the value of the work completed revenues will be recognised on the basis of the criteria applied in cases of "variable consideration", as explained below.

Only in cases in which a legal report confirms that the rights forming the subject of the dispute are clearly enforceable and, therefore, at least the costs directly associated with the service relating to the dispute are recoverable, revenues may be recognised up to the maximum amount of the costs incurred.

(iii) Determination of the transaction price

The purpose of the entity is to allocate the price to each performance obligation (or distinct good/service) for an amount that represents the consideration to which the entity expects to be entitled in exchange for the transfer of goods or services committed to the customer.

In order to fulfil the allocation purpose, the transaction price of each performance obligation identified in the contract is allocated as a selling price that is separate in relative terms.

The best evidence of a separate selling price is the observable price of a good or service when the entity sells that good or service separately in similar circumstances and to similar customers.

Variable consideration

If the consideration promised in a contract includes a variable amount, this amount is recognised only to the extent that it is highly probable that a significant reversal in the amount recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. For example, it is stipulated that a bonus may only be recognised once a high percentage of completion of the contract has been reached.

Financing component

Generally speaking, in order to calculate the price of a performance obligation, an implicit financing component is calculated, in cases in which the period between the date on which the goods or services are delivered and the date on which the customer is expected to pay for the goods or services is greater than a year. This component is treated as financial income.

Where a performance obligation involves a period of less than one year between the date on which the company transfers goods that have been promised to the customer and the date on which the customer pays, the practical solution permitted under the regulations is applied to avoid adjusting the financial amount of the consideration.

In cases in which there is a contractual or legal right to charge late payment interest for a payment that is delayed with regard to the contractually agreed terms, this late payment interest is only recognised when it is highly probable that it will be effectively paid.

iv) Balance sheet items related to revenue recognition

Works completed pending certification/work certified in advance

Unlike revenue recognition, the amounts billed to the customer are based on achievement of the various milestones established in the contract and on acknowledgement thereof by the customer, which takes the form of a contractual document referred to as a progress billing certificate. Thus, the amounts recognised as revenue for a given year do not necessarily coincide with the amounts billed to or certified by the customer. In contracts in which the revenues recognised exceed the amount billed or certified, the difference is recognised in an asset account "Work completed pending certification" (since it is an asset under the contract) under "Trade receivables for sales and services", while in contracts in which the revenues recognised are lower than the amount billed or certified, the difference is recognised in a liability account "Work certified in advance" (since it is a liability under the contract) under "Short-term trade and other payables".

Bidding and mobilisation costs

In addition to the balance sheet entries described above, the Group also recognises assets connected with the cost of obtaining contracts (bidding costs) and the costs incurred in order to comply with contracts, or the start-up costs (mobilisation costs) that relate directly to the main contract, provided that they are recoverable during the performance of the contract. These amounts are included in a different account on the assets side of the balance sheet, under "inventories" (Note 4.1).

Bidding costs are only capitalised when they are directly related to a contract, it is probable that they will be recovered in the future, and either the contract has been awarded or the company has been selected as preferred bidder.

The costs incurred, regardless of whether or not the contract is won, are recognised as an expense, unless they are explicitly recoverable from the customer in any case (whether or not the contract is won). They are amortised systematically as the goods and services connected with the asset are transferred to the customer.

Any costs that are necessary in order to implement a contract, mobilisation costs, are capitalised whenever it is probable that they will be recoverable in the future and when they do not include costs that would normally be generated for the company if the contract had not been won. They are gradually recognised as an expense on the basis of the proportion of actual output to estimated output under each contract. Otherwise, the expenses are entered directly to profit or loss.

v) Provisions from customer contracts

The main provisions relating to customer contracts are provisions for deferred expenses and for budgeted losses.

- Provisions for deferred expenses. These cover expenses that are expected to be generated at the end of a contract, such as the removal of construction machinery or dismantling costs, together with estimates of the repairs that will be required during the warranty period. These provisions are connected with an existing obligation set out in the contract, on the basis that the company will probably allocate resources to complying with the obligation, the amount of which can be reliably estimated. The provisions are allocated on the basis of the best possible estimates of total costs. They may be calculated as a percentage of the total revenues expected from the contract, if there is historical information from similar contracts.

  As regards the warranty obligations included in this type of provision, these will not be treated as a separate performance obligation, unless the customer has the option of engaging the warranty separately, meaning that the obligation will be entered in accordance with IAS 37 on provisions.

- Provisions for budgeted losses. These provisions are recognised as soon as it becomes obvious that the total costs expected to be incurred in a contract exceed total expected revenues. For the purposes of calculating this provision, where necessary, the criteria set out in paragraph 14 (b) of IAS 37 are applied. In this way, the estimate of the total contract budget will include the forecast revenues that are considered probable.

  These criteria are different from those set out in IFRS 15, mentioned above in Note 1.2.3.4 "revenue recognition", under which the revenues are only recognised when considered highly probable.

  Likewise, in the event that the total profit expected from a contract is lower than the amount recognised according to the rules set out above for revenue recognition, the difference is entered as a provision for negative margins.

vi) Specific criteria for revenue recognition by segment

Construction business

For construction contracts, as a general rule, single performance obligation will be identified owing to the high degree of integration and customisation of the various goods and services to provide a combined output that is transferred to the customer over time.

As mentioned above, the Group has chosen the "measured work unit" ("output method") as its preferred method. This is applied whenever the progress of the work can be measured as it is being carried out, and a price has been allocated to each work unit.

It is only with regard to contracts in which it is not possible to determine a unit price for the units to be completed that the input method known as "measure of progress based on costs incurred" may be applied.

Services business

In the case of the Services business, there is no single type of contract, given the wide diversity of services offered. In general, contracts include a range of different tasks and unit prices, in which revenues are taken to the income statement when the services are provided, based on time elapsed, i.e. when the customer simultaneously receives and consumes the benefits provided by the performance of the service as it is being provided. This happens, for example, with recurring or routine services such as facility management, street cleaning or waste collection services.

Certain contracts include different types of activities, subject to a scale of fixed unit tariffs for the provision of the services that are provided and that form part of the contract as a whole. In these contracts, the customer requests each service by submitting work orders, which are classified as independent performance obligations, and any associated revenues will be recognised on the basis of the specific requirements set out for approval in each contract.

In the case of complex, long-term contracts that include the provision of various services involving different performance obligations (construction, maintenance, operation, etc.), payment of which is made regularly and for which the price relating to the obligations in question is indicated in the contract or can be calculated, revenues are recognised for the recurring services on an elapsed time basis, using the progress achieved criterion for the more complex performance obligations in which it is not possible to allocate a price to each of the units completed.

Lastly, it should be noted that the revenue from certain contracts that fall within the scope of IFRIC 12 is recognised as described in Note 1.2.3.2.

Toll roads business

The contracts included in this line of business are accounted for in accordance with IFRIC 12, which provides for the classification of the contract assets on the basis of the intangible asset model and the financial asset model (mixed models could also be applied) (Note 1.3.3.2).

In the case of concession arrangements accounted for using the intangible asset model, the customer is the user of the infrastructure and, therefore, each use made of the infrastructure by users is considered a performance obligation, and the related revenue is recognised at a point in time. In the case of concession arrangements accounted for using the financial asset model, in which the customer is the concession grantor, revenue recognition depends on the various services provided (e.g. operation or maintenance), which will be accounted for as different performance obligations, to which market prices have to be allocated. In cases in which an isolated sale price cannot be directly identified, it is estimated on the basis of the best possible estimate, applying the margin expected for this business.

Airports business

Generally speaking, these are short-term services rendered to the customer (airlines or airport users), in which regulated revenues will be recognised at a specific moment. It should be noted that the revenue from certain contracts that fall within the scope of IFRIC 12 is recognised as described in Note 1.3.3.2.

Real estate business

This consists mainly of revenues associated with the sale of flats, retail units and garages, which are entered when the purchaser obtains legal rights and takes physical possession of the asset. Each unit (flat, retail unit, etc.) will be classified as a separate performance obligation and recognised upon the legal and financial transfer of the asset to the purchaser.

Energy distribution business

These are contracts with a series of services that are substantially the same and are transferred using the same standard model. The monthly tariff reflects the value of the services rendered. This type of contract will only have a performance obligation that is transferred over time, and revenues are recognised using the output method.

1.3.3.5 Non-current assets held for sale

Non-current assets are classified as assets held for sale if it is considered that their carrying amount will be recovered when sold, rather than via continued use.

This condition is only met when the sale is highly probable, and they are available for immediate sale in their current condition, and that the sale is likely to be completed in the space of one year from the classification date. The period may be extended if the delay is caused by events and circumstances beyond the company's control and there is sufficient evidence of the commitment to the sales plan. The total of these assets is registered in one line, and valued at the lower value of their carrying amount and their fair value, less the costs to sell them, and are not subject to depreciation from the moment they are classified as held for sale. The profit/(loss) contribution of these assets to the Group's profit/(loss) is registered in the income statement, classified by type.

An entity that is committed to a sale plan that entails the loss of control of a subsidiary will classify all that subsidiary's assets and liabilities as held for sale when the requirements indicated in the previous paragraph are met, irrespective of whether or not the entity retains a non-controlling interest in its former subsidiary following the sale.

1.3.3.6 Discontinued operations

Discontinued operations are those that have been sold or otherwise disposed of, or have been classified as held for sale and represent a full segment for the consolidated Group, or form part of a single plan or relate to a subsidiary acquired solely for resale. The profit/(loss) generated from discontinued operations, both for the current financial year, as well as those presented alongside it, is presented in a specific line in the income statement after tax, with the total comprising the follow amounts:

- Profit/(loss) after tax of the activities and/or discontinued operations.
- Profit/(loss) after tax recognised for the fair value measurement, less sales costs, or for divestment.

1.3.4. Accounting estimates and judgements

Estimates have been made when preparing the 2020 consolidated annual accounts to measure some of the assets, liabilities, income, expenses and commitments recognised. These estimates basically relate to the following:

i. The estimates that are taken into account for the purposes of recognising revenues from customer contracts (Note 1.3.3.4), particularly important being those relating to:

- determining whether there are enforceable rights to recognise revenue;
- determining whether the modification of a contract has been approved;
- establishing whether the criteria have been met to recognise revenue as variable consideration;
- recognising revenues in relation to an amendment, claim or dispute;
- establishing whether there are one or more performance obligations and the price to be allocated to each of them;
- defining the method applicable to each performance obligation in order to recognise revenues on the basis of time, bearing in mind that, according to the accounting policy established by the company, the preferred method is the output method (analysis of work completed), based on either percentage completed or time elapsed, while the input method (measure of progress based on costs) is applied in cases in which the services rendered do not represent recurrent and routine services in which it is not possible to determine the unit price for the units to be completed;
- in the case of contracts entered under the criterion of examination of work completed, measurement of the units completed and the price to be allocated to them;
- in the case of contracts entered using the input method (measure of progress based on costs), defining the degree to which costs have been incurred and the margin expected to be obtained from the contract;
- Determining capitalisation of bidding and mobilisation costs;
- Assessment of whether to act as principal or agent;
- Estimates relating to the calculation of provisions for expected losses and deferred expenses.

ii. The judgement regarding meeting the conditions to classify the assets and liabilities of the Services Division as discontinued operations in line with IFRS 5, and for the fair value estimation of those assets (Note 1.1.3).

iii. Estimates made for the purposes of the going concern assessment (Note 1.2)

iv. Estimates made in 2020 regarding the impact of COVID-19 (Note 1.2)

v. Assessment of possible legal and tax contingencies (Note 6.5 on contingent liabilities and Note 6.3 on provisions).

vi. The recognition for accounting purposes of the subordinated guaranteed hybrid bond (Note 5.1.2 equity instruments).

vii. The estimates for the selection of the accounting method to be applied in relation to the loss of control (Note 1.2.2, basis of consolidation).

viii. Estimates regarding derivative measurements and the expected cash flows associated with them in order to determine the existence of hedging relationships (Note 5.5, financial derivatives at fair value).

ix. The measurement of possible impairment losses on certain assets, especially in 2020 with relation to the assets in the Airports business (Notes 2.1, Impact of COVID-19, Note 3.1, Goodwill, 3.6. Non-current financial assets and Note 3.5, Investments in associates).

x. Business performance projections that affect the estimates of the activation of tax assets and the possible recoverability of the same (Note 2.8 on tax matters).

xi. Estimates that take account of the future vehicle numbers on toll roads for the purpose of preparing financial information for toll roads pursuant to IFRIC 12 (Note 3.3, investments in infrastructure projects, and Note 6.3, provisions).

xii. Estimate of the impact of changing the concession model from receivables to intangible assets in the Autema project.

xiii. The assumptions used in the actuarial calculation of liabilities due to pensions and other commitments to employees (Note 6.2, pension plan deficit).

xiv. The measurement of share award plans (Note 6.7, share-based remuneration schemes).

xv. Estimation to determine the term of lease agreements when they include cancellation or extension options; assessment of whether the exercise of such options, which affect the value of the right-of-use asset and the lease liability, is reasonably certain (Note 1.2.1.a).

These estimates were made using the best information available at 31 December 2020 on the events analysed. However, it is possible that events that may take place in the future might make it necessary to change these estimates. Changes in accounting estimates would be applied prospectively in accordance with the requirements of IAS 8.

1.3.5. Disclosures

It should also be noted that in preparing these consolidated annual accounts the Group has omitted any information or disclosures which did not require disclosure due to their qualitative importance and were considered to be immaterial under IFRS.

1.4. EXCHANGE RATE

As indicated above, Ferrovial engages in business outside the eurozone through various subsidiaries.

The exchange rates used to convert these financial statements for their inclusion in the Group's consolidated financial statements are as follows:

Balance sheet items (exchange rates at 31 December 2020 and at 31 December 2019 for the comparative period):

CLOSING EXCHANGE RATE	2020	2019	CHANGE 20/19 (*)
Pound sterling	0.8956	0.8467	5.78 %
US dollar	1.2225	1.1229	8.87 %
Canadian dollar	1.5609	1.4573	7.11 %
Australian dollar	1.5888	1.5986	-0.61 %
Polish zloty	4.5678	4.2565	7.31 %
Chilean peso	868.6600	845.1700	2.78 %

(*) A negative change represents an appreciation of the reference currency against the euro and vice versa.

Items in the income statement and cash flow statement (cumulative average rates at December 2020 and at December 2019 for the comparative period):

1.5. INFORMATION BY SEGMENT

Appendix III contains the statements of financial position and the income statement for each business segment, both for 2020 and for the comparative period.

AVERAGE EXCHANGE RATE	2020	2019	CHANGE 20/19 (*)
Pound sterling	0.8887	0.8745	1.62 %
US dollar	1.1465	1.1183	2.51 %
Canadian dollar	1.5377	1.4800	3.90 %
Australian dollar	1.6593	1.6077	3.21 %
Polish zloty	4.4673	4.2960	3.99 %
Chilean peso	906.6242	796.8192	13.78 %

(*) A negative change represents an appreciation of the reference currency against the euro and vice versa.

As detailed in the previous tables, during 2020 the main currencies in which Ferrovial operates depreciated against the euro.

The impact recorded in this regard on shareholders' funds attributable to the parent company is EUR -187 million (Note 5.1.1 changes in equity).

Note 5.4 explains how exchange rate risk is managed.

In addition, the impact caused by exchange rates is also analysed in the Notes where this is a relevant issue.

It also includes a breakdown by segment of the sections in which this information is important or required under accounting legislation.

SECTION 2: PROFIT/(LOSS) FOR THE YEAR

This section comprises the Notes relating to the profit/(loss) for the year.

The net loss for the year of EUR -410 million may be explained by the COVID-19 pandemic, particularly in the Airports business, which contributed a total of EUR -466 million to total losses for the year of EUR -410 million, relating to Heathrow and AGS in the amounts of EUR -396 million and EUR -51 million, respectively.

Besides the impact of the decline in business caused by COVID-19, results for the year were influenced by various non-recurring effects, some of which were also partly related to the mitigating measures implemented in the businesses to counteract the pandemic:

- Non-recurring impacts on HAH amounting to EUR -116 million, due primarily to fair value adjustments to derivatives (EUR -46 million), an extraordinary expense of EUR -21 million in connection with staff cost saving measures and the regularisation of the tax rate (EUR -28 million).
- Other non-recurring tax impacts amounting to EUR 43 million mainly as a result of the reestimation of the recoverability of deferred tax assets, considering such recovery to be probable based on the total balance of deferred tax liabilities in each jurisdiction (Note 2.8).
- Non-recurring impact of EUR 22 million at Autema, attributable to changes in the fair value of ILS derivatives (Note 2.6).
- Non-recurring impact of EUR 6 million relating to the change of concession scheme and the shift to the intangible asset model (Note 2.5).
- Non-recurring impact of EUR -4 million to discontinued operations, consisting mainly of the loss on the sale of Broadspectrum (EUR -64 million, Note 2.9) and impairment losses in the United Kingdom and International Business totalling EUR -34 million and EUR -25 million, respectively, partially offset by the gain of EUR 121 million generated by the other businesses (excluding depreciation and amortisation charges under IFRS 5).
- Non-recurring impacts on AGS amounting to EUR -13 million mainly related to an extraordinary expense of EUR -3 million for the organisational restructuring of both personnel and suppliers, as well as the regularisation of deferred taxes to 19%, which had a negative impact of EUR -9 million.
- Restructuring costs related to the new operating model set by the company in its "Horizon 24" strategic plan, amounting to EUR -22 million.

For clarity, this section addresses income statement movements in continuing operations on each line and ends with a breakdown of discontinued operations.

	BALANCES AT 31/12/2020		BALANCES AT 31/12/2019	
NON-RECURRING IMPACTS	**PROFIT/(LOSS) BEFORE TAX**	**NET PROFIT/ (LOSS)**	**PROFIT/ (LOSS) BEFORE TAX**	**NET PROFIT/(LOSS)**
Impact of financial derivatives (Note 2.6) excluding Autema	5	4	36	27
Autema derivatives (Note 2.6)	39	22	-1	0
Autema impairment (Note 2.5)	10	6	-58	-58
Project divestment, deconsolidation and impairment (Note 2.5) excluding Autema	5	6	518	507
Non-recurring impacts, HAH (Note 2.7)	-116	-116	31	31
Other non-recurring tax impacts	0	43	0	14
Non-recurring impacts, discontinued operations	0	-4	0	-263
Non-recurring impacts, AGS (Note 2.7)	-13	-13	0	0
Restructuring costs "Horizon 24"	-22	-22	0	0
Other impacts	-7	-14	0	-5
TOTAL	**-98**	**-87**	**526**	**253**

NOTES ON PROFIT/(LOSS) FOR CONTINUING OPERATIONS

2.1. OPERATING INCOME

The detail of the Group's operating income at 31 December 2020 is as follows:

(Millions of euros)	2020	2019
Revenue	6,341	6,054
Other operating income	3	2
TOTAL OPERATING INCOME	**6,344**	**6,056**

The Group's revenue at 31 December 2020 relating to contracts with customers, as interpreted by IFRS 15, amounted to EUR 6,255 million (Note 4.4).

Revenue includes the financial income for the services provided by the concession operators that apply the financial asset model, amounting to EUR 14 million in 2020 (2019: EUR 113 million), as described in Note 1.2.3.2. This reduction relates is due to the fact that the cassation appeal in the litigation brought by concession operator Autema that was in progress with the Catalan Regional Government in connection with the project concession scheme was not given leave to proceed. As a result of this rejection, as indicated in Note 6.5.1.a), the project was recognised under the intangible asset model throughout 2020.

"Other Operating Income" includes the impact of the grants related to income received in 2019 amounting to EUR 3 million (2019: EUR 2 million).

The breakdown of revenue by segment and the comparison with the prior year is as follows:

	2020			
(Millions of euros)	EXTERNAL SALES	INTERSEGMENT SALES	TOTAL	VAR. %
Construction	4,833	1,029	5,862	8 %
Toll roads	403	1	405	-34 %
Airports	8	0	8	-58 %
Other segments	72	120	193	28 %
Adjustments	0	-126	-126	-14 %
Total	**5,317**	**1,024**	**6,341**	**5 %**

	2019		
(Millions of euros)	EXTERNAL SALES	INTERSEGMENT SALES	TOTAL
Construction	4,985	428	5,413
Toll roads	616	1	617
Airports	19	0	19
Other segments	14	137	151
Adjustments	0	-146	-146
Total	**5,634**	**420**	**6,054**

The inter-segment sales that are not eliminated in the Group's consolidated financial statements are the sales made by the Construction Division to the infrastructure concession operators, as discussed in Notes 1.2.2 and Note 6.8.

The sales in "other segments" relate to companies not assigned to any of the business segments, including most notably the Group parent company, Ferrovial, S.A., and its smaller subsidiaries.

The breakdown of sales by geographical area is as follows:

(Millions of euros)	2020	2019	VAR. 20/19
USA	2,467	1,934	533
Poland	1,877	1,820	57
Spain	901	1,013	-112
UK	428	396	32
Canada	12	59	-47
Other	656	832	-176
TOTAL	**6,341**	**6,054**	**287**

The Ferrovial Group's sales in its five main markets account for 90% of total sales.

2.2. OTHER OPERATING EXPENSES

"Other Operating Expenses" mainly includes the subcontracted work and changes in provisions for the year:

(Millions of euros)	2020	2019	VAR.
Subcontracted work	2,850	2,623	226
Leases	222	255	-33
Repairs and maintenance	57	52	5
Independent professional services	276	317	-41
Changes in provisions for liabilities (Note 6.3)	267	397	-130
Other operating expenses	144	315	-171
Other operating expenses	**3,815**	**3,958**	**-143**

2.3. STAFF COSTS

The detail of staff costs is as follows:

(Millions of euros)	2020	2019	VAR.
Wages and salaries	944	864	81
Social security	135	126	10
Pension plan contributions	7	7	0
Share-based payments	10	7	3
Other welfare expenses	22	23	-1
TOTAL	**1,119**	**1,027**	**92**

The detail of the number of employees at 31 December 2020 compared to 2019, by professional category and gender, is broken down by continuing and discontinued operations in the following tables:

CONTINUING OPERATIONS	31/12/2020			
CATEGORY	MEN	WOMEN	TOTAL	VAR. 20/19
Executive directors	2	0	2	0 %
Senior managers	8	1	9	-31 %
Executives	110	10	120	-6 %
Managers/Professionals/Supervisors	6,455	2,374	8,829	2 %
Administrative/Support personnel	536	579	1,115	0 %
Manual workers	8,172	268	8,440	3 %
TOTAL	**15,283**	**3,232**	**18,515**	**2 %**

CONTINUING OPERATIONS	31/12/2019		
CATEGORY	MEN	WOMEN	TOTAL
Executive directors	2	0	2
Senior managers	11	2	13
Executives	116	11	127
Managers/Professionals/Supervisors	6,374	2,281	8,655
Administrative/Support personnel	534	586	1,120
Manual workers	7,965	234	8,199
TOTAL	**15,002**	**3,114**	**18,116**

DISCONTINUED OPERATIONS	31/12/2020			
CATEGORY	MEN	WOMEN	TOTAL	VAR. 20/19
Executive directors	0	0	0	0 %
Senior managers	0	0	0	0 %
Executives	23	5	28	-32 %
Managers/Professionals/Supervisors	6,648	2,298	8,946	33 %
Administrative/Support personnel	374	868	1,242	-10 %
Manual workers	31,836	19,554	51,390	-19 %
TOTAL	**38,881**	**22,725**	**61,606**	**-14 %**

DISCONTINUED OPERATIONS	31/12/2019		
CATEGORY	MEN	WOMEN	TOTAL
Executive directors	0	0	0
Senior managers	0	0	0
Executives	32	9	41
Managers/Professionals/Supervisors	4,605	2,116	6,721
Administrative/Support personnel	349	1,027	1,376
Manual workers	42,268	21,446	63,714
TOTAL	**47,254**	**24,598**	**71,852**

The detail of the number of employees at 31 December 2020 with a disability equal to or greater than 33% amount to 3,077 employees, including continuing and discontinued operations, which represents 3.8% of the total workforce at the end of the year.

The average workforce by business division for the two periods being compared is as follows:

	31/12/2020			
BUSINESS	MEN	WOMEN	TOTAL	VAR. 20/19
Construction	14,190	2,818	17,008	-1 %
Toll roads	328	154	482	-3 %
Airports	31	18	49	-18 %
Other	291	191	482	-20 %
TOTAL CONTINUING OPERATIONS	**14,840**	**3,181**	**18,021**	**-2 %**
TOTAL DISCONTINUED OPERATIONS	**42,721**	**23,563**	**66,284**	**-9 %**
TOTAL	**57,561**	**26,744**	**84,305**	**-8 %**

			31/12/2019
BUSINESS	MEN	WOMEN	TOTAL
Construction	14,510	2,653	17,163
Toll roads	334	165	499
Airports	39	20	59
Other	329	274	604
TOTAL CONTINUING OPERATIONS	**15,212**	**3,112**	**18,324**
TOTAL DISCONTINUED OPERATIONS	**48,577**	**24,310**	**72,887**
TOTAL	**63,789**	**27,422**	**91,211**

The main average workforce variation in absolute terms relates to discontinued operations as a result of the sale of Broadspectrum in 2020.

2.4. EBITDA AND EBIT BEFORE IMPAIRMENTS AND DISPOSALS

EBITDA at 31 December 2020 amounted to EUR 409 million (31 December 2019: EUR 121 million), representing an increase of 238% compared to 2019, primarily due to the improvement in the Construction Division.

Fixed asset depreciation charges for 2020 totalled EUR 198 million as compared with EUR 180 million in the previous year.

The Management Report provides a detailed analysis of the way these line items have performed by business.

2.5. IMPAIRMENT AND DISPOSALS

The following section contains a breakdown of the main gains and losses relating to impairment and disposals:

Profit/(loss) recognised in 2020:

The amount recognised in respect of impairment and disposals in 2020 came to a total of EUR 15 million and primarily related to the following items:

Autema: As indicated in Note 6.5, on 19 October 2020 the Supreme Court gave notice of the non-admission of the cassation appeal against the Catalan High Court's judgement ratifying the changes made to the concession agreement by the Catalan Regional Government (granting entity) in 2015. The 2015 changes entailed a shift from a contract without traffic risk (the granting entity paying the operator the difference between tolls collected and the operating surplus stipulated in the Economic and Financial Plan) to a contract with traffic risk (the granting entity subsidising a part of the toll). This ruling cannot be appealed before the Spanish courts.

As a result of the judgement, Autema was classified as an intangible asset (previously a financial asset). This change had an effect of EUR 10 million on the line item impairment and disposals (EUR 6 million in net profit), which is explained by two opposing movements:

- A loss of EUR -168 million due to the new value of the concession asset including the effects of the lost appeal, the loss being the difference between the financial asset's carrying amount at 1 January 2020 (EUR 689 million) and the estimated new value of the intangible asset (EUR 521 million). See Note 3.3.1. and Note 6.5.1.

- A profit of EUR 178 million arising from the index-linked swap arranged by the concession company in 2008 to hedge revenue variability by obtaining an annual CPI of 2.50%. The change of concession model caused a reduction in the flows hedged by the derivative (hedged item) leading to partial hedge ineffectiveness and thus the recognition of this positive impact in the income statement (Note 5.5).

Capital loss on the partial disposal of the Portuguese toll roads Norte Litoral and Algarve, amounting to EUR -2 million (EUR -1 million in net profit). This transaction is described in Note 1.1.4 consolidation scope changes.

Capital gains from the partial divestment of 30% of Car Sharing Mobility Services, S.L. (CSMS) to Renault, amounting to EUR 7 million (EUR 7 million in net profit) of which EUR 5 million relate to the fair value of the holding retained (50%). This transaction is described in Note 1.1.4 consolidation scope changes.

	IMPACT ON PROFIT/(LOSS) BEFORE TAX			
(Millions of euros)	BEFORE FAIR VALUE ADJUSTMENTS	FAIR VALUE ADJUSTMENTS	TOTAL 2020	IMPACT ON NET PROFIT/(LOSS)
Sale of Zity ownership interest	2	5	7	7
Sale of the stake in the Portuguese toll roads	-2	0	-2	-1
Income from capital gains and disposals	**0**	**5**	**5**	**6**
Autema	0	10	10	6
Impairment gains/(losses)	**0**	**10**	**10**	**6**
TOTAL IMPAIRMENT AND DISPOSALS	**0**	**15**	**15**	**12**

The gains/(losses) relating to impairment and disposals in 2019 essentially related to the following:

	IMPACT ON PROFIT/(LOSS) BEFORE TAX			
(Millions of euros)	BEFORE FAIR VALUE ADJUSTMENTS	FAIR VALUE ADJUSTMENTS	TOTAL 2019	IMPACT ON NET PROFIT/(LOSS)
Autopista del Sol	380	95	474	473
Other	43	0	43	34
Income from capital gains and disposals	**423**	**95**	**518**	**507**
Autema	0	-58	-58	-58
Impairment gains/(losses)	**0**	**-58**	**-58**	**-58**
TOTAL IMPAIRMENT AND DISPOSALS	**423**	**37**	**460**	**449**

2.6. NET FINANCIAL INCOME/(EXPENSE)

The following table gives a detailed, item-by-item breakdown of the changes in net financial income/(expense) in 2020 and 2019. The profit/(loss) generated by the infrastructure project companies is presented separately from the result of non-infrastructure project companies (see the definition in Note 1.1.2) and in each of them a further distinction is made between the financial income from financing (which includes the finance costs on credits and loans with credit institutions and bonds, and the returns on financial investments and loans granted) and the net financial income/(expense) from derivatives and other items, which includes the impact of the fair value measurement of ineffective hedges and other income and expenses not directly related to financing.

Millions of euros	2020	2019	CHANGE (%)
Financial income from infrastructure project financing	8	18	-56 %
Financial expense from infrastructure project financing	-242	-282	14 %
Net financial income/(expense) from infrastructure project financing	**-234**	**-264**	**11 %**
Profit/(loss) on derivatives and other fair value adjustments from infrastructure projects (*)	39	-1	4,000 %
Other net financial income/(expense) from infrastructure projects	-2	2	200 %
Other net financial income/(expense) from infrastructure projects	**37**	**1**	**-3,600 %**
Total net financial income/(expense) from infrastructure projects	**-197**	**-263**	**25 %**
Financial income from other company financing	43	75	-43 %
Financial expense from other company financing	-51	-47	-9 %
Net financial income/(expense) from other company financing	**-8**	**28**	**128 %**
Profit/(loss) on derivatives and other fair value adjustments from other companies (*)	5	36	-86 %
Net financial income/(expense) from other companies	-32	6	-671 %
Other net financial income/(expense) from other companies	**-27**	**42**	**-165 %**
Total net financial income/(expense) from other companies	**-35**	**70**	**-150 %**
Net financial income/(expense)	**-232**	**-193**	**-20 %**

(*) Included in the fair value column in relation to the net financial income/(expense) in the consolidated income statement for a total amount of EUR 44 million in 2020 and EUR 35 million in 2019.

The following table provides a breakdown of infrastructure project companies financial expense, breaking down capitalised expenses from toll roads under construction:

Infrastructure project financing expenses from infrastructures (Millions of euros)	2020	2019
Accrued financial expenses	-268	-302
Expenses capitalised during the construction	26	20
Financial expenses in P&L	**-242**	**-282**

The movement in net financial income/(expense) is explained mainly by the increase in the amount capitalised compared to 2019 (EUR 6 million) in respect of toll roads under construction, primarily due to the NTE Segment 3 project, as well as the gain on the Ausol project following its sale in 2019 (EUR 20 million)

- The main effect recognised under gains/(losses) on derivatives and other fair value adjustments to infrastructure projects relates to the peak of ineffectiveness of an index-linked swap (ILS) at a fair value of EUR 39 million (EUR 22 million in net profit), following the reclassification of the Autema project as an intangible asset (Note 5.5).
- The financial income from ex-infrastructure project companies in 2020 amounted to EUR -8 million (31 December 2019: EUR 28 million), relating to external borrowing costs (EUR -51 million) and financial income primarily obtained from financial investments (EUR 43 million). The change over 2019 is primarily due to the lower return from cash resources in the US and Canada compared to the previous financial year.
- Other net financial income/(expense) from ex-infrastructure projects include the impact of derivatives and other fair value adjustments primarily relating to the impact of the derivatives not designated as hedges, including most notably, equity swaps arranged by the Group to hedge the impact on equity of variable share-based remuneration schemes (Note 6.7) with an impact

of EUR -10 million in 2020 due to the poor performance of the share price in 2020.

Excluding the effects caused by derivatives, the remaining net financial income/(expense) from ex-infrastructure project companies are shown below:

OTHER NET FINANCIAL INCOME/(EXPENSE) FROM EX-INFRASTRUCTURE PROJECT COMPANIES

(Millions of euros)	2020	2019	VAR. 20/19
Cost of bank guarantees	-27	-35	8
Financial provision for transition to IFRS 9	-10	0	-10
Late-payment interest	9	7	2
Foreign exchange differences	-27	2	-29
Interest on tax assessments	-7	-7	0
Security deposit income, Associates (E.A.)	19	19	0
Other	10	19	-9
TOTAL	**-32**	**6**	**-38**

This sub-section principally includes the cost of guarantees, late payment interest, foreign exchange differences, interest on loans granted to equity-accounted companies, financial expenses on pension plans and interest on tax proceedings. In 2020, bank guarantee income reflects the billing of bank guarantees to equity-accounted projects (EUR 10 million), in particular the I-66 toll road.

Impact on cash flow: as can be observed in the following table, the difference between the net financial income/(expense) on financing and the interest cash flows reported in the cash flow statement is EUR -44 million.

	NET FINANCIAL INCOME/(EXPENSE) NOT CAPITALISED	INTEREST CASH FLOW	DIFFERENCE
Infrastructure projects	-284	-239	-46
Ex-infrastructure project companies	28	26	2
TOTAL	**-256**	**-212**	**-44**

This difference at project level primarily relates to the US toll roads (NTE, LBJ, NTE Segment 3 and I-77), in which the financing agreements allow for the capitalisation of interest during the early years of the concession, in such a way that it is added to the principal and means that there is no outflow of cash during the financial year (EUR -45 million), as well as the impact of the reclassification of the Services Division as a discontinued operation (EUR 18 million), given that it is not reflected in the net financial income/(expense) of the division in the line item "net financial income/expense on financing" in the income statement, but the interest cash flow is in the Cash Flow Statement.

2.7. SHARE OF PROFITS OF EQUITY-ACCOUNTED COMPANIES

The share of the net profit of equity-accounted companies in 2020 amounted to EUR -378 million (2019: EUR 296 million). The detail of the most significant companies is as follows:

PROFIT/(LOSS) OF EQUITY-ACCOUNTED COMPANIES

(Millions of euros)	2020	2019
HAH	-396	106
407 ETR	33	153
AGS	-51	9
Other	36	28
TOTAL	**-378**	**296**

The company HAH's financial statements contributed to Ferrovial a loss of EUR -396 million, which EUR -116 million corresponds to extraordinary impact. As a result of the impact of COVID-19, investment projects were cut back and expansion projects were delayed, the organisational structure having been reviewed in detail. As a result, an extraordinary expense of EUR 21 million was recognised in connection with staff cost saving measures. The asset portfolio was also reviewed, particularly assets under construction. Some projects have been put on hold, while others are not expected to restart in the near future. This led to the recognition of a fixed asset impairment loss of EUR 21 million. Deferred taxes were regularised to 19%, entailing a negative impact of EUR 28 million. The remaining extraordinary items reflect fair value adjustments to derivatives (essentially due to the performance of the ILS), which had a negative impact of EUR 46 million during the year.

Excluding these non-recurring impacts in both years, HAH's profit/(loss) dropped by EUR 354 million compared to the previous year, reaching EUR -280 million at 31 December 2020 (31 December 2019: EUR 74 million).

In terms of 407 ETR, the negative performance compared to December 2019 (EUR 120 million) is primarily due to the decrease in traffic due to COVID-19.

EUR -13 million of AGS' losses of EUR -51 million (EUR 9 million 2019) relate to extraordinary impacts. It´s mainly due to an extraordinary expense of EUR 3 million for the organisational restructuring of personnel, as well as the regularisation of deferred taxes to 19%, which had a negative impact of EUR 9 million.

The profit of EUR 36 million in the line item "Other" relates above all to FMM Company, the company responsible for the Doha Airport maintenance contract, which contributed a profit of EUR 8 million for 2020 (it was carried as a discontinued operation due to forming part of the Services Division, while it is now included in the Airports Division), the Portuguese toll roads Auto-Estrada Norte Litoral (EUR 8 million) and Autoestrada do Algarve (EUR 5 million), and the Colombian toll road Ruta del Cacao (EUR 5 million). The remaining projects had an impact of EUR 10 million.

Note 3.5 provides greater detail on the profit/(loss) of these companies.

2.8. CORPORATE INCOME TAX AND DEFERRED TAXES

2.8.1. Explanation of the corporate income tax expense for the year and the applicable tax rate

In 2020 a corporate income tax rebate was posted amounting to EUR 28 million (2019: EUR -47 million), this amount:

- Does not include the corporate income tax expense relating to equity-accounted companies (Notes 2.7 and 3.5) as, pursuant to accounting legislation, the result is presented net of the related tax effect.

- Includes income of EUR 46 million (EUR 7 million in 2019), primarily due to the re-estimation of the recoverability of deferred tax assets, recovery being deemed probable based on the total balance of deferred liabilities in each jurisdiction, after deducting this impact, income tax expense accruing on results for the year amounted to EUR -18 million.

After deducting, from the pre-tax loss (EUR -384 million), results of equity-accounting companies (net loss of EUR 378 million), permanent differences (EUR 90 million) and consolidated results having no tax impact (EUR 30 million), taxable income amounts to EUR 114 million, as compared with income tax expense for the year (EUR -18 million), entailing an effective income tax rate of 15%, which is in line with the rate applicable in the main countries in which Ferrovial has operations.

This effective tax rate is in line with the rates applicable in the main countries in which Ferrovial has a presence.

2020

(Millions of euros)	SPAIN	UK	AUSTRALIA	US	POLAND	CANADA	OTHER COUNTRIES (*)	TOTAL
Profit/(loss) before tax	**-91**	**-444**	**6**	**-75**	**159**	**45**	**15**	**-384**
Profit/(loss) from equity-accounted companies	-4	447	-4	0	0	-35	-27	378
Permanent differences	6	2	-3	13	28	4	39	90
Profit/(loss) on consolidation with no tax impact	0	0	0	20	0	2	8	30
Taxable income	**-88**	**5**	**0**	**-42**	**187**	**17**	**35**	**114**
Tax expense for the year	58	0	0	23	-34	-5	-15	28
Change to the prior-year tax evaluation	-36	-1	0	-14	-2	1	6	-46
Adjusted tax expense	**22**	**-1**	**0**	**10**	**-35**	**-4**	**-9**	**-18**
Effective rate applicable to taxable income	25%	19%	30%	24 %	19%	25%	25%	15%
Effective national tax rate (*)	25 %	19%	30%	23%	19%	26.5%		

(*) The country's effective tax rate is the result of combining the tax rates and taxes (federal, state and municipal) applicable in each country.

The following is an explanation of the various items that must be adjusted in order to calculate the effective tax rate:

- Permanent differences. This item relates to the year's expenses or income which, pursuant to the tax legislation applicable in each of the countries, are not deductible (expenses) or taxable (income) in the year and are not expected to be deductible or taxable in future years. The cumulative balance in this connection is an expense of EUR 90 million. The most significant of these adjustments are broken down below:
  - Losses primarily generated in international construction projects for which, in accordance with the prudence principle of accounting, no tax credit has been recognised (EUR 99 million).
  - Non-deductible expenses totalling EUR 16 million (primarily financial expenses in the Tolls Roads Division in Portugal and other sundry costs recognised by Budimex).
  - Non-taxable income due to the use of tax-loss carryforwards amounting to EUR 22 million and the recovery of EUR 21 million in provisions treated as non-deductible in prior years.
  - Capital gains generated by the sale of assets in the Toll Roads (Algarve and Norte Litoral) and Mobility (Car Sharing - Zity) Division amounting to EUR 10 million, which are exempt from tax (Note 1.1.4).
- Profit/(loss) on consolidation with no tax impact This item relates to profit/(loss) derived from applying accounting consolidation criteria, which do not have any tax implication. The accumulated balance for this concept is an expense of EUR 30 million that primarily relates to losses in concession project companies in the US and Canada, and which are fully consolidated. However, the associated tax credit is recognised solely at Ferrovial's percentage of ownership as these companies are taxed under pass-through tax rules; the shareholders of these companies are the taxpayers, at the percentage of ownership that they hold. This heading also includes the regularisation of the accounting consistency adjustments totalling EUR 8 million recognised in Slovakia.

The following table includes the detail of the calculation of the effective tax rate for 2019.

2019

(Millions of euros)	SPAIN	UK	AUSTRALIA	US	POLAND	CANADA	OTHER COUNTRIES (*)	TOTAL
Profit/(loss) before tax	**569**	**55**	**-62**	**-363**	**73**	**173**	**60**	**504**
Profit/(loss) from equity-accounted companies	-3	-114	-6	0	0	-158	-15	-296
Permanent differences	-452	27	69	266	45	7	4	-34
Profit/(loss) on consolidation with no tax impact	0	0	0	45	0	6	-5	46
Taxable income	**115**	**-32**	**1**	**-53**	**118**	**27**	**44**	**219**
Tax expense for the year	-189	6	0	107	-26	-15	69	-47
Change to the prior-year tax evaluation	158	0	0	-96	3	8	-79	-7
Adjusted tax expense	**-30**	**6**	**0**	**11**	**-23**	**-7**	**-10**	**-54**
Effective rate applicable to taxable income	27%	18%	30%	21%	20%	26%	24%	25%
Effective national tax rate (*)	25%	19%	30%	21%	19%	27%		

(*) The country's effective tax rate is the result of combining the tax rates and taxes (federal, state and municipal) applicable in each country.

2.8.2 Detail of the current and deferred tax expense and the tax paid in the year

The breakdown of the income tax expense for 2020 and 2019, differentiating between current tax, deferred tax and changes because re-estimation of the recoverability of deferred tax assets considering such recovery to be probable based on the total balance of deferred tax liabilities in each jurisdiction (Note 2.8.1):

(Millions of euros)	2020	2019
Tax expense for the year	**28**	**-47**
Current tax expense	-72	-73
Deferred tax expense	60	31
Tax effect of consolidation adjustments on equity	-6	-12
Re-estimation of the recoverability of deferred tax assets	46	7

The corporate income tax paid in the year, both for continuing and discontinued operations amounted to EUR 101 million, as shown in the note on cash flows (Note 5.3).

2.8.3. Movements in deferred tax assets and liabilities

The detail of the movements in the deferred tax assets and deferred tax liabilities in 2020 is as follows:

ASSETS

(Millions of euros)	2019	TRANSFERS AND OTHER	CHANGE TO PRIOR-YEAR TAX EVALUATIONS	CHARGED/CREDITED TO PROFIT AND LOSS	CHARGED/CREDITED TO EQUITY	FOREIGN EXCHANGE EFFECT	2020
Tax credits	55	-7	20	67	0	-6	129
Deferred taxes, tax and accounting criteria	332	6	2	15	0	-19	336
Deferred taxes, equity measurement	114	-6	-1	-1	0	0	106
Other items	1	-4	15	2	3	-1	16
TOTAL	**502**	**-11**	**36**	**83**	**3**	**-26**	**587**

LIABILITIES

(Millions of euros)	2019	TRANSFERS AND OTHER	CHANGE TO PRIOR-YEAR TAX EVALUATIONS	CHARGED/CREDITED TO PROFIT AND LOSS	CHARGED/CREDITED TO EQUITY	FOREIGN EXCHANGE EFFECT	2020
Deferred taxes, goodwill	38	1	1	-3	0	-2	35
Deferred taxes, tax and accounting criteria	310	2	-9	27	1	-16	315
Deferred taxes, equity measurement	115	-2	0	0	-47	0	66
Other items	12	1	0	-2	0	1	12
TOTAL	**475**	**2**	**-8**	**22**	**-46**	**-17**	**428**

Movements in deferred tax assets and liabilities include the impact of the recognition of tax credits for tax-loss carryforwards, mainly in the US (EUR 53 million), in line with the approach laid down in IAS 12, as mentioned in the following section.

The deferred tax assets and liabilities recognised at 31 December 2020 arose essentially from:

a) Tax credits

These are tax credits that have not yet been used by companies in the Group. This line item does not include all the existing tax credits, but rather only those that, based on the Group's projections, are expected to be able to be used in the short or medium term. The total balance recognised amounts to EUR 129 million, of which EUR 127 million relate to tax credits for tax loss carryforwards and EUR 2 million to tax credits.

Set out below is a breakdown of tax-loss carryforwards pending offset, distinguishing between continuing and discontinued operations, and showing the maximum tax credit and the tax credit capitalised:

CONTINUING OPERATIONS

(Millions of euros) Country	TAX-LOSS CARRYFORWARDS	TIME-BAR PERIOD	MAXIMUM TAX CREDIT	TAX CREDIT CARRIED FORWARD
Spanish consolidated tax group	461	No expiry date	115	31
US consolidated tax group	601	No expiry date	126	53
Canada	98	2024-2040	26	13
UK	99	No expiry date	19	8
Other	289	2021-No expiry date	68	22
Total	**1,548**		**355**	**127**

DISCONTINUED OPERATIONS

(Millions of euros) Country	TAX-LOSS CARRYFORWARDS	TIME-BAR PERIOD	MAXIMUM TAX CREDIT	TAX CREDIT CARRIED FORWARD
Spanish consolidated tax group	9	No expiry date	2	2
US consolidated tax group	9	No expiry date	2	0
Australia	1	No expiry	0	0
UK	719	No expiry	137	24
Other	95	2021-No expiry date	25	1
Total	**833**		**166**	**28**

Spanish consolidated tax group:

For the purpose of ascertaining the recoverability of tax-loss carryforwards, a model was designed based on the Group companies' latest available earnings projections, the decision having been taken, from a prudent viewpoint, not to recognise all the tax credits in the accounts, given the reasonable doubts regarding recovery in the short and medium term. However, in 2020, in accordance with IAS 12, an amount of EUR 31 million of tax credits was recognised equal to the excess liability temporary differences over asset temporary differences.

US consolidated tax group:

For the purpose of ascertaining the recoverability of tax-loss carryforwards, a model was designed based on the Group companies' latest available earnings projections, the decision having been taken, from a prudent viewpoint, not to recognise all the tax credits in the accounts, given the reasonable doubts regarding recovery in the short and medium term and as recovery may be delayed by the award of new projects. However, in 2020, in accordance with IAS 12, an amount of EUR 14 million of tax credits was recognised equal to the excess liability temporary differences over asset temporary differences.

UK:

Considering that tax-loss carryforwards generated after 1 April 2017 may be used by any UK Group company, tax credits were recognised for tax losses in the amount of EUR 8 million and EUR 24 million in respect of continuing and discontinued operations, respectively.

b) Assets and liabilities arising from temporary differences between accounting and tax criteria

This item relates to the tax impact resulting from the fact that the timing of recognition of certain expenses or income is different for accounting and tax purposes.

The recognition of an asset means that certain expenses have been recognised for accounting purposes before their recognition for tax purposes and therefore the company will recover the income or expense for tax purposes in future years. Conversely, a liability represents an expense that is recognised for tax purposes before its recognition for accounting purposes, or income recognised in the accounts before it is declared in the tax return.

The deferred tax assets include most notably:

- Provisions recognised for accounting purposes which do not have a tax effect until they are materialised (EUR 184 million).
- Deferred tax assets of EUR 136 million arising as a result of differences between the tax and accounting methods used to recognise income, mainly in the Construction Division.
- Accelerated depreciation and amortisation for accounting purposes (EUR 4 million).

The balance of the liabilities relates mainly to:

- Differences between tax and accounting criteria in relation to the recognition of provisions (EUR 93 million).
- Deferred tax liabilities for differences between tax and accounting amortisation (EUR 99 million).
- Deferred tax assets of EUR 27 million arising as a result of differences between the tax and accounting methods used to recognise income, mainly in the Construction Division.
- Deferred tax assets of EUR 42 million arising as a result of differences between the tax and accounting methods used to recognise income in accordance with IFRIC 12, mainly in the Toll Road Division.

c) Deferred taxes arising from equity measurement adjustments

This reflects the cumulative tax impact resulting from measurement adjustments recognised in reserves. The impact appears as an asset or liability since there is generally no direct tax effect until the amount in reserves is recognised in profit/(loss).

The asset balance relates to accumulated losses in reserves that will have a tax impact when they are recognised in profit/(loss). Conversely, the liability balance relates to gains not yet recognised for tax purposes. Deferred tax assets and liabilities relating to financial derivatives amounted to EUR 105 million and EUR 66 million, respectively.

d) Deferred taxes relating to goodwill

These relate to deferred tax liabilities relating to the tax credit for goodwill amounting to EUR 35 million, which mainly include those related to the amortisation of Webber, LLC goodwill.

e) Deferred taxes relating to dividends pending payment by investees

The Group records no deferred taxes in this regard on the understanding that the conditions laid down in paragraph 39 of IAS 12 are fulfilled in all cases, that is the parent company is able to control the timing of recovery of the difference and the difference is unlikely to reverse in the foreseeable future.

The detail of the movements in the deferred tax assets and deferred tax liabilities in 2019 is as follows:

ASSETS

(Millions of euros)	2018	TRANSFERS AND OTHER	CHANGE TO PRIOR-YEAR TAX EVALUATIONS	CHARGED/CREDITED TO PROFIT AND LOSS	CHARGED/CREDITED TO EQUITY	FOREIGN EXCHANGE EFFECT	2019
Tax credits	214	-4	-141	-17	1	2	55
Deferred taxes, tax and accounting criteria	347	-108	10	82	0	1	332
Deferred taxes, equity measurement	88	0	0	1	26	-1	114
Other items	14	8	-17	-4	0	0	1
TOTAL	**663**	**-104**	**-148**	**62**	**27**	**2**	**502**

LIABILITIES

(Millions of euros)	2018	TRANSFERS AND OTHER	CHANGE TO PRIOR-YEAR TAX EVALUATIONS	CHARGED/CREDITED TO PROFIT AND LOSS	CHARGED/CREDITED TO EQUITY	FOREIGN EXCHANGE EFFECT	2019
Deferred taxes, goodwill	32	7	-4	3	0	0	38
Deferred taxes, tax and accounting criteria	443	-7	-160	28	0	6	310
Deferred taxes, equity measurement	90	1	0	0	24	0	115
Other items	9	2	0	0	1	0	12
TOTAL	**574**	**3**	**-164**	**31**	**25**	**6**	**475**

2.8.4. Years subject to tax inspection

In accordance with prevailing legislation, taxes may not be deemed to be finally settled until the returns filed have been inspected by the tax authorities or the limitation period established by law has elapsed.

The tax inspection of Ferrovial, S.A. relating to the Recovery Procedure for Spanish State Aid linked to the tax write-down of financial goodwill resulting from the acquisition of Amey (EU Decision 2015/314 of the European Commission of 15 October 2014 (Third Decision – Note 6.5.1)), in connection with corporate income tax for 2016 to 2018, ended in January 2021 with the notification of the settlement resolution stating a tax liability of EUR 3.8 million. A claim has been lodged against the settlement resolutions in the economic-administrative courts and are currently being processed pending a ruling.

The Spanish tax consolidated group is also undergoing a partial inspection of corporate income tax for 2014 to 2017 that is in the document submission stage, so the outcome is not yet known.

At the international level, the Canadian tax authorities have initiated an inspection of income tax for 2013 to 2017 on the company 4352238 Canada Inc. The Canadian tax inspectors question the deductibility in Canada of intragroup charges made by Cintra Services (Spain) for the provision of financial services, the transaction having been reclassified as a dividend.

The regularisation pending payment is estimated at EUR 7.6 million (CAD 11.7 million), including the non-deductible expense, withholding tax under the treaty, interest and penalties. The claim in the Canadian courts is currently suspended pending the outcome of the mutual agreement procedure initiated.

NOTES ON PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

2.9. PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

As discussed in Note 1.1.3, at 31 December 2020, and as in 2019, the Services division is classified to discontinued operations, the impact on the income statement of this line of business is now reported in one line item "net profit/(loss) from discontinued operations". This line also includes an impairment loss equal to the difference between the estimated fair value of the assets and their carrying amount.

The main effect recognised in profit/(loss) from discontinued operations is the loss of EUR -64 million on the sale of Broadspectrum, due essentially to the reclassification to the income statement of amounts accumulated in currency translation differences and associated derivative reserves, in accordance with IAS 21 (Note 1.1.3).

The following impairments have also been recognised: EUR -34.3 million essentially in relation to the Waste Treatment business in the UK (Amey) and EUR -25.3 million in relation to the International Services business, as detailed in Note 1.1.3. A profit of EUR 121 million has been recognised in the remainder of the Services businesses (excluding amortisations and depreciations according to IFRS 5).

For a better understanding of the results of the Services business and the way in which they have been included in the Group's consolidated results, the accompanying table provides a breakdown by line of profit/(loss) from this discontinued operation:

(Millions of euros)	2020	2019	VAR.
Revenue	5,935	6,995	-1,060
EBITDA	**220**	**382**	**-163**
Fixed asset depreciation	-229	-288	59
Operating profit/(loss) before impairment and disposal of fixed assets	-9	95	-104
Impairment and disposal of fixed assets	-21	-5	-15
Operating profit/(loss)	**-30**	**89**	**-119**
Net financial income/(expense)	-61	-74	13
Share of profits of equity-accounted companies	22	29	-7
Consolidated profit/(loss) before tax	-68	45	-113
Corporate income tax	-32	-16	-16
Profit/(loss) after tax	-101	29	-130
Profit/(loss) for the year attributed to non-controlling interests	-2	-3	0
Profit/(loss) for the year attributed to the parent company	-103	26	-129
Adjustments to discontinued operations	159	216	-57
Fair value provision	-60	-440	381
Profit/(loss) from discontinued operations	**-3**	**-198**	**195**

Regarding the different components of the profit/(loss) for discontinued operations, the following is of particular note:

Adjustments to discontinued operations in 2020 relate essentially to the elimination of fixed asset depreciation/amortisation charges (EUR +186 million), the loss on the divestment of the Australian subsidiary Broadspectrum (EUR -64 million net of tax).

NOTES ON PROFIT/(LOSS) FROM NON-CONTROLLING INTERESTS, NET PROFIT/(LOSS) AND EARNINGS PER SHARE

2.10. PROFIT/(LOSS) FROM NON-CONTROLLING INTERESTS

In 2020 the profit/(loss) attributed to non-controlling interests amounted to EUR -51 million (December 2019: EUR 9 million).

This figure relates to the profits obtained by Group companies that may be allocated to other partners with a stake in the said companies. The figures shown as positive numbers refer to loss-making companies, while negative amounts reflect profits.

(Millions of euros)	2020	2019	VAR. 20/19	NON-GROUP %
Budimex Group	-54	-22	-32	44.90 %
Autopista del Sol	0	-5	5	20.00 %
Autop.Terrasa Manresa, S.A.	-11	-16	5	23.70 %
LBJ Infraestructure Group	20	-4	24	45.4 %
NTE Mobility Partners	-12	-9	-3	37.1 %
FAM Construction LLC	16	37	-21	30.0 %
Sugar Creek Construction LLC	8	27	-19	30.0 %
Other companies	-15	4	-19	
Continuing operations	**-48**	**12**	**-60**	
Discontinued operations	**-3**	**-3**	**0**	
TOTAL	**-51**	**9**	**-60**	

The main change with respect to the previous year is the improvement in the Budimex Group's results (EUR 32 million) due to the favourable trend in both the civil works and real estate businesses. The results of FAM Construction LLC (EUR 21 million) and Sugar Creek LLC (EUR 19 million) also improved, considerable losses having been posted in 2019 in connection with US construction contracts. This was all offset by the worsening of results recognised by LBJ Infrastructure Group (EUR 24 million lower) due to the decline in traffic caused by COVID-19.

2.11. NET PROFIT/(LOSS) AND EARNINGS PER SHARE

The calculation of earnings per share attributed to the parent company is as follows:

(Millions of euros)	2020	2019
Net profit/(loss) attributable to parent company (millions of euros)	-410	268
Perpetual subordinated bond, net cost	-8	-8
Net adjusted profit/(loss) attributed to the parent company (millions of euros)	-418	260
Weighted average number of shares outstanding (thousands of shares)	739,102	742,193
Less average number of treasury shares (thousands of shares)	-6,826	-10,514
Average number of shares to calculate basic earnings per share	732,277	731,679
Basic earnings per share (euros)	-0.57	0.35
Net adjusted profit/(loss) from continuing operations	-364	448
Basic earnings per share, continuing operations (euros)	-0.50	0.61
Net profit/(loss) from discontinued operations	-3	-198
Basic earnings per share, discontinued operations (euros)	0.00	-0.27

Basic earnings per share have been calculated by dividing profit for the year attributed to the parent company's shareholders, adjusted for the net coupon for the year on the subordinated perpetual bonds issued by the group and taken directly to equity (Note 5.1.2.d), by the weighted average number of ordinary shares outstanding, excluding the average number of treasury shares held during the year.

As regards diluted earnings per share, it should be noted that the Group did not have any dilutive potential ordinary shares, since no convertible debt instruments were issued and the share-based remuneration schemes described in Note 6.7 will not give rise to any share capital increases at the Group. Consequently, no dilutive impact is envisaged when employee rights under the plans are exercised. Hence there is no difference between the basic and diluted earnings per share.

The capital increases carried out by the Group in 2019 and 2020 to meet commitments to make share-based payments to shareholders availing themselves of scrip dividend arrangements (Note 5.1.1.) do not distort earnings per share since the company's policy is to reduce share capital in the amount approximately equivalent to the shares issued (Note 5.1.2.a).

The detail of net profit/(loss) by geographical area is as follows:

(Millions of euros)	2020	2019	VAR. 20/19
Spain	79	583	-504
Canada	41	163	-122
Australia	7	-464	471
USA	-44	-194	150
UK	-547	82	-630
Poland	71	26	45
Chile	-19	22	-41
Ireland	7	18	-10
Other	-4	32	-36
TOTAL	**-410**	**268**	**-678**

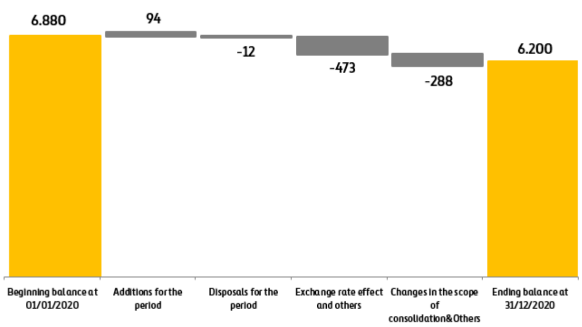
The earnings by business segment are shown in Appendix III.

SECTION 3: NON-CURRENT ASSETS

This section includes the Notes on non-current assets in the balance sheet, excluding deferred tax assets (Section 2) and financial derivatives (Section 5).

The main components of the non-current assets at December 2020 at Ferrovial are "fixed assets in infrastructure projects" amounting to EUR 6,200 million, accounting for 59% of total non-current assets (Note 3.3), "investments in associates" amounting to EUR 1,710 million (relating mainly to the investments in HAH and 407 ETR), accounting for 16% of total non-current assets (Note 3.5). The "goodwill on consolidation" (EUR 208 million) accounts for 2% of total non-current assets.

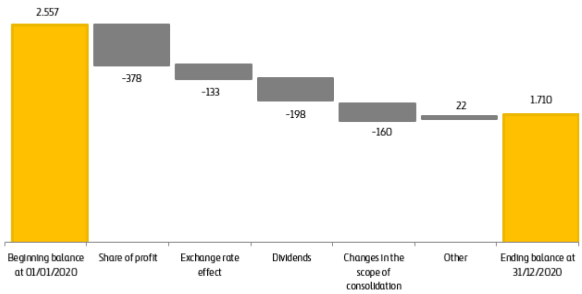
Investments in infrastructure projects



As regards the performance of infrastructure project fixed assets, the change on the previous financial year is due mainly to the euro-US dollar foreign exchange effect and to the impairment recorded by Autema (EUR -168 million) derived from the rejection of the appeal in cassation of the litigation with the Generalitat de Catalunya in relation to the concession regime of this project (note 6.5.1.a), and to the reclassification to held for sale of Concesionaria de Prisiones Figueras, S.A.U. (EUR -100 million), whose sale agreement has been reached during 2020.

Investments in associates fell by EUR -847 million, due principally to the share in the net loss of these companies (EUR -378 million) and distribution of dividends paid out in the amount of EUR -198 million, mainly by 407 ETR and HAH. Also of note is the changes in share capital of EUR -160 million, primarily due to the sale of 29% of Autoestrada Norte Litoral, 28% of Euroscut Algarve and 28% of Algarve BV, as well as the capital contributions at the I-66 toll road and the exchange rate effect (EUR -133 million), primarily due to the appreciation of the euro against the pound sterling and the Canadian dollar.

Investments in associates



As regards changes in goodwill, there was a fall of EUR 40 million, primarily from the sale of the Southern Crushed Concrete asphalt plant (EUR -22 million) and the foreign exchange effect (EUR -18 million).

3.1. GOODWILL AND ACQUISITIONS

The table below details the movements in goodwill in 2020:

(Millions of euros)	BALANCES AT 31/12/2019	OTHER	EXCHANGE RATE	BALANCES AT 31/12/2020
Construction	**205**	-22	-14	**169**
Budimex	69	0	-5	64
Webber	136	-22	-10	105
Airports	**43**	0	-3	**39**
Transchile	43	0	-3	39
TOTAL	**248**	**-22**	**-18**	**208**

3.1.1. Movements over the year

The following is a description of the main changes by type of movement:

Other

The impact in the "other" column relates to the sale of Southern Crushed Concrete's asphalt plant. As a result, goodwill decreased by EUR 22 million.

Exchange rate

The other changes relate to variations in exchange rates, mainly in the construction business.

3.1.2. Goodwill impairment test

A. Construction Division goodwill (Webber and Budimex):

Methodology and discount rate

The goodwill of Webber (US) and Budimex (Poland) amounted to EUR 105 million and EUR 64 million, respectively, at 31 December 2020 (31 December 2019: EUR 136 million and EUR 69 million, respectively).

In the case of Webber, five-year projections are adopted and the residual value is based on the cash flow for the last year projected, provided that this cash flow is normalised, and applying a growth rate that in no case exceeds the long-term growth rate estimated for the market in which the company operates. The cash flows are discounted at a discount rate (WACC) after tax of 7.3% (compared to 7.1% in 2019) and a growth rate into perpetuity of 2.0% (similar to 2019). The risk-free interest rate used to calculate the WACC is 2.0%, 110 basis points above the ten-year US bond rate at 31 December 2020.

In 2020, the approximate discount rate (WACC) before tax amounted to 8.7% (compared with 8.5% in 2019).

In the case of Budimex, since it is listed on the Warsaw Stock Exchange, the goodwill was tested for impairment by ascertaining whether the closing market price at 31 December 2020 of the Budimex share was higher than its carrying amount plus the allocated goodwill. The test did not show the existence of any impairment.

Main factors that affect the valuation and performance compared with the previous year and budget:

The projected cash flows are based on the latest estimates approved by the company, which take into account recent historical data.

The main factors that affect the cash flow projections of Webber are revenue forecasts and the projected operating margins. These projections are based on four basic components: the existing order book, winning new contracts, estimated future margins and the perpetuity growth rate. It should be noted that the forecast operating margins are lower than the historical margins of recent years, in line with average margins in the industry. The perpetuity growth rate used was 2.0%, which is similar to long term inflation forecasts for the US without considering present economic growth. It should be noted that COVID-19 has had a limited impact on Webber (Note 1.2).

Impairment test results:

The value of Webber resulting from application of this impairment test model is 178% higher than its carrying amount (compared to 107% in 2019).

The residual value of Webber represents 39% of the total value after the specific forecast period.

The quoted market price of the Budimex share at 31 December 2020 was 716% higher than its carrying amount (compared to 546% in 2019).

Sensitivity analysis:

A sensitivity analysis was performed on Webber's goodwill, particularly in relation to the operating margin, the discount rate and the perpetuity growth rate, to ensure that possible changes in the estimate do not have an impact on the possible recovery of the goodwill recognized.

Specifically, a pessimistic scenario was taken into consideration with a perpetuity growth rate of 1% and a reduction in the profit from operations of 50 basis points. The value disclosed in this scenario presents a buffer of 146% over the carrying amount.

On this basis, the valuation disclosed would equal the carrying amount if the reduction in the margin with respect to the projected figure was 532 basis points, thereby leaving the assumption of perpetuity growth at 1%.

Lastly, it should be stated that in a scenario maintaining the margins but assuming a zero perpetuity growth rate (compared to 2%), there would be no impairment.

At Budimex, due to the significant buffer between the quoted market price and its carrying amount, the company considers that there is no evidence of impairment.

B. Transchile goodwill:

In addition to the goodwill relating to Budimex and Webber, the remaining goodwill relates to Transchile (the electricity transmission line operating company in Chile).

Based on the goodwill impairment test findings, the buffer is 58% with respect to the carrying amount of EUR 55 million. The flows were discounted at a 6.6% cost of capital (8.0% before taxes), which is in line with the rate used to calculate goodwill impairment in 2019.

3.2. INTANGIBLE ASSETS

At year-end 2020, the balance of intangible assets other than infrastructure projects amounted to EUR 60 million (2019: EUR 63 million).

This heading includes:

- "Rights on concessions" includes the rights to operate the tenders that are not classified as projects (see definition in Note 1.1.2). At 31 December 2020 and 31 December 2019, this is not a significant amount.
- "Computer software" with a net value of EUR 6 million (31 December 2019: EUR 7 million).

- "Customer contracts and commercial relations", relating to the net value of the commercial order book, customer databases and other intangible assets, in the amount of EUR 54 million (31 December 2019: EUR 57 million) essentially derived from the Budimex Services business included in the Construction Division.
- During the financial year, no significant fully depreciated assets have been written down.

The impact on cash flows (Note 5.3) from additions to intangible assets amounted to EUR -2 million.

3.3. INVESTMENTS IN INFRASTRUCTURE PROJECTS

3.3.1. Intangible asset model

(Millions of euros)	BALANCE AT 01/01	TOTAL ADDITIONS	TOTAL DISPOSALS	FOREIGN EXCHANGE EFFECT	CONSOLIDATION SCOPE CHANGES AND TRANSFERS	OTHER	BALANCE AT 31/12
Spanish toll roads	0	0	0	0	689	-168	521
US toll roads	5,905	141	-4	-490	0	0	5,553
Other toll roads	391	0	-0	-0	0	0	391
Toll road investment	6,296	141	-4	-490	689	-168	6,465
Accumulated depreciation/amortisation	-305	-66	1	20	-21	0	-370
Net investment in toll roads	5,992	76	-2	-469	668	-168	6,095
Investment in other infrastructure projects	5	12	0	-2	0	0	15
Depreciation/amortisation of other infrastructure projects	0	0	0	0	0	0	0
Total net investment in other infrastructure projects	5	12	0	-2	0	0	15
TOTAL INVESTMENT	**6,302**	**153**	**-4**	**-492**	**689**	**-168**	**6,480**
TOTAL DEPRECIATION/AMORTISATION AND PROVISION	-303	-66	1	20	-21	0	-370
TOTAL NET INVESTMENT	**5,998**	**88**	**-2**	**-471**	**668**	**-168**	**6,110**

- The most significant changes in 2020 were as follows:

  - Exchange rate fluctuations resulted in a change of EUR -471 million (2019: EUR -502 million) in the balances of these assets, the full amount of which was attributed to the change in the euro/US dollar exchange rate at the US toll roads (Note 1.3).

  - There were gross Toll road additions of EUR 141 million, relating to US toll roads. Of these, the most significant involve the North Tarrant Express Extension for EUR 128 million (2019: EUR 80 million) and the I-77 Mobility Partners LLC toll road for EUR 7 million (2019: EUR 131 million).

  - Impact recognised in the Spanish Toll Roads business, arising in AUTEMA, due to the reclassification from financial assets to intangible assets following the rejection of the cassation appeal in the litigation that was in progress with the Catalan Regional Government in connection with the project concession scheme. As a consequence, a provision of EUR 168 million has been recorded as reflected in Other's column of the table. See Note 6.5.1.a and Note 2.5.

  - Also, "investment in other infrastructure projects" includes concession arrangements awarded to the Airports division that are classified as intangible assets under IFRIC 12, primarily associated with electricity transmission lines in Chile for a net investment of EUR 13 million euros (2019: EUR 5 million).

In the case of the infrastructure project companies, all their concession assets have been pledged as security for the existing borrowings (Note 5.2). The borrowing costs capitalised in this connection in 2020 are detailed in Note 2.6.

The movements to these assets in 2019 were as follows:

(Millions of euros)	BALANCE AT 01/01	TOTAL	TOTAL	CONSOLIDATION SCOPE CHANGES AND TRANSFERS	FOREIGN	BALANCES
Spanish toll roads	736	1	-23	-713	0	0
US toll roads	5,581	214	0	0	110	5,905
Other toll roads	386	4	0	0	0	391
Toll road investment	6,703	219	-23	-713	110	6,297
Accumulated depreciation/amortisation	-424	-94	4	211	-2	-305
Net investment in toll roads	6,279	125	-19	-502	108	5,992
Investment in other infrastructure projects	2	4	0	0	0	5
Depreciation/amortisation of other infrastructure projects	-1	1	-0	0	-0	0
Total net investment in other infrastructure projects	1	5	-0	0	-0	5
TOTAL INVESTMENT	**6,705**	**223**	**-23**	**-713**	**110**	**6,302**
TOTAL DEPRECIATION/AMORTISATION AND PROVISION	-424	-93	4	211	-1	-303
TOTAL NET INVESTMENT	**6,280**	**130**	**-19**	**-502**	**109**	**5,998**

3.3.2. Financial asset model

The assets accounted for using the financial asset model pursuant to IFRIC 12, mainly relate to long-term receivables (more than twelve months) from governments in return for services rendered or investments made under a concession arrangement. The movements in the years ended 31 December 2020 and 2019 were as follows:

MOVEMENTS (Millions of euros)	**INFRASTRUCTURE PROJECT RECEIVABLES 2020**	**INFRASTRUCTURE PROJECT RECEIVABLES 2019**
OPENING BALANCE	**883**	**875**
Additions	6	117
Disposals	-9	-92
Transfers and other	-689	30
Autema impairment	0	-58
Foreign exchange effect	-1	0
Other	0	10
Reclass. to held for sale	-100	0
YEAR-END BALANCE	**90**	**883**

Note: balances shown net of provisions

The main change for the year, as indicated in Note 3.3.1. reflected in "transfers and other" in the amount of EUR -689 million, is the shift to the intangible asset model caused by the change affecting AUTEMA's concession scheme, as the above-mentioned appeal was not allowed to proceed (Note 6.5.1.a).

The amount of EUR -100 million reclassified to held for sale relates to Concesionaria de Prisiones Figueras, S.A.U., the corresponding sale agreement having been reached in 2020 (Note 1.1.3).

CONCESSION OPERATOR	BALANCE AT 31/12/2020 LONG-TERM RECEIVABLES	SHORT-TERM RECEIVABLES	TOTAL
(Millions of euros)		(Note 4.2)	2020
Concesionaria de Prisiones Lledoners	57	2	59
Depusa Aragón	24	1	25
Budimex Parking Wrocław	10	0	10
CONSTRUCTION	**91**	**3**	**94**
TOTAL GROUP	**91**	**3**	**94**

CONCESSION OPERATOR	BALANCE AT 31/12/2019 LONG-TERM RECEIVABLES	SHORT-TERM RECEIVABLES	TOTAL
(Millions of euros)		(Note 4.2)	2019
Autopista Terrasa Manresa, S.A	689	27	716
TOLL ROADS	**689**	**27**	**716**
Concesionaria de Prisiones Lledoners	59	2	61
Concesionaria de Prisiones Figueras	98	4	102
Depusa Aragón	25	1	26
Budimex Parking Wrocław	11	0	11
CONSTRUCTION	**193**	**6**	**200**
Denver Great Hall LLC	0	0	0
AIRPORTS	**0**	**0**	**0**
TOTAL GROUP	**883**	**33**	**916**

3.3.3 Impact on cash flows

The cash flow impact of the additions to projects, primarily accounted for using the intangible asset model amounted to EUR -128 million (Note 5.3), which differs from the additions recognised in the balance sheet, primarily due to the following reasons:

- In projects in which the intangible asset model is applied, due to differences between the accrual basis and cash basis of accounting, as well as the capitalisation of the borrowing costs attributable to projects under construction, which do not generate cash outflows.
- In projects in which the financial asset model is applied, due to the increases in receivables as a balancing entry to income for services rendered, which do not generate cash inflows either.
- The impact on cash flows reflects movements associated with the discontinued operation, which are not recognised in the balance sheet due to being reclassified to held for sale.

3.4. PROPERTY, PLANT AND EQUIPMENT

The movements in “property, plant and equipment” in the statement of consolidated financial position were as follows:

MOVEMENTS DURING 2020 (Millions of euros)	LAND AND BUILDINGS	PLANT AND MACHINERY	OTHER INSTALLATIONS, TOOLING AND FURNITURE	TOTAL
Investment: Balance at 01/01/2020	**84**	**485**	**204**	**772**
Additions	2	37	30	69
Disposals	-17	-73	-26	-116
Consolidation scope changes and transfers	0	0	-1	-1
Foreign exchange effect	-5	-21	-7	-33
Balances at 31/12/2020	**64**	**428**	**200**	**691**
Accumulated depreciation and impairment losses at 01.01.20	**-20**	**-316**	**-137**	**-473**
Depreciation charge	-3	-24	-20	-47
Disposals	9	56	22	87
Foreign exchange effect	1	9	4	14
Balances at 31/12/2020	**-13**	**-275**	**-131**	**-419**
Carrying amount 31.12.2020	**51**	**153**	**69**	**272**

The most significant changes in 2020 were as follows:

Additions:

Of the total additions, amounting to EUR 69 million, the most significant arose at the Construction Division amounting to EUR 63 million in relation to specific construction machinery acquisitions and other installations, tooling and furniture.

The detail, by business segment, of the additions to property, plant and equipment is as follows:

(Millions of euros)	2020	2019
Construction	63	48
Toll roads	3	5
Other	3	2
TOTAL	**69**	**55**

Impact on cash flow: The impact on cash flows arising from additions to property, plant and equipment amounted to EUR -114 million, of which EUR -50 million relates to the Construction Division and EUR -64 million arose from the Services Division. As outlined in Note 5.3, the cash flow reported includes cash flows from operating activities, investment and financing for discontinued operations and assets held for sale.

Disposals:

The property, plant and equipment disposals and reductions amounted to EUR 116 million and arose largely as a result of the derecognition of fully depreciated or obsolete items, which did not have a material effect on the consolidated income statement. Specifically, EUR 110 million were removed in the Construction Division.

Other disclosures relating to property, plant and equipment:

The property, plant and equipment not used in operations are not material with respect to the final consolidated balances. Impairment losses on other items of property, plant and equipment total EUR 15 million (2019: EUR 14 million), associated with the Construction Division.

The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are subject and the claims that might be filed against it for carrying on its business activities. These policies are considered to adequately cover the related risks.

The property, plant and equipment under construction amounts to EUR 12 million (EUR 7 million in 2019).

As at 31 December 2020 there are no significant property, plant and equipment subject to restrictions on title or pledged as security for liabilities.

The following table shows the movements that occurred during 2019:

MOVEMENTS DURING 2019 (Millions of euros)	LAND AND BUILDINGS	PLANT AND MACHINERY	OTHER INSTALLATIONS, TOOLING AND FURNITURE	TOTAL
Investment: Balance at 01/01/2019	**53**	**468**	**164**	**685**
Additions	3	27	25	56
Disposals	-4	-14	-12	-30
Consolidation scope changes and transfers	31	1	25	57
Foreign exchange effect	1	2	2	4
Balances at 31/12/2019	**84**	**485**	**204**	**772**
Accumulated depreciation and impairment losses at 01.01.19	**-11**	**-307**	**-116**	**-434**
Depreciation charge	-2	-25	-18	-46
Disposals	2	10	10	22
Consolidation scope changes and transfers	-9	6	-12	-15
Foreign exchange effect	0	1	-1	0
Balances at 31/12/2019	**-20**	**-316**	**-137**	**-473**
Carrying amount at 31.12.2019	**64**	**169**	**66**	**299**

3.5. INVESTMENTS IN ASSOCIATES

The breakdown of investment in equity-accounted companies at 2020 year-end and of the movements therein are shown in the table below. Due to their significance, the investments in 407 ETR (43.23%), Heathrow Airport Holdings (HAH) (-25%) and AGS (50%) are presented separately.

2020 (millions of euros)	HAH (25%)	407 ETR (43.23%)	AGS (50%)	OTHER	TOTAL
Balance at 31.12.19	**690**	**1,422**	**57**	**388**	**2,557**
Share of profit/(loss)	-396	33	-51	36	-378
Dividends	-29	-158	0	-11	-198
Foreign exchange differences	-33	-92	-3	-5	-133
Pensions	-30	0	-1	0	-31
Consolidation scope changes	0	0	0	-160	-160
Other	3	0	-2	52	53
Balance at 31.12.20	**205**	**1,205**	**0**	**300**	**1,710**

Scope changes included an impact of EUR -166 million due to the sale of 29% of Autoestrada Norte, 28% of Euroscut Algarve and 28% of Algarve BV, as well as the subsequent reclassification of the remaining ownership interest (20%) to held-for-sale assets.

Impact on cash flow: The difference between the dividends of EUR 198 million in the foregoing table and the dividends of EUR 299 million disclosed in the cash flow statement (Note 5.3) relates mainly to interest received on loans granted to equity-accounted companies, recognised under non-current financial assets in the balance sheet (Note 3.6), to the effect of certain exchange rate hedges related to dividends received, as well as for the payment of dividends from Services projects.

The movements in this heading in the balance sheet in 2019 were as follows:

2019 (millions of euros)	HAH (25%)	407 ETR (43.23%)	AGS (50%)	OTHER	TOTAL
BALANCE AT 31.12.18	**705**	**1,475**	**60**	**215**	**2,455**
Share of profit/(loss) (Note 2.7)	106	153	9	28	296
Dividends	-145	-307	-12	-16	-479
Changes in share capital	43	101		4	148
Foreign exchange differences	-3	0	3	-5	-5
Pensions	0	0	-2	109	108
Other	-16	0	-3	53	34
BALANCE AT 31.12.19	**690**	**1,422**	**57**	**388**	**2,557**

3.5.1. Disclosures relating to HAH

a. Impairment analysis

As indicated in Note 1.2, the Airport business, specifically Heathrow Airport, has been severely impacted by COVID-19. Specifically, operating income and EBITDA have declined by 62% and 95%, respectively, on 2019 due to the fall in passenger volumes caused by COVID-19, with a total of 22 million passengers.

The regulatory asset base (RAB) ended the year at GBP 16,492 million. Traffic in 2020 was also 73% lower than in 2019. In this respect, Ferrovial has recognised equity-accounted losses of EUR -396 million and a total write-down of EUR 485 million in the investment, including the impacts on reserves, the investment's carrying amount having decreased from EUR 690 million at December 2019 to EUR 205 million at December 2020.

In addition, as also indicated in the above-mentioned note, the pandemic has impacted the company's financial position, with the company being granted a waiver of the covenants contained in Heathrow's financing facilities; which entailed the suspension of dividend payments as from the first quarter of 2020.

In the 2020 financial statements of FGP Topco, the parent of the Heathrow Group, the company's directors state that the impact of COVID-19 continues to generate considerable uncertainty regarding the aviation industry and, following the analysis of different possible business scenarios for the upcoming 12 months, a very adverse scenario may arise in which creditors may be asked to give a new waiver. The directors of the company have concluded that there is material uncertainty about the application of the going concern basis, and consider that the underlying credit quality of the company and the business should in such a scenario allow for the support of the company's creditors, so that the accounts can continue to be prepared on a going concern basis.

In view of this situation, Ferrovial has assessed the recoverability of the investment in the company, concluding that it is recoverable, based on the information available to date. This conclusion is based on the analysis of liquidity, the degree of fulfilment of debt covenants, the asset's implicit value and the applicable regulatory scheme.

In this regard, the Company's liquidity levels would allow all of its payments to be made at least to March 2022, even if there were no income of any kind.

As regards the debt covenants, the Company applies the "severe but plausible downside" scenario to December 2021, which would entail an approximate decline of 10 million passengers as compared with the Company's base estimate. In this scenario, operating and financial measures under the Company's control would allow the possible infringement of debt covenants to be mitigated. However, and as previously explained, should the uncertainty unleashed by COVID-19 lead to more negative scenarios than the "Severe but plausible downside", the Company might have to arrange new financial covenant waivers. In this scenario, the underlying credit quality of the company and the business should allow support from creditors.

As concerns the implicit valuation of the asset, Ferrovial has made an estimate of its recoverable value and has concluded that no additional impairment has to be recognised on the book value of the asset after the losses already recognised in the year.

The main assumptions used in the valuation model were as follows:

- The most recent business plan approved by the company was considered. This plan is based on the return on assets established by the regulator for the period of six years, extended by one, ending on 31 December 2019.
- The regulator has agreed to extend the current regulatory period, H7, by two years (2020 and 2021).
- The value of the investment was calculated by discounting the future cash flows per the business plan, using the adjusted present value (APV) method until 2051. A period of more than five years has been used to capture the high volume of investment envisaged in the medium and long term and thanks to the visibility of cash flows from the assets, allowing the projection of a long-term capital structure. A five-year projection period would not adequately reflect the value of the assets. Terminal value is calculated using the EV/RAB multiple, which stands at 1.15x. The growth rate implicit in the terminal value calculation is 1.24%.
- Flows are discounted at the deleveraged rate (7.5% for H7), discounting the tax shield at the cost of debt.

The valuation findings show a sizeable buffer over the carrying amount. It is important to consider that the enterprise value implicit in the current carrying amount would mean a multiple of less than 1 with respect to the RAB at December 2020.

Finally, as regards the regulatory scheme applicable to the asset, Heathrow has initiated a process to reopen the five-year regulatory agreement (Q6), on the basis that the impact of COVID-19 may be regarded as an extraordinary circumstance generating the right to compensation for the losses incurred, under section 22 of the "Civil Aviation Act". This process is discussed in detail in the Management Report that was formally prepared together with these Consolidated financial statements.

b. Movements in the balance sheet and income statement 2020-2019

In view of the importance of this investment, the following is a detail of the balance sheet and income statement for this Group of companies, adjusted to bring them into line with Ferrovial's accounting policies, together with comments on the changes therein over the course of 2020.

The balance sheet figures shown relate to the full balances of HAH and are presented in pound sterling. The exchange rates used in 2020 are EUR 1=GBP 0.89555 (2019: GBP 0.84665) for the balance sheet figures and EUR 1=GBP 0.88873 (2019: GBP 0.87453) for the income statement figures.

Balance sheet 2020/2019

HAH (100%) Millions of GBP	**2020.12**	**2019.12**	**VAR.**
Non-current assets	16,823	17,172	-349
Goodwill	2,753	2,753	0
Fixed assets in infrastructure projects	13,076	13,522	-445
Rights of use of leased assets	285	276	9
Non-current financial assets	42	49	-8
Pension plan surplus	12	33	-22
Deferred taxes	0	0	0
Financial derivatives	656	539	117
Other non-current assets	0	0	0
Current assets	4,572	1,851	2,721
Trade and other receivables	462	244	218
Financial derivatives	146	0	146
Cash and cash equivalents	3,949	1,594	2,355
Other current assets	14	13	1
TOTAL ASSETS	**21,395**	**19,023**	**2,371**

HAH (100%) Millions of GBP	**DEC. 2020**	**DEC. 2019**	**VAR.**
Equity	-1,586	15	-1,601
Non-current liabilities	20,637	17,846	2,791
Pension provisions	31	29	2
		0	
Borrowings	18,461	15,449	3,012
Deferred taxes	652	784	-133
Financial derivatives	1,134	1,227	-93
Other non-current liabilities	359	356	4
Current liabilities	2,344	1,162	1,182
Borrowings	1,921	644	1,277
Trade payables	386	428	-41
Financial derivatives	21	55	-34
Other current liabilities	16	36	-20
TOTAL LIABILITIES	**21,395**	**19,023**	**2,371**

Equity

At 31 December 2020, equity amounted to GBP -1,586 million, down GBP -1,601 million from 2019.

In addition to the loss for the year of GBP -1,408 million, the main movements were the negative impact of GBP -105 million recognised in pension plan reserves, the dividend pay-out of GBP -100 million in the first quarter and the GBP -8 million write-down of held-for-sale assets, all offset by the positive impact of hedging derivatives amounting to GBP 21 million.

Twenty-five percent of the investee's shareholders' funds does not relate to the carrying amount of the shareholding, since the carrying amount also includes the capital gain arising from the fair value measurement of the equity interest retained following the divestment of 5.88% of this company in October 2011. The gain was recognised as an increase in goodwill. Therefore, in order to obtain the carrying amount of Ferrovial, it would be necessary to apply 25% of the shareholders' funds presented above (GBP -397 million) and the amount of the aforementioned gain (GBP 581 million), giving a total of GBP 184 million which, translated at the year-end exchange rate (EUR 1 = GBP 0.89555), equates to a shareholding of EUR 205 million.

Borrowings

The borrowings of HAH (short and long-term) amounted to GBP 20,382 million at 31 December 2020, an increase of GBP 4,289 million with respect to the prior year (31 December 2019: GBP 16,093 million). This increase is primarily due to the effect of:

- Heathrow's liquidity position at 31 December stood at GBP 3,900 million in cash, allowing all obligations forecast beyond 15 months to be covered, in the extreme case that there were no revenues. Liquidity was improved by raising GBP 2,500 million in debt financing during the year, as well as subordinated debt (ADI Finance 2 Ltd facility) of GBP 750 million. Heathrow has sufficient liquidity to meet all needs for at least 15 months in a no-revenue scenario or until well into 2023, according to HAH's traffic forecasts.
- Amortisation and a bond issue in the amount of GBP -402 million and GBP 1,977 million respectively, as well as a net increase of GBP 2,436 million in bank borrowings.
- Decrease of GBP 281 million as a result of fair value adjustments to and the exchange rate of foreign currency bonds issued.
- Other movements amounting to EUR -4 million (mainly accrued unmatured interest and fees).

Financial derivatives at fair value

The notional principal amount of HAH's derivatives portfolio at 31 December 2020 totalled GBP 18,710 million, including interest rate derivatives (IRSs) with a notional amount of GBP 6,794 million (hedging floating-rate borrowings), cross-currency swaps (hedging bonds issued in foreign currencies) with a notional amount of GBP 5,639 million and index-linked swaps (ILSs) with a notional amount of GBP 6,276 million). The purpose of inflation derivatives is to convert fixed-rate debt into debt that has a variable rate based on inflation, for the purpose of hedging variations in the regulatory asset base (RAB) caused by changes to the inflation rate.

Income statement 2020-2019

The following table shows HAH's income statement movements in 2020 and 2019.

HAH (100%) Millions of GBP	2020	2019	VAR.
Operating income	1,175	3,070	-1,894
Operating expenses	-1,087	-1,147	60
EBITDA	**89**	**1,922**	**-1,834**
Fixed asset depreciation	-848	-805	-43
Operating profit/(loss) before impairment and disposals	-759	1,117	-1,877
Impairment and disposal of fixed assets	0	0	0
OPERATING PROFIT/(LOSS)	**-759**	**1,117**	**-1,877**
Net financial income/(expense)	-855	-621	-234
Profit/(loss) before tax	-1,614	497	-2,111
Corporate income tax	206	-126	332
Profit/(loss) from continuing	-1,408	370	-1,779
Profit/(loss) from discontinued operations	0	0	0
Net profit/(loss)	**-1,408**	**370**	**-1,779**
Profit/(loss) attributable to Ferrovial (millions of euros)	**-396**	**106**	**-502**

Note 2.7 explains in detail the different components that explain the impact on Ferrovial's results of the investment in this company. The management report includes more detailed information on the changes in HAH's results.

3.5.2. Disclosures relating to 407 ETR

As with HAH, given that Ferrovial's stake in the 407 ETR was remeasured when control was lost, and the implicit existence of goodwill was considered, pursuant to the contents of page 40 et seq. of IAS 28, the possible existence of indications of impairment is assessed on an annual basis.

a. Impairment analysis

This asset performed very well until 2019, with average annual growth in revenue of 10%, in EBITDA of 11% and in dividends of 11%. In 2020, light vehicle traffic was impacted by COVID-19, particularly in April (-80% below the previous year). Traffic levels then recovered quickly up to -38% on the previous year in September 2020. Subsequently, due to the new wave of the pandemic and the lockdown measures adopted in Toronto, traffic levels fell again.

The measurement that Ferrovial made of this concession, which includes estimated pandemic effects, shows a very large buffer over its book value. Sensitivity to increased revenues and the discount rate has been measured, and a broad buffer is maintained.

The recoverable amount of a concession operator with an independent financial structure and limited duration was calculated by discounting the cash flows to be received by shareholders until the end of the concession term, 2098 in the case of 407 ETR. The Group considers that value in use must be obtained using models that cover the entire concession term, as the asset is in different phases of investment and growth and there is sufficient visibility to use a specific economic and financial plan during the concession term.

The cost of own resources (or equity cost) was calculated in accordance with the CAPM model. To calculate the discount rate, a risk-free rate was used, which referenced the 30-year bond in Canada, a beta coefficient reflecting the asset's leverage and risk, and a market premium of 6.0% (same as last year) are used. The result is a discount rate after tax (equity cost, or Ke) of 6.50% (7.29% before taxes).

Based on the evaluation performed and the positive trend in recent years, as well as the sensitivity analyses (primarily focusing on revenue growth and an increase in the discount rate), no signs of impairment were identified.

b. Movements in the balance sheet and income statement 2020-2019

These figures relate to the full balances of the Company and are presented in millions of Canadian dollars. The exchange rates used in 2020 are EUR 1=CAD 1.56087 (2019: CAD 1.45730) for the balance sheet figures and EUR 1=CAD 1.53765 (2019: CAD 1.47998) for the income statement figures.

Balance Sheet 2020-2019

407 ETR (100%) Millions of CAD	2020	2019	VAR.
Non-current assets	4,598	4,539	59
Fixed assets in infrastructure projects	4,016	4,007	9
Non-current financial assets	580	491	90
Deferred taxes	2	41	-39
Current assets	1,054	812	243
Short-term trade and other receivables	173	254	-81
Cash and cash equivalents	881	557	324
Total assets	**5,652**	**5,350**	**302**
Equity	-4,703	-4,288	-415
Non-current liabilities	10,154	9,396	758
Borrowings	9,603	8,868	735
Deferred taxes	551	528	23
Current liabilities	201	242	-41
Borrowings	124	143	-18
Short-term trade and other payables	77	99	-23
Total liabilities	**5,652**	**5,350**	**302**

Below is a description of the main changes in the balance sheet of 407 ETR at 31 December 2020 compared to the previous year:

Equity

Equity fell by CAD 415 million with respect to 2019, as a result of the inclusion of the profit for the year of CAD 148 million and the reduction of CAD 563 million due to the payment of a dividend to shareholders.

43.23% of the shareholders' funds of the subsidiary does not relate to the consolidated carrying amount of the holding, since the latter also includes the amount of the gain arising from the remeasurement at fair value of the investment retained following the sale of a 10% ownership interest in this company in 2010, recognised as an addition to the value of the investment, and the goodwill that arose in 2009 as a result of the merger of Grupo Ferrovial, S.A. and Cintra Concesiones de Infraestructuras de Transportes, S.A. Therefore, in order to obtain the consolidated carrying amount at Ferrovial, it is necessary to increase the 43.23% of shareholders' funds presented above (CAD -2,033 million) by the amount of the aforementioned gain and of the goodwill (CAD 2,594 million and CAD 1,319 million, respectively), giving a total of CAD 1,880 million which, translated at the year-end exchange rate (EUR 1 = CAD 1.56087), is equivalent to the investment of EUR 1,205 million.

Borrowings

Borrowings as a whole (short-term and long-term) increased by CAD 716 million with respect to December 2019, mainly due to a bond issue in March with a nominal value of CAD 1,450 million (Series 20-A1 maturing in 2050 for CAD 700 million, Series 20-A2 maturing in 2025 for CAD 350 million and Series 20-A3 for CAD 400 million maturing in 2032). This increase was offset by the CAD -705 million repayment of bond series 10 A-3 and 99 A-5 and the ordinary redemption of bond series 99 A-3 and 00 A-2, amounting to CAD -14.7 million.

Income statement 2020-2019

The following table shows the income statement movements of 407 ETR in the years ended December 2020 and December 2019:

407 ETR (100%) Millions of CAD	2020	2019	VAR.
Operating income	909	1,505	-597
Operating expenses	-169	-196	27
EBITDA	**740**	**1,309**	**-569**
Fixed asset depreciation	-97	-106	8
Operating profit/(loss)	**642**	**1,204**	**-561**
Net financial income/(expense)	-441	-420	-21
Profit/(loss) before tax	201	783	-582
Corporate income tax	-53	-207	154
Net profit/(loss)	**148**	**576**	**-428**
Profit/(loss) attributable to Ferrovial (millions of CAD)	64	249	-185
Adjustment to depreciation/amortisation following loss of control (Millions of CAD)	-13	-22	9
Adjusted net profit/(loss) attributable to Ferrovial (43.23% in millions of CAD)	**51**	**227**	**-176**
Adjusted net profit/(loss) attributable to Ferrovial (43.23% in millions of EUR)	**33**	**153**	**-120**

The main change in the income statement relates to "operating income" (CAD -597 million) as a result of the drop in traffic caused by COVID-19.

It should be noted that the profit/(loss) attributable to Ferrovial also includes the depreciation and amortisation over the concession term of the remeasurement recognised following the loss of control of the company as a result of the sale in 2010 mentioned above.

Therefore, CAD -13 million of amortisation would have to be deducted from the 43.23% of the local profit (CAD 64 million). Translating the resulting CAD 51 million at the average exchange rate (EUR 1 = CAD 1.53765) gives the EUR 33 million allocable to Ferrovial in 2020 (Note 2.7). In 2019 (EUR 1 = CAD 1.47988) gives the EUR 153 million attributed to Ferrovial in 2019 (Note 2.7).

3.5.3. Disclosures relating to AGS

Under other equity-accounted assets, the most noteworthy is the 50% ownership interest in the share capital of the company AGS, which owns Aberdeen, Glasgow and Southampton airports in the UK.

The three airports in the Airport business have been significantly affected by COVID-19. As mentioned in Note 1.2, passenger volumes fell by 76% on the previous year. Together with a series of extraordinary costs incurred to cut the company's recurring operating expenditure, this led Ferrovial to post a net loss of EUR -51 million.

This loss, together with other equity impacts, means the carrying amount of Ferrovial's equity interest fell from EUR 59 million in 2019 to zero in 2020.

In addition, as indicated in Note 3.6, the company was granted a subordinated loan from Ferrovial for a nominal amount of GBP 98 million.

3.5.4. Other disclosures relating to associates

a) Movements relating to the remaining associates

The associates breakdown, showing their consolidated carrying amount and the main data is disclosed in Appendix II.

The movements in 2020 in the investments in these companies were as follows:

2020	**OTHER**
Balance at 31.12.19	**388**
Share of profit/(loss) (Note 2.7)	36
Dividends	-11
Foreign exchange differences	-5
Pensions	0
Consolidation scope change	-160
Reclassifications and transfers (Note 6.3.)	-3
Other	55
BALANCE AT 31.12.20	**300**

The share of profit/(loss) most notably includes the contributions of the joint ventures of Portuguese toll roads (EUR 29 million), FMM Company (EUR 8 million) and other associates (EUR -1 million).

The dividends received relate to toll roads, amounting to EUR 11 million (primarily EuroScut Algarve, S.A., Auto-Estradas Norte, S.A., and A66 Benavente-Zamora).

Scope changes of EUR -160 million relate basically to the sale of 29% of Autoestradas Norte, 28% of Euroscut Algarve and 28% of Algarve BV (EUR -166 million), as explained in point 3.5 above.

Finally, in Toll Roads, the positive effect of the capital contribution of EUR 61 million relating to I-66 was recognized (an amount of EUR 35 million has been committed).

See additional comments below in point b.2).

b) Other disclosures relating to equity-accounted companies

b.1) I-66 toll road

November 2017 saw the financial close of the I-66 toll road in Virginia. The stake held in the concession-holding company is 50%, and it is equity-accounted.

Although at 2020 year-end the investment in the capital of this company amounts to EUR 35 million, there is a commitment to invest an additional EUR 590 million in the next four years.

At 31 December 2020, the main toll road assets are fixed assets used in infrastructure projects in the amount of EUR 1,780 million (31 December 2019: EUR 1,222 million). In terms of liabilities, of particular note is financial borrowings in the amount of EUR 1,681 million (EUR 1,319 million at 31 December 2019).

b.2) Other information

There are also some associates with a carrying amount of zero. Under IAS 28, if an entity's share of losses of an associate equals or exceeds its interest in the associate, the entity discontinues recognising its share of further losses, unless the entity has incurred legal or constructive obligations that make it necessary to recognise a liability for additional losses after the entity's interest is reduced to zero.

There are no significant restrictions on the capacity of associates to transfer funds to the parent company in the form of dividends, debt repayments or advances, other than such restrictions as might arise from the financing agreements of those associates or from their own financial position, and there are no contingent liabilities relating to associates that might ultimately be assumed by the Group.

There are no significant companies in which the ownership interest exceeds 20% that are not equity-accounted.

The guarantees provided by Group companies to equity-accounted companies are detailed in Note 6.5.

3.6. NON-CURRENT FINANCIAL ASSETS

The movements at 31 December 2020 were as follows:

MOVEMENTS IN 2020 (Millions of euros)	LONG-TERM LOANS IN ASSOCIATES	RESTRICTED CASH FROM INFRASTRUCTURE PROJECTS AND OTHER FINANCIAL ASSETS	OTHER LONG-TERM RECEIVABLES	TOTAL
BALANCE AT 01.01.2020	**170**	**970**	**106**	**1,246**
Additions	16	1,614	7	1,637
Disposals	-11	-1,868	-1	-1,880
Transfers and other	0	0	-76	-76
Foreign exchange effect	-11	-63	-1	-75
Consolidation scope changes	0	0	0	0
BALANCE AT 31/12/2020	**164**	**654**	**34**	**852**

Note: balances shown net of provisions

- "Long-term loans in associates" primarily includes the loan granted to AGS (Note 3.6.1.) amounting to EUR 100 million (2019: EUR 106 million), and other ordinary loans to associates totalling EUR 64 million (2019: EUR 64 million).
- "Restricted cash relating to infrastructure projects and other financial assets" relates primarily to deposits made at toll road concession operators, the use of which is limited to certain purposes established in the concession arrangement, such as payment of future investments or operating expenses and debt servicing. Specifically, the net reduction of EUR -316 million primarily relates to LBJ Infrastructure Group (a net amount of EUR -193 million due to project dividend payments of USD 229 million, once the contractual deadlines were net allowing pay-out) and to NTE Mobility Partners Segments 3 LLC (EUR -57 million, due essentially to payments on segment 3C investments).
- The Note on the net cash position provides details of the main balances and changes recognised in relation to this line item.
- Lastly, "Other receivables" includes:
  - Other trade receivables, mainly from various public authorities in connection with long-term contracts.
  - The change is explained mainly by the M-203 toll road balance of EUR 76 million recoverable from the authorities. In 2020, following the ruling issued by the authorities on the compensation receivable, the balance was transferred to short term as it is expected to be collected in 2021 (Notes 4.2 and 6.5.1).
  - Long-term deposits and guarantees amounting to EUR 15 million (December 2019: EUR 16 million).

3.6.1. Loan granted to AGS

As indicated in Note 3.5.3, Ferrovial has granted a subordinated loan of GBP 98 million to the company AGS. The company's other shareholder has granted a loan on the same terms.

In November 2020, both the shareholders approved the contribution of additional subordinated debt in the amount of GBP 50 million, Ferrovial's portion being GBP 25 million.

Given the impact of COVID-19 on the company, the recoverability of those loans has been analysed. It should be noted that the company is also funded by a syndicated bank loan of GBP 756 million that is not secured by the shareholders and matures in March 2022, the banking syndicate having granted covenant waivers in June and December 2020.

The asset recoverability exercise included expectations of future trends, the company's liquidity forecasts for 2021 and the first quarter of 2022, and the status of the bank borrowings that fall due in February 2022.

- Future asset trends: The company owns the assets, so operations are not subject to a concession period. Accordingly, a model was prepared in which traffic is assumed to progressively recover as the vaccination process takes effect. The assumptions are consistent with forecasts of air traffic trends obtained from different sources. The model shows a total value for the asset that is above the carrying amount of the current investment.
- Liquidity: The contingency plans adopted during 2020 have allowed the Company to end the year with a positive position of liquidity. A scenario was prepared based on the company's position, assuming a slight recovery of traffic in the second half

of the year once the vaccination process is stable. The conclusion drawn from the analysis is that the company would not have further liquidity needs in addition to the GBP 50 million already contributed by the shareholders, within twelve months of the formulation date of these Annual Accounts.

- Bank borrowings: The Company is in the early stages of renegotiating the bank borrowings. The aim is to reach an agreement on the possible extension of current debt for a three-year period, which would allow the asset to be returned under the normal terms of the transaction.

On the basis of the three factors analysed, the amounts borrowed by the company are likely to be recovered, in view of the information currently available.

The above notwithstanding, an expected loss provision of EUR 9 million has been set up in accordance with IFRS 9, based on the decline in the company's credit quality.

For information purposes, the movements in these line items in 2019 are detailed below:

MOVEMENTS IN 2019 (Millions of euros)	LONG-TERM LOANS IN ASSOCIATES	RESTRICTED CASH FROM INFRASTRUCTURE PROJECTS AND OTHER FINANCIAL ASSETS	OTHER LONG-TERM RECEIVABLES	TOTAL
BALANCE AT 01.01.2019	**173**	**473**	**108**	**754**
Additions	0	1,085	12	1,097
Disposals	1	-557	-17	-572
Transfers and other	-1	0	0	-1
Foreign exchange effect	6	6	3	15
Reclassification to discontinued operations	-9	-37	0	-46
BALANCE AT 31/12/2019	**170**	**970**	**106**	**1,246**

3.7. RIGHTS OF USE OF LEASED ASSETS AND ASSOCIATED LIABILITIES

This Note details the right-of-use assets recognised under IFRS 16 Leases and the liabilities associated with them.

Note 1.3.1.a) details the accounting policy affecting lease agreements. IFRS 16 affects the group for those agreements in which it acts as a lessee.

Set out below are movements in right-of-use assets in the balance sheet:

MOVEMENTS IN 2020 (Millions of euros)	LAND	BUILDINGS	VEHICLES	PLANT AND MACHINERY	OFFICE EQUIPMENT AND OTHER	TOTAL
BALANCE AT 31/12/2019	**7**	**61**	**34**	**23**	**2**	**126**
Additions	2	11	24	6	1	**43**
Disposals	-2	-2	-2	-1	-0	**-7**
Transfers and other	0	0	0	0	0	**0**
Depreciation/amortisation	-2	-19	-21	-14	-1	**-57**
Consolidation scope changes	0	1	-4	-0	0	**-3**
Foreign exchange effect	-0	-2	-2	-1	-0	**-6**
BALANCE AT 31/12/2020	**5**	**48**	**29**	**12**	**3**	**97**

The Group primarily has lease agreements for buildings, vehicles and technical installations and machinery. Buildings provide the greatest right-of-use asset value and primarily relate to the offices of the different long-term businesses.

The most significant variations in the heading relates to additions totalling EUR 43 million, of which EUR 39 million is associated with Construction Division leases (essentially in Poland and construction activities abroad).

As a balancing item for the rights of use in the amount of EUR 97 million, the lease liabilities amount to EUR 120 million, of which EUR 61 million is carried as a long-term item and EUR 59 million as a short-term item.

As mentioned in Note 1.2.1.a), the Poland real estate business records certain leased assets in inventories and investment property, therefore these leases have a net cost of EUR 19 million at 31 December 2020 2019: EUR 23 million) and this is the main reason for the difference between the closing balance of the right-of-use assets and the lease liabilities.

The movements in 2020 related to lease liabilities associated with contracts in force were as follows:

	LEASE LIABILITIES
BALANCE AT 31/12/2019	**153**
Additions due to new contracts	41
Associated financial expenses	4
Disposals due to payments	-59
Foreign exchange effect	-7
Consolidation scope changes and other	-11
BALANCE AT 31/12/2020	**120**
Long-term lease liabilities	**61**
Short-term lease liabilities	**59**

Financial expenses associated with lease agreements amounted to EUR 4 million at 31 December 2020. Lease payments in 2019 amounted to EUR -59 million (Note 5.3).

Below, future debt maturities are analysed in each business area at 31 December 2020.

	2021	2022	2023	2024	2025	2026 AND BEYOND	TOTAL
Corporation	3	3	3	3	3	0	15
Construction	54	22	12	5	6	3	102
Toll roads	1	1	0	0	0	0	3
Airports	0	0	0	0	0	0	0
TOTAL LEASE LIABILITIES	**58**	**26**	**15**	**8**	**9**	**4**	**121**

At 31 December 2020, lease expenses in the income statement amounted to EUR 221 million (2019: EUR 255 million). These relate to the following items:

a. Expenses due to leases that although comply with the definition of leases under IFRS 16, fall within some of the exceptions of the application of the standard. In this regard, given the nature of the Group business, assets are normally leased to undertake the different phases of a project, for periods of less than one year or are considered to be low value (less than EUR 5.000)

b. Expenses related to leases that are not in the scope of IFRS 16, essentially because the assets leased are not identified individually and are easily substitutable by the supplier.

   This amount includes the variable payments not included in the value of the liability, which amounts to EUR 1 million.

SECTION 4: WORKING CAPITAL

This section contains the Notes on inventories (Note 4.1), short-term trade and other receivables (Note 4.2), as well as short-term trade and other payables (Note 4.3). The net balance of these items is called working capital.

Millions of euros	2019	EXCHANGE RATE	CONSOLIDATION SCOPE CHANGES	OTHER	2020
Inventories	699	-49	1	38	690
Short term trade and other receivables	1,256	-62	20	78	1,292
Short-term trade and other payables	-3,072	160	-14	-103	-3,029
TOTAL	**-1,116**	**49**	**8**	**13**	**-1,047**

Working capital increased by EUR 70 million during 2020.

Section 4.4 includes a more detailed analysis of the items in the balance sheet relating to recognition of revenues from contracts with customers in the Construction business, including the disclosures required under IFRS 15 in relation to these contracts.

4.1. INVENTORIES

The inventories balance at 31 December 2020 and 2019 is as follows:

Millions of euros	2019	EXCHANGE RATE	CONSOLIDATION SCOPE CHANGES	OTHER	2020
Goods purchased for resale	390	-25	0	9	375
Raw materials and other supplies	237	-20	0	41	258
Bidding and mobilisation costs	73	-4	1	-12	58
Inventories	**699**	**-49**	**1**	**38**	**690**

Of the trade inventories recognised at 31 December 2020, EUR 368 million (2019: EUR 383 million) relate to the Construction division mainly to real estate business in Poland.

EUR 255 million of raw materials and other supplies relate to the Construction Division, primarily at Budimex amounting to EUR 93 million (2019: EUR 112 million) and its subsidiaries in the US and Canada, amounting to EUR 140 million (2019: EUR 102 million).

Both for bid and mobilisation costs, amortisation is carried out systematically, in accordance with the transfer of goods and services to which the asset corresponds. In 2020, EUR 10 million of bidding costs and EUR 0.3 million of mobilisation costs were amortised.

4.2. SHORT-TERM TRADE AND OTHER RECEIVABLES

The detail of "short-term trade and other receivables" at 31 December 2020 and 2019 is as follows:

Millions of euros	2019	EXCHANGE RATE	CONSOLIDATION SCOPE CHANGES	OTHER	2020
Trade receivables for sales and services	892	-51	24	92	956
Other receivables	364	-11	-3	-15	335
TOTAL RECEIVABLES	**1,256**	**-62**	**20**	**78**	**1,292**

a) Trade receivables for sales and services

The detail of "balances with customers" at 31 December 2020 and 2019 is as follows:

Millions of euros	2019	EXCHANGE RATE	CONSOLIDATION SCOPE CHANGES	OTHER	2020
Trade receivables	805	-35	18	38	827
Bad debt provisions	-225	2	0	15	-207
Net trade receivables	580	-32	18	54	619
Net completed work pending certification	217	-13	5	35	244
Withholdings as security	94	-6	1	3	93
TRADE RECEIVABLES FOR SALES AND SERVICES	**892**	**-51**	**24**	**92**	**956**

The change in "Other" (EUR 92 million), is explained primarily by the increase in this line item in Construction (EUR 84 million), as a result of business activity.

In addition, at 31 December 2020 there is no balance sheet item relating to factoring agreements (EUR 1 million at 31 December 2019).

The following details the main trade receivables, broken down by type of debtor:

	CONSTRUCTION		OTHER AND ADJUSTMENTS		TOTAL	
Public sector	568	60 %	39	n.a.	607	63 %
Private sector	242	26 %	8	n.a.	250	26 %
Group companies and associates	134	14 %	-34	n.a.	100	10 %
TOTAL	**943**	**100 %**	**13**	**N.A.**	**956**	**100 %**

In order to manage credit risk relating to private customers, the Group has implemented pre- and post-contracting measures. Pre-contracting measures include the consultation of debtor registers, ratings, solvency studies, etc., while post-contracting measures during the execution of construction work include the follow-up of contractual incidents, non-payment events, etc.

The changes in trade provisions were as follows:

(Millions of euros)	2020	2019
Opening balance	**225**	**227**
Amounts charged to the income statement:	5	3
Allocations	13	8
Reversals	-8	-5
Applications	-21	-6
Foreign exchange effect	-2	1
Transfers and other	0	0
CLOSING BALANCE	**207**	**225**

Group management considers that the carrying amount of trade receivables approximates their fair value.

b) Other receivables

The detail of "other receivables" at 31 December 2020 and 2019 is as follows:

Millions of euros	2019	EXCHANGE RATE	CONSOLIDATION SCOPE CHANGES	OTHER	2020
Advance payments to suppliers	65	-4	0	-5	57
Sundry receivables	151	-6	2	14	160
Infrastructure project receivables	33	0	-4	-25	3
Receivables from public authorities	116	-1	0	2	116
OTHER RECEIVABLES	**364**	**-11**	**-3**	**-15**	**335**

"Sundry receivables" essentially includes receivables relating to normal business activities, but the balancing item is not the principal customer under the contract. The change with respect to December 2019 is due primarily to the reclassification from long-term to short-term accounts of the receivable pending collection from the Madrid Regional Government in relation to the administrative proceeding involving Autopista M-203 (Note 6.5.1), partially offset by insurance receipts in the Construction business.

Lastly, "receivables from public authorities" includes tax receivables other than income tax receivables.

4.3. SHORT-TERM TRADE AND OTHER PAYABLES

The detail of "short-term trade and other receivables" at 31 December 2020 and 2019 is as follows:

Millions of euros	2019	EXCHANGE RATE	CONSOLIDATION SCOPE CHANGES	OTHER	2020
Trade payables	1,327	-64	8	119	1,390
Work certified in advance	755	-45	2	91	803
Advance payments	636	-36	0	-70	529
Other non-trade payables	354	-15	4	-37	307
TRADE AND OTHER PAYABLES	**3,072**	**-160**	**14**	**103**	**3,029**

a) Trade payables

The detail of the trade payables at 31 December 2020 and 2019 is as follows:

Millions of euros	2019	Exchange rate	Consolidation scope changes	Other	2020
Trade payables	910	-52	6	61	926
Trade payables sent for reverse factoring	172	0	1	41	215
Withholdings made from suppliers	245	-12	0	17	249
TRADE PAYABLES	**1,327**	**-64**	**8**	**119**	**1,390**

The line item "trade payables" increased by EUR 62 million compared to the balance recognised at 31 December 2019. Excluding the foreign exchange effect and scope changes, trade payables increased by EUR 119 million, primarily in the Construction Division. As regards trade payables subject to reverse factoring, that is balances pending payment to suppliers under reverse factoring arrangements (Note 1.2.3.3 on accounting policies) these increased by EUR 41 million, the balance changing from EUR 172 million at 31 December 2019 to EUR 215 million in December 2020.

Group management considers that the carrying amount of trade receivables approximates their fair value.

b) Disclosure obligation in relation to payments to suppliers provided for in Additional Provision Three of Law 15/2010

In compliance with the obligation to disclose the average supplier payment period laid down by Article 539 and Additional Provision Eight of the Spanish Companies Act (in accordance with the new wording of Final Provision Two of Law 31/2014 reforming the Act), the Company hereby states that the average supplier payment period for all of the Group companies registered in Spain in 2020 (including discontinued operations) was 41 days.

Set forth below is the breakdown required by Article 6 of the Resolution of 29 January 2016 from the Spanish Institute of Accounting and Auditing in relation to the disclosures to be provided on the average supplier payment period in 2020 and 2019:

(Days)	2020	2019
AVERAGE SUPPLIER PAYMENT PERIOD	**41**	**39**
Ratio of transactions settled	41	39
Ratio of transactions not yet settled	37	43
AMOUNT (euros)		
TOTAL PAYMENTS SETTLED	**685,411,852**	**676,032,321**
TOTAL OUTSTANDING PAYMENTS	**21,572,506**	**19,316,271**

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

The breakdown of the average supplier payment period for discontinued operations is as follows:

(Days)	2020	2019
AVERAGE SUPPLIER PAYMENT PERIOD, DISCONTINUED OPERATIONS	**53**	**55**
Ratio of transactions settled	52	55
Ratio of transactions not yet settled	72	67
AMOUNT (euros)		
TOTAL PAYMENTS SETTLED	**597,633,850**	**625,129,365**
TOTAL OUTSTANDING PAYMENTS	**29,372,206**	**29,257,855**

c) Work certified in advance for construction work and customer advances

This line item includes:

- Work certified in advance (see definition in Notes 4.4 and 1.2.3.4) increased by EUR 49 million compared to the balance recognised in December 2019, due to the increase in the volume of billing compared to the pace of execution, basically in international construction projects.
- The balance of advance payments from customers (see definition in point 4.4) fell by EUR -106 million (EUR -70 million excluding the foreign exchange effect) as compared with December 2019, primarily due to the reimbursement of advance payments in the US Construction Division.

d) Other non-trade payables

The detail of "other non-trade payables" is as follows:

Millions of euros	2019	EXCHANGE RATE	CONSOLIDATION SCOPE CHANGES	OTHER	2020
Accrued wages and salaries	133	-8	2	26	153
Payables to public authorities	168	-9	3	-49	113
Other payables	54	-3	0	-9	41
OTHER NON-TRADE PAYABLES	**354**	**-20**	**4**	**-31**	**307**

4.4. INFORMATION ON BALANCES FROM CONTRACTS WITH CUSTOMERS AND OTHER DISCLOSURES RELATING TO IFRS 15

Information on the balance sheet from contracts with customers

As mentioned in Note 1.2.3.4, relating to the policy with regard to recognising revenues from contracts (IFRS 15), in contracts in which the performance obligations are measured over time, the difference between the revenues recognised for services rendered and the amounts actually billed to the customer are systematically analysed on a contract by contract basis. If the amount billed is lower than the revenue recognised, the difference is recognised as an asset under "trade receivables for sales and services - completed work pending certification" (Note 4.2.a.), whereas if the amount of revenue recognised is lower than the amount billed, a liability is recognised under "short-term trade and other payables Works certified in advance" (Note 4.3).

Also, in certain construction contracts, advances are agreed upon that are paid by the customer when work is commenced on the contract, the balance of which is offset against the various progress billings as the contract work is performed.

These amounts are included on the liabilities side of the balance sheet, under "trade payables" (Note 4.3.a).

In contrast to the advance payments, in some contracts the customer retains a portion of the price to be paid in each progress billing to guarantee the satisfaction of certain contractual obligations. These "retentions" are not reimbursed until the contract is definitively settled. These amounts are included on the assets side of the balance sheet, under “trade receivables for sales and services” (Note 4.2.a).

Unlike completed work pending certification and work certified in advance” the advances and retentions are balances that will have an impact on future cash flows, since in the case of the advances a lower amount will be collected in the future as the advances are discounted from the progress billings, whereas the retentions will give rise to higher collections in the future, since the customer will reimburse the related amounts as and when the contract work is settled.

The detail of the amounts recognised in this connection at 31 December 2020 and 2019 is as follows:

Millions of euros	2019	EXCHANGE RATE	CONSOLIDATION SCOPE CHANGES	OTHER	2020
Completed work pending certification	217	-13	5	35	244
Withholdings	94	0	1	-2	93
Total assets from customer contracts	**311**	**-13**	**6**	**33**	**337**
Work certified in advance	755	-45	2	91	803
Advance payments	636	-36	0	-70	529
Total liabilities from customer contracts	**1,390**	**-81**	**2**	**21**	**1,333**

The balance at 31 December 2020 of work completed and pending certification relates almost entirely to amounts relating to revenues from the main contract signed with the customer, since, in line with the general policy established by the Group, only works that are due and payable may be recognised, i.e. amounts that have been approved by the customer. The balance shown under claims includes only the cases in which it is deemed highly probable that there will be no reversal of revenues in the future.

In general, performance obligations in the construction business are fulfilled over time. Therefore, as the amounts relating to changes and claims are immaterial under the completed work pending certification heading, the balance relates basically to differences between work completed and work certified due to timing differences in the customer certification and review process, billing milestones, certification schedule, etc.

Other disclosures relating to IFRS 15:

Revenue from contracts with customers:

EUR 6,255 million of total revenue recognised in 2020 (Note 2.1, operating income) relate to revenue from contracts with customers, which represents 98.6% of revenue recognised.

(Millions of euros)	2020
Construction	5,788
Toll roads	386
Airports	8
Other segments	72
Revenue from contracts with customers	**6,255**

With regard to income pending recognition in relation to uncompleted performance obligations at year-end, this line item corresponds to what is generally referred to as the order book (see the definition in the section Alternative performance measures in the Management report).

The table below is a breakdown of this figure by business area and includes an estimate of the years in which it is expected that it will appear in income.

INCOME	2021	2022	2023	2024	2025 AND BEYOND	TOTAL
Construction	5,261	2,144	1,887	708	130	10,129
Total	**5,261**	**2,144**	**1,887**	**708**	**130**	**10,129**

The total numbers of contracts in progress in the Construction businesses are approximately 636.

SECCIÓN 5: CAPITAL STRUCTURE AND FINANCING

The notes in this section describe the changes in Ferrovial's financial structure, addressing both changes in equity (Note 5.1) and consolidated net debt (Note 5.2) (taken to be the balance of cash and cash equivalents net of financial debt, bank borrowings and debt securities), broken down by project companies and ex-project companies. They also describe the Group's exposure to the main financial risks and the policies for managing them (Note 5.4), as well as the derivatives arranged in connection with those policies (Note 5.5).

The equity attributable to shareholders (Note 5.1) decreased compared to 2019, primarily due to shareholder remuneration, as well as the loss for the year.

EQUITY ATTRIBUTED TO SHAREHOLDERS

(Millions of euros)

CLOSING BALANCE AT 31/12/2019	**4,304**
Net profit/(loss)	-410
Income and expense recognised directly in equity	-347
Amounts transferred to the income statement	46
Shareholder remuneration	-377
Other	-25
Final balance at 31/12/2020	**3,187**

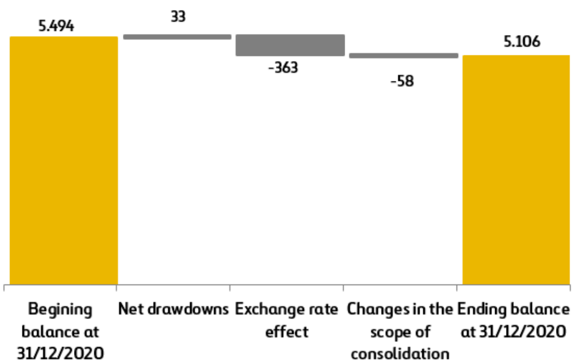
Ferrovial's net consolidated debt (Note 5.2) in non-infrastructure projects including discontinued operations amounted to EUR 1,991 million as compared with EUR 1,631 million in 2019.

The improvement during the year is explained by cash flows (Note 5.3), which do include movements in discontinued operations. The positive flow from operating activities ex taxes of EUR 1,054 million is particularly worthy of note and was due primarily to divestments during the financial year (EUR 501 million), flows from the Construction and Services businesses, and dividends received from projects, which though lower than the previous year reached the figure of EUR 458 million.

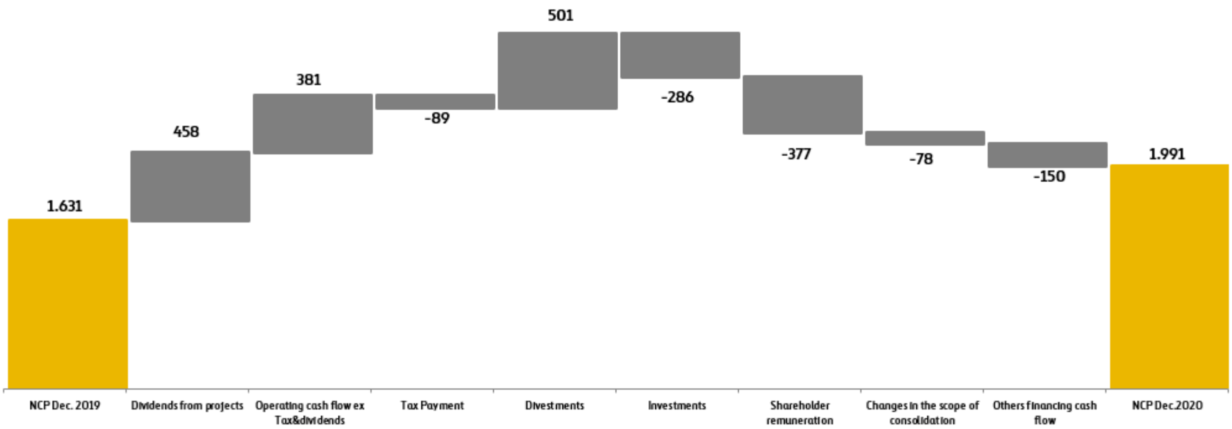
This positive net figure continues to make it possible to amply achieve the objective of maintaining an investment grade rating, where the Company considers a relevant metric a ratio, for ex-infrastructure projects, of Net Debt (gross debt less cash) to gross operating profit (EBITDA) plus dividends from projects of no more than 2:1. Ferrovial's current rating stands at BBB.

As regards infrastructure project borrowings, the change compared to the previous year (EUR 5,106 million in December 2020, compared to EUR 5,494 million in December 2019), is primarily due to the exchange rate effect (EUR -363 million).

BORROWINGS OF INFRAESTRUCTURE PROJECTS



NET CASH POSITION EX INFRAESTRUCTURES PROJECT:



5.1. EQUITY

5.1.1 Changes in equity

The detail of the main impacts net of taxes that affected the changes in equity in 2020 and which explain the changes in equity in the period from December 2020 to December 2019 is as follows:

	ATTRIBUTED TO SHAREHOLDERS	ATTRIBUTED TO NON-CONTROLLING INTERESTS	TOTAL EQUITY
Equity at 31.12.2019	**4,304**	**783**	**5,087**
	0	0	0
Equity at 01.01.2020	**4,304**	**783**	**5,087**
Consolidated profit/(loss) for the year	-410	51	-359
Impact on hedge reserves	-130	-27	-157
Impact on reserves for defined benefit plans	-31	0	-31
Currency translation differences	-187	-25	-211
Income and expense recognised directly in equity	-347	-52	-399
Amounts transferred to the income statement	46	0	46
TOTAL RECOGNISED INCOME AND EXPENSES	**-711**	**-1**	**-712**
Scrip dividend/other dividends	-119	-134	-252
Treasury share transactions	-258	0	-258
SHAREHOLDER REMUNERATION	**-377**	**-134**	**-511**
Share capital increases/reductions	0	15	15
Share-based remuneration scheme	-9	0	-9
Hybrid bond	-8	0	-8
Consolidation scope changes	5	-24	-20
Other movements	-17	1	-16
OTHER TRANSACTIONS	**-29**	**-8**	**-37**
Equity at 31.12.2020	**3,187**	**640**	**3,827**

The following is a description of the main movements in shareholders' funds in 2020, which gave rise to a reduction of EUR -1,117 million in equity attributable to shareholders.

<u>The consolidated profit/(loss) for the year</u> attributed to the parent company totalled EUR -410 million.

Income and expense recognised directly in equity relate to:

- Hedging instruments: Recognition of the changes in value of the effective portion of derivatives designated as hedges, as detailed in Note 5.5, the negative impact of which was EUR -130 million, of which EUR -111 million relates to fully consolidated companies, EUR -21 million to equity-accounted companies and EUR 2 million to companies held for sale and discontinued operations.
- Defined benefit plans: This item includes the impact on equity of actuarial gains and losses arising from adjustments and changes to the Group's defined benefit plan assumptions, which had a total impact for the parent company of EUR -31 million net of taxes relating to the equity-accounted companies (HAH/AGS).
- Currency translation differences: The currencies to which Ferrovial is most exposed in terms of equity (mainly the Canadian dollar, US dollar and pound sterling), as detailed in Note 5.4, gave rise to currency translation differences of EUR -187 million attributed to the parent company. These translation differences are presented net of the effect of foreign currency hedging instruments arranged by the Group (Note 5.5). The following table provides a breakdown by currency of movements in currency translation differences attributed to the parent company:

(Millions of euros)	DECEMBER 2020
Canadian dollar	-112
Pound sterling	-28
US dollar	-28
Colombian peso	-12
Polish zloty	-10
Other currencies	2
TOTAL	**-187**

Amounts transferred to the income statement

This reflects the impact of the reclassification from shareholders' funds to profit or loss, as per IAS 21, of the amounts accumulated in equity in respect of translation differences and hedging derivatives, with respect to the sale of Broadspectrum and the partial sale of the Norte Litoral toll road (Note 1.1.4), for a net amount of EUR 46 million (EUR 57 million pre-tax). The portion pertaining to the Broadspectrum sale (Note 2.9) is reported in profit/(loss) from discontinued operations in the income statement, while the portion related to the partial sale of the Norte Litoral toll road is included in "Impairment and disposals" (Note 2.5).

Shareholder remuneration:

- Scrip dividend: For the fifth successive year, Ferrovial, S.A.'s Annual General Meeting held on 17 April 2020 approved a flexible shareholder remuneration scheme whereby the shareholders may freely choose to receive new bonus shares in a capital increase charged to reserves or an amount in cash by transferring to the Company (if they have not already done so in the market) of the free allotment rights to the shares held. As a result, two share capital increases were completed in 2020 as follows:
- In May 2020, 6,134,989 new shares were issued and charged to reserves at a par value of EUR 0.20 per share, entailing a share capital increase of EUR 1.2 million (no impact on cash), and free allotment rights were purchased in the amount of EUR 93 million, representing a price per share of EUR 0.312.
- In November 2020, 6,012,605 new shares were issued and charged to reserves at a par value of EUR 0.20 per share, entailing a share capital increase of EUR 1.2 million (no impact on cash), and free allotment rights were purchased in the amount of EUR 28 million, representing a price per share of EUR 0.200.
- The cash flow impact of shareholder remuneration in 2020 amounted to EUR 377 million (Note 5.3). The difference between the scrip dividend of EUR 119 million and the treasury share purchase of EUR 258 million reflected in the table above, and the scrip dividend of EUR 122 million and the treasury share purchase of EUR 255 million disclosed in the cash flow statement (Note 5.3), is explained by the above-mentioned issuance of new shares against reserves in the amount of EUR 2.4 million.

Share-based remuneration schemes:

In 2020 a total of 636,789 shares were acquired, representing 0.43% of Ferrovial's share capital, for subsequent delivery, together with a part of the treasury shares recognised at the beginning of the year, under share-based remuneration schemes. The total cost of acquisition of these shares was EUR 17.4 million and the total gain on these remuneration schemes recognised in the Company's equity amounts to EUR -9 million.

As explained in Note 5.5, the Company has arranged Equity Swaps in order to hedge against the possible impact on equity of the exercise of share-based remuneration schemes. These instruments entail a fair value impact of EUR -10 million on net financial income/(expense).

Subordinated hybrid bond:

The movement for the year reflects the costs associated with this equity instrument described in the following Note 5.1.2 d), equating to a negative impact of EUR -8 million in 2020.

Scope changes relate to the following transactions:

The sale of 5% of the Group's stake in Budimex, entailing the recognition of a capital gain of EUR 43 million (Note 1.1.4) as an increase in the value of equity attributable to the parent company.

The purchase of 15% of the I-77 Mobility Partners LLC toll road (Note 1.1.4) entailing an impact of EUR -38 million in equity attributable to the parent company.

5.1.2 Equity components

The following is an explanation of each of the equity line items presented in the consolidated statement of changes in equity:

a) Share capital

At 31 December 2020, share capital stood at EUR 146,580,475.20 and was fully subscribed and paid up. Share capital consists of 732,902,376 ordinary shares in a single class with a par value of twenty euro cents (EUR 0.20) each. Movements during the year, broken down in the following table, relate to the share capital increase and reduction transactions mentioned in the preceding section.

SHARES	NUMBER	PAR VALUE
Opening balance	735,215,443	147,043,089
Scrip dividend	12,147,594	2,429,519
Share capital reduction	-14,460,661	-2,892,132
CLOSING SHARES	**732,902,376**	**146,580,475**

At 31 December 2020, the only company with an ownership interest of over 10% is Rijn Capital BV, which holds 20.265% of the shares and is controlled by the Chair of the Company's Board of Directors, Rafael del Pino y Calvo Sotelo.

The parent company's shares are traded on the Spanish Electronic Trading System (SIBE) and on the Spanish stock exchanges; they all carry the same voting and dividend rights.

b) Share premium and merger premium

At 31 December 2020, the share premium and merger premium, which arose as a result of the merger of Grupo Ferrovial, S.A. with Cintra Concesiones de Infraestructuras de Transporte, S.A. (currently Ferrovial, S.A.) in 2009, totalled EUR 647 million. Both line items are included in unrestricted reserves.

c) Treasury shares

At 31 December 2019, 3,276,261 treasury shares were held. Movements during 2020 were as follows:

TRANSACTION COMPLETED/PURPOSE	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES APPLIED TO PURPOSE	TOTAL NUMBER OF SHARES
Balance at 31.12.2019			**3,276,261**
Share capital reduction	11,704,701	-14,460,661	-2,755,960
Remuneration schemes	636,789	-723,526	-86,737
Shares received - scrip dividend	200,470	0	200,470
Balance at 31.12.2020			**634,034**

The Annual General Meeting of Ferrovial, S.A. held on 17 April 2020 approved a treasury share Buy-Back Programme for a maximum amount of EUR 360 million, the purpose of which was a subsequent capital reduction by redeeming the shares. Over the course of 2020 11,704,701 treasury shares were acquired at an average price of EUR 21.83 per share, giving rise to a payment totalling EUR 255.5 million. Subsequently, it was resolved to reduce share capital by 14,460,661 shares, giving rise to a share capital reduction of EUR 3 million and an impact of EUR -256 million, which was recognised against unrestricted reserves (merger premium) and related to the difference between the acquisition price and the par value of the retired shares.

The market value of the treasury shares held by Ferrovial at 31 December 2020 (634,034 shares) was EUR 14 million.

d) Other equity instruments

Through its subsidiary Ferrovial Netherlands BV, with a guarantee from Ferrovial, S.A., the Group made a perpetual subordinated bonds issue in 2017 in the nominal amount of EUR 500 million and with an annual coupon of 2.124% until the first recalculation date (May 2023). Following this first recalculation date, the coupon will be changed to a rate equivalent to adding 2.127% to the 5-year swap rate that applies at that time. The same calculation will be made every 5 years until 2043, at which point the 5-year swap rate that applies at that time will be increased by 2.877%.

These bonds may be repaid for the first time, at the issuer's discretion, in five and a half years (2023) from the date of issue (from 14 February 2023 to 14 May 2023 inclusive), and subsequently on each coupon payment date. Ferrovial also has the right to defer the payment of coupons over time, and such payment cannot be demanded by the holders.

As mentioned in Note 1.2.3.3, when it is the issuer that has the right to decide regarding both the repayment of principal and the possibility of deferring the payment of coupons on the bond, the instrument is entered under equity.

Thus, these subordinated perpetual bonds are recognised under "other equity instruments". The costs associated with the issue of these bonds and the accrued interest and payment of the coupon, which at the end of 2020 amounted to an accumulated figure of EUR -27 million (EUR -8 million accrued in this financial year), are recognised under "reserves" and treated in a similar way to dividends.

Irrespective of this type of instrument being classified as shareholders' funds from an accounting standpoint, the method followed by the rating agencies for the purpose of analysing the Group's debt level is to consider the hybrid bond issue fully or partially as debt and/or partially as equity, according to the current methodologies applied by each of these rating agencies.

e) Measurement adjustments

"Measurement adjustments" in the consolidated statement of changes in equity, the balance of which at 31 December 2020 was EUR -1,496 million, includes the accumulated amount in reserves of the measurement adjustments made to translation differences (EUR -610 million), pension plans (EUR -477 million) and measurement adjustments made to derivatives (EUR -409 million).

As regards the requirements of IAS 1 in relation to the disclosure of "income and expenses recognised directly in equity", it is important to note that the only items that under the related accounting legislation may not be transferred in a future period to the income statement are the items relating to pension plans.

f) Retained earnings and other reserves

This line item includes prior years' retained earnings and other reserves totalling EUR 3,397 million (2019: EUR 3,928 million). The other reserves include restricted reserves of the parent company, relating mainly to the legal reserve of EUR 30 million.

Adjustments relating to share-based remuneration schemes and the impact of the subordinated perpetual bond's coupons and associated costs are also recognised under this heading.

g) Proposed distribution of profit for 2020

The Company posted a profit for the year of EUR 23,089,980.13.

The Board of Directors will propose to the Company's Annual General Meeting the following distribution of FERROVIAL, S.A.'s individual profit:

	2020
Profit of FERROVIAL, S.A. (individual company) (euros)	23,089,980.13
Distribution (euros):	
To reserves	23,089,980.13

The legal reserve is fully funded.

h) Non-group companies with significant ownership interests in subsidiaries

At 31 December 2020, the non-controlling interests in the share capital of the most significant fully consolidated Group companies were as follows:

FERROVIAL GROUP SUBSIDIARY	NON-GROUP %	NON-GROUP SHAREHOLDER
TOLL ROADS		
Autopista Terrassa-Manresa, S.A.	23.72%	Acesa (Autopista Concesionaria Española, S.A.)
LBJ Infrastructure Group Holding LLC	28.3272%-17.0689%	LBJ Blocker (APG)- Meridiam Infr. S.a.r.l. (MI LBJ)
NTE Mobility Partners Holding LLC	37.03 %	Meridiam Infrastrucuture S.a.r.l.
NTE Mobility Partners SEG 3 Holding LLC	28.8399%-17.4949%	NTE Segments 3 Blocker, Inc. (APG) - Meridiam Infraestructure NTE 3A/3B LLC
I-77 Mobility Partners, LLC	17.45%-17.45%	Aberdeen Infr. Invest./John Laing I-77 Holco Corp.
CONSTRUCTION		
Budimex S.A.	9.8%-6.3%-33.8%	AVIVA OFE Aviva BZ WBK-Nationale Nederlanden OFE (listed on the stock exchange)

The main financial statement aggregates of the most significant Group companies in which other shareholders own interests are as follows (data on 100% terms):

2020

(Millions of euros)	ASSETS	LIABILITIES	SHAREHOLDERS' FUNDS	NCP	NET PROFIT/ (LOSS)
Terrassa Manresa toll road:	1,069	261	807	31	37
LBJ Infraestructure Group	1,987	1,827	160	-1,358	-24
NTE Mobility Partners	1,543	1,498	45	-1,007	20
NTE Mobility Partners Segments 3 LLC	1,851	1,498	353	-748	10
I-77 Mobility Partners LLC	629	444	185	-222	-5
Budimex	1,724	1,417	307	465	52

The main movements in "equity attributable to non-controlling interests" in 2020 were as follows

COMPANY	BALANCE AT 31.12.2019	PROFIT/ (LOSS)	DERIVATIVES	CURRENCY TRANSLATION DIFFERENCES	DIVIDENDS	SHARE CAPITAL INCREASE	OTHER	BALANCE AT 31.12.2020
Terrassa Manresa toll road:	208	11	-28	0	0	0	-0	192
LBJ Infraestructure Group	192	-20	0	-9	-91	0	-0	73
NTE Mobility Partners	21	12	0	-2	-15	0	-0	17
NTE Mobility Partners Segments 3 LLC	169	8	0	-14	0	0	-0	163
I-77 Mobility Partners LLC	105	-4	0	-7	0	0	-30	65
FAM Construction LLC (I-66)	-36	-16	0	4	0	0	-0	-48
Budimex	136	54	0	-8	-13	0	13	183
Other	-13	6	0	10	-15	15	-7	-3
TOTAL	**783**	**51**	**-27**	**-25**	**-134**	**15**	**-23**	**640**

"Capital increase/reduction" reflects the impact of the increase in funds attributable to non-controlling interests in Sugar Creek Construction LLC (EUR 15 million).

The heading "Other movements" primarily records, firstly, the effect of EUR -30 million relating to the I-77 Mobility Partners LLCC toll road, resulting from the purchase of an additional 15% by the Group, and conversely, the impact of EUR 13 million relating to the sale of 5% of Budimex as explained under "consolidation scope changes" in the foregoing section 5.1.1.

5.2. NET CONSOLIDATED DEBT

In order to present an analysis of the Group's net debt position, the following table contains a breakdown of the Net Cash Position, distinguishing between infrastructure project companies and the other companies. The net cash position is understood to be the balance of the items included under "cash and cash equivalents", together with the long-term restricted cash of infrastructure projects, less financial borrowings (short-term and long-term bank borrowings and debt securities).

The net cash position also includes forwards totalling EUR 14 million that hedge the cash held by the Group in Australian and Canadian dollars, as well as cross-currency swaps, valued at EUR -2 million and associated with the borrowings and cash denominated in US dollars. The derivatives are accounted for in this way because they are associated in full with the aforementioned borrowings/cash and the related exchange rate effect is netted off therefrom.

	31/12/2020							
CONTINUING OPERATIONS (Millions of euros)	BANK BORROWINGS / BONDS	CROSS-CURRENCY SWAPS	CASH AND CASH EQUIVALENTS	FORWARDS	LONG-TERM RESTRICTED CASH	NET BORROWING POSITION	INTRA-GROUP POSITION	TOTAL
Ex-infrastructure project companies	-4,522	-2	6,321	14	3	1,815	-39	1,775
Infrastructure project companies	-5,106	0	111	0	650	-4,344	39	-4,305
TOTAL NET CASH POSITION	**-9,627**	**-2**	**6,432**	**14**	**654**	**-2,530**	**0**	**-2,530**

	31/12/2019							
CONTINUING OPERATIONS (Millions of euros)	BANK BORROWINGS/ BONDS	CROSS-CURRENCY SWAPS	CASH AND CASH EQUIVALENTS	FORWARDS	LONG-TERM RESTRICTED CASH	NET BORROWING POSITION	INTRA-GROUP POSITION	TOTAL
Ex-infrastructure project companies	-3,104	11	4,624	-24	7	1,508	-34	1,473
Infrastructure project companies	-5,494	0	1,082	0	963	-4,412	34	-4,378
Total net cash position	**-8,598**	**11**	**5,705**	**-24**	**970**	**-2,905**	**0**	**-2,905**

	CHANGE							
CONTINUING OPERATIONS (Millions of euros)	BANK BORROWINGS/ BONDS	CROSS-CURRENCY SWAPS	CASH AND CASH EQUIVALENTS	FORWARDS	LONG-TERM RESTRICTED CASH	NET BORROWING POSITION	INTRA-GROUP POSITION	TOTAL
Ex-infrastructure project companies	-1,418	-14	1,698	37	-4	307	-5	302
Infrastructure project companies	388	0	-971	0	-312	68	5	73
Total net cash position	**-1,030**	**-14**	**727**	**37**	**-316**	**375**	**0**	**375**

A breakdown of discontinued operations for both periods is also included below, as well as a table showing information for both continuing and discontinued operations:

	31.12.2020			31.12.2019			
DISCONTINUED OP. (Millions of euros)	BANK BORROWINGS / BONDS	CASH AND CASH EQUIVALENTS	NET BORROWING POSITION	BANK BORROWINGS / BONDS	CASH AND CASH EQUIVALENTS	NET BORROWING POSITION	VAR.
Ex-infrastructure project companies	-76	292	216	-306	464	158	58
Infrastructure project companies	-281	101	-180	-317	107	-210	30
Total net cash position	**-357**	**394**	**36**	**-623**	**571**	**-52**	**88**

	31/12/2020							
CONTINUING AND DISCONTINUED OP. (Millions of euros)	BANK BORROWINGS/ BONDS	CROSS-CURRENCY SWAPS	CASH AND CASH EQUIVALENTS	FORWARDS	LONG-TERM RESTRICTED CASH	NET BORROWING POSITION	INTRA-GROUP POSITION	TOTAL
Ex-infrastructure project companies	-4,598	-2	6,614	14	3	2,030	-39	1,991
Infrastructure project companies	-5,445	0	224	0	650	-4,571	39	-4,532
Total net cash position	**-10,043**	**-2**	**6,837**	**14**	**654**	**-2,541**	**0**	**-2,541**

The net cash position ex-infrastructure projects including discontinued operations amounted to EUR 1,991 million at December 2020 compared to EUR 1,631 at December 2019, a change of EUR 360 million. The net cash position of infrastructure projects including discontinued operations varied by EUR 56 million, changing from EUR -4,588 million in December 2019 to EUR -4,532 million in December 2020. A more detailed analysis of this position, both for continuing and discontinued operations is included in Note 5.3 on cash flow and in the management report that has been formally prepared together with these consolidated financial statements.

5.2.1. Infrastructure projects

a) Cash and cash equivalents and restricted cash

Infrastructure project financing agreements occasionally impose the obligation to arrange certain restricted accounts to cover short-term or long-term obligations relating to the payment of the principal or interest on the borrowings and to infrastructure maintenance and operation.

Restricted cash is classified as short-term or long-term depending on whether it must remain restricted for less than or more than one year. In any event, these funds are invested in highly-liquid financial products earning floating interest. The type of financial product in which the funds may be invested is also restricted by the financing agreements or, where no restrictions are stipulated, the decision is made on the basis of the Group's policy for the placement of cash surpluses.

Short-term balances, which amount to EUR 8 million (31 December 2019: EUR 6 million), are recognised under "cash and cash equivalents" in the balance sheet whereas long-term balances, of EUR 650 million (31 December 2019: EUR 963 million), are classified as financial assets. Therefore, the restricted cash at 31 December 2020 amounted to EUR 658 million, relating to the NTE Segment 3, LBJ, I-77 and NTE toll roads, along with other European toll roads, amounting to EUR 575 million, EUR 51 million, EUR 22 million, EUR 2 million and EUR 8 million respectively (December 2019: EUR 969 million), including both long- and short-term amounts. Accordingly, there was a net change of EUR -312 million, due to:

- A net decrease in the restricted cash amount of EUR -248 million (excluding exchange rate effects), essentially from the LBJ toll road (EUR -193 million) and NTE Segment 3 (EUR -57 million) due to the dividend payments in both projects in December 2020.
- The exchange rate effect amounted to EUR -63 million, caused mainly by changes in the value of the US dollar (Note 1.3).

Other cash and cash equivalents relate to bank accounts and highly-liquid investments subject to interest rate risk.

b) Infrastructure project borrowings

b.1) Breakdown by project, significant changes in the year and main characteristics of the borrowings

The following is a breakdown of borrowings by project, distinguishing between bonds and bank borrowings, short- and long-term, and changes during the year.

	31.12.2020			CHANGE 20/19		
(Millions of euros)	BONDS	BANK BORROWINGS	TOTAL	BONDS	BANK BORROWINGS	TOTAL
Long term	**2,429**	**2,649**	**5,078**	**-206**	**-186**	**-392**
US toll roads	2,429	1,577	4,006	-206	-103	-309
Spanish toll roads	0	642	642	0	-5	-5
Portuguese toll roads	0	290	290	0	-11	-11
Airports	0	52	52	0	-6	-6
Construction	0	87	87	0	-60	-60
Short term	**5**	**22**	**28**	**3**	**1**	**4**
Spanish toll roads	0	5	5	0	0	0
US toll roads	5	0	5	3	0	3
Portuguese toll roads	0	13	13	0	2	2
Airports	0	2	2	0	0	0
Construction	0	3	3	0	-1	-1
TOTAL	**2,434**	**2,671**	**5,106**	**-203**	**-185**	**-388**

	31.12.2019		
(Millions of euros)	BONDS	BANK BORROWINGS	TOTAL
Long term	**2,636**	**2,835**	**5,471**
US toll roads	2,636	1,680	4,315
Spanish toll roads	0	648	648
Portuguese toll roads	0	302	302
Other toll roads	0	0	0
Airports	0	58	58
Construction	0	148	148
Short term	**2**	**22**	**23**
Spanish toll roads	0	5	5
US toll roads	2	0	2
Portuguese toll roads	0	10	10
Airports	0	2	2
Construction	0	4	4
TOTAL	**2,637**	**2,856**	**5,494**

The following table shows movements in gross infrastructure project borrowings, broken down into variations in borrowings with balancing entries in cash flows, exchange rate effects and scope changes, as well as movements in borrowings due to the accrual of interest, which do not affect period cash positions.

(Millions of euros)	DEC. 2019	INCREASE/DECREASE WITH IMPACT ON CASH FLOW	FOREIGN EXCHANGE EFFECT	IMPACT OF CHANGES IN THE CONSOLIDATION SCOPE AND OTHER	CAPITALISED/ ACCRUED INTEREST	DEC. 2020
Gross borrowing position, projects	5,494	-30	-360	-58	59	5,106

Infrastructure project borrowings decreased by EUR -388 million compared to December 2019, a change that was mainly due to the following reasons:

- Exchange rate effect amounting to EUR -360 million, mainly due to the depreciation of the euro against the US dollar.
- Increase in borrowings already arranged at the end of 2019 and capitalisation and accrual of interest for a net amount of EUR 29 million. There was an increase of EUR 35 million primarily due to US toll roads, with the most noteworthy changes being:
  - NTE Mobility Partners Seg 3 LLC, NTE Mobility Partner and I-77 (EUR 20 million), mainly due to interest capitalisation.
  - LBJ (EUR 29 million), due to the new debt structure following the refinancing completed during the year (EUR -13 million), a debt reduction of EUR -61 million (USD -71 million), a share premium (EUR 68 million), arrangement expenses and fees (EUR -4 million), and the application of the amortised cost method mainly associated with the old debt (EUR 10 million). This transaction is broken down in greater detail in the next section. There was also a change of EUR 16 million in interest capitalised.
  - In contrast, there was a repayment of the borrowings at the Azores project amounting to EUR -9 million.
- Impact of scope changes following the classification to held-for-sale liabilities of the Concesionaria de Prisiones Figueras (Note 1.1.4) liability of EUR -58 million.

US toll roads:

NTE Mobility Partners, LLC

The concession operator is financed via a USD 871 million taxable bond issue maturing in 2049 at a fixed interest rate of 3.92%, as well as PABs (Private Activity Bonds) issued for USD 331.8 million (USD 400 million including premium), to be paid from 2031 to 2039 at a fixed interest rate of 4.00% and 5.00% (average weighted interest rate of 4.63%).

NTE Mobility Partners Seg 3 LLC

In terms of segment 3A-3B, the borrowings comprise the issue of USD 274 million of Private Activity Bonds (PABs), maturing at 25 and 30 years (7.00% fixed interest on USD 128 million and 6.75% fixed interest on USD 146 million), and a TIFIA loan of USD 531 million at a fixed rate of 3.84%, with final maturity in 2054 and fully drawn down at 31 December 2020. In addition, USD 87 million of interest has been capitalised, therefore the carrying amount at 31 December 2020 amounts to USD 618 million.

As regards Segment 3C, the debt comprises USD 654 million (total of USD 750 million including premium) in Private Activity Bonds (PABs) issue, to be paid from 2047 to 2058, at a fixed interest rate of 5.00%.

LBJ Infr. Group LLC

During 2020, the refinancing of part of the project debt was completed, consisting of the early repayment of USD 615 million in PABs (Private Activity Bonds) and a new PAB bond issue of USD 537.5 million (USD 615 million with premium) to be paid from 2030 to 2040 at a fixed interest rate of 4.00% and additionally a taxable bond issue for USD 7 million at a fixed interest rate of 2.75%, maturity in 2026.

Following this refinancing operation, a dividend payment of USD 229 million was made after fulfilling the distribution milestones:

- The financing agreement contains no default ratio that might entail the early repayment of the debt. All payment obligations prior to dividend pay-out were also fulfilled (Operating & Maintenance, Capex, debt service, etc.).
- Interest payable on the TIFIA loan has been settled.
- Restricted cash reserved for debt servicing is fully funded.
- The debt service coverage ratio (DSCR) is equal to or greater than 1.2.
- The contractual deadlines (fifth anniversary as from substantial completion) were met.

LBJ also has a TIFIA loan of USD 850 million granted by the US Federal Government with a repayment profile from 2036 to 2050, which bears interest at a fixed rate of 4.22%. The carrying amount at 31 December 2020, including capitalised interest, amounts to USD 1,136.3 million.

I-77 Mobility Partners, LLC

This concession operator is financed through a USD 100 million issue of PABs (5.00% fixed interest), of which USD 7 million have final maturity between 2026 and 2030, USD 13 million have final maturity in 2037 and EUR 80 million have final maturity in 2054.

It also has a TIFIA loan of USD 189 million against which USD 211.1 million had been drawn down at 31 December 2020 (USD 189.0 million of principal and USD 22.1 million of capitalised interest). This loan bears interest at a fixed rate of 3.04% and has final maturity in 2053.

Spanish toll roads:

Cintra Inversora Autopistas de Cataluña (A. Terrasa Manresa)

The company is now financed through a credit facility with a tranche A and a tranche B with limits of EUR 300 million and EUR 316 million, respectively, both bearing interest at 6-month EURIBOR of -0.283% +1.50%. Both tranches have been drawn down in their entirety, and the loan matures in 2035. The company has also been granted a liquidity line of up to a maximum of EUR 25 million, against which it had drawn down EUR 42.4 million as at 31 December 2020 (bearing interest at 6-month EURIBOR of -0.283%+1.50%). It should also be noted that this company has a derivative with a notional amount of EUR 595.8 million, a guaranteed interest rate of 5.3290% and maturity in 2035. The fair value of the derivative arranged (recognised under "derivative financial instruments", Note 5.5) was EUR -299.9 million at year-end.

Portuguese toll roads:

Euroscut Azores

The entity has a syndicated bank financing with final maturity in 2033, against which EUR 304.9 million had been drawn down at 31 December 2020 (bearing interest at the 6-month EURIBOR of -0.287% +0.85%). In relation to these borrowings, the concession operator has arranged a derivative with a notional amount of EUR 261.9 million, a guaranteed fixed interest rate of 4.115% and maturity in 2033. The fair value of the derivative arranged (recognised under "derivative financial instruments", Note 5.5) was EUR -73.8 million at year-end.

Breakdown of other projects:

(Millions of euros)	LONG TERM	SHORT TERM	2020	CHANGE 20/19
Transchile Charrúa Transmisión, S.A.	52	2	54	-7
Other airports	0	0	0	0
Airports	**52**	**2**	**54**	**-6**
Conc. Prisiones Lledoners, S.A.	69	2	71	-1
Concesionaria de Prisiones Figueras S.A.U.	0	0	0	-60
Depusa Aragón, S.A.	18	1	19	-1
Other construction	0	0	0	0
Construction	**87**	**3**	**90**	**-62**
TOTAL Other infrastructure project borrowings	**139**	**5**	**144**	**-68**

(Millions of euros)	LONG TERM	SHORT TERM	2019
Transchile Charrúa Transmisión, S.A.	58	2	60
Other airports	0	0	0
Airports	**58**	**2**	**60**
Conc. Prisiones Lledoners, S.A.	70	2	72
Concesionaria de Prisiones Figueras S.A.U.	58	2	60
Depusa Aragón, S.A.	19	1	20
Other construction	0	0	0
Construction	**148**	**4**	**152**
TOTAL Other infrastructure project borrowings	**206**	**6**	**212**

Other project borrowings decreased by EUR -68 million as compared with December 2019. This decrease is primarily due to the derecognition of the Concesionaria de Prisiones Figueras S.A.U. debt following its reclassification to held for sale (Note 1.1.4).

b.2) Maturities by currency and fair value of infrastructure project borrowings:

	CURRENCY	FAIR VALUE 2020	CARRYING AMOUNT 2020	2021	2022	2023	2024	2025	2026+	TOTAL MATURITIES
Infrastructure project obligations		**2,921**	**2,434**	**0**	**0**	**0**	**0**	**0**	**2,270**	**2,270**
TOLL ROADS		**2,921**	**2,434**	**0**	**0**	**0**	**0**	**0**	**2,270**	**2,270**
	USD	2,921	2,434	0	0	0	0	0	2,270	2,270
	EUR	0	0	0	0	0	0	0	0	0
AIRPORTS		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	USD	0	0	0	0	0	0	0	0	0
Bank borrowings of infrastructure project companies		**2,671**	**2,671**	**72**	**25**	**69**	**37**	**45**	**2,459**	**2,708**
TOLL ROADS		**2,528**	**2,528**	**17**	**24**	**68**	**36**	**44**	**2,375**	**2,564**
	USD	1,577	1,577	0	0	40	0	0	1,567	1,607
	EUR	950	950	17	24	28	36	44	807	957
AIRPORTS		**54**	**54**	**54**	**0**	**0**	**0**	**0**	**0**	**54**
	USD	54	54	54	0	0	0	0	0	54
CONSTRUCTION		**90**	**90**	**1**	**1**	**1**	**1**	**1**	**84**	**90**
	EUR	90	90	1	1	1	1	1	84	90
TOTAL INFRASTRUCTURE PROJECT BORROWINGS		**5,592**	**5,106**	**72**	**25**	**69**	**37**	**45**	**4,729**	**4,978**

The differences between the total maturities of bank borrowings (EUR 4,978 million) and the carrying amounts recognised at 31 December 2020 (EUR 5,106 million) are explained mainly by the difference between the nominal values and carrying amounts of the borrowings, as certain adjustments are made in accordance with applicable accounting legislation. Thus, the accrued interest payable and the application of the amortised cost method represent an impact of EUR 128 million, taking into account that the maturities of the borrowings do not include interest.

The fair value reflected in the table above is calculated as follows:

- For fixed-rate bonds, subject to changes in value due to fluctuations in market interest rates: since they are quoted in an active market, the related market value is used.
- For fixed-interest bank borrowings, also subject to changes in value due to fluctuations in rates: future cash flows are discounted using a market interest rate, calculated using an internal valuation model.
- Lastly, for floating-rate bank borrowings: no significant differences are deemed to exist between the fair value of the borrowings and their carrying amount and, therefore, the carrying amount is used.

b.3) Information on credit limits and credit drawable for infrastructure projects

Below is a comparative analysis of borrowings not drawn down at year-end:

2020

(Millions of euros)	BORROWING LIMIT	DRAWN DOWN	DRAWABLE	DEBT RECOGNISED IN THE ACCOUNTS
Toll roads	4,859	4,834	25	4,962
US toll roads	3,878	3,878	0	4,011
Spanish toll roads	677	652	25	648
Other toll roads	305	305	0	303
Airports	54	54	0	54
Construction	90	90	0	90
TOTAL FINANCIAL	**5,003**	**4,978**	**25**	**5,106**

2019

(Millions of euros)	BORROWING LIMIT	DRAWN DOWN	DRAWABLE	DEBT RECOGNISED IN THE ACCOUNTS
Toll roads	5,261	5,216	45	5,282
US toll roads	4,265	4,245	20	4,317
Spanish toll roads	682	657	25	653
Other toll roads	314	314	0	312
Airports	61	61	0	60
Construction	154	154	0	152
TOTAL FINANCIAL	**5,476**	**5,431**	**45**	**5,494**

The entire sum of the EUR 25 million drawable (31 December 2019: EUR 45 million), relates to amounts not drawn down against Spanish toll roads. It should be noted that this drawable amount is associated exclusively with the projects, based on the nature and performance thereof, as discussed below.

b.4) Guarantees and covenants for project borrowings

The borrowings classified as project borrowings are without recourse to the shareholders of the projects or with recourse limited to the guarantees provided. The guarantees provided by subsidiaries of Ferrovial in relation with the borrowings of these projects are described in Note 6.5, Contingent liabilities.

At 31 December 2020, all the fully-consolidated project companies were achieving the significant covenants in force.

5.2.2. Net cash position excluding infrastructure projects

a) Borrowings excluding infrastructure projects

a.1) Breakdown between short and long-term balances, changes during the year and main characteristics

	2020			CHANGE 20/19		
(Millions of euros)	LONG TERM	SHORT TERM	TOTAL	LONG TERM	SHORT TERM	TOTAL
Corporate bonds and debentures	2,566	524	3,090	778	505	1,283
Euro Commercial Paper	0	1,091	1,091	0	118	118
Corporate liquidity lines	284	0	284	29	0	29
Other borrowings	42	14	56	-10	-4	-14
TOTAL FINANCIAL BORROWINGS EXCLUDING INFRASTRUCTURE PROJECT COMPANIES	**2,892**	**1,629**	**4,521**	**797**	**619**	**1,417**

	2019		
(Millions of euros)	LONG TERM	SHORT TERM	TOTAL
Corporate bonds	1,788	19	1,807
Euro Commercial Paper	0	973	973
Corporate liquidity lines	255	0	255
Other borrowings	52	18	70
TOTAL FINANCIAL BORROWINGS EXCLUDING INFRASTRUCTURE PROJECT COMPANIES	**2,094**	**1,010**	**3,104**

The following table shows changes to ex-infrastructure project gross borrowings, broken down into variations in borrowings with balancing entries in cash flows, exchange rate effects and scope changes, as well as changes in borrowings due to the accrual of interest, which do not affect period cash positions:

(Millions of euros)	DEC. 2019	INCREASE/DECREASE WITH IMPACT ON CASH FLOW	FOREIGN EXCHANGE EFFECT	IMPACT OF CHANGES IN THE CONSOLIDATION SCOPE AND OTHER	CAPITALISED/ ACCRUED INTEREST	DEC. 2020
Bank borrowings/ Project bonds	3,104	1,435	-31	0	13	4,522
Cross-currency swaps	-11	0	14	0	0	2
Gross borrowing position, ex-projects	**3,093**	**1,435**	**-17**	**0**	**13**	**4,524**

The corporate debt comprises the following debt instruments:

Corporate bonds:

The carrying amount of Corporate bonds totals EUR 3,090 million at 31 December 2020 (31 December 2019: EUR 1,807 million). These are broken down in the following table:

ISSUE DATE	(PAR) VALUE (MILLIONS OF EUROS)	MATURITY	ANNUAL COUPON
7/6/2013	500	7/6/2021	2.557%
14/9/2016	500	14/9/2022	0.375%
15/7/2014	300	15/7/2024	2.500%
29/3/2017	500	31/3/2025	1.375%
14/5/2020	650	14/5/2026	1.382%
24/6/2020	131	14/5/2026	1.382%
12/11/2020	500	12/11/2028	0.540%

The bonds issued in 2013 are traded on the secondary market of the London Stock Exchange, while those issued from 2014 are admitted to trading on the Spanish AIAF Fixed-Income market (Spain). All these issues are guaranteed by Ferrovial S.A., the parent company of the Group. It should be noted that the Group has interest rate derivatives associated with the corporate bonds issued, with a notional amount of EUR 250 million; these derivatives convert the fixed interest rate into a floating one, Note 5.5.

Euro Commercial Paper:

In the first quarter of 2018, the company formally completed a Euro Commercial Paper (ECP) programme for a maximum amount of EUR 1,000 million, with maturities between 1 and 364 days from the issue date, allowing for greater capital markets finance sourcing diversification and more efficiency when managing available liquidity. Towards the end of 2019 this limit was increased up to EUR 1,500 million, with the carrying amount standing at EUR 1,091 million at 31 December 2020.

Liquidity facility:

In July 2018, Ferrovial refinanced the liquidity facility, incorporating sustainability criteria. Of the current maximum limit on the facility (EUR 900 million and potential to draw down the balance in EUR, USD, CAD and GBP), USD 284 million has been drawn down at 31 December 2020.

In order to cover possible interest rate and foreign exchange fluctuations affecting the amount drawn, Ferrovial has arranged cross-currency swaps for USD 274 million, maturing in 2022, for an agreed equivalent value of EUR 250 million, the fair value of which amounts to EUR -26 million.

The variation in corporate debt with respect to December 2019 (EUR 1,430 million) is essentially due to the new corporate bond issue (EUR 1,283 million) and the increase in ECPs issued (EUR 118 million), at an average rate of -0.15%.

The transactions referred to above are in response to the Company's objective of facing the pandemic crisis from a highly relevant cash position, leading to an all-time liquidity high of EUR 7,964 million.

Information on the credit limits and credit drawable of the corporate debt.

The detail of the limits and the amounts drawable of the corporate debt at 31 December 2020 and at 31 December 2019 is as follows:

	2020			
(Millions of euros)	BORROWING LIMIT	DRAWN DOWN (*)	DRAWABLE	CORPORATE DEBT
Bonds	3,081	3,081	0	3,090
Syndicated facility	900	250	650	224
ECPs	1,091	1,091	0	1,091
Other	340	60	280	60
TOTAL CORPORATE DEBT	**5,412**	**4,482**	**930**	**4,464**

(*) The balance drawn on the syndicated facility includes the fair value of cross-currency swaps (EUR -26 million).

	2019			
(Millions of euros)	BORROWING LIMIT	DRAWN DOWN (*)	DRAWABLE	CORPORATE DEBT
Bonds	1,800	1,800	0	1,807
Syndicated facility	900	250	650	255
ECPs	973	973	0	973
Other	0	0	0	0
TOTAL CORPORATE DEBT	**3,673**	**3,023**	**650**	**3,034**

(*) The balance drawn on the syndicated facilities includes the fair value of cross-currency swaps (EUR 5 million).

Company's credit rating

The credit rating agencies Standard & Poor's and Fitch maintained their opinion regarding the financial rating of Ferrovial's corporate debt in December 2020, respectively rating it at BBB and BBB with stable outlook and, therefore, within the "Investment Grade" category.

a.1.2) Other borrowings

"Other borrowings" of EUR 56 million (31 December 2019: EUR 70 million) primarily include other bank debt balances for EUR 44 million (31 December 2019: EUR 45 million) mainly in the Construction Division.

Information on credit limits and available credit:

As regards information on the limits and amounts available for drawdown under other borrowings, the following table shows the position at 31 December 2020 and 31 December 2019:

	2020			
(Millions of euros)	BORROWING LIMIT	DRAWN DOWN	DRAWABLE	CORPORATE DEBT
Construction	198	57	141	58
OTHER BORROWINGS	198	57	141	58

	2019			
(Millions of euros)	BORROWING LIMIT	DRAWN DOWN	DRAWABLE	CORPORATE DEBT
Construction	212	66	146	69
OTHER BORROWINGS	212	66	146	69

The differences between total bank borrowings and the carrying amount thereof at 31 December 2020 are explained mainly by the difference between the nominal values and carrying amounts of the debts, as certain adjustments are made in accordance with applicable accounting legislation.

a.2) Maturities by currency and fair value of borrowings excluding infrastructure projects

BORROWINGS (millions of euros)	CURRENCY	FAIR VALUE 2020	CARRYING AMOUNT 2020	2021	2022	2023	2024	2025	2026	TOTAL MATURITIES
Corporate debt		**4,598**	**4,465**	**1,591**	**500**	**0**	**550**	**500**	**1,341**	**4,482**
	EUR	4,598	4,465	1,591	500	0	550	500	1,341	4,482
Other borrowings		**57**	**57**	**6**	**4**	**11**	**4**	**16**	**16**	**57**
	EUR	0	0	0	0	0	1	0	0	2
	PLN	0	0	6	3	11	3	16	16	56
TOTAL FINANCIAL BORROWING EXCLUDING INFRASTRUCTURE PROJECT COMPANIES		**4,656**	**4,522**	**1,597**	**504**	**11**	**554**	**516**	**1,357**	**4,539**

The differences between the total maturities of financial borrowings and the carrying amounts of the debt at 31 December 2020 are primarily explained by the difference between the nominal values and carrying amounts of the borrowings, as certain adjustments are made in accordance with applicable accounting legislation (basically accrued interest payable and the application of the amortised cost method).

The fair value of bank borrowings excluding infrastructure project companies coincides with the related carrying amount because the borrowings are tied to floating market interest rates and, therefore, changes in the benchmark interest rates do not affect their fair value.

As regards corporate bonds: since they are quoted in an active market, the related market value is used.

In line with the aforementioned criteria, the estimated total fair value of bank borrowings and bonds excluding infrastructure project companies at 31 December 2020 is estimated at EUR 4,656 million.

The 2021 maturities amount to EUR 1,597 million and primarily relate to the maturity of the ECPs and corporate bonds. The borrowing maturities do not include interest.

b) Cash and cash equivalents of other companies

In general, the method used to classify the cash and cash equivalents at short- and long-term coincides with that used in the preparation of the Consolidated Annual Accounts for 2019.

Also, at 31 December 2020 there were certain restricted accounts totalling EUR 105 million (31 December 2019: EUR 87 million) primarily relating to Construction, for operating motives in construction projects in the US, as well as the Budimex works in progress.

5.3. CASH FLOW

The consolidated cash flow statement has been prepared in accordance with IAS 7. This note provides an additional breakdown, based on internal criteria established by the Company for business purposes, which in certain cases differ from the provisions of IAS 7. The main criteria applied are as follows:

- In order to provide a clearer explanation of the cash generated, the Group separates cash flows into “Cash flows excluding infrastructure projects”, where infrastructure project concession operators are treated as financial assets and the investments in the capital of these companies are therefore included in cash flows from investing activities and the yields from the investments (dividends and capital reimbursements) are included in operations cash flow, and “cash flows from infrastructure projects”, consisting of cash flows from the operating and financing activities of infrastructure project concession operators.
- The treatment given to interest received on cash and cash equivalents differs from that in the cash flow statement prepared in accordance with IAS 7, since this interest is included in cash flows from financing activities, as a reduction of the amount of interest paid, under “interest cash flow”.
- This cash flow endeavours to present the changes in the net cash position as the net amount of financial borrowings, cash and cash equivalents and restricted cash. This method also departs from that established in IAS 7, which explains the change in cash and cash equivalents.
- In addition, with regard to the treatment of leases, as the nature of the payment is tied to business operations, the related cash flow is included in changes in working capital in cash flows from operating activities, which differs from the treatment afforded in the cash flow statement, where it is included in cash flows from financing activities. The total amount of lease instalments reported in the cash flow statement amounts to EUR -89 million at December 2020, of which EUR -59 million related to continuing operations (Note 3.7) and EUR -30 million related to discontinued operations.
- It should finally be noted that dividends received derive mainly from infrastructure projects and equity-consolidated companies. This includes both dividends and other similar items, mainly interest on subordinated borrowings and participating loans, and repayments of capital, debt and loans.
- As outlined in Note 1.1.3, the cash flow reported in this note includes flows from operating, investing and financing activities related to discontinued operations and held-for-sale assets, reflecting the main line items, thus explaining the net cash position including discontinued operations.

The change in Cash flow is also discussed in the management report that was formally prepared together with these Consolidated financial statements

DECEMBER 2020 (MILLIONS OF EUROS)	NOTE	CASH FLOW EXCLUDING INFRASTRUCTURE PROJECT COMPANIES	CASH FLOW OF INFRASTRUCTURE PROJECT COMPANIES	REMOVALS	CONSOLIDATED CASH FLOW
EBITDA including discontinued operations	2	203	384	0	587
IFRS-16 impact		-89	0	0	-89
EBITDA including discontinued operations and IFRS 16		114	384	0	498
Dividends receipts and other flows from equity-accounted companies	3.5	458	0	-159	299
Change in working capital (receivables, payables and other)		268	40	0	308
Operating cash flow before tax		**839**	**425**	**-159**	**1,105**
Taxes paid in the year	2.8.1	-89	-12	0	-101
Cash flows from operating activities		**750**	**413**	**-159**	**1,004**
Investment	3.2, 3.3 and 3.4	-286	-128	18	-397
Divestment	1.1.3	501	0	0	501
Cash flows from investing activities		215	-128	18	104
Cash flows from operating activities		**965**	**284**	**-141**	**1,108**
Interest cash flows	2.6	-21	-229	0	-250
Capital cash flows from non-controlling interests		17	20	-18	19
Scrip dividend		-122	0	0	-122
Treasury share purchases		-255	0	0	-255
Shareholder remuneration	5	-377	0	0	-377
Dividends paid to non-controlling interests of investees		-26	-266	159	-133
Other movements in shareholder’s funds		-24	0	0	-24
Exchange rate effect		-95	296	0	201
Consolidation scope changes	1.1.3	-78	0	0	-78
Other movements in borrowings (no cash flows)		-2	-49	0	-51
Cash flows from financing activities		**-605**	**-228**	**141**	**-692**
Change in net cash position	5	**360**	**56**	**0**	**416**
Opening position		**1,631**	**-4,588**	**0**	**-2,957**
Closing position		**1,991**	**-4,532**	**0**	**-2,541**

Changes in working capital:

The changes in working capital disclosed in the table above (EUR 308 million) explain the difference between the Group's EBITDA and cash flows from operating activities before tax, and they arise from the difference between the timing of accrual of the income and expenses for accounting purposes and the date on which such accruals are converted into cash, due mainly to changes in trade receivables and payables or other balance sheet items.

Thus, a reduction in the balance of trade receivables will give rise to an improvement in working capital and a reduction of the balance of payables to suppliers will give rise to a worsening of working capital.

The changes in this line item do not coincide with the changes in working capital reported in Section 4 of the consolidated annual accounts as detailed in the following table

	EX-INFRASTRUCTURE PROJECT COMPANIES	INFRASTRUCTURE PROJECTS AND ADJUSTMENTS	TOTAL
Change in working capital (Note 4)	-1	-12	-13
Change in working capital for discontinued operations and assets held for sale (Note 1.3)	180	13	193
Change in working capital including discontinued operations	179	1	180
Changes in working capital with an impact on other lines in the cash flow statement	-49	24	-25
Changes in provisions with an impact on EBITDA or on working capital	140	0	140
Continuing operations	47	0	47
Discontinued operations	93	0	93
Changes in other balance sheet items with an impact on operating cash flow	-3	16	13
TOTAL WORKING CAPITAL REPORTED IN THE CASH AND CASH EQUIVALENTS STATEMENT (NOTE 5.3)	**268**	**40**	**308**

The differences detailed in the table relate to the following items:

- Changes in working capital with an impact on other lines in the cash flow statement (mainly investment cash flow). The working capital accounts reported in Note 4, in particular the payables to suppliers, can relate to transactions that do not affect operating cash flow, such as fixed asset purchases.
- Changes in provisions with an impact on EBITDA or on working capital for EUR 140 million, which relates to:
  - Net change in provisions for continuing operations (EUR 47 million), relating mainly to Construction (EUR 37 million), comprising the appropriation/reversal and application of provisions totalling EUR 66 million (Note 6.3) and other provisions and effects such as provisions for assets (doubtful receivables and inventories) amounting to EUR -29 million, and to other divisions (EUR 11 million), comprising the appropriation/reversal and application of provisions totalling EUR 25 million (Note 6.3) and other provisions and effects totalling EUR -14 million).
  - Change of EUR 93 million in provisions for discontinued operations, EUR 147 million of which relates to the recognition and reversal of provisions and EUR -54 million to the application of provisions.
- Changes in other balance sheet items with an impact on operating cash flow. The changes in working capital reported in Note 4 reflect only movements in items included under "short-term trade and other receivables", "short-term trade and other payables" and "inventories". In certain cases, operating income and expenses relate not only to items shown in working capital (short-term items) but also to certain items recognised as long-term assets and liabilities, such as long-term trade receivables and long-term trade payables, or even to items in equity accounts such as operations relating to share-based remuneration schemes.

Cash flow from discontinued operations:

The cash flow from discontinued operations in the Services Division is set out below, which as commented in Note 1.1.3 is recognised in the reported cash flow lines:

(Millions of euros) 2020	EX-INFRASTRUCTURE PROJECT COMPANIES	INFRASTRUCTURE PROJECTS	ADJUSTMENTS	CONSOLIDATED
OPERATIONS CASH FLOW EX CORPORATE INCOME TAX	358	83	-23	417
Corporate income tax cash flow	0	-6	0	-5
CASH FLOWS FROM OPERATING ACTIVITIES	**358**	**77**	**-23**	**412**
Investment	-83	-4	1	-86
Divestment	300	0	0	300
CASH FLOWS FROM OPERATING ACTIVITIES	**576**	**73**	**-23**	**626**
CASH FLOWS FROM FINANCING ACTIVITIES (NON-CONTROLLING INTERESTS)	-3	-18	0	-21

(Millions of euros) 2019	EX-INFRASTRUCTURE PROJECT COMPANIES	INFRASTRUCTURE PROJECTS	ADJUSTMENTS	CONSOLIDATED
OPERATIONS CASH FLOW EX CORPORATE INCOME TAX	77	70	-8	139
Corporate income tax cash flow	-46	-7	0	-53
CASH FLOWS FROM OPERATING ACTIVITIES	**31**	**63**	**-8**	**86**
Investment	-164	-2	0	-165
Divestment	1	0	0	1
CASH FLOWS FROM OPERATING ACTIVITIES	**-131**	**61**	**-7**	**-77**
CASH FLOWS FROM FINANCING ACTIVITIES (NON-CONTROLLING INTERESTS)	-7	-20	0	-27

DECEMBER 2019 (Millions of euros)		CASH FLOW EXCLUDING INFRASTRUCTURE PROJECT COMPANIES	CASH FLOW OF INFRASTRUCTURE PROJECT COMPANIES	REMOVALS	CONSOLIDATED CASH FLOW
EBITDA including discontinued operations	2	-76	580	0	504
IFRS-16		-134	-1	0	-135
EBITDA including discontinued operations and IFRS 16		-210	579	0	369
Dividends receipts and other flows from equity-accounted companies	3.5	729	0	-199	529
Change in working capital (receivables, payables and other)		292	-86	0	206
Operating cash flow before tax		**810**	**493**	**-199**	**1,104**
Taxes paid in the year	2.8.1	-25	-36	0	-61
Cash flows from operating activities		**785**	**457**	**-199**	**1,043**
Investment		-295	-157	60	-392
Divestment	1.1	484	115	0	599
Cash flows from investing activities		189	-41	60	207
Cash flows from operating activities		**974**	**416**	**-140**	**1,250**
Interest cash flows	2.6	-7	-239	0	-246
Capital cash flows from non-controlling interests		13	117	-60	70
Scrip dividend		-238	0	0	-238
Treasury share purchases		-282	0	0	-282
Shareholder remuneration	5	-520	0	0	-520
Dividends paid to non-controlling interests of investees		-18	-306	199	-124
Other movements in shareholder's funds		-6	0	0	-6
Exchange rate effect		-26	-66	0	-92
Consolidation scope changes	1.1.3	-2	422	0	419
Other movements in borrowings (no cash flows)		-11	-47	0	-59
Cash flows from financing activities		**-579**	**-119**	**140**	**-558**
Change in net cash position	5	**395**	**297**	**0**	**692**
Opening position		**1,236**	**-4,885**	**0**	**-3,649**
Closing position		**1,631**	**-4,588**	**0**	**-2,957**

5.4. MANAGEMENT OF FINANCIAL RISKS AND CAPITAL

The Group's business is affected by changes to the financial variables that have an impact on the Group's accounts, these being mainly interest rate risk, exchange rates, inflation, credit, liquidity and variable income. The policies adopted by the Group in managing these risks are explained in detail in the Management Report.

The following are specific data on the Group's exposure to each of these risks and an analysis of the sensitivity to a change in the various variables, together with a brief description of the way in which each risk is managed.

In addition, in view of the importance of the UK's decision to leave the European Union both economically and politically (Brexit), this Note includes a separate in-depth analysis of the impact it has had for Ferrovial with respect to the various financial risks and how these risks are being managed.

a. Exposure to interest rate variations

Ferrovial's businesses are subject to changes in the economic cycles and, therefore, to interest rate fluctuations. These fluctuations may affect the Company's net financial expense due to the variable interest on financial assets and liabilities, as well as the measurement of financial instruments arranged at fixed interest rates. Ferrovial manages interest rate risk so as to optimise the financial expense borne by the Group and achieve suitable proportions of fixed- and variable-rate debt based on market conditions. Therefore, when interest rates are low, the Group seeks to fix future levels at non-infrastructure project level, although such hedging can affect liquidity in the event of cancellation.

At infrastructure project level, the banks and rating agencies require a higher percentage of fixed-rate debt. These strategies are implemented by issuing fixed-rate debt or by arranging hedging financial derivatives, a breakdown of which is provided in Note 5.5, Financial derivatives at fair value.

The accompanying table shows a breakdown of the Group's borrowings, indicating the percentage of borrowings that is considered to be hedged (either by a fixed rate or by derivatives).

BORROWINGS (Millions of euros)	2020 TOTAL GROSS DEBT	% DEBT HEDGED	NET EXPOSED DEBT	IMPACT ON PROFIT/(LOSS) + 100 B.P.
Ex-infrastructure project companies	4,524	87 %	572	6
Toll roads	4,962	98 %	101	1
Construction	90	94 %	5	0
Airports	54	100 %	0	0
Infrastructure projects	5,106	98 %	107	1
TOTAL BORROWINGS	**9,630**	**93 %**	**683**	**7**

BORROWINGS (Millions of euros)	2019 TOTAL GROSS BORROWING	% DEBT HEDGED	NET EXPOSED DEBT	IMPACT ON PROFIT/(LOSS) + 100 B.P.
Ex-infrastructure project companies	3,104	90 %	306	3
Toll roads	5,282	98 %	101	1
Construction	152	94 %	9	0
Airports	60	100 %	-0	-0
Infrastructure projects	5,494	98 %	110	1
TOTAL BORROWINGS	**8,598**	**95 %**	**415**	**4**

Accordingly, in the fully-consolidated companies, a linear increase of 100 basis points in market interest rate curves at 31 December 2020 would increase financial expenses in the income statement by an estimated EUR 7 million, of which EUR 1 million relates to infrastructure projects and EUR 6 million to ex-infrastructure project companies, entailing a net impact on Ferrovial's results of EUR 5.3 million (expense).

It is also necessary to take into account changes in the fair value of the financial derivatives arranged, which are indicated in Note 5.5.

As regards these interest rate hedging instruments, a linear increase of 100 basis points in the market yield curves at 31 December 2020 would, in the case of the effective hedges, have a positive impact of approximately EUR 92 million on the shareholders' funds attributable to the parent from fully consolidated companies, while a decrease of 100 basis points would produce a negative impact of approximately EUR 103 million.

As a balancing entry to this impact, it must be taken into consideration that a drop in interest rates would produce an increase in the value of the projects, as this would lead to a lower discount rate in their measurement.

b. Exposure to foreign exchange fluctuations

Ferrovial regularly monitors its expected net exposure with regard to each currency over the coming years, both for dividends receivable and as regards investments in new projects, or potential divestments.

Ferrovial establishes its hedging strategy by analysing past changes in both short- and long-term exchanges rates, establishing monitoring mechanisms such as future projections and long-term equilibrium exchange rates. These hedges are established by using foreign currency deposits or arranging derivatives (Note 5.5 for more details).

The following tables show, by type of currency, the value of assets, liabilities, non-controlling interests and shareholders' funds attributed to the parent company at December 2020, adjusted by the aforementioned currency forwards relating to each currency:

CURRENCY (Millions of euros)	DECEMBER 2020 ASSETS	LIABILITIES	PARENT COMPANY SHAREHOLDERS' FUNDS	NON-CONTROLLING INTERESTS
Euro	7,535	6,436	907	191
Pound sterling	1,984	1,750	233	1
US dollar	8,078	7,366	447	265
Canadian dollar	3,191	1,982	1,209	0
Australian dollar	91	35	56	0
Polish zloty	1,721	1,412	126	183
Chilean peso	297	229	68	0
Colombian peso	150	47	103	0
Other	81	42	38	-0
TOTAL GROUP	**23,128**	**19,301**	**3,187**	**640**

Note 1.4 contains a breakdown of the changes in the year in the closing exchange rates. As a result of these changes, the impact of currency translation differences on equity at 31 December 2020 was EUR -187 million for the parent company. The breakdown by currency is detailed in Note 5.1.1.

Analysing sensitivity to exchange rate effects, Ferrovial estimates that a 10% depreciation in the value of the euro at year-end against the main currencies in which the Group holds investments would have an impact on the parent company shareholders' funds of EUR 243 million, of which 55% would relate to the impact of the Canadian dollar, 20% to the US dollar and 11% to the pound sterling.

Also, the detail of net profit/(loss) attributable to the parent company by type of currency for 2020 and 2019 is detailed in the following table.

CURRENCY (Millions of euros)	NET PROFIT/(LOSS) 2020	2019
Euro	67	594
Pound sterling	-480	98
US dollar	-40	-188
Canadian dollar	41	163
Australian dollar	-57	-464
Polish zloty	71	26
Chilean peso	-19	19
Other	8	19
TOTAL GROUP	**-410**	**268**

Note 1.4 contains a detail of the changes in the year in the average exchange rates. In this regard, the impact of a 10% appreciation of the euro against other currencies on the income statement would have amounted to a change of EUR -54 million.

c. Exposure to credit and counterparty risk

The Group's main financial assets exposed to credit or counterparty risk are as follows:

	2020	2019	VAR. 20/19
Investments in financial assets (1)	2,484	1,126	1,358
Non-current financial assets	942	2,130	-1,188
Net financial derivatives (assets)	547	461	86
Trade and other receivables	1,292	1,256	36

(1) Included in cash and cash equivalents

- Ferrovial actively monitors the risk that it assumes with its Banks: Ferrovial constantly analyses the performance of risk via internal credit quality studies for each of the financial institutions at which it is exposed.
- Its internal regulations for managing surpluses sets maximum investment limits for each counterparty, based on objective criteria: a minimum acceptable risk is required in order for surplus cash to be invested, and limits are also set on the amounts invested, depending on the risk given to each of these counterparties. In addition, the Risk Department monitors the performance of each of the different counterparties, proposing the appropriate protective or corrective measures on the basis of specific events.
- Territories: Ferrovial monitors the performance of the markets (territories) in which it has a presence, along with that of its target markets. The Financial Risk Department proposes the potential action to be taken in the event that some change in risk levels is expected in a particular territory or market.
- Customers: Ferrovial analyses and monitors its customers' credit risk, using an internal methodology for the rating of Ferrovial customers that is standardised for the whole Group.

d. Exposure to liquidity risk

The Group has established the mechanisms necessary to preserve the level of liquidity that reflect the cash generation and need projections, in relation to both short-term collections and payments and obligations to be met at long term.

Ex-infrastructure project companies

At 31 December 2020, cash and cash equivalents amounted to EUR 6,321 million (2019: EUR 4,617 million). Also, at that date undrawn credit lines totalled EUR 1,071 million (2019: EUR 796 million).

Infrastructure projects

At 31 December 2020, cash and cash equivalents (including short-term restricted cash) amounted to EUR 111 million (2019: EUR 118 million). Also, at that date undrawn credit lines amounted to EUR 25 million (2019: EUR 45 million), which were primarily arranged to cover committed investment needs.

e. Exposure to variable income risk

Ferrovial is also exposed to the risk relating to the fluctuation of its share price. This exposure arises specifically in equity swaps used to hedge against risks of appreciation of share-based remuneration schemes, the detail of which is shown in Note 5.5 to these consolidated financial statements.

Since these equity swaps are not classified as hedging derivatives, their market value has an impact on profit or loss. Accordingly, a EUR 1 increase/decrease in the Ferrovial share price would have a positive/negative impact of EUR 2.7 million on the net profit of Ferrovial.

f. Exposure to inflation risk

Most of the revenue from infrastructure projects is associated with prices tied directly to inflation. This is the case of the prices of both the toll road concession contracts and those of HAH, which are equity-accounted.

Therefore, an increase in inflation would increase the cash flow derived from assets of this nature. Fixed benefit pension plans in the United Kingdom also include obligations that are linked to inflation. These are covered individually, since they are not consolidated within Ferrovial.

Unlike the other company assets, from the accounting standpoint the financial derivatives arranged at HAH, the objective of which is to convert fixed-rate borrowings into index linked debt, are measured at fair value through profit and loss, since up until now they are not accepted as hedge accounting instruments. HAH is assessing their classification as an accounting hedge under the accounting standards (IFRS 9). The accounting impact to date means that an increase of 100 b.p. throughout the inflation curve would have an effect on the net profit attributable to Ferrovial (in proportion to its percentage of ownership) of EUR -241 million.

Also, in the case of the toll road concession operator AUTEMA, there is a derivative tied to Spanish inflation. At the year end, 37% was discontinued as a result of the change from the financial model to the intangible model. The remaining 63% is regarded as a hedging instrument, the effectiveness measurement being inside the ranges allowing hedge accounting to continue. An increase of 100 b.p. throughout the inflation curve would have a negative effect on reserves of EUR -101 million and EUR 59 million on profit/(loss)

g. Capital management

The Group aims to achieve a debt-equity ratio that makes it possible to optimise costs while safeguarding its capacity to continue managing its recurring activities and the capacity to continue to grow through new projects in order to create shareholder value.

With regard to financial borrowings, Ferrovial Group's objective is to maintain a low level of indebtedness, excluding infrastructure projects, in a way that will allow it to retain its "investment grade credit rating". In order to achieve this target it has established a clear and consistent financial policy in which a relevant metric refers to the maintenance of an ex-projects net debt (gross debt less cash) to EBITDA ratio, plus dividends from projects, of no more than 2:1.

At 31 December 2020, the net cash position is positive (assets exceeded liabilities) and, therefore, the difference with respect to the maximum debt-equity ratio established is very significant. For the purpose of calculating this ratio, "net debt excluding infrastructure project companies" is defined in Note 5.2 and "gross operating profit/(loss) from operations plus dividends" is the profit from operations before impairment losses, disposals and depreciation and amortisation of the Group Companies other than infrastructure concession operators, plus the dividends received from infrastructure project companies.

h. Impact of Brexit on financial risks

This section includes an analysis of the impact that Brexit is having for Ferrovial with respect to the financial risks and how these risks are being managed. The risk section of the Management Report contains a comprehensive analysis of Brexit and how it may affect the Group's various business areas.

Ferrovial's UK exposure on the basis of the various financial and business variables is detailed in the following table:

			2020
(Millions of euros)	FERROVIAL TOTAL	UK EXPOSURE	% OF TOTAL
Revenue (*)	12,149	3,014	25%
EBITDA (*)	705	37	
Net profit/(loss)	-410	-557	
Shareholders' funds	3,187	-1,515	
Consensus analyst estimate			7%
Construction order book	10,129	1,064	11%
Services order book	13,027	7,993	61%
Airports managed			25% HAH, 50% AGS

(*) Including discontinued operations

Exchange rate

Following tough negotiations, the European Union and the United Kingdom have reached a trade agreement the most noteworthy consequence of which is the removal of tariffs on trade in goods between both parties. This avoids the feared hard Brexit and thus assures an orderly exit from the Union.

At 31 December 2020, the pound sterling had depreciated almost 6% year-on-year. As a hedge against foreign currency risk against a negative outcome regarding the effect of Brexit, Ferrovial arranged hedges with a notional amount of GBP 239 million.

Inflation and interest rates

Analysing performance between 2020-2019, the market has slightly reduced its inflation forecast in relation to the future Retail Price Index (RPI) with figures standing at around 3.28% and a present rate that is also much lower with figures standing at around -2.92% (for periods greater than 2 years), due to the more marked decline in nominal interest rates of around an average of 70 basis points, compared to the previous year

Inflation has not been affected since the Brexit agreement; but actual interest rates have fallen, adversely impacting the value of defined benefit pension plans

5.5. FINANCIAL DERIVATIVES AT FAIR VALUE

a) Disclosure by type of derivative, changes, maturity dates and main features

The table below includes a detail of the fair values of the derivatives arranged at 31 December 2020 and 2019, as well as the maturity date of the notional amounts to which the derivatives relate (maturities of notional amounts are shown as positive figures and already-arranged future increases are presented as negative amounts):

TYPE OF INSTRUMENT (Millions of euros)	FAIR VALUE		NOTIONAL MATURITIES					
	BALANCES AT 31/12/2020	BALANCES AT 31/12/2019	2021	2022	2023	2024	2025 AND BEYOND	TOTAL
ASSET BALANCES	**547**	**462**	**3,561**	**5**	**-2**	**-4**	**75**	**3,635**
Cintra index-linked swaps (inflation derivatives)	489	426	-4	-2	-3	-4	75	62
Cross currency swaps, corporate business	0	5	0	0	0	0	0	0
Toll road cross-currency swaps	23	7	736	0	0	0	0	736
Corporate IRS	4	8	250	0	0	0	0	250
Equity swaps	0	8	0	0	0	0	0	0
Exchange rate derivatives, corporate business	2	0	115	0	0	0	0	115
Other derivatives	27	9	2,463	6	2	0	0	2,471
LIABILITY BALANCES	**468**	**482**	**532**	**357**	**26**	**34**	**1,133**	**2,082**
Cintra interest-rate swaps (interest-rate derivatives)	374	370	16	78	23	28	712	858
Cross currency swaps, corporate business	26	0	0	250	0	0	0	250
Equity swaps	3	0	65	0	0	0	0	65
Corporate IRS	44	41	0	0	0	0	400	400
Exchange rate derivatives, corporate business	2	24	77	0	0	0	0	77
Other derivatives	20	48	375	29	3	6	21	433
NET BALANCES (LIABILITIES)	**78**	**-20**	**4,093**	**362**	**24**	**30**	**1,208**	**5,717**

TYPE OF INSTRUMENT (Millions of euros)	FAIR VALUE		CASH FLOW MATURITIES					
	BALANCES AT 31/12/2020	BALANCES AT 31/12/2019	2021	2022	2023	2024	2025 AND BEYOND	TOTAL
ASSET BALANCES	**547**	**462**	**57**	**0**	**0**	**0**	**489**	**546**
Cintra index-linked swaps (inflation derivatives)	489	426	0	0	0	0	489	489
Cross currency swaps, corporate business	0	5	0	0	0	0	0	0
Toll road cross-currency swaps	23	7	23	0	0	0	0	23
Corporate IRS	4	8	4	0	0	0	0	4
Equity swaps	0	8	0	0	0	0	0	0
Exchange rate derivatives, corporate business	2	0	2	0	0	0	0	2
Other derivatives	1	9	1	0	0	0	0	1
LIABILITY BALANCES	**468**	**482**	**58**	**70**	**46**	**45**	**250**	**468**
Cintra interest-rate swaps (interest-rate derivatives)	374	370	44	42	40	39	209	374
Cross currency swaps, corporate business	26	0	0	26	0	0	0	26
Equity swaps	3	0	3	0	0	0	0	3
Corporate IRS	44	41	0	1	6	6	31	44
Exchange rate derivatives, corporate business	2	24	2	0	0	0	0	2
Other derivatives	20	48	9	1	0	0	10	20
NET BALANCES (LIABILITIES)	**78**	**-20**	**-1**	**-70**	**-46**	**-45**	**239**	**78**

Toll road derivatives

Toll road interest rate swaps

In order to hedge the interest rate risk in toll road infrastructure projects, the borrowings of which bear interest at a variable rate (primarily Cintra Inversora Autopistas de Cataluña, S.A. and Euroscut Azores), the concession holders have arranged interest rate hedges on the projects' debt, establishing a fixed or increasing interest rate for a total notional amount of EUR 858 million at 31 December 2020. Overall, the fair value of these hedges increased from EUR -370 million at 31 December 2019 to EUR -374 million at 31 December 2020.

In general, since these derivatives are considered to be effective, the changes in their fair value are recognised in reserves, with an impact of EUR -4 million (EUR -3 million attributable to the parent company, after tax and non-controlling interests).

The changes in settlements and accruals gave rise to an impact on net financial income/(expense) of EUR -46 million and of EUR 46 million in cash.

Index linked swaps, toll roads

This item relates exclusively to AUTEMA, which in 2008 arranged an index linked swap to hedge income variability, by means of which an annual CPI of 2.50% was fixed. As indicated in Note 6.5.1. in relation to the resolution of AUTEMA's lawsuit, the unsuccessful appeal and the resulting loss, and therefore, the change of concession model caused a reduction in the flows hedged by the inflation derivative (hedged item), however there were still flows subject to inflation, such as the toll flows and the price compensation flows from the Catalan Regional Government under Decree 2015. The decrease in the hedged item means that the hedge became partially ineffective, having a positive impact of EUR 178 million recognised in the line item Group impairment and disposals (Note 2.5), which has its counterpart in the effect recorded in Reserves.

Moreover, as regards the measurement of the portion still hedged, COVID-19 caused a reduction in flows and therefore an ILS hedge ineffectiveness peak impacting fair value in the amount of EUR 39 million.

As a result, the derivative's fair value stood at EUR 489 million at 31 December 2020, the net impact on reserves for the year amounting to EUR -155 million (EUR -116 million after taxes attributable to the parent company), plus an impact of EUR -12 million on cash.

Toll road cross-currency swaps

In 2019, the company 4352238 Canada Inc arranged cross-currency swaps to hedge a financial investment in Canadian dollars. These instruments have a notional value of EUR 900 million (EUR 736 million), expire in 2021 and have a fair value of EUR 23 million.

Corporate business derivatives

Interest rate swaps, corporate business

In relation to the bond issues launched in 2013, the Group arranged interest rate derivatives for a notional amount of EUR 250 million expiring in 2021. Since they convert a portion of the fixed interest rate on the bonds into a floating interest rate, these derivatives constitute a partial fair value economic hedge of the aforementioned bond issues and they all qualify for hedge accounting.

This means that the fair value changes in both the derivative and the hedged item (in this case, a part of the bond) are carried at fair value through profit or loss. The fair value impact of these bonds on net financial income/(expense) amounted to EUR 4 million (2019: EUR 4 million).

In addition, in November 2020, the Group derecognised the interest rate derivatives arranged in 2018 for a total notional amount of EUR 500 million, entailing an impact of EUR -21 million on cash. Also, the Group contracted interest rate derivatives for a total notional amount of EUR 400 million, in order to secure the rate applicable in the event of the refinancing of one of the bonds issued by the Company. At 31 December 2020, these derivatives had a fair value of EUR -44 million and are designated as cash flow hedges, the value change being recognised with a balancing entry in reserves.

Cross currency swaps, corporate business

At 31 December 2020, the Group recorded cross-currency swaps to hedge a drawdown on the US dollar corporate liquidity line (Note 5.2.2). These instruments have a notional value of USD 274 million (EUR 250 million), maturities in 2022 and a fair value of EUR -26 million.

Equity swaps

The Company has arranged equity swaps hedging the potential financial impact of the exercise of share-based remuneration schemes granted to employees.

These equity swap contracts are described below:

- The calculation base comprises a given number of Ferrovial shares and a reference price, which is usually the share price on the execution date.
- During the swap term, Ferrovial pays interest at a given interest rate (EURIBOR plus a spread to be applied to the result of multiplying the number of shares by the strike price) and receives compensation equal to the dividends on those shares.
- When the swap expires, if the share price has risen, Ferrovial will receive the difference between the share price and the reference price. If the share price has fallen, Ferrovial will pay the difference to the bank.

At the 2020 year end, these derivatives had a notional value equivalent to 2.7 million shares which, based on the strike price of the equity swaps (price at which they must be settled with the banks), represented a total notional amount of EUR 65 million.

Exchange rate derivatives, Corporate

These derivatives relate to Corporate hedges of foreign currency risk, the main aim of which is to protect against the volatility of future cash flows in foreign currencies (primarily the pound sterling, the US dollar, and the Canadian dollar). Their notional value amounted to EUR 192 million at 31 December 2020, of which EUR 74 million relate to pound sterling, EUR 114 million to the US dollar, EUR 4 million to the Canadian dollar. They expire in the short-term. The changes in their value are recognised as translation differences and amounted to EUR -40 million in 2020 (for effective derivatives). Options, which are not classified as accounting hedges, are recognised in net financial income/(expense) at fair value and in 2020 represented an expense of EUR 1 million.

Other derivatives

This item includes the other derivatives contracted by the Group for a fair value of EUR 7 million, of which EUR 26 million relates to foreign exchange derivatives in the toll toads business, largely hedging volatility in future Canadian dollar flows (Note 1.3), and EUR -19 million essentially relating to interest rate swaps, hedging certain project borrowings in the Construction and Airports Divisions.

B) MAIN IMPACTS ON PROFIT & LOSS AND EQUITY

The movements for accounting purposes in the main derivatives arranged by fully consolidated companies, detailing the fair values thereof at 31 December 2020 and 2019, and the impact on reserves, profit/(loss) and other balance sheet items are as follows:

	FAIR VALUE			IMPACTS						
TYPE OF INSTRUMENT (Millions of euros)	**BALANCE AT 31/12/2020**	**BALANCE AT 31/12/2019**	**VAR.**	**IMPACT ON RESERVES (I)**	**FAIR VALUE IMPACT ON PROFIT/(LOSS) (II)**	**IMPACT ON FINAL PROFIT/(LOSS) (III)**	**CASH (IV)**	**EXCHANGE RATE (V)**	**OTHER IMPACTS ON BALANCE SHEET OR INCOME**	**TOTAL**
Index-linked derivatives	**489**	**426**	**63**	**-155**	**39**	**0**	**-12**	**0**	**192**	**63**
Cash flow hedges	489	426	63	-155	39	0	-12	0	192	63
Interest rate derivatives	**-425**	**-425**	**-1**	**-32**	**-1**	**-48**	**64**	**0**	**17**	**0**
Cash flow hedges	-429	-432	3	-10	-1	-47	68	0	-7	3
Fair value hedges	4	8	-4	-23	0	-1	-4	0	24	-4
Cross-currency swaps	**-2**	**11**	**-14**	**0**	**0**	**21**	**-21**	**-1**	**-12**	**-14**
Cash flow hedges	-26	5	-30	0	0	3	-21	0	-12	-30
Fair value hedges	23	7	17	0	0	17	0	-1	0	17
Foreign exchange derivatives	**20**	**-41**	**61**	**1**	**11**	**0**	**-144**	**192**	**2**	**62**
Fair value hedges	10	-34	44	1	6	0	-81	117	1	44
Net foreign investment hedges	8	-7	15	0	1	0	-61	75	0	15
Speculative	2	0	2		4		-2		1	3
Equity swaps	**-3**	**8**	**-10**	**0**	**-10**	**0**	**0**	**0**	**0**	**-10**
Speculative	-3	8	-10	0	-10	0	0	0	0	-10
TOTAL	**79**	**-21**	**100**	**-187**	**38**	**-27**	**-113**	**192**	**198**	**100**

Derivatives are recognised at market value at the arrangement date and at fair value at subsequent dates. Changes in the value of these derivatives are recognised for accounting purposes as follows:

- The changes in the year in the fair value of the derivatives that qualify for cash flow hedge accounting are recognised with a balancing entry in reserves (column I).
- The changes in fair value of the derivatives that do not qualify for hedge accounting or that are considered to be held for speculative purposes are recognised as a fair value adjustment in the Group income statement (column II) and are reflected separately in the income statement.
- “Impact on net financial income/(expense)” (column III) reflects the impacts on net financial income/(expense) from financing arising from the interest flows accrued during the year.
- “Impact on cash” (column IV) indicates net payments and collections during the year.
- The impact of the difference between closing currency translation differences at December 2020 and 2019 is also presented separately (column V).
- The “other impacts” column shows the impacts on operating profit/(loss), net financial income/(expense) (exchange rate) or other impacts not considered in the other columns (column VI).

C) DERIVATIVE VALUATION METHODS

All the Group’s financial derivatives and other financial instruments carried at fair value are included in LEVEL 2 of the fair value measurement band, since although they are not quoted on regulated markets, the inputs on which their fair values are based are observable, either directly or indirectly.

The fair value measurements are performed by the Company using an internally developed measurement tool based on market best practices. However, they are in any event compared with the measurements received from the counterparty banks on a monthly basis.

Equity swaps are measured as the difference between the market price of the share on the calculation date and the unit settlement (strike) price agreed at inception, multiplied by the number of shares under the contract.

The other instruments are measured by quantifying the net future cash inflows and outflows, discounted to present value, with the following specific features:

- Interest rate swaps: the future cash flows with floating reference rates are estimated by using current market projections at the measurement date for each currency and settlement frequency; and each cash flow is discounted using the market zero-coupon rate that is appropriate for the settlement period and currency in question at the measurement date.
- Index-linked swaps: the future cash flows are estimated by projecting the future behaviour implicit in the market curves on the valuation date for each currency and settlement frequency, for both reference interest rates and reference inflation rates. As in the cases described above, the flows are discounted using the discount rates obtained at the measurement date for each flow settlement period and currency.
- Cross-currency swaps: the future cash flows with floating reference rates are estimated by using current market projections at the measurement date for each currency and settlement frequency; and each cash flow is discounted using the market zero-coupon rate that is appropriate for the settlement period and currency in question at the measurement date, including the cross-currency basis spreads. The present value of the flows in a currency other than the measurement currency is translated at the spot exchange rate prevailing at the measurement date.

- Foreign currency derivatives: as a general rule, the future cash flows are estimated by using the exchange rates and market curves associated with each currency pair (forward points curve), and each flow is updated using the market zero-coupon rate that is appropriate for the settlement period and currency in question at the valuation date. For other more complex instruments (options, etc.), appropriate valuation methods are used for each instrument, taking into consideration the necessary market data (volatilities, etc.).

Lastly, credit risk, which pursuant to IFRS 13 was included in derivative measurements, is estimated as follows:

- In order to calculate the adjustments associated with own and counterparty credit risk (CVAs/DVAs), Ferrovial applies a methodology based on calculating the future exposure of the various financial products using Monte Carlo simulations. To this potential exposure, a probability of default and a loss given default based on the parties' business and credit quality are applied, as well as a discount factor based on the currency and applicable maturity at the valuation date.
- In order to calculate the probabilities of default of the Ferrovial Group companies, the credit risk management department assesses the rating of the counterparty (company, project, etc.) using a proprietary, rating agency-based methodology. This rating is used to obtain market spread curves according to the currency and term in question (generic curves by rating level).
- In order to calculate the probabilities of default of the balancing entries, the CDS curves of those companies are used, if available. Otherwise, the CDS curves of a similar entity (proxy) or a generic spread curve (by rating level) are used.

SECTION 6: OTHER DISCLOSURES

This section includes other notes required under the applicable legislation.

Of particular note due to its importance is Note 6.5, Contingent liabilities, contingent assets, obligations and commitments, in which the main lawsuits that affect the Group companies and guarantees provided are described, with particular emphasis on the guarantees provided by ex-infrastructure project companies on behalf of infrastructure project companies.

The changes in liabilities other than current liabilities and borrowings, such as the pension obligations (Note 6.2) and provisions (Note 6.3), are also analysed.

6.1. DEFERRED INCOME

The detail of deferred income at 31 December 2020 and 2019 is as follows:

(Millions of euros)	2020	2019	CHANGE 20/19
Capital grants	1,245	1,347	-102
Other deferred income	0	0	0
TOTAL DEFERRED INCOME	**1,245**	**1,347**	**-102**

Capital grants received from government bodies relate entirely to infrastructure projects in the Toll Roads Division.

These grants are mainly located in the following toll road projects: EUR 380 million for LBJ Infrastructure Group, EUR 461 million for NTE Mobility Partners, EUR 210 million for NTE Mobility Partners Segments 3 LLC and, lastly, EUR 190 million for I-77 Mobility Partners.

The main change during the financial year occurred at NTE Mobility Partners Segments 3, a Cintra subsidiary in the US, which received additional grants over the course of the year amounting to EUR 18 million.

The US companies have also seen their value decrease by EUR -111 million due to the dollar's depreciation against the euro.

These capital grants are released to the income statement for the year at the same rate as the depreciation charged on the assets they finance, net of depreciation. The impact of these grants on cash flows is presented net of cash flows from investing activities.

6.2. PENSION PLAN DEFICIT

This line item reflects the deficit relating to pension and other employee retirement benefit plans. At 31 December 2020, the provision recognised in the balance sheet amounted to EUR 4 million and solely related to Budimex (31 December 2019: EUR 4 million).

6.3. PROVISIONS

The provisions recognised by the consolidated Group are intended to cover risks arising in the course of business. They are recognised using best estimates of the risks and uncertainties and of related trends.

This note provides a breakdown of all the line items disclosed separately in provisions on the liabilities side of the balance sheet. In addition to these line items, there are other impairment losses and provisions that are presented as a reduction of certain asset line items and which are disclosed in the notes relating to those specific assets

The movements in the long-term and short-term provisions presented separately in liabilities in the consolidated balance sheet were as follows:

(Millions of euros)	LITIGATION AND TAXES	REPLACEMENT AND UPGRADES IFRIC 12	OTHER LONG-TERM RISKS	WASTE LANDFILLS	COMPULSORY PURCHASES	TOTAL NON-CURRENT PROVISIONS	SHORT-TERM PROVISIONS	TOTAL
Balance at 31 December 2019	**378**	**49**	**81**	**10**	**0**	**518**	**750**	**1,268**
Consolidation scope changes and transfers	**-87**	**1**	**-7**	**0**	**1**	**-92**	**97**	**6**
Allocations	**24**	**16**	**5**	**1**	**0**	**45**	**445**	**490**
EBITDA	17	0	5	1	0	22	444	466
Net financial income/(expense)	6	3	0	0	0	9	0	10
Impairments and disposals	0	0	0	0	0	0	0	0
Corporate income tax	1	0	0	0	0	1	0	1
Fixed asset depreciation	0	13	0	0	0	13	0	13
Reversals:	**-15**	**0**	**-14**	**0**	**0**	**-29**	**-179**	**-208**
EBITDA	-15	0	-14	0	0	-28	-171	-200
Net financial income/(expense)	0	0	0	0	0	0	-8	-8
Impairments and disposals	0	0	0	0	0	0	0	0
Corporate income tax	0	0	0	0	0	0	0	0
Fixed asset depreciation	0	0	0	0	0	0	0	0
Applications with balancing items in working capital accounts	**-4**	**0**	**-1**	**0**	**0**	**-5**	**-172**	**-176**
Applications with balancing items in other assets	**-4**	**-3**	**0**	**0**	**0**	**-7**	**-1**	**-8**
Foreign exchange differences	**-4**	**-4**	**-1**	**-1**	**0**	**-10**	**-48**	**-58**
Balance at 31 December 2020	**289**	**58**	**63**	**9**	**1**	**421**	**892**	**1,314**

The table above shows the changes in the year by detailing, on the one hand, the consolidation scope changes and transfers, the charges for the year and reversals that had an impact on the various lines in the income statement and, on the other, other changes which did not have an impact thereon, such as amounts used recognised under various headings in the balance sheet and the exchange rate effect.

An analysis of the effect on the income statement reveals a net appropriation (expense) of EUR 267 million which impacts EBITDA, relating primarily to the Construction Division (appropriation of EUR 412 million and reversal of EUR -183 million), mainly in the Polish business, as well as a provision of 22 million euros for restructuring costs in connection with the implementation of the company's new operating model announced in the "Horizon 24" plan, of which 12 million euros have been applied in the year, leaving 10 million euros pending application in personnel provisions within working capital.

Provisions have also been applied during the year with balancing items in working capital accounts in the amount of EUR -176 million, mainly relating to the Construction Division (EUR -163 million). The sum of the appropriation/reversal (EUR 267 million) and application (EUR -176 million) and other effects similar to provisions for doubtful receivables that are not included in the breakdown of liability provisions (EUR -43 million) are explained for working capital purposes in the cash flow statement, for a total amount of EUR 47 million (Note 5.3).

Litigation provisions

At 31 December 2020, the total litigation provisions for the group amounted to EUR 289 million. This item includes the following items:

- Provisions to cover the possible risks resulting from lawsuits and litigation in progress, amounting to EUR 104 million (December 2019: EUR 112 million), largely relate to the Construction Division. This provision is recognised and reversed against changes to provisions in EBITDA.
- Provisions for tax claims, amounting to EUR 185 million (31 December 2019: EUR 266 million), arising in relation to local or central government duties, income taxes and other taxes, as a result of the varying interpretations that can be made of the tax legislation in the various countries in which the Group operates (Note 6.5.1.d). These provisions are recognised and reversed against EBITDA, against net financial income/(expense) and/or against corporate income tax, depending on the nature of the tax for which the provision has been recognised (penalties, related interest, and/or contested tax assessments). The impact of the Services business is recognised in the net profit/(loss) from discontinued operations (Note 1.1.3). The change during the year is explained primarily by reclassifications to short term on the assumption that the matters will be resolved in the coming year (Note 6.5.1.d).

Provision for replacements pursuant to IFRIC 12

This line item includes the provisions for investments in replacements established by IFRIC 12 (see Note 1.2.3.2), the total amount of which amounted to EUR 58 million. This provision is recognised and reversed with a charge/credit, respectively, to the depreciation and amortisation charge over the period in which the obligations accrue, until the replacement becomes operational. The impact of this amortisation amounts to EUR 13 million.

Provisions for other long-term risks

This heading includes the provisions recognised to cover certain long-term risks other than those attributable to litigation or tax claims, such as third-party liability resulting from the performance of contracts, guarantees provided with enforcement risk and other similar items, which amounted to EUR 63 million at 31 December 2020 (31 December 2019: EUR 81 million).

Provision for landfills

“Provision for landfills” contains the estimated cost of landfill closure and post-closure activities relating to the landfills operated in the Services business in Poland. The provision is calculated based on a technical estimate of the consumption to date of the total capacity of the respective landfills. This provision is recognised and reversed with a charge/credit, respectively, to changes in provisions within EBITDA, as the costs required for closure of the landfill are incurred. The balance of EUR 9 million for this heading at 31 December relates to the services business in Poland.

Provision for compulsory purchases

This provision relates to the compulsory purchases for the Azores toll road.

Short-term provisions

At 31 December 2020, the short-term provisions balance amounted to EUR 892 million (31 December 2019: EUR 750 million). The increase is mainly due to reclassifications of tax provisions mentioned above, related to corporate income tax from 2003 to 2005 (Note 6.5.1d).

This entry primarily covers provisions relating to customer contracts, such as provisions for deferred expenses (relating to the completion of works and the removal of site equipment, pursuant to the contract) and provisions for budgeted losses. In this regard, these types of provisions are mainly focused on the Construction Division for EUR 733 million (2019: EUR 763 million).

This provision is recognised and reversed against changes to provisions in EBITDA.

6.4. OTHER LONG-TERM PAYABLES

This heading includes:

- Participating loans granted by Spain’s Central Government to various infrastructure project concession operators were immaterial at 31 December 2020 (EUR 9 million at 31 December 2019 in the Construction Division). The decrease of EUR -9 million is explained by the reclassification to held-for-sale assets of the company Concesionaria de Prisiones Figueras, S.A.U. (Note 1.1.3).
- Long-term loans with associates of the Toll Roads Division, amounted to EUR 11 million (31 December 2019: EUR 11 million).
- Long-term trade payables amounted to EUR 5 million (31 December 2019: EUR 7 million).

6.5. CONTINGENT LIABILITIES, CONTINGENT ASSETS, OBLIGATIONS AND COMMITMENTS

6.5.1. Litigation

In carrying on its activities the Group is subject to possible contingent liabilities of varying kinds. These contingent liabilities lead to lawsuits or litigation in relation to which a provision is recognised based on the best estimate of the foreseeable disbursements required to settle the obligation. These provisions are set out in Note 6.3.

Therefore, it is not expected that any significant liabilities will arise, other than those for which provisions have already been recognised, that might represent a material adverse effect.

The detail of the most significant litigation, in terms of amount, in the Group's various business divisions is as follows:

a) Litigation relating to the toll road business

Terrassa Manresa toll road (AUTEMA):

Contentious-administrative action against Decrees 161/2015 and 337/2016 approved by the Government of Catalonia:

On 14 July 2015, the Government of Catalonia published Decree 161/2015, which radically amended the rules governing the concession for the project originally established in Decree 137/1999. This legislative change was carried out in December 2016 via Decree 337/2016 (both referred to collectively as the "Decrees").

The change introduced by the new legislation entailed moving from a regime under which the Government of Catalonia paid the concession operator the difference between the tolls collected and the operating surplus established in the Economic and Financial Plan, to a system whereby the remuneration earned by the concession operator will depend on the number of the infrastructure's users, with the Government of Catalonia subsidising a portion of the toll paid by the user, reducing AUTEMA's revenues by between 50% and 43%.

In this regard, the Concession Operator considers that there are sound arguments to conclude that the Grantor had clearly exceeded the limits of its power to amend the public arrangements by issuing these decrees. Accordingly, the company filed an appeal against the aforementioned Decrees at the High Court of Catalonia (TSJC).

Over the course of 2017, the co-defendants (the Catalan Government and Bages Regional Council) filed their written submissions in reply to the complaint and, during H1 2018, evidence was heard. Following the submission of written conclusions by Autema in July and by the co-defendants in September 2018, the conclusions phase of the trial was brought to an end.

On 18 March 2019, AUTEMA was notified of the Catalan High Court's judgement disallowing its contentious-administrative appeal against the Decrees. A cassation appeal has been lodged against this judgement at the Supreme Court.

On 19 October 2020, the Company was notified that the cassation appeal had not been given leave to proceed at the Supreme Court. As a result of this Supreme Court decision, the judgement issued by the Catalan High Court became final and fully applicable.

On 17 November 2020, a plea for nullity of the decision was filed on the grounds that the Supreme Court, before disallowing the appeal, should have initiated a preliminary ruling procedure before the European Court of Justice and, not having done so, infringed the appellant's right to due process. The plea for nullity has recently been dismissed. AUTEMA is preparing an appeal (recurso de amparo) before the Constitutional Court.

AUTEMA has continued to treat the concession as a financial asset in the past few years, based on the opinion of its external legal advisors, who considered there to be sound grounds for arguing that the publication of the Decree was an abuse of the granting authority's power to modify the concession scheme.

However, due to the non-admission of the cassation appeal, the company has changed the accounting treatment of the concession, changing it from a financial asset to an intangible asset. The impact of this change was made with effect from 1 January 2020 and entailed the recognition of a non-recurring profit, as explained in Note 2.5.

M-203 toll road

Legal action filed by the concession operator seeking the termination of the concession agreement on the grounds of a breach by the Administration:

On 24 April 2014, the Concession operator instigated a proceeding at the Madrid High Court of Justice requesting the termination of the concession arrangement due to a breach by the grantor and the annulment of the penalties imposed on the Concession Operator due to the halting of the construction work.

Following the favourable judgement by the Madrid High Court, in an Order from the CAM's Ministry of Transport, Infrastructure and Housing dated 3 November 2017 (the "Order for Termination"), the Community of Madrid (CAM) terminated the concession agreement. In 2018, the CAM took over the works and refunded the bank bonds provided as a definitive guarantee (which amounted to EUR 6 million).

With regard to the Authority's subrogation to the expropriation proceedings and compensation both for the investment made (net investment value - NIV) and for the damage suffered, in April 2019 the Company filed a complaint with the CAM, citing the Authority's failure to act and demanding that it comply with its obligation to issue a ruling on the NIV.

As the CAM did not respond to the Company's demand within 3 months, the Company filed a contentious-administrative appeal on 15 July 2019 in which it cited the CAM's failure to act and included an interim injunction asking the court to order the CAM to issue its ruling expeditiously.

This interim injunction was rejected in October 2019, and the legal procedure seeking to have the CAM hand down its ruling on the NIV has continued its course. The Company filed a claim at the Madrid High Court on 17 December, and on 11 February 2020 notification was received of the CAM's response, giving the Company a period of time to submit its written conclusions.

In addition, on 27 January 2020, the Company was notified via administrative channels of the CAM's valuation report on the amount of the NIV, in which it puts this figure at EUR 56 million (excluding VAT) plus the interest that accrues until payment is effectively made. The Company was invited to present allegations and did so on 12/02/2020, referring to the content of the previous documents, requesting that a resolution be issued as soon as possible and reserving the right to take any steps admissible to claim the difference between the EUR 60 million claimed, as recognised in the Company's balance sheet, and the amount recognised in the report. The Company has decided to set aside a provision of EUR 4 million, which is the difference between the EUR 60 million recognised in receivables, to offset the investment made by the Company, and the EUR 56 million that the CAM valued this at in its NIV report.

Finally, on 22 October 2020 the Company was notified of a judgement upholding the appeal against administrative silence in which the Madrid Regional Government was ordered to immediately issue the NIV settlement decision. The judgement was declared to be final on 27 November 2020. The Madrid Regional Government then had two months to enforce the judgement and issue the corresponding NIV resolution. On 3 February 2021, once the two-month period had elapsed without the Madrid Regional Government having issued the resolution, the Company submitted a request to the Madrid High Court for the enforcement of the judgement without delay.

As a result of the termination of the concession arrangement, at 31 December 2020 the Company reclassified the carrying amount of the asset (EUR 78 million) as receivables and includes the above-mentioned EUR 60 million, as well as EUR 13 million in VAT and EUR 5 million in interest. As indicated, a provision of EUR 4 million is recorded in case of non-recovery.

Court proceedings instigated by the financial institutions of the radial 4 project:

With regard to Radial 4, in June 2013 a group of financial institutions from the banking syndicate that was financing the Project filed court proceedings with Madrid Court of First Instance No. 61 against the shareholders of the company that had guaranteed the contribution of contingent capital in certain circumstances, namely Cintra Infrastructures, SE – and Sacyr Concesiones, S.L.

In that lawsuit, they sought the enforcement of a guarantee that had been put in place by the shareholders, on the grounds of an alleged breach of certain ratios. This corporate guarantee amounts to a total of EUR 23 million, of which Cintra's share amounts to EUR 14.9 million. In their reply to the action, Cintra and Sacyr argued, inter alia, that the banks did not have active locus standi (a legitimate right to act), believing that they could not file an action against the Shareholders but should instead file it against the company that was the Investor in the Project. They also argued that the purpose of the guarantee was not to afford the borrower funds to cover payments relating to the financing, but rather to ensure its financial solvency in order to meet obligations arising from a refinancing process that has not taken place.

In the end, the First Instance Court accepted the plea for the lack of active locus standi on the part of the claimants, dismissing the banks' claim without entering into the merits of the case. The Banks appealed this judgement before the Madrid Court of Appeal, which upheld the first instance judgement in December 2016. Against this judgement, the financial institutions filed an extraordinary appeal for procedural infringement with the Supreme Court.

Notice of the Supreme Court's ruling admitting the Banks' extraordinary appeal for a procedural infringement was given on 12 July 2019, recognising the Banks' active locus standi to make a direct claim against the Sponsors and thus forcing the Court of Appeal to enter into the merits of the case.

On 21 February 2020, notice was received of the Supreme Court judgement upholding the extraordinary appeal lodged last year by the banks financing the R4 toll road in which they claimed the enforcement of the guarantees given by the project's former shareholders (in the amount of EUR 14.95 million, fully provisioned, in Cintra's case). As a consequence, the proceedings have been passed on to the Provincial Court, which must issue a new judgement based on the merits of the case after confirming the financing banks' legal standing.

On 14 October 2020, notification was given of the judgment handed down by the Madrid Court of Appeal upholding the banks' claim. The shareholders Cintra and Sacyr lodged a cassation appeal against this decision at the Court of Appeal. The appeal was admitted on 3 February 2021, the shareholders were instructed to appear before the Supreme Court and a certificate was issued attesting to the judgement, as required by the banks in order to request provisional enforcement. Cintra and Sacyr are awaiting the Supreme Court's decision to admit or disallow the cassation appeal and the banks may request the provisional enforcement of this judgement in the next few days.

At present, both the EUR 14.95 million of the guarantees given and the EUR 4.18 million in default interest accruing since the proceeding began are fully provisioned by the Company.

Lawsuit regarding insolvency of SH-130 toll road creditors

On 1 March 2018, "SH-130 Concession Company, LLC" filed an initial statement of case at the United States Bankruptcy Court Western District of Texas against Ferrovial, S.A, Cintra Infrastructures SE, Ferrovial Construcción and other companies of the Ferrovial Group, and against the partner in the SH-130 toll road project.

SH-130 Concession Company, LLC was 65% owned by Cintra TX 56, LLC until 28 June 2017, when ownership of its share capital was transferred to the current shareholders as the result of the completion of the voluntary insolvency process (Chapter 11) filed on 2 March 2016.

The complaint is based on the claim that some of the payments made by the concession operator to the construction company in 2011 and 2012, during the toll road's design and construction phase, were allegedly made in a way that defrauded the creditors, since, in the claimant's opinion: (i) the works were completed incorrectly and should not, therefore, have been paid for; and (ii) the concession operator was insolvent.

The claimant is demanding the refund of these payments, which amount to USD 329 million.

It also accuses Ferrovial, S.A., Cintra Infrastructures SE and other Group companies of having caused SH-130 Concession Company, LLC to make such payments, thus breaching the fiduciary duties that it should have observed under the State of Delaware's commercial legislation, as well as accusing them of aiding and abetting the breach of such duties.

In an amendment to the initial statement of case filed on 28 September 2018, the claimant sought additional damages consisting of the refund of the profits earned under the agreements for services for which the defendants had invoiced the claimants over the said period. The claimant is yet to specify the amount required for this item. It has also extended the initial complaint in relation to fulfilment of fiduciary duties.

The Ferrovial Group's defendant companies presented various motions to dismiss on the initial legal action. On 7 September 2018, the court allowed the motions to dismiss relating to the Group companies Ferrovial Internacional, S.L.U. and Ferrovial International Ltd. (which have been excluded from the legal action). The proceeding continues with respect to the other defendants. The aforementioned amendment to the complaint was also the subject of a second motion to dismiss, which was rejected by the court on 16 July 2019.

On 5 August 2019, the claimant filed a third amendment to the complaint, in which it extended its accusations of an infringement of fiduciary duties to events that had occurred in 2007 as a result of the financial closure of the project.

At the time of closing of these financial statements, this lawsuit is in the discovery phase, which once completed will be followed by the submission and argument phases. The timetable for this process has undergone several reviews, the most recent on 10 February 2021, when the court handed down a new order extending the time periods allocated to the proceedings. A final ruling is expected by Q3 2021.

An analysis of the current situation carried out by legal advisors has led to the conclusion that the Ferrovial Group companies named as defendants could succeed in having the actions brought against them rejected by the Court. Based on the above, the Company has not set aside any provision in group companies in relation to these legal proceedings.

b) Litigation relating to the Construction business

The Construction Division is involved in a number of ongoing legal actions, relating principally to potential construction defects in the building work it has completed and claims for civil liability.

The provisions recognised in relation to these risks at 31 December 2020 totalled EUR 104 million (2019: EUR 112 million) and relate to a total of 75 lawsuits.

The main lawsuit relates to the SH 130 toll road construction works in Texas, as detailed below, and this is in addition to the proceedings relating to the same project, which are described in the section relating to lawsuits in the toll road business.

Arbitration - construction works at the SH-130 toll road in Texas:

In addition to the legal action mentioned in the section relating to litigation in the toll road business, the concession operator for the SH 130 toll road (SH130 Concession Company, LLC) filed a request for the submission to arbitration of a dispute against Central Texas Highway Contractors, LLC, the toll road's constructor (in which Ferrovial Construcción holds a stake), and against the companies Zachry Industrial, INC. and Ferrovial Construcción, as the joint guarantors of the aforementioned company. In the application for arbitration, the concession operator included general, concise allegations of construction faults and defects, basically in relation to the road surface package, which it valued at USD 130 million, 50% of which (USD 65 million) would be attributable to Ferrovial's ownership interest, there being no joint and several liability with respect to the other shareholder's ownership interest.

In March 2019, the company SH130 Concession Company LLC, filed a statement of claim for USD 161 million (which added to the initial USD 130 million, amounts to a total of approximately USD 291 million), which consists of the amounts that SH130 Concession Company, LLC alleges it has incurred or will incur to repair the damages claimed.

Of this amount, 50% (USD 145 million) would relate to the Ferrovial Group's ownership interest.

Following the submission of the respondent's statement of defence, SH130 Concession Company, LLC has filed its statement of reply in December 2019, in which it basically maintains the same claims but has reduced the amount to USD 280 million (USD 140 million would be attributed to the Ferrovial Group's share).

In January 2020, a mediation process was initiated with SH130 Concession Company, LLC (also involving the project partner Zachry, insurance companies, designers and subcontractors related to the alleged construction defects) in order to negotiate the close of the claim. This mediation process ended without a settlement.

The hearing began on 9 March 2020 but was suspended on 20 March due to COVID-19. The hearing resumed through electronic means on 13 August. The International Chamber of Commerce (institution responsible for the arbitration proceeding) has sent notice that the final award will be issued by the arbitrators in mid-March 2021. The award will probably be notified to the parties in April.

After analysing all the documents accessed, the legal advisors of the companies involved still believe that construction work on the toll road was carried out in accordance with the terms of the contract and industry best practices and that, in any case, any liability that may result from this lawsuit could be reduced by certain factors, such as:

- The existence of insurance policies to the benefit of the construction company.
- Any liability for the defects being alleged should rest with the companies that were subcontracted by the construction company, with regard to both design and the work executed to lay the road surface.
- It would appear that the Texas Department of Transport and the concession operator have reached an agreement to carry out the work required to repair the defects in the amount of USD 60 million, which is well below the amount claimed.

The Company does not consider there to be additional risks other than those already taken into consideration in the provision recognised in 2019 (USD 25 million).

Construction business in Spain:

On 1 October 2019, the Spanish National Markets and Competition Commission's (CNMC) Competition Division (CD) agreed to bring sanctions proceedings against a number of companies, one of them being Ferrovial Construcción, for alleged prohibited behaviour that is contrary to competition regulations.

As outlined by the CD, this behaviour ostensibly consists of the exchange of certain information between companies for the purposes and/or with the effect of restricting competition during the course of the competitive tendering processes organised by Public Authorities in Spain for the construction and refurbishment of infrastructure and buildings.

The list of charges drawn up by the CD was received in October 2019. This document contains the conclusions reached in the investigation that was carried out and it gives details of the events that could constitute an infringement of the competition regulations. A statement of defence arguments was filed in December, arguing that the infringements indicated by the CD had not occurred.

In March 2020, the CD gave notice of the proposed penalty, stating that the parties' practices conflict with and infringe the Spanish Anti-Trust Law and proposing a penalty of EUR 48 million.

On 11 June, Ferrovial Construcción presented its writ of allegations against the proposal. On 16 July, the CNMC's Competition Court declared the proceedings to have expired and ordered the raising of new proceedings relating to the same events.

The Group therefore considers that no amount need be provisioned in addition to the EUR 3 million recognised in the 2019 Consolidated Annual Accounts.

c) Litigation relating to the Services business (discontinued operations)

Services business in the UK:

Amey Cyber-attack

Likewise, on the 16th December 2020 Amey became aware of a cyber-attack. It later transpired that the attack had resulted in data theft and systems encryption. The attackers contacted with Amey in pursuit of a ransom, however such request was rejected, and information was subsequently published on the dark web. Some Amey computers, servers, systems and files were impacted. Other systems (including SAP) were not impacted but disabled as precaution. Ferrovial systems were not impacted.

An immediate mitigation action plan was enacted with four action lines (investigate, preserve, recover and restore). The company has insurance policies covering risks related to the cyber-attack.

After the analysis of the impact, management has concluded that the cyber-attack has not had a material impact on its 2020 financial information and there is not a material liability that would require the recognition of a risk provision at year end. At as the date of this Financial Statements, there have been no material contractual performance deductions levied against Amey as a direct consequence of the cyber-attack. Amey is not aware of any claim outside of the normal contractual mechanisms.

WBHO lawsuit

On 22 December 2020, WBHO, a subcontractor to Amey Consulting Australia Pty Limited filed a lawsuit against the company in the New South Wales Supreme Court. The lawsuit does not refer to a specific amount but merely seeks the payment of: i) ordinary damages; ii) damages relating to alleged misleading or improper conduct under the terms of Australian Consumer Law during the tendering phase; iii) compensation for alleged breaches of contract and additional expenses incurred by WBHO originating from two other subcontractors; iv) interest; and v) costs. The basis for the claim made in point iii) is that Amey failed to meet the milestones for finalisation of the design, so the project took longer and WBHO incurred construction costs that had not been considered on the date of the contract.

The lawsuit is lacking in detail. Amey will request additional information from the court including more detail of the lawsuit, though it has also notified its insurers about the lawsuit and at closing set aside a provision of AUD 3 million against the excess on the insurance policy.

Mick George Limited lawsuit

AmeyCespa (East) Limited maintains a service provision agreement with Northamptonshire County Council and subcontracts some of the services to Mick George Limited under an agreement that expires on 31 March 2023. In September 2019, AmeyCespa (East) Limited received a series of invoices from its subcontractor Mick George as the result of a different interpretation of the clauses of the agreement.

In these invoices, the subcontractor retrospectively recalculated the amounts owed since April 2013, and it continues to apply this new interpretation to any new invoices. The amount claimed amounts to GBP 21.6 million (GBP 25.9 million including VAT), and the difference arising from this new interpretation amounts to approximately GBP 390,000 per month. In the opinion of the Group's legal advisors, Amey has a strong case, and no provision has therefore been set aside in this regard.

Services business in Spain:

Litigation relating to the Resolution from the Spanish National Markets and Competition Commission (CNMC) in relation to the municipal solid waste sector.

On 12 June 2019, the CNMC set forth a list of the established facts in which it outlined anti-trust conduct or practices, divided into two blocks:

- participation in market-sharing agreements and recommendations in the municipal solid waste sector as a partner of ASELIP (Association of Waste Management and Street Cleaning Companies); and
- bilateral client-sharing agreements with a competitor in the non-hazardous industrial waste sector in Catalonia and Andalusia, and with another competitor in the same industrial waste sector in Andalusia.

As reported in the 2019 annual accounts, Ferrovial has filed a contentious-administrative appeal with the National Court on the grounds that the initiation of these new proceedings violates the basic right of Cespa S.A. and Cespa Gestión de Residuos S.A.U. not to be tried twice for the same offence, since proceedings were previously initiated for the same reason and later dismissed by the Courts.

The appeal has been concluded and is now pending a date to be set for the voting and handing down of the judgement. On 31 July 2019, the CNMC handed down its ruling on a proposed penalty, and on 30 August 2019 CESPA and CESPA GR filed claims against this ruling.

On 19 September 2019, the CNMC Board ordered the suspension of the term allocated to resolve the proceedings until the National Court has ruled on the contentious-administrative appeal for the protection of basic rights. The Group has decided not to set aside any provision, given that the Company's legal advisors believe that the arguments set out in the appeal seeking protection for basic rights are robust.

Litigation relating to the penalty proceedings opened by the Spanish National Markets and Competition Commission (CNMC) in relation to the road maintenance sector:

Following a period of investigation into reserved information, on 16 July 2019, the CNMC initiated penalty proceedings against FERROSER INFRAESTRUCTURAS, S.A. and its Parent FERROVIAL, S.A., along with other companies in the sector (ACS, ACCIONA, FCC, OHL, SACYR, ELECNOR, and others), due to potential anti-trust practices during tendering for providing maintenance and operations services for the State Road Network, arranged by the Ministry of Public Works.

The CNMC has only announced initiation and has provided access to part of the proceedings. In relation to the investigation period related to the reserved information, the Group has filed a contentious-administrative appeal with the National Court seeking protection for basic rights, essentially based on the fact that the Inspection order was very generalised and that the indicators of the investigation were not provided, and this has been admitted for process and has been challenged by the Public Prosecutor, pending a date for a vote and ruling. For the same reasons, on 11 January 2019, an appeal was filed with the Madrid High Court, asking for the Court Ruling that authorised the inspection to be revoked, though the appeal was definitively dismissed.

On 6 March 2020, the CNMC issued a resolution suspending the maximum period for issuing a decision in the penalty proceedings. This is explained by the appeals lodged by other companies investigated against the decisions of the Competition Directorate whereby the confidential nature of certain documents obtained in the inspections of these companies was partially rejected. The maximum period for issuing a decision in the proceeding (18 months as from initiation) will be suspended until the day following the Board's resolutions on the appeals filed (the Board must issue a decision within three months). In any event, the Competition Directorate has stated that this suspension of the maximum resolution period does not necessarily mean that proceedings will be suspended.

On 31 December 2020, the CNMC gave notice of its List of Established Facts, in which Ferrovial Servicios was also included, but without proposing a penalty. The relevant claims were properly filed within the necessary deadline (3-02-2021) by the three companies, and no provisions have been entered in this regard as at 31 December 2020.

Empresa de Mantenimiento y Explotación M-30, S.A. (Emesa).

As set out in the 2018 annual accounts, acting through the company Empresa de Mantenimiento y Explotación M-30, S.A. (Emesa) in which it holds a 50% stake, the Group is operating the contract for the maintenance of the M-30 infrastructure, and it holds a 20% stake in the mixed financial holding company Madrid Calle 30, which is the holder of the concession agreement for this infrastructure. During the 2017 financial year, Madrid City Council, which also holds a stake in Madrid Calle 30, formed a municipal Investigation Commission whose main recommendations (insofar as they affect the Group) are to reverse the management model for Madrid Calle 30 to one in which the company is 100% municipally owned and to request the relevant City Council bodies to determine who is liable for paying for the electricity supply, which to date has been paid for by Madrid Calle 30. On 31 December 2018, Emesa filed an appeal against the resolution in which the Madrid City Council approved the Report by the Investigation Commission.

On 3 June 2019, a judgement was issued on the appeal, declaring that it was inadmissible due to a lack of legal standing on the part of the appellant (Emesa). Nonetheless, although it was not given leave to proceed, point of law four of the appeal states that the Investigation Committee's rulings are mere recommendations and are not binding on Emesa. In other words, the company could only be affected by any possible rulings that may be issued in the future that contain the said recommendations.

As regards liability for electricity supply payments, on 16 September 2020 MC30's duly empowered director sent a bureau fax to EMESA claiming payment of the cost. On 2 October 2020, EMESA objected to paying. On 6 October, MC30's director sent another bureau fax to EMESA in which it (i) considers the limitation period for the claim made to have been interrupted; (ii) conditions the instigation of legal actions by MC30 on the final decisions that may be taken by Madrid City Council. EMESA has decided not to set aside any provision to this regard, given that the Company's legal advisors believe that the arguments are robust.

d) Tax-related litigation

As indicated in Note 6.3, Ferrovial has recognised provisions for taxes for a total amount of EUR 185 million. In the companies in the Services Division, located in the discontinued operations line item, these tax provisions amount to EUR 27 million.

These provisions primarily correspond to on-going tax-based legal actions relating to tax inspections in Spain, the most significant being those concerning corporate income tax and VAT for the periods 2002 to 2015. Therefore, the total amount for litigation in Spain amounts to EUR 373 million, of which the Group believes that it has strong arguments to defend its procedural position, therefore it has set aside partial allowance provisions to cover the risk that could arise from these actions in the amount of EUR 268 million, as well as EUR 7 million associated with companies in the Services Division, which are classified under discontinued operations.

These actions include one that relates to the tax write-down of financial goodwill resulting from the acquisition of Amey and Swissport. Ferrovial has filed an appeal against the decision by the European Commission in 2014 ("Third Decision"), in which this kind of tax measure is classified as constituting state aid. Although we feel there are sound grounds supporting the Group's procedural stance, if a favourable court judgement is not issued, the amount of EUR 87 million will be payable to the Treasury, including the expected Corporate Income Tax for 2020, of which EUR 37 million was already settled in 2017 and EUR 3.8 million is expected to be paid in 2021. In this pessimistic scenario, the impact on the income statement would be EUR 4.5 million, having recognised the corresponding deferred tax liability of EUR 134 million, which is offset by applying tax credits available to the Company in the amount of EUR 42 million.

Also included is the Ferrovial lawsuit relating to Corporate Income Tax for the financial years 2003 to 2005, in which the main point of law concerns the different interpretation given to the setting aside of the provision for the portfolio of shares in Toronto Highway BV. The Supreme Court has handed down a Judgement dismissing the action, and the Company has filed an action to have the Judgement set aside. The amount to pay totals EUR 79 million, which is fully provisioned. During the year, this amount has been reclassified from long-term provisions for lawsuits to short-term provisions.

e) Other litigation

In addition to the litigation discussed above, of particular note is the Group continuing to maintain its contractual position vis-à-vis certain tax claims that had been filed by Promociones Habitat, S.A., which was sold by Ferrovial Fisa, S.L. in 2016. These claims are currently pending resolution or payment and a provision for the amount thereof has been duly recognised in the consolidated financial statements.

6.5.2. Guarantees

a) Bank guarantees and other guarantees issued by insurance companies

In carrying on its activities the Group is subject to possible contingent liabilities – uncertain by nature – relating to the liability arising from the performance of the various contracts that constitute the activity of its business divisions.

In order to cover the aforementioned liability, the Group has bank guarantees and other guarantees issued by insurance companies. At 31 December 2020, the balance amounted to EUR 6,728 million) EUR 7,742 million at 31 December 2019).

The following table contains a breakdown of the risk covered in each business area.

(Millions of euros)	2020	2019
Construction	4,548	5,526
Toll roads	1,051	1,199
Airports	18	20
Other	299	292
Total continuing operations	**5,915**	**7,036**
Services	813	707
Total discontinued operations	**813**	**707**
TOTAL	**6,728**	**7,742**

The EUR 6,728 million, by type of instrument, relate to: i) EUR 3,403 million of bank guarantees; ii) EUR 2,636 million of guarantees provided by bonding agencies and iii) EUR 689 million of bank guarantees provided by insurance companies.

These guarantees cover the liability to customers for correct performance in construction or services contracts involving Group companies. So, if a project were not executed, the customer would enforce the guarantee.

Despite the significant amount of these guarantees, the impact that might arise on the consolidated financial statements is very low, since the Group Companies perform contracts in accordance with the terms and conditions agreed upon with the customers and recognise provisions within the results of each contract for risks that might arise from performance thereof (Note 6.3).

Lastly, of the total amount of the Group's bank guarantees for continuing operations listed in the above table, EUR 756 million (Note 6.5.3.) secure its commitments to invest in the capital of infrastructure projects.

b) Guarantees given by Group companies for other Group companies

As indicated previously, in general guarantees are provided among Group companies to cover third-party liability arising from contractual, commercial or financial relationships.

Although these guarantees do not have any effect at consolidated Group level, there are certain guarantees provided by non-infrastructure project companies to infrastructure project companies (Note 1.1.2.) which, due to the classification of project borrowings as being without recourse, it is relevant to disclose (see Note b.1.). Contingent capital guarantees).

Other noteworthy guarantees have also been provided to equity-accounted companies (see b.2.).

b.1) Guarantees provided by ex-infrastructure project companies to infrastructure project companies in relation to the borrowings of the latter that could give rise to future additional capital disbursements if the events guaranteed took place (contingent capital guarantees).

Guarantees provided by non-infrastructure project companies to infrastructure project companies can be classified into the following two categories:

- Guarantees that address the correct performance in construction and service contracts which have been mentioned in Note 6.5.2-a).
- Guarantees related to risks other than the correct performance of construction and service contracts, which could give rise to future additional capital disbursements if the events guaranteed take place.

The latter guarantees are the ones that are going to be explained in further detail in this section since, as mentioned in Note 5.2., net cash position, the borrowings for infrastructure projects are without recourse to the shareholders or with limited recourse to the guarantees provided and, therefore, it is relevant to distinguish those guarantees that if the guaranteed event occurs, could be executed and could result in disbursements to the infrastructure projects or holders of their debt other than the committed capital or investment mentioned in Note 6.5.3. Such guarantees are called contingent capital guarantees.

The detail, by beneficiary company, purpose and maximum amount, of the outstanding guarantees of this nature at 31 December 2020 relating to fully consolidated infrastructure project companies is as follows. At 31 December 2020, Figueras has been classified as held for sale (discontinued operations). It should be noted that the amounts below relate to Ferrovial:

BENEFICIARY COMPANY (PROJECT)	GUARANTEE PURPOSE	AMOUNT
Conc. Prisiones Lledoners	Technical guarantee to repay amounts to the bank in the event of termination of the contract. Does not cover insolvency (default) or breach by the grantor	69
Conc. Prisiones Figueras	Technical guarantee for failure to repay the bank in three specific cases relating to construction permit, General Urban Development Plan (PGOU) and modifications. Does not cover insolvency (default) or breach by the grantor	57
SUBTOTAL OF GUARANTEES FOR CONSTRUCTION PROJECTS		**126**
TOTAL GUARANTEES FOR FULLY CONSOLIDATED INFRASTRUCTURE PROJECTS		**126**

The Company has also furnished bank guarantees amounting to EUR 10 million in relation to the Centella project (transmission lines in Chile) to cover the achievement of project milestones and payment of any fines during the initial execution period.

The detail of the amounts of the guarantees, in relation to the financing of the equity-accounted infrastructure projects and, accordingly, the borrowings of which are not included in the Group's consolidated financial statements is as follows. At 31 December 2020, Urbicsa has been classified as held for sale (discontinued operations). It should be noted that the amounts below relate to Ferrovial:

BENEFICIARY COMPANY	GUARANTEE PURPOSE	AMOUNT
Ausol	Financial guarantee covering the contribution of contingent equity.	3
Serrano Park (Cintra)	Guarantee to cover repayment of the debt	1
Auto-Estradas Norte Litoral (Cintra)	Guarantee limited to compulsory purchase overruns.	0
Ruta del Cacao (Cintra)	Guarantee limited to construction works overruns.	2
URBICSA (Construction)	Technical guarantee for repayment in the event of termination of the agreement or breach of certain contracts on grounds attributable to the Borrower or its Shareholders. Does not cover insolvency or breach by the Grantor.	42
TOTAL GUARANTEES FOR EQUITY-ACCOUNTED INFRASTRUCTURE PROJECTS		**48**

In relation to the I-66 toll road project, the Company has provided bank guarantees amounting to EUR 12 million in relation to potential capital repayments (contingent capital) for that amount.

In addition, the Company has provided a guarantee amounting to EUR 19.1 million in relation to the Radial 4 toll road, which was excluded from the consolidation scope in 2015. This amount is fully provisioned at 31 December 2020 and a related cassation appeal is currently in progress (Note 6.5.1.a)).

b.2) Other guarantees provided to equity-accounted companies other than infrastructure project companies

Certain construction and services contracts are performed by equity-accounted companies often created specifically to execute contracts previously awarded to their shareholders. In these cases, the shareholders provide performance bonds relating to those contracts. The liability secured is similar to that indicated in Note 6.5.2.a.

They include guarantees provided in the Services Division by Amey UK PLC in favour of various equity-accounted companies that it has an ownership interest in. These guarantees total EUR 303 million, the most significant of which related to the contracts with the British Ministry of Justice and the Manchester tram network. It should be noted that the aforementioned amount relates to the annual amount of contracts not yet performed in proportion to Ferrovial's percentage of ownership.

c) Security interests in assets

The security interests in assets are described in the following Notes:
Guarantees given for fixed assets (Note 3.4)
Security interests in deposits or restricted cash (Note 5.2).

d) Guarantees received from third parties

At 31 December 2020, Ferrovial had received guarantees from third parties totalling EUR 1,601 million (31 December 2019: EUR 1,098 million), mainly in the Construction Division in the Ferrovial Construcción companies in the United States (EUR 1,184 million), the Budimex Group (EUR 153 million) and other construction companies (EUR 264 million), particularly noteworthy were the companies in the UK (EUR 98 million) and national construction (EUR 66 million).

These third party guarantees are technical guarantees that are offered by certain subcontractors or suppliers in the construction business in order to guarantee complete compliance with their contractual obligations with regard to the work they are engaged to complete, and may not be sold or pledged.

6.5.3. Commitments

As described in Note 1.1, the infrastructure projects carried out by the Group are performed through long-term contracts where the concession operator is a company in which the Group has interests, either alone or together with other partners, and the borrowings necessary for financing the project are allocated to the project itself, without recourse to the shareholders or with recourse limited to the guarantees provided, under the terms set forth in Note 5.2. From a management viewpoint, Ferrovial therefore takes into account only the investment commitments relating to the capital of the projects, since the investment in the assets is financed by the borrowings of the projects themselves.

a) Investment commitments

The investment commitments of the Group in relation to the capital of its infrastructure projects are as follows:

(Millions of euros)	2021	2022	2023	2024	2025	2026 AND BEYOND	TOTAL
Toll roads	2	58	13	3	0	0	75
Airports	53	40	4	0	0	0	**98**
INVESTMENTS IN FULLY CONSOLIDATED INFRASTRUCTURE PROJECTS	**55**	**98**	**17**	**3**	**0**	**0**	**173**
Toll roads	358	266	0	0	0	26	650
Airports	28	0	0	0	0	0	28
Construction	1	0	0	0	0	0	1
INVESTMENTS IN EQUITY-ACCOUNTED INFRASTRUCTURE PROJECTS	**386**	**266**	**0**	**0**	**0**	**26**	**678**
TOTAL INVESTMENTS INFRASTRUCTURE PROJECTS	**441**	**364**	**17**	**3**	**0**	**26**	**851**

At 31 December 2020, the investment commitments amounted to EUR 851 million (2019: EUR 976 million). Toll Roads Division includes EUR 590 million in relation to the I-66 toll road project. Airports Division includes GBP 25 million related to the AGS airports project and the rest of the investment commitments are related to transmission lines in Chile. The curtailment in investment commitments is primarily related to investments made in toll road projects in the US and Australia in 2020.

As indicated in 6.5.2.a), a part of these infrastructure project commitments, amounting to EUR 851 million, are secured by bank guarantees amounting to EUR 756 million.

There are also property, plant and equipment purchase commitments in the Services Division totalling EUR 112 million (2019: EUR 129 million) which relate mainly to the acquisition of machinery or the construction of treatment plants. There are also EUR 4 million related to acquiring companies in the Construction Division (2019: EUR 4 million).

(Millions of euros)	2021	2022	2023	2024	2025	2026 AND BEYOND	TOTAL
Acquisition of property, plant and equipment	70	15	2	9	2	14	112
Acquisition of companies	1	0	0	0	0	0	1
TOTAL SERVICES	**70**	**15**	**2**	**9**	**2**	**14**	**112**
Acquisition of companies	0	0	4	0	0	0	4
TOTAL CONSTRUCTION	**0**	**0**	**4**	**0**	**0**	**0**	**4**
TOTAL	**70**	**15**	**6**	**9**	**2**	**14**	**116**

b) Environmental commitments

Any operation designed mainly to prevent, reduce or repair damage to the environment is treated as an environmental activity.

Costs incurred to protect and improve the environment are taken to profit or loss in the year in which they are incurred, irrespective of when the resulting monetary or financial flow takes place.

Provisions for probable or certain environmental liability, litigation in progress and indemnities or other outstanding obligations of undetermined amount not covered by insurance policies are recorded when the liability or obligation giving rise to the indemnity or payment arises.

6.6. REMUNERATION OF THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

6.6.1. Bylaw-stipulated Board of Directors' remuneration

The Company’s current remuneration scheme, regulated by Article 56 of its bylaws, consists in the stablishment - by the Annual General Meeting- of the maximum annual remuneration for all the members of the Board of Directors. The Directors' Remuneration Policy approved by General meeting of Shareholders on April 17, 2020, determined the maximum and the set of annual amount of Directors' remuneration for the term of that Policy (years 2020, 2021 and 2022), setting it as a fixed amount.

The remuneration of Directors in its condition comprises (i) a fixed allocation, a part of which is paid in quarterly instalments and the remainder (the additional fixed allocation) by means of a single payment at the end of the financial year; and (ii) per diems for actual attendance at Board and committee meetings. Remuneration is linked to the functions and responsibilities assigned to each director, membership of Board committees and other objective circumstances that the Board of Directors deems relevant, thereby ensuring their long-term independence and commitment.

On the same date these annual accounts are authorised for issue, the Board of Directors issues and makes available to the shareholders the Annual Report on Directors' Remuneration referred to in Article 541 of the Spanish Companies Act. The report describes in greater detail aspects of the Company's remuneration policy applicable in the current year, providing an overview of how the remuneration policy was applied in 2020 and a breakdown of the individual remuneration accrued to each director in 2020. The table below shows the itemised bylaw-stipulated remuneration of the members of the Board of Directors accrued during 2020 and 2019.

Should more meetings be held than initially envisaged or, for any other reason, should the amount of the per diems plus fixed allocations exceed the total maximum remuneration payable to directors for the year in question, the difference is deducted from the amount of the additional fixed allocation proportionally for each director on the basis of Board status. This adjustment was made in 2019.

The decrease in the remuneration of the Directors in their capacity as such during 2020 is due to the reduction of part of their fixed allowance agreed by the Board of Directors of the Company on the occasion of covid-19. The Board of Directors also decided to partially reduce the amount of the fixed supplementary allowance. The difference in this remuneration item between 2020 and 2019 is due to the fact that in 2019 an adjustment was made (as mentioned above), as the amount of the fixed components added to the amount of the per diems exceeded the maximum annual amount determined by the General Meeting.

This table does not include remuneration received by the executive directors for discharging executive duties at the Company, as described in Note 6.6.2.

DIRECTOR (a)	2020			
(Thousands of euros)	FIXED ALLOWANCE	PER DIEMS	ADDITIONAL FIXED REMUNERATION	TOTAL
Rafael del Pino Calvo-Sotelo	33	122	86	241
Oscar Fanjul Martín	33	83	70	186
Ignacio Madridejos Fernández	33	61	43	137
María del Pino y Calvo-Sotelo	33	61	43	137
Santiago Fernández Valbuena	33	69	43	145
José Fernando Sánchez-Junco Mans	33	81	43	157
Joaquín del Pino y Calvo-	33	48	43	124
Philip Bowman	33	59	43	135
Hanne Birgitte Breinbjerg Sorensen	33	56	43	132
Bruno Di Leo	33	58	43	134
Juan Hoyos Martínez de Irujo)	33	61	43	137
Gonzalo Urquijo Fernández de Araoz	33	59	43	135
TOTAL	**394**	**819**	**587**	**1,800**

	2019			
DIRECTOR (a) (Thousands of euros)	**FIXED ALLOWANCE**	**PER DIEMS**	**ADDITIONAL FIXED REMUNERATION**	**TOTAL**
Rafael del Pino y Calvo-Sotelo	35	143	74	252
Santiago Bergareche Busquet (to 19/12/2019)	34	77	63	174
Joaquín Ayuso García (to 30/9/2019)	26	55	35	116
Ignacio Madridejos Fernández (to 30/9/2019)	9	14	9	32
Íñigo Meirás Amusco (to 30/09/2019)	26	57	28	111
María del Pino y Calvo-Sotelo	35	72	37	144
Santiago Fernández Valbuena	35	88	37	160
José Fernando Sánchez-Junco Mans	35	89	37	161
Joaquín del Pino y Calvo-	35	54	37	126
Oscar Fanjul Martín	35	80	37	152
Philip Bowman	35	59	37	131
Hanne Birgitte Breinbjerg Sorensen	35	58	37	130
Bruno Di Leo	35	54	37	126
Juan Hoyos Martínez de Irujo (as from 2/10/2019)	9	12	9	30
Gonzalo Urquijo Fernández de Araoz (as from 19/12/2019)	1	0	1	3
TOTAL	**420**	**912**	**515**	**1,848**

(a) Continuance in the post. Full year, unless otherwise stated.

6.6.2. Individual executive directors' remuneration

a) Remuneration accrued in 2020 and 2019.

In 2020, the following remuneration accrued to the executive directors for the performance of their functions, irrespective of the remuneration referred to in the preceding section.

The decrease in the fixed remuneration of executive directors is due to the reduction approved as a result of COVID-19.

	2020		
EXECUTIVE DIRECTORS' REMUNERATION * (Thousands of euros)	**RAFAEL DEL PINO**	**IGNACIO MADRIDEJOS**	**TOTAL**
Fixed remuneration	1,405	937	2,342
Variable remuneration	1,620	810	2,430
Life insurance premiums	8	4	12
Share plans (1)	1,602	0	1,602
TOTAL 2020	**4,635**	**1,751**	**6,386**

* Remuneration as executive directors

(1) In March 2020, a number of shares equivalent to the level of completion of the units allocated in 2017 were delivered, after the relevant withholdings had been made. The CNMV was notified on dated 16/3/2020.

(2) During 2020, Mr. Ignacio Madridejos has been charged the amount of EUR 8 thousand as remuneration in kind corresponding to a company car.

	2019			
EXECUTIVE DIRECTORS' REMUNERATION * (Thousands of euros)	**RAFAEL DEL PINO**	**IGNACIO MADRIDEJOS (as from 30/9/19)**	**ÍÑIGO MEIRÁS** (to 30/9/19)**	**TOTAL**
Fixed remuneration	1,455	250	969	2,674
Variable remuneration	1,608	250	188	2,046
Life insurance premiums	8	0	5	13
Share plans (1)	1,097	0	1,097	2,194
Other (2)	0	600	725	1,325
TOTAL 2019	**4,168**	**1,100**	**2,984**	**8,252**

** In addition to the information set out above, to compensate for losing his status as executive director of the Company and the subsequent termination of his senior manager contract, the Company paid a gross amount of EUR 8,167 thousand to Íñigo Meirás (the entire amount being subject to personal income tax); amount covered by the group savings insurance policy mentioned in Note 6.6.7.

(1) In March 2019, a number of shares equivalent to the level of completion of the units allocated in 2016 were delivered, after the relevant withholdings had been made. The CNMV was notified on 19/3/2019.

2) An appointment bonus was awarded to Ignacio Madridejos in the form of Ferrovial shares. The figure for Íñigo Meirás relates to the final monetary settlement.

b) Share-based remuneration schemes

The following are the target-linked share-based compensation plans for which vesting has not yet occurred:

EXECUTIVE DIRECTORS' PLAN AT 31.12.2020		**UNITS**	**NO. OF VOTING RIGHTS**	**NO. OF VOTING RIGHTS**
Rafael del Pino y Calvo-Sotelo	2018 allocation	73,900	73,900	0,01%
	2019 allocation	70,000	70,000	0,01%
	2020 allocation	46,500	46,500	0,00%
Ignacio Madridejos Fernández	2019 allocation	14,468	14,468	0,00%
	2020 allocation	46,500	46,500	0,00%

6.6.4. Pension funds and plans or life insurance premiums

As in 2019, no contributions were made in 2020 to pension plans or funds for former or current members of the Company's Board of Directors or for directors of the Company who are members of other Boards of Directors and/or senior managers of Group companies and associates. No such obligations were acquired during the year.

As regards life insurance premiums, the Company has insurance policies covering death (for which premiums totalling EUR 12 thousand were paid in 2020; EUR 13 thousand in 2019) under which the executive directors are beneficiaries. No life insurance premiums were paid for Company directors who are members of other Boards of Directors and/or senior managers of Group companies or associates.

Lastly, the Company has arranged a third-party liability insurance policy covering the directors and managers of the Group companies, the parent company of which is the Company. Those insureds include the Company's Directors. The premium paid in 2020 under the aforementioned insurance policy amounted to EUR 1,059 thousand.

6.6.5. Advances and loans

At 31 December 2020, no advances or loans had been granted by the Company to the directors in their capacity as such or as members of other Boards of Directors or senior managers of Group companies or associates.

6.6.6. Senior management remuneration

The overall remuneration accrued to the Company's senior managers in 2020 is analysed below:

SENIOR MANAGEMENT REMUNERATION

(Thousands of euros)	2020	2019
Fixed remuneration	5,317	4,714
Variable remuneration	3,657	3,202
Performance-based share plan	4,528	3,090
Exercise of stock option plans and/or other financial instruments (see description)	0	0
Remuneration as members of administrative bodies of other Group companies, jointly-controlled entities or associates	30	35
Insurance premiums	17	18
Other (1)	2,291	0
TOTAL	**15,840**	**11,059**

(1) Removal of two senior managers (figure subject to personal income tax), and a joining bonus

SENIOR MANAGEMENT REMUNERATION

(Thousands of euros)	2019	2018
Fixed remuneration	4,714	5,237
Variable remuneration	3,202	3,803
Performance-based share plan	3,090	5,083
Exercise of stock option plans and/or other financial instruments (see description)	0	0
Remuneration as members of administrative bodies of other Group companies, jointly-controlled entities or associates	35	35
Insurance premiums	18	19
Other (1)	0	8,924
TOTAL	**11,059**	**23,101**

(1) Removal of two senior managers (figure subject to personal income tax).

The remuneration indicated relates to the following posts: General Secretary, Chief Financial Officer, HR General Manager, Construction General Manager, Services General Manager, Airports General Manager, Toll Roads General Manager, Information Systems and Innovation General Manager, Internal Audit Director, Communications and Corporate Responsibility Director, Corporate Strategy Director, Risk and Compliance Director, Mobility Director and Sustainability Director. This does not include remuneration for senior managers who were also executive directors, which was addressed in Note 6.6.2.

The Company has also implemented a "Flexible Remuneration Scheme", which allows employees to voluntarily change their remuneration package based on personal needs, replacing a portion with certain benefits in kind. These products include a life and retirement savings group insurance scheme. Participants may request that a portion of their gross annual remuneration be paid by the Company in the form of a premium under a life and retirement savings group insurance policy. The senior managers requested contributions totalling EUR 48 thousand from the Company, replacing the remuneration shown in the table above (EUR 58 thousand in 2019).

6.6.7. Other disclosures on remuneration

The agreements between the Company and the senior managers, including one executive director, specifically provide for the right to receive the indemnities referred to in Article 56 of the Spanish Labour Statute in the event of unfair dismissal.

In order to encourage loyalty and continuity, a deferred remuneration scheme was granted to thirteen senior managers, including one executive director. The scheme consists of extraordinary remuneration that will only be paid in any of the following circumstances:

- Exit of the senior manager by mutual agreement upon reaching a certain age.
- Unfair dismissal or exit at the Company's discretion without cause for dismissal, before the senior manager reaches the age initially agreed, if the amount exceeds the figure stipulated in the Labour Statute.
- Death or disability of the senior manager.
- To cover this incentive, each year the Company makes contributions to a group savings insurance policy under which the Company is both policyholder and beneficiary. The contributions are quantified on the basis of a certain percentage of each senior manager's total monetary remuneration. Contributions made in 2020 amounted to EUR 2,006 thousand (EUR 1,991 thousand at 31 December 2019), of which EUR 401 thousand relates to two executive directors. The figure of Other in the table 6.6.6 amounted to EUR 2.291 million, corresponds mainly to the amounts received by two members of senior management who left the company in 2020. This amount does not affect the income statement for the year, as the company recognises as an expense each year the amounts contributed in the year to the group savings insurance, regardless of when these amounts are received.

6.7. SHARE-BASED REMUNERATION SCHEMES

Performance-based share plan

At year-end 2020, Ferrovial has three remuneration schemes in place for the Group's executive directors, senior managers and managers, consisting of a performance-based share plan.

Plan approved by the Board of Directors on 29 October 2015. It covers the financial years 2016, 2017 and 2018. The annual cost of the plan may not exceed EUR 22 million for each of the three years, the plan being conditional upon employees remaining at the Company for at least three years as from the moment it is granted (barring special circumstances) and upon the achievement during the vesting period of ratios calculated on the basis of EBITDA in relation to net productive assets, and total shareholder return with respect to a comparable group. As mentioned, the plan is intended for executive directors, senior managers and managers. The application of this plan to executive directors was authorised by the Company's Annual General Meeting held on 4 May 2016.

Long-term incentive plan approved by the Board of Directors on 28 February 2019. This plan will have a one-year term and the annual cost of the plan may not exceed EUR 22 million. The plan is tied to employees remaining at the Company for at least three years as from the grant date (barring special circumstances) and upon the achievement during the vesting period of ratios calculated on the basis of the relation between operating profit/(loss) and net productive assets and total shareholder return in relation to a comparable group.

The plan is intended for executive directors, senior managers and managers. The application of this plan to Executive Directors was authorised at the Company's Annual General Meeting held on 5 April 2019, as communicated to the CNMV on the same day.

Units were allocated for 2019 to the executive directors for the purposes of calculating plan duration and terms on 15 February 2019.

Lastly, on 19 December 2019 the Board of Directors approved a new long-term incentive plan. The plan will be in force for three years (from 2020 to 2022) and consists of awarding Ferrovial, S.A. shares. The annual cost of the plan may not exceed EUR 22 million and it is conditional upon employees remaining at the Company for three years as from the date it is granted (barring special circumstances) and upon the achievement during the vesting period of ratios calculated on the basis of business cash flow and total shareholder return with respect to a comparable group.

The plan is intended for executive directors, senior managers and managers. The application of this form of remuneration to executive directors was submitted for approval by Annual General Meeting.

There were 2,468,724 shares outstanding at 31 December 2020 relating to these plans.

Changes to the share-based remuneration schemes in 2020 and 2019 are summarised below:

	2020	2019
Number of shares at beginning of year	**3,125,747**	**3,274,816**
Plans granted	622,004	1,005,040
Plans settled	-930,106	-724,787
Shares surrendered and other	-307,068	-408,762
Shares exercised	-41,853	-20,560
Number of shares at the end	**2,468,724**	**3,125,747**

This share award plan includes the plans described above in Note 6.6 on remuneration of executive directors and senior managers.

In 2020, the staff costs recognised at the Group in relation to these remuneration schemes amounted to EUR 10 million (2019: EUR 7 million) with a balancing entry in equity. The increase in expenditure is explained by the fact that the share plans were 89.1% settled in 2020, as compared with 71.88% in 2019.

Measurement of performance-based share plan

These plans were accounted for as futures and, therefore, the value of the foreseeable dividends up to the delivery date is discounted to the value of the shares at the grant date, using a rate of return equal to the average cost of borrowings over the share award period, and they are equity settled and, therefore, they are measured when granted and the initially calculated value thereof is not re-estimated. The related amounts are recognised under "staff expenses" with a balancing entry in reserves.

6.8. RELATED-PARTY TRANSACTIONS

Legislation

In relation to the disclosures on transactions that the Company (or Group companies) completed with related parties, Ministry of Economy and Finance Order EHA/3050/2004 of 15 September on related-party transactions that must be disclosed by issuers of securities listed on official secondary markets must be taken into consideration.

Article 1.1 of the order requires the inclusion in half-yearly financial reports of quantified information on all the transactions effected by the Company with related parties. In addition, Article 3.1 of the Order considers related-party transactions to include any transfer of resources, services or obligations between related parties, regardless of whether or not any consideration is paid.

Related-party transactions

The commercial transactions between the Company (or its Group Companies) and related parties carried out in 2020 are disclosed below, in three separate categories: a) transactions between Ferrovial, S.A and its significant shareholders, directors and senior executives; b) transactions between subsidiaries of Ferrovial, S.A and its significant shareholders, directors and senior executives, and c) Transactions between Group Companies.

Where the profit or loss from a transaction cannot be disclosed, as it pertains to the provider entity or individual, the transaction is marked with an asterisk (*).

a) Transactions between Ferrovial, S.A and its significant shareholders, directors or senior managers

This heading includes transactions effected (i) between Ferrovial, S.A. and its significant shareholders, their close family members or entities in which the latter can exercise significant influence; and (ii) between Ferrovial S.A. and its directors, senior managers, their close family members or entities in which the latter can exercise significant influence. If the party related to the Company was a related party for a part of the year, the transactions performed in that period are indicated.

(Thousands of euros)		2020			2019		
NAME/ COMPANY NAME	TRANSACTIONS	AMOUNT	PROFIT OR LOSS	BALANCE	AMOUNT	PROFIT OR LOSS	BALANCE
Bankia	Balance drawn on guarantee facilities		0	0	-56,000	0	-56,000
Bankia	Services received		0	0	-368	0	0
Marsh	Receipt of insurance services	-7	0	0			

Information on remuneration and loans granted to directors and senior managers can be consulted in Note 6.6.

b) Transactions between subsidiaries of Ferrovial, S.A. and their significant shareholders, directors or senior managers

This heading includes transactions effected (i) between the Company's subsidiaries and their significant shareholders, close family members or entities in which the latter can exercise significant influence; and (ii) between the Company's subsidiaries and their directors, senior managers, close family members or entities in which the latter can exercise significant influence.

If the party related to the Company was a related party for a part of the year, the transactions performed in that period are indicated.

(Thousands of euros)		2020			2019		
NAME/COMPANY NAME	TRANSACTIONS	AMOUNT	PROFIT OR LOSS	BALANCE	AMOUNT	PROFIT OR LOSS	BALANCE
Rafael del Pino y Calvo-Sotelo	Services rendered	7	0	1	8	1	1
María del Pino y Calvo-Sotelo	Services rendered	8	1	0	12	2	0
Ana María Calvo-Sotelo y Bustelo	Services rendered	45	2	4	97	7	0
Joaquín Ayuso García	Services rendered	0	0	0	6	1	0
Altamira Asset Management	Services received	0	0	0	-12	0	0
	Services rendered	0	0	0	4,743	152	813
Criu, S.L.	Services rendered	19	1	2	80	4	2
Cummins and Group companies	Services received	-1,129	0	0	-16	0	0
Maxam Holding and its Group companies	Goods purchased/services received	0	0	0	-6	0	0
	Services rendered	1	0	0	0	0	0
Marsh and its Group companies	Receipt of insurance services	-6,877	0	13	-8,951	0	-16
Bankia	Receipt of financial services	0	0	0	-1,490	0	0
	Financing agreements. Guarantees	0	0	0	-69,509	0	-69,509
	Interest received	0	0	0	30	30	0
	Interest paid	0	0	0	-882	0	0
	Balance drawn on guarantee facilities	0	0	0	-100,700	0	-100,700
	Derivative transactions	0	0	0	-871	0	0
Polan, S.A.	Services rendered	152	2	42	185	6	62
Centro de Innovación de Infraestructuras Inteligentes Foundation	Collaboration agreements	-800	0	0	-1,559	0	-44
	Services rendered	18	0	0	37	0	0
Haya Real Estate, S.A.	Services rendered	0	0	1	38	4	47
Lafarge Holcim and Group companies	Purchase of cement and related materials	-1,724	0	-53	-2,616	0	-375
	External services	0	0	0	-51	0	-2
	Waste collection	52	1	18	37	2	12
Sidecu, S.A.	Services rendered	1	0	0	1	0	0

c) Transactions between Group companies

Also described are transactions between the subsidiaries and the Company which, in all cases form part of their ordinary businesses as regards purpose and conditions and were not eliminated on consolidation for the following reason.

As explained in detail in Note 1.2.2, the balances and transactions relating to construction work performed by the Construction Division for the Group's infrastructure concession operators are not eliminated on consolidation since, at consolidated level, contracts of this type are classed as construction contracts in which the work – to the extent that it is completed – is deemed to be performed for third parties, as the ultimate owner of the work is the grantor both from a financial and legal viewpoint.

In 2020 Ferrovial's Construction Division billed those concession operators EUR 974,587 thousand (2019: EUR 363,270 thousand) for work performed and related advance payments and, in this respect, recognised sales for that construction work totalling EUR 1,025,2521 thousand (2019: EUR 420,231 thousand).

In 2020 the profit from these transactions attributable to the Company's holdings in the concession operators in question and not eliminated on consolidation, net of taxes and non-controlling interests, was EUR -18,702 thousand. In 2019, this amounted to EUR -127,354 thousand.

6.9. CONFLICTS OF INTEREST

For most of 2020, the director Gonzalo Urquijo was the executive chairman of Abengoa, S.A. and/or its group companies, which engage in power transmission activities that could on occasions overlap Ferrovial's activities in this non-core business segment. Mr. Urquijo left the Board meetings during deliberations on those activities and has not accessed the relevant Board information.

With the exception of the above, in accordance with legislation in force (Article 229 of the Spanish Companies Act), there were no direct or indirect conflicts of interest with the Company, notwithstanding the Company's transactions (or those of the Group companies) with related parties disclosed in the notes to the accounts or, where applicable, resolutions relating to remuneration or appointments.

6.10. AUDIT FEES

Pursuant to Royal Decree 1514 of 16 November 2007, approving the Spanish National Chart of Accounts, following is a disclosure of the total fees relating to the "audit services" and "other consultancy services" provided by the auditors of the 2020 and 2019 financial statements of the Group Companies, including both the lead auditor of Ferrovial S.A. and the other auditors of all its subsidiaries, both in Spain and abroad.

"Fees for audit services" includes the following items:

- "Audit services" relates to strictly statutory audit services.
- "Audit-related services" relates to services other than statutory audit services which by law or by regulation can only be provided by the Company's auditor, such as the review of financial information in bond issues and services which due to their nature are normally provided by the Company's auditor, such as the review of tax returns.

The total of "Other non-audit services" provided by the lead auditor out of the total audit services for the financial year 2020 amounted to 18.60 % of the amount of fees for audit services in 2020.

Millions of euros	2020	2019 (*)
Fees for audit services	**6.1**	**6.6**
Lead auditor	**3.0**	**5.2**
Audit services	2.7	5.1
Audit-related services	0.3	0.1
Other auditors	**3.2**	**1.4**
Audit services	3.1	1.4
Audit-related services	0.0	0.0
Other audit services	**0.5**	**0.2**
Lead auditor (**)	0.5	0.2

(*) Includes final fees on the 2019 accounts
(**) Almost all corresponds to invoices received in 2020 for services rendered in 2019 for migratory services.

6.11. EVENTS AFTER THE REPORTING DATE

On 22 February Budimex, Ferrovial's construction subsidiary in Poland, reached an agreement on the conditional sale of its real estate business through its subsidiary Budimex Nieruchomości. The agreed price is 331 million euro (1,531 million zloties) and if it materialises, it would imply the recognition of a capital gain before taxes and minority interests of 152 million euro. The agreement is conditional as it provides for the right of the parties to withdraw in certain cases. In particular: (i) Budimex shall have the right to terminate the Agreement if the Purchaser fails to document and evidence that it has obtained the necessary financing for the purchase of the Shares by 7 May 2021; (ii) The Purchaser shall have the right to withdraw from the Agreement in the event of material breach of certain provisions of the Agreement by Budimex, as specified therein. In addition, the transaction is subject to clearance by the competition authorities, which must be obtained within six months of the signing of this agreement.

6.12. APPENDICES

Appendix I. Information on the tax scheme provided by Articles 107 and 108 of Law 27/2014

In 2014, Ferrovial S.A. availed itself of the scheme currently provided by Articles 107 and 108 of Spanish Corporate Income Tax Act 27/2014 of 27 November 2014 (CIT Act), applicable as from 1 January 2014 and therefore throughout 2020. Under this tax scheme:

1. Dividends and capital gains obtained by Ferrovial arising from equity investments in non-resident operating companies (representing at least 5% of the share capital of these companies or an acquisition value of over EUR 20 million) are exempt from corporate income tax if the conditions laid down in Article 21 of the CIT Act ("subject but exempt income") are fulfilled.

2. Dividends paid by Ferrovial out of the above-mentioned "subject but exempt reserves" or out of income from permanent establishments abroad that qualify for the exemption provided by Article 22 of the CIT Act are treated as follows:

    i. Where the recipient is a non-resident shareholder in Spain (and does not operate through tax havens or a permanent establishment in Spain), the dividends are not subject to withholdings or tax in Spain.

    ii. Where the recipient is an entity subject to Spanish corporate income tax, the dividends received will qualify for the double taxation exemption for resident entities provided by Article 21 of the CIT Act ("subject but exempt income"), assuming that the relevant requirements are met.

    iii. Where the recipient is a natural person resident in Spain and subject to personal income tax, the dividends received will be treated as savings income qualifying for the international double taxation deduction under PIT legislation, with respect to the taxes paid abroad by Ferrovial.

In 2020, all dividends were paid by Ferrovial out of "subject but exempt income".

1. Capital gains obtained by Ferrovial's shareholders by transferring their shares are treated as follows:

    i. Where the shareholder is a non-resident in Spain (and does not operate through tax havens or a permanent establishment in Spain), the portion of the capital gain that relates to reserves charged by Ferrovial to the above-mentioned "subject but exempt income", or to value differences attributable to Ferrovial's equity interests in non-resident entities that meet the requirements to apply the foreign-source income exemption provided by Articles 21 and 22 of the Spanish Corporate Income Tax Act (CIT Act), will not be subject to tax in Spain.

    ii. Where the shareholder is an entity subject to Spanish corporate income tax and has a qualifying equity interest in Ferrovial (5% of share capital or acquisition cost of over EUR 20 million, held for one year), the exemption provided by Article 21 of the CIT Act may be applied.

    iii. Where the shareholder is a natural person resident in Spain and subject to personal income tax, it will be taxed for capital gains obtained under the general scheme.

The amount of subject but exempt income pursuant to Article 21 and 22 of the CIT Act obtained by Ferrovial in 2020 and the corresponding taxes paid abroad are as follows:

A) Exemption for foreign-source dividends and income

A.1 Exemption for foreign-source dividends:

In 2020, no foreign-source dividends were obtained.

A.2 Exemption for income from permanent establishments abroad:

No income was obtained from permanent establishments abroad during the year.

B) Exemption for foreign-source capital gains

In 2020, as was the case in 2019, no tax-exempt foreign-source capital gains were obtained.

The sale of the Greek toll roads in 2018 resulted in a capital gain qualifying for the exemption provided by Article 21 of the CIT Act in the amount of EUR 84,825,069.03, the tax-exempt amounting to EUR 11,307,039.92.

In financial years prior to 2018, no capital gains were obtained to which the exemption provided by Article 21 of the CIT Act could be applied, either because (i) the sales were made between Group companies and eliminated for tax consolidation purposes or (ii) they formed part of corporate restructurings completed under the tax neutrality scheme provided by Article 76 et seq of the Spanish CIT Act. Nonetheless, capital gains that would have had tax effects, had these schemes not been applicable (tax consolidation or tax neutrality), are as follows:

B.1 Elimination of capital gains on intragroup sales of foreign companies:

None took place during the year.

B.2 Capital gains deferred in corporate restructuring processes:

(Amounts in euros)

Ferrovial, SA	2,355,071,717.55
Cintra Infraestructuras Irlanda, SLU	6,143,952.38
TOTAL	2,361,215,669.93

In order to facilitate the application of the above-mentioned tax scheme by Ferrovial's shareholders, the Company performed a market assessment of its year-end equity interests (held directly and indirectly through shareholdings in other entities applying this special tax scheme) in non-resident entities and permanent establishments abroad that qualify for the foreign-source income exemption provided by Articles 21 and 22 of the CIT Act.

This assessment found that such assets account for 92% of Ferrovial's total market value at 31 December 2020. At 31 December 2019, this percentage amounted to 90.8%.

Tax treatment of Ferrovial's scrip dividend

In 2020, Ferrovial S.A. implemented two shareholder remuneration schemes named "Ferrovial Scrip Dividend", allowing shareholders to choose (i) to receive new bonus shares; (ii) transfer in the market the free allotment rights received for the shares held; or (iii) collect a cash amount by transferring the free allotment rights to Ferrovial.

Set out below are the main tax implications of these schemes, based on tax legislation in force in Spain (excluding Navarre and the Basque Country) and on the interpretation made by the Spanish Directorate General for Taxation in responses to several binding ruling requests.

General considerations

In general, although the tax scheme applicable to shareholders residing in the historical territories, Ceuta or Melilla is similar to the national tax system, there may be some differences in the treatment afforded.

It should be noted that the tax treatment of the various options explained in relation to the capital increase set out above does not cover all possible tax consequences regarding the options in connection with the "Ferrovial Scrip Dividend" remuneration scheme. Therefore, the shareholders should consult their tax advisers on the specific tax effect of the proposed scheme and pay attention to any changes that may arise under legislation in force at the date of this transaction, related interpretations and the personal circumstances of each shareholder or holder of free allotment rights.

In particular, shareholders not resident in Spain must consult their tax advisors regarding the effects of the different capital increase alternatives, including the analysis of exemptions provided by non-resident income tax legislation, the right to apply the provisions of double taxation treaties entered into by Spain and the way the income must be declared.

Specific considerations

a) Delivery of new shares.

If the shareholders opt for the delivery of new shares, they will come under the tax scheme indicated below:

1. Shareholders subject to personal income tax and non-resident income tax without a permanent establishment in Spain.

For tax purposes, the delivery of new shares will be considered a delivery of bonus shares and therefore does not constitute income for the purposes of personal income tax (PIT), or non-resident income tax (NRIT), on the assumption that the latter (non-resident taxpayer) does not act in Spain through a permanent establishment. As indicated, the delivery of new shares is not subject to withholdings or prepayments.

The acquisition cost per share for tax purposes, of both the bonus shares and the shares from which they arise will be the result of dividing the portfolio's total acquisition cost by the number of shares, including both the original shares and the corresponding bonus shares. The age of the bonus shares will be that of the original shares.

Consequently, in the event of a subsequent transfer, the income obtained will be calculated by reference to this new value.

2. Shareholders subject to corporate income tax and non-resident income tax with a permanent establishement in Spain.

For corporate income tax ("CIT") purposes, and for non-resident income tax ("NRIT) purposes in the case of non-resident taxpayers with a permanent establishment in Spain (where a full business cycle is completed), the delivery of new shares under this alternative will be afforded the treatment stipulated in accounting legislation, taking into account the applicable specific provisions brought in by the Resolution of the Spanish Institute of Accounting and Auditing (ICAC) of 5 March 2019 ("ICAC Resolution") for financial years beginning on or after 1 January 2020, which develops the approach to the presentation of financial instruments and other aspects governed by accounting legislation, and pursuant to the responses to ruling requests issued by the Directorate General for Taxation on the tax impacts of the ICAC Resolution, reference numbers V1358-2020, V1357-2020, V1809/2020, V2468-2020 and V2469-2020 ("Ruling Request Responses"). All the above is notwithstanding any rules for calculating the tax base which may be applicable, particularly the possibility of applying the exemption in the terms and limits stipulated in the current wording of Article 21 of the CIT Law.

According to the Ruling Request Responses, the delivery of fully-paid shares is not classed as income subject to withholdings or payments on account of CIT or NRIT for taxpayers with a permanent establishment in Spain.

b) Sale of free allotment rights in the market.

If the shareholders sell their free allotment rights in the market, the amount obtained will come under the tax scheme indicated below:

1. Shareholders who pay personal income tax (individuals with tax residence in Spain).

The amount obtained on the sale of the free allotment rights in the market will subject to the same scheme provided by tax legislation for pre-emptive subscription rights. As a result, the transferring shareholder will have been deemed to have made a capital gain in the tax period that the sale occurs. The amount obtained will be subject to personal income tax withholdings, at the applicable rate at that time (currently 19%).

This withholding tax will be applied by the relevant custodian (and, failing this, by the financial intermediary or public notary involved in the transfer), Ferrovial not being required to make the withholdings or supply related tax information to its shareholders. Shareholders are therefore advised to contact the relevant custodians in this regard.

2. Shareholders who pay personal income tax, without a permanent establishment in Spain.

In the case of non-resident shareholders, the amount obtained on the sale to the market of the bonus issue rights is also subject to the same rules established in tax legislation for pre-emption rights, therefore the transferring shareholder will be considered to have made a capital gain in the tax period that the sale occurs, subject to non-resident income tax at a general rate of 19%. At present, this payment is not subject to non-resident income tax withholdings and the shareholders must self-assess this income in their tax returns.

However, this income will be exempt from non-resident income tax in certain cases, such as non-resident shareholders that transfer their rights in official secondary securities markets in Spain, are residents of a State that has a double taxation treaty (DTT) with

Spain containing an information exchange clause and do not operate or reside in a tax haven for Spanish purposes, notwithstanding the exemptions provided by NRIT legislation.

3. Shareholders who pay Spanish corporate income tax, or personal income tax with a permanent establishment in Spain.

Provided that a full business cycle is completed, tax will be paid in accordance with applicable accounting legislation, including the provisions of the ICAC Resolution, the Ruling Request Responses and, if appropriate, the adjustments applicable under CIT legislation and any applicable special CIT schemes.

c) Sale to Ferrovial of the free allotment rights.

Lastly, if the holders of bonus issue rights decide to avail themselves of the Ferrovial Purchase Commitment, the tax regime applicable to the amount obtained on the sale to Ferrovial of the bonus issue rights received in their capacity as shareholders will be equivalent to the regime applied to the distribution of a cash dividend, and will therefore be subject to the corresponding withholding tax and taxation.

Where shareholders provide evidence of non-resident income taxpayer status, no permanent establishment in Spain and non-residence in Spain or in a territory classed as a tax haven, the dividends paid by Ferrovial and therefore the amounts received from the sale of free allotment rights to Ferrovial will not be subject to tax or tax withholdings in Spain, since for tax purposes they are paid out of the exempt income from non-resident entities envisaged in Articles 21 and 22 of CIT Law 27/2014 of 27 November.

Appendix II. Subsidiaries (fully-consolidated companies) (millions of euros)

ENTITY	TYPE	PARENT	% OWNERSHIP	NET COST OWNERSHIP	AUDIT.
CONTINUED OPERATIONS					
CORPORATION					
SPAIN (Registered Office: Madrid, Spain)					
Ferrovial Inversiones, S.A.U. (a)		Ferrovial, S.A. (a)	100.0%	67	
Can-Am, S.A. (a)		Ferrovial, S.A. (a)	100,0%	2	
Ferrovial Emisiones, S.A. (a)		Ferrovial, S.A. (a)	99,0%	0	1
Ferrovial Corporación, S.A. (a)		Ferrovial, S.A. (a)	100,0%	0	1
Ferrofin, S.L. (a)		Ferrovial Construcción, S.A. (a)	52,0%	163	
Ferrofin, S.L. (a)		Ferrovial, S.A. (a)	48.0%	150	
Temauri, S.L. (a)		Ferrovial, S.A. (a)	100,0%	2	
Ferrovial 001, S.A.U. (a)		Ferrovial, S.A. (a)	100,0%	0	
Ferrovial 002, S.A.U. (a)		Ferrovial, S.A. (a)	100,0%	0	
Ferrovial 003, S.L.U. (a)		Ferrovial, S.A. (a)	100,0%	0	
UNITED KINGDOM (Registered Office: Oxford, United Kingdom)					
Ferrocorp UK Ltd.		Ferrovial, S.A. (a)	100,0%	1	1
UNITED KINGDOM (Registered Office: London, United Kingdom)					
Ferrovial Ventures, Ltd.		Ferrovial Internacional, S.E.	100,0%	7	1
IRELAND (Registered Office: Dublin, Ireland)					
Landmille Ireland DAC		Ferrovial, S.A. (a)	100,0%	172	3
LUXEMBOURG (Registered Office: Luxembourg)					
Krypton RE, S.A.		Ferrovial, S.A. (a)	100,0%	8	1
NETHERLANDS (Registered Office: Amsterdam, Netherlands)					
Ferrovial Internacional, S.E.		Ferrovial, S.A. (a)	100,0%	6.157	1
Ferrovial Netherlands B.V.		Ferrovial Internacional, S.E.	100,0%	2	1
Feroval Ventures NL B.V.		Ferrovial Internacional, S.E.	100.0%	9	
UNITED STATES (Registered Office: Austin, United States)					
Ferrovial Holding US Corp		Cintra Infraestructures, S.E.	100,0%	1.367	
Landmille US LLC		Ferrovial Holding US Corp	100,0%	0	
MOBILITY					
SPAIN (Registered Office: Madrid, Spain)					
Ferrovial Mobility, S.L.U (a)		Ferrovial, S.A. (a)	100.0%	10	
Wondo Mobility, S.L.U. (a)		Ferrovial Mobility, S.L.U (a)	100,0%	6	
CONSTRUCTION					
GERMANY (Registered Office: Cologne)					
Budimex Bau GmbH		Budimex SA	100,0%	0	
ARABIA (Registered Office: Riyadh)					
Ferrovial Agroman Company		Ferrovial Construcción, S.A. (a)	97.5%	5	3
AUSTRALIA (Registered Office: Sidney)					
Ferrovial Construction (Australia) PTY LTD		Ferrovial Construction Holdings Ltd	100,0%	0	1
BRAzIL (Registered Office: Bela Vista, Sao Paulo)					
Constructora Ferrovial Ltd. (Brasil)		Ferrovial Construction International S.E.	99.0%	4	
CANADA (Registered Office: Markham - Ontario)					
Ferrovial Construction Canadá Inc.		Ferrovial Construction International S.E.	100,0%	3	1
CHILE (Registered Office: Santiago de Chile)					
Constructora Ferrovial Ltda.		Ferrovial Empresa Constructora Ltda.	97.2%	0	1
Ferrovial Construcción Chile S.A.		Ferrovial Empresa Constructora Ltda.	100.0%	29	1
Ferrovial Empresa Constructora Ltda.		Ferrovial Construction International S.E.	100,0%	24	1
SLOVAKIA (Registered Office: Bratislava)					
D4R7 Construction S.R.O.		Ferrovial Construction Slovakia S.R.O.	65.0%	10	3
Ferrovial Construction Slovakia S.R.O.		Ferrovial Construction Holdings Ltd	99.0%	10	3
SPAIN (Registered Office: Barcelona)					
Conc. Prisiones Lledoners,S.A. (a)	P	Ferrovial Construcción, S.A. (a)	100,0%	16	1
Concesionaria de Prisiones Figueras S.A.U.	P	Ferrovial Construccion, S.A. (a)	100,0%	11	1
SPAIN (Registered Office: Bilbao					
Cadagua, S.A. (a)		Ferrovial Construcción, S.A. (a)	100,0%	64	1
SPAIN (Registered Office: Madrid)					
Cocsa, S.A. (a)		Ferrovial Construcción, S.A. (a)	100.0%	8	1
Ditecpesa, S.A. (a)		Ferrovial Construcción, S.A. (a)	100,0%	1	1
Editesa, S.A (a)		Ferrovial Construcción, S.A. (a)	99.1%	2	
Ferroconservación, S.A. (a)		Ferrovial Construcción, S.A. (a)	99.0%	20	1
Ferrovial Construcción, S.A. (a)		Ferrovial, S.A. (a)	100,0%	711	1
Ferrovial Medio Ambiente y Energía, S.A. (a)		Ferrovial Construcción, S.A. (a)	99,0%	1	
Ferrovial Railway S.A. (a)		Ferrovial Construcción, S.A. (a)	98.8%	0	
Siemsa Control y Sistemas S.A.U. (a)		Siemsa Industria S.A. (a)	99.0%	1	
Siemsa Industria S.A. (a)		Ferrovial Construcción, S.A. (a)	99.0%	16	
Arena Recursos Naturales, S.A.U. (a)		Ferrovial Construcción, S.A. (a)	100,0%	0	
Urbaoeste, S.A. (a)		Ferrovial Construcción, S.A. (a)	99.0%	0	
SPAIN (Registered Office: Zaragoza)					
Depusa Aragón S.A. (a)		Ferrovial Construcción, S.A. (a)	42.3%	2	1
Depusa Aragón S.A. (a)		Cadagua, S.A. (a)	51.7%	2	1
UNITED STATES (Registered Office: Atlanta)					
Ferrovial Construction East, LLC		Ferrovial Construction US Corp.	100,0%	163	
UNITED STATES (Registered Office: Austin)					
Cadagua US LLC		Ferrovial Construction US Holding Corp.	100,0%	13	
Cintra ITR LLC		Ferrovial Construction US Corp.	44.0%	17	1
Ferrovial Agroman 56, LLC		Ferrovial Construction Texas, LLC	100,0%	0	
Ferrovial Agroman Indiana, LLC		Ferrovial Construction US Corp.	100,0%	0	
Ferrovial Construction Texas, LLC		Ferrovial Construction US Corp.	100.0%	112	
Ferrovial Construction US Corp.		Ferrovial Construction US Holding Corp.	100,0%	558	1
Ferrovial Construction US Holding Corp.		Ferrovial Holding US Corp.	100,0%	402	1
Grand Parkway Infrastructure LLC		DBW Construction LLC	30.0%	0	1
Grand Parkway Infrastructure LLC		Ferrovial Construction Texas, LLC	40,0%	0	1
UNITED STATES (Registered Office: Charlotte)					
Sugar Creek Construction LLC		Ferrovial Construction East, LLC	70,0%	58	1
UNITED STATES (Registered Office: Dallas)					
Trinity Infrastructure LLC		DBW Construction LLC	40.0%	0	
Trinity Infrastructure LLC		Ferrovial Construction Texas, LLC	60,0%	0	
UNITED STATES (Registered Office: Fort Worth)					
North Tarrant Infrastructures		DBW Construction LLC	25.0%	0	1
North Tarrant Infrastructures		Ferrovial Construction Texas, LLC	75,0%	0	1
UNITED STATES (Registered Office: Georgia)					
North Perimeter Constractors LLC		Ferrovial Construction East, LLC	100,0%	121	1
UNITED STATES (Registered Office: Katy)					
52 Block Builders		Webber Commercial Construction, LLC	100,0%	0	1
UNITED STATES (Registered Office: Los Angeles)					
California Rail Builders		Ferrovial Construction West, LLC	80,0%	0	1
Ferrovial Construction West, LLC		Ferrovial Construction US Corp.	100,0%	0	
Great Hall Builders LLC		Ferrovial Construction West, LLC	70,0%	0	
UNITED STATES (Registered Office: North Richland Hills)					
Bluebonnet Constractor, LLC		DBW Construction LLC	40.0%	0	
Bluebonnet Constractor, LLC		Ferrovial Construction Texas, LLC	60,0%	0	
UNITED STATES (Registered Office: Suffolk)					
US 460 Mobility Partners LLC		Ferrovial Construction East, LLC	70,0%	0	
UNITED STATES (Registered Office: The Woodlands)					
DBW Construction LLC.		Webber, LLC	100,0%	38	1
PLW Waterworks LLC		Cadagua US, LLC	50.0%	5	1
PLW Waterworks LLC		Webber, LLC	50.0%	5	1
Southern Crushed Concrete LLC		Webber Equipment & Materials LLC - Sucursal en España (a)	100,0%	88	1
W.W. Webber, LLC		Ferrovial Construction US Holding Corp.	100,0%	534	1
Webber Barrier Services		Webber, LLC	100,0%	5	1
Webber Commercial Construction LLC		Webber, LLC	99.0%	1	
Webber Equipment & Materials LLC (a)		Webber, LLC	100.0%	188	1
Webber Holdings, LLC		Ferrovial Construction US Holding Corp.	100,0%	0	
Webber Management Group LLC		Webber Equipment & Materials LLC - Sucursal en España (a)	100.0%	41	1
UNITED STATES (Registered Office: Virginia)					
FAM Construction LLC (I-66)		Ferrovial Construction US Corp.	70,0%	0	1
NETHERLANDS (Registered Office: Amsterdam)					
Ferrovial Construction International S.E.		Ferrovial Internacional, S.E.	100,0%	237	1
INDIA (Registered Office: Nueva Delhi)					
Cadagua Ferrovial India Pr Ltd		Cadagua, S.A. (a)	95,0%	0	
IRELAND (Registered Office: Dublin)					
Ferrovial Construction Ireland Ltd		Ferrovial Construction Holdings Ltd	100,0%	8	2
MEXICO (Registered Office: Mexico DF)					

Auditores: (1) EY; (2) Deloitte; (3) BDO; (4) PWC; (5) KPMG; (6) Vir Audit
(a) Forman parte del Perímetro Fiscal de Ferrovial, S.A. y sociedades dependientes.

ENTITY	TYPE	PARENT	% OWNERSHIP	NET COST OWNERSHIP	AUDIT.
Cadagua Ferr. Industrial México		Cadagua, S.A. (a)	75,1%	0	
Cadagua Ferr. Industrial México		Ferrovial Medio Ambiente y Energía, S.A. (a)	25.0%	0	
Ferrovial Agroman México, S.A. de C.V.		Ferrovial Construction International S.E.	100,0%	1	
NEW ZEALAND (Registered Office: Wellington)					
Ferrovial Construction (New Zeeland) Limited		Ferrovial Construcción Australia PTY LTD	100,0%	1	
POLAND (Registered Office: Cracow)					
Mostostal Kraków Energetyka sp. z o.o.		Mostostal Kraków SA	100.0%	0	
Mostostal Kraków S.A.		Budimex SA	100,0%	0	1
POLAND (Registered Office: Kamieńsk)					
FBSerwis Kamieńsk Sp. z o.o.		FBSerwis SA	80.0%	0	1
POLAND (Registered Office: Kąty Wrocławskie)					
FBSerwis Wrocław Sp. z o.o.		FBSerwis SA	100.0%	0	1
POLAND (Registered Office: Ścinawka Dolna)					
FBSerwis Dolny Sląsk Sp. z o.o.		FBSerwis SA	100.0%	0	1
POLAND (Registered Office: Tarnów)					
FBSerwis Karpatia Sp. z o.o.		FBSerwis SA	100,0%	0	1
POLAND (Registered Office: Warsaw)					
Autostrada, S.A.		Ferrovial Construcción, S.A. (a)	1.3%	0	2
POLONIA (Registered Office: Warsaw)					
Bx Budownictwo Sp. z o.o.		Budimex SA	100,0%	0	1
Bx Kolejnictwo SA		Budimex SA	100,0%	0	1
Bx Nieruchomości Sp. z o.o.		Budimex SA	100,0%	0	1
Bx Parking Wrocław Sp. z o.o.		Budimex SA	51.0%	0	1
FBSerwis A Sp. z o.o.		FBSerwis SA	100,0%	0	
FBSerwis B Sp. z o.o.		FBSerwis SA	100,0%	0	
FBSerwis Odbiór Sp. z o.o.		FBSerwis SA	100,0%	0	
FBSerwis SA		Budimex SA	100,0%	0	1
Grupo Budimex		Ferrovial Construction International S.E.	50,1%	83	1
PUERTO RICO (Registered Office: San Juan de Puerto Rico)					
Ferrovial Construcción PR, LLC		Ferrovial Construction International S.E.	100,0%	6	3
UNITED KINGDOM (Registered Office: London)					
Ferrovial Construction (UK) Limited		Ferrovial Construction Holdings Ltd	100,0%	23	1
Ferrovial Construction Holdings Limited		Ferrovial Construction International S.E.	100,0%	72	1
AIRPORTS					
SPAIN (Registered Office: Madrid, Spain)					
Ferrovial Transco España , S.A.U. (a)	P	Ferrovial Transco International B.V.	100,0%	18	
Ferrovial Aeropuertos España, S.A. (a)		Ferrovial, S.A. (a)	99,0%	0	
CHILE (Registered Office: Santiago, Chile)					
Ferrovial Power Infrastructure Chile, SpA	P	Ferrovial Transco España, S.A.U. (a)	34.1%	33	1
Ferrovial Power Infrastructure Chile, SpA	P	Ferrovial Transco International B.V.	65,9%	65	1
Ferrovial Transco Chile II SpA	P	Ferrovial Power Infraestructure Chile, SpA	100,0%	0	
Transchile Charrúa Transmisión, S.A.	P	Ferrovial Power Infraestructure Chile, SpA	100,0%	50	1
Ferrovial Transco Chile III SPA	P	Ferrovial Transco International, B.V.	100,0%	0	
Centella Transmisión, S.A.	P	Ferrovial Transco Chile III SPA	49.9%	0	1
Centella Transmisión, S.A.	P	Ferrovial Power Infrastructure Chile, SpA	50.1%	0	1
UNITED STATES (Registered Office: Austin, United States)					
Ferrovial Airports Holding US Corp		Ferrovial Holding US Corp	100,0%	0	
UNITED STATES (Registered Office: Denver, United States)					
Ferrovial Airports Denver Corp	P	Ferrovial Airports Denver UK Ltd.	100,0%	0	
Ferrovial Airports Great Hall Partners LLC	P	Ferrovial Airports Denver Corp	100,0%	0	
NETHERLANDS (Registered Office: Amsterdam, Netherlands)					
Hubco Netherlands B.V.		Ferrovial International, S.E.	100,0%	783	
Ferrovial Transco International B.V.		Ferrovial International, S.E.	100,0%	83	
FERROVIAL AIRPORTS FMM BV		Ferrovial Airports International, S.E.	100.0%	0	
UNITED KINGDOM (Registered Office: Oxford, United Kingdom)					
Faero UK Holding Limited		Hubco Netherlands B.V.	100,0%	288	1
Ferrovial Airports International, S.E.		Ferrovial International, S.E.	100,0%	1.219	1
Ferrovial Airports Denver UK Ltd.		Ferrovial Airports International, S.E.	100,0%	1	1
TOLL ROADS					

ENTITY	TYPE	PARENT	% OWNERSHIP	NET COST OWNERSHIP	AUDIT.
SPAIN (Registered Office: Madrid, Spain)					
Cintra Infraestructuras España, S.L. (a)		Ferrovial, S.A.	99.0%	654	1
Cintra Infraestructuras Irlanda, S.L.U. (a)		Cintra Global SE	100,0%	3	1
Cintra Inversora Autopistas de Cataluña, S.L. (a)	P	Cintra Infraestructuras España, S.L. (a)	100,0%	0	1
Inversora Autopistas de Cataluña, S.L. (a)	P	Cintra Inversora Autopistas de Cataluña, S.L. (a)	100,0%	0	1
Cintra Inversiones, S.L.U. (a)		Cintra Infraestructuras España, S.L. (a)	100,0%	318	
Cintra Servicios de Infraestructuras, S.A. (a)		Cintra Infraestructuras España, S.L. (a)	100,0%	7	1
Cintra Autopistas Integradas, S.A.U. (a)		Cintra Infraestructuras España, S.L. (a)	100,0%	0	
Autopista Alcalá-O'Donnell, S.A. (a)		Cintra Autopistas Integradas, S.A.U. (a)	100,0%	59	
SPAIN (Registered Office: Barcelona, Spain)					
Autopista Terrasa-Manresa, S.A. (a)	P	Inversora Autopistas de Cataluña, S.L. (a)	76.3%	445	1
AUSTRALIA (Registered Office: Melbourne, Australia)					
Cintra OSARS (Western) Holdings Unit Trust		Cintra OSARS Western Ltd	100,0%	30	
Cintra OSARS Western Unit Trust		Cintra OSARS (Western) Holdings Unit Trust	100,0%	0	4
AUSTRALIA (Registered Office: Sydney, Australia)					
Cintra Developments Australia PTY, Ltd		Cintra Infrastructures UK Ltd	100,0%	0	1
Cintra OSARS (Western) Holdings PTY Ltd		Cintra OSARS Western Ltd	100,0%	0	1
Cintra OSARS Western PTY Ltd		Cintra OSARS (Western) Holdings PTY Ltd	100,0%	0	1
CANADA (Registered Office: Toronto, Canada)					
Cintra 407 East Development Group Inc		407 Toronto Highway B.V.	100,0%	2	
Cintra OM&R 407 East Development Group Inc		407 Toronto Highway B.V.	100,0%	0	
4352238 Cintra Canada Inc		407 Toronto Highway B.V.	100,0%	0	
11200232 Canadá Inc.		4352238 Cintra Canada Inc	100,0%	215	
Blackbird Maintenance 407 Cintra GP Inc		407 Toronto Highway B.V.	100,0%	0	
Blackbird Infrastructure 407 Cintra GP Inc		407 Toronto Highway B.V.	100,0%	0	3
COLOMBIA (Registered Office: Bogotá, Colombia)					
Cintra Infraestructuras Colombia, S.A.S.		Cintra Global SE	100,0%	8	
UNITED STATES (Registered Office: Austin, United States)					
Cintra Holding US Corp		Ferrovial Holding US Corp	96.8%	586	
Cintra Texas Corp		Cintra Holding US Corp	100,0%	0	
Cintra US Services LLC		Cintra Texas Corp	100,0%	0	
Cintra ITR LLC		Cintra Holding US Corp	49,0%	40	
Cintra LBJ LLC		Cintra Holding US Corp	100,0%	314	
Cintra NTE LLC		Cintra Holding US Corp	100,0%	251	
Cintra NTE Mobility Partners Segments 3 LLC		Cintra Holding US Corp	100,0%	190	
Cintra Toll Services LLC		Cintra Holding US Corp	100,0%	0	
Cintra I-77 Mobility Partners LLC		Cintra Holding US Corp	100,0%	195	
Cintra 2 I-77 Mobility Partners LLC (2)		Cintra Holding US Corp	100.0%	64	
Cintra 2 I-66 Express Mobility Partners		Cintra Holding US Corp	100,0%	57	
Cintra I-66 Express Corp		Cintra I-66 Express UK Ltd	100,0%	0	
Cintra I-66 Express Mobility Partners LLC		Cintra I-66 Express Corp	100,0%	0	
UNITED STATES (Registered Office: Charlotte, United States)					
I-77 Mobility Partners Holding LLC	P	Cintra I-77 Mobility Partners LLC	50,1%	102	
I-77 Mobility Partners Holding LLC	P	Cintra 2-I77 Mobility Partners Holding LLC	15.0%	87	
I-77 Mobility Partners LLC	P	I-77 Mobility Partners Holding LLC	100,0%	203	1
UNITED STATES (Registered Office: Dallas, United States)					
LBJ Infrastructure Group Holding LLC	P	Cintra LBJ LLC	54,6%	314	
LBJ Infrastructure Group LLC	P	LBJ Infrastructure Group Holding LLC	100,0%	550	1
UNITED STATES (Registered Office: North Richland Hills, United States)					
NTE Mobility Partners Holding LLC	P	Cintra NTE LLC	63,0%	251	
NTE Mobility Partners LLC	P	NTE Mobility Partners Holding LLC	100,0%	349	1
NTE Mobility Partners Segments 3 Holding LLC	P	Cintra NTE Mobility Partners Segments 3 LLC	53,7%	190	

Auditores: (1) EY; (2) Deloitte; (3) BDO; (4) PWC; (5) KPMG; (6) Vir Audit
(a) Forman parte del Perímetro Fiscal de Ferrovial, S.A. y sociedades dependientes.

ENTITY	TYPE	PARENT	% OWNERSHIP	NET COST OWNERSHIP	AUDIT.
NTE Mobility Partners Segments 3 LLC	P	NTE Mobility Partners Segments 3 Holding LLC	100,0%	352	1
NETHERLANDS (Registered Office: Amsterdam, Netherlands)					
Cintra Infrastructures SE		Ferrovial International SE	100.0%	1.177	1
Cintra Global SE		Ferrovial International SE	100.0%	2.873	
407 Toronto Highway B.V.		Cintra Global SE	100,0%	2.664	
IRELAND (Registered Office: Dublin, Ireland)					
Financinfrastructures, Ltd		Cintra Global SE	100,0%	32	
Cinsac, Ltd		Cintra Infraestructuras Irlanda, S.L.U.	100,0%	0	1
POLAND (Registered Office: Warsaw, Poland)					
Autostrada Poludnie, S.A.		Cintra Infrastructures SE	93,6%	13	2
PORTUGAL (Registered Office: Lisbon, Portugal)					
Vialivre, S.A.	P	Cintra Infrastructures SE	84,0%	0	2
PORTUGAL (Registered Office: Ribeira Grande, Portugal)					
Euroscut Açores, S.A.	P	Cintra Infrastructures SE	89,2%	0	2
UNITED KINGDOM (Registered Office: London, United Kingdom)					
Cintra Silvertown Ltd		Cintra Infrastructures UK Ltd	100,0%	0	1
UNITED KINGDOM (Registered Office: Oxford, United Kingdom)					
Cintra Infrastructures UK Ltd		Cintra Global SE	100,0%	37	1
Cintra Toowoomba Ltd		Cintra Infrastructures UK Ltd	100,0%	6	1
Cintra UK I-77 Ltd		Cintra Infrastructures SE	100,0%	2	1
Cintra Slovakia Ltd		Cintra Global SE	100,0%	0	1
Cintra I-66 Express UK Ltd		Cintra Infrastructures UK Ltd	100,0%	0	1
Cintra OSARS Western Ltd		Cintra Infrastructures UK Ltd	100,0%	28	1
DISCONTINUED OPERATIONS					
CORPORATION					
SPAIN (Registered Office: Madrid, Spain)					
Autovía de Aragón, Sociedad Concesionaria, S.A. (a)	P	Ferrovial, S.A. (a)	15.0%	3	2
Pilum, S.A. (a)	P	Ferrovial, S.A. (a)	15.0%	0	2
Ferrovial Aravía, S.A. (a)	P	Ferrovial, S.A. (a)	15.0%	0	2
CONSTRUCTION					
SPAIN (Registered Office: Madrid, Spain)					
Autovía de Aragón, Sociedad Concesionaria, S.A. (a)	P	Ferrovial Construcción, S.A. (a)	25.0%	5	2
Pilum, S.A. (a)	P	Ferrovial Construcción, S.A. (a)	25.0%	1	2
Ferrovial Aravía, S.A. (a)	P	Ferrovial Construcción, S.A. (a)	25.0%	0	2
SERVICES					
SPAIN (Registered Office: Madrid, Spain)					
Ferrovial Servicios, S.A.U. (a)		Ferrovial International, S.E.	100,0%	265	2
Cespa, S.A (a)		Ferrovial Servicios, S.A. (a)	100,0%	553	2
Sitkol, S.A. (a)		Cespa, S.A (a)	99,0%	3	
Cespa Jardinería, S.L. (a)		Cespa, S.A (a)	99,0%	7	2
Cespa Gestión de Residuos, S.A. (a)		Cespa, S.A (a)	99,0%	42	2
Ecoenergia de Can Mata A.I.E.		Cespa Gestión de Residuos, S.A. (a)	70,0%	0	
Contenedores de Reus, S.A. (a)		Cespa Gestión de Residuos, S.A. (a)	99,0%	0	
Cespa G.T.R, S.A. (a)		Cespa Gestión de Residuos, S.A. (a)	100,0%	21	2
Ferrovial Servicios Logistica, S.A. (a)		Ferrovial Servicios, S.A. (a)	99,0%	0	
Ferrovial Servicios Participadas, S.L.U. (a)		Ferrovial Servicios, S.A. (a)	100.0%	2	
Ferroser Servicios Auxiliares, S.A. (a)		Ferrovial Servicios, S.A. (a)	99,5%	9	2
Ferroser Infraestructuras, S.A. (a)		Ferrovial Servicios, S.A. (a)	100,0%	18	2
Ferrovial Servicios Transporte Asistencial, S.A. (a)		Ferrovial Servicios, S.A. (a)	99,0%	0	
Autovía de Aragón, Sociedad Concesionaria, S.A. (a)	P	Ferroser Infraestructuras, S.A. (a)	60,0%	11	2
Pilum, S.A. (a)	P	Ferroser Infraestructuras, S.A. (a)	60,0%	3	2
Ferrovial Aravia, S.A. (a)	P	Ferroser Infraestructuras, S.A. (a)	60,0%	0	
SPAIN (Registered Office: Albacete, Spain)					
Ayora Gestión Biogás, S.L. (a)		Cespa, S.A (a)	80,0%	0	2
SPAIN (Registered Office: Alicante, Spain)					
Reciclados y Compostaje Piedra Negra, S.A.U. (a)		Cespa Gestión de Residuos, S.A. (a)	100,0%	5	2
SPAIN (Registered Office: Barcelona, Spain)					
Residus del Maresme, S.L.		Cespa, S.A (a)	51,0%	0	6
Ecoparc de Can Mata, S.L. (a)	P	Cespa, S.A (a)	99,0%	11	2
Ecoparc del Mediterrani, S.A.		Cespa Gestión de Residuos, S.A. (a)	48,0%	3	2
SPAIN (Registered Office: Cáceres, Spain)					
Biogas Extremadura, S.L.		Biotran Gestión de Residuos, S.L.U. (a)	51,0%	0	
SPAIN (Registered Office: Ciudad Real, Spain)					
Reciclum, Reciclaje y valorización de Residuos, S.L. (a)		Biotran Gestión de Residuos, S.L.U. (a)	99,0%	0	
SPAIN (Registered Office: Granada, Spain)					

ENTITY	TYPE	PARENT	% OWNERSHIP	NET COST OWNERSHIP	AUDIT.
Inagra, S.A. (a)		Cespa, S.A (a)	80,0%	3	2
SPAIN (Registered Office: Málaga, Spain)					
Andaluza de Señalizaciones, S.A. (a)		Ferroser Infraestructuras, S.A. (a)	99,0%	1	
SPAIN (Registered Office: Murcia, Spain)					
Cespa Servicios Urbanos de Murcia, S.A.U. (a)	P	Cespa, S.A (a)	100,0%	10	2
SPAIN (Registered Office: Santander, Spain)					
Smart Hospital Cantabria, S.A. (a)	P	Ferrovial Servicios, S.A. (a)	85,0%	8	2
SPAIN (Registered Office: Toledo, Spain)					
Gestión Medioambiental de Toledo, S.A.	P	Cespa, S.A (a)	60,0%	7	2
SPAIN (Registered Office: Valladolid, Spain)					
Biotran Gestión de Residuos, S.L.U. (a)		Cespa Gestión de Residuos, S.A. (a)	99,0%	11	2
Maviva Valladolid, S.L. (a)		Ferrovial Servicios Logistica, S.A. (a)	99,7%	0	
SPAIN (Registered Office: Vigo, Spain)					
Maviva, S.A. (a)		Ferrovial Servicios Logistica, S.A. (a)	100,0%	8	2
Maviva Servicios Globales, S.L. (a)		Ferrovial Servicios Logistica, S.A. (a)	99,4%	0	
Almacenes Servicios y Recuperaciones, S.L. (a)		Ferrovial Servicios Logistica, S.A. (a)	99,7%	0	2
NETHERLANDS (Registered Office: Amsterdam, Netherlands)					
Ferrovial Services Netherlands B.V.		Ferrovial, S.A. (a)	100,0%	1	2
Ferrovial Services International, S.E.		Ferrovial International, S.E.	100,0%	173	2
AUSTRALIA (Registered Office: Melbourne, Australia)					
Amey Consulting Australia Pty Ltd		Amey OW Ltd	100,0%	0	
CANADA (Registered Office: Toronto, Canada)					
Ferrovial Services Canada (Holdings) Limited		Ferrovial Services International, S.E.	100,0%	0	
Ferrovial Services Ontario Limited		Ferrovial Services Canada (Holdings) Limited	100,0%	0	
Ferrovial Services Canada Limited		Ferrovial Services Canada (Holdings) Limited	100,0%	0	
Ferrovial Services Alberta Limited		Ferrovial Services Canada (Holdings) Limited	100,0%	0	
CHILE (Registered Office: Antofagasta, Chile)					
Berliam S.p.A.		Ferrovial Servicios Chile, SpA	65,1%	19	2
Berliam S.p.A.		Inversiones Chile Ltda	34.9%	10	2
CHILE (Registered Office: Los Andes, Chile)					
Steel Ingenieria, S.A.		Ferrovial Servicios Chile SPA	99,9%	6	2
Ferrovial Servicios Chile SPA		Ferrovial Services International S.E.	100.0%	49	
CHILE (Registered Office: Santiago, Chile)					
Ferrovial Servicios Ambientales		Berliam S.p.A.	99,7%	3	2
Inversiones (Chile) Holdings Limitada		Ferrovial Servicios Chile SpA	100,0%	3	2
Inversiones (Chile) Limitada		Inversiones (Chile) Holding Limitada	100,0%	1	
Ferrovial Servicios Salud, SpA		Ferrovial Servicios Chile SPA	100.0%	0	
UNITED STATES (Registered Office: Austin, United States)					
Servicios (Delaware) Inc.		Ferrovial Services International, S.E.	100,0%	0	
Ferrovial Services U.S., Inc.		Servicios (Delaware) Inc.	100,0%	0	5
Ferrovial Services Infrastructure, Inc.		Ferrovial Services U.S., Inc.	100,0%	0	5
Ferrovial Services Oil & Gas Inc.		Ferrovial Services U.S., Inc.	100,0%	0	5
Timec Services Company, Inc.		Ferrovial Services Oil & Gas Inc.	100,0%	0	5
Timec Speciality Services, Inc.		Ferrovial Services Oil & Gas Inc.	100,0%	0	5
Timec Upstream Holdings, LLC		Ferrovial Services Oil & Gas Inc.	100,0%	0	5
Timec Oilfields, LLC		Timec Upstream Holdings, LLC	100,0%	0	5
Ferrovial Services Holding US Corp		Ferrovial Holding US Corp	100.0%	0	
Ferrovial Services US, LLC		Ferrovial Services Holding US Corp	100,0%	0	
UNITED STATES (Registered Office: Buffalo, United States)					
HRI, Inc.		Ferrovial Services Oil & Gas Inc.	100,0%	0	5
UNITED STATES (Registered Office: Houston, United States)					
Amey Consulting USA, Inc.		Amey OW Ltd	100,0%	0	
UNITED STATES (Registered Office: Vallejo, United States)					
T.R.S.C., Inc.		Ferrovial Services Oil & Gas Inc.	100,0%	0	5
MOROCCO (Registered Office: Tánger, Morocco)					
Cespa Nadafa, S.A.R.L.		Cespa, S.A (a)	98,8%	0	
PORTUGAL (Registered Office: Lisbon, Portugal)					
Ferrovial Serviços, S.A.		Ferrovial Services International SE	100,0%	29	2
Sopovico, S.A.		Ferrovial Serviços, SA	100,0%	1	2
PORTUGAL (Registered Office: Porto, Portugal)					
Maviva Portugalia S.R.L.		Ferrovial Servicios Logistica, S.A. (a)	100,0%	1	
Citrup, Lda		Ferrovial Serviços, SA	70,0%	0	2

Auditores: (1) EY; (2) Deloitte; (3) BDO; (4) PWC; (5) KPMG; (6) Vir Audit
(a) Forman parte del Perímetro Fiscal de Ferrovial, S.A. y sociedades dependientes.

ENTITY	TYPE	PARENT	% OWNERSHIP	NET COST OWNERSHIP	AUDIT.
Ferrovial Serviços - Ecoambiente, ACE		Ferrovial Serviços, SA	60,0%	0	
QATAR (Registered Office: Doha, Qatar)					
Amey Consulting LLC		Amey OW Ltd	49,0%	0	
UNITED KINGDOM (Registered Office: Glasgow, United Kingdom)					
Byzak Contractors (Scotland) Ltd		Byzak Ltd	100,0%	0	
C.F.M Building Services Ltd		Enterprise Managed Services Ltd	100,0%	4	2
UNITED KINGDOM (Registered Office: London, United Kingdom)					
Ferrovial Services UK, Ltd		Ferrovial Services International, S.E.	100,0%	9	2
Amey UK plc (a)		Ferrovial Services Netherlands, B.V.	100,0%	166	2
Cespa UK Ltd		Cespa, S.A. (a)	100,0%	37	2
Cespa Ventures Ltd		Cespa UK Ltd	100,0%	0	2
Amey Holdings Ltd		Amey UK plc	100,0%	566	2
Amey plc		Amey Holdings Ltd	100,0%	566	2
Amey Environmental Services Ltd		Amey plc	100,0%	0	2
Amey Building Ltd		Amey plc	100,0%	1	
Amey Community Ltd		Amey plc	100,0%	61	2
Amey Construction Ltd		Amey plc	100,0%	7	2
Amey Datel Ltd		Amey OW Ltd	100,0%	0	
Amey Facilities Partners Ltd		Comax Holdings Ltd	100,0%	2	
Amey Fleet Services Ltd		Amey plc	100,0%	49	2
Amey Group Information Services Ltd		Amey plc	100,0%	15	2
Amey Group Services Ltd		Amey plc	100,0%	45	2
Amey Highways Ltd		Amey plc	100,0%	0	2
Amey Investments Ltd		Amey plc	100,0%	0	2
Amey IT Services Ltd		Amey plc	100,0%	0	
Amey 1321 Limited		Amey plc	100,0%	0	
Amey LG Ltd		Amey plc	100,0%	250	2
Amey LUL 2 Ltd		Amey Tube Ltd	100,0%	7	2
Amey Mechanical & Electrical Services Ltd		Amey Community Ltd	100,0%	1	2
Amey OW Group Ltd		Amey plc	100,0%	34	
Amey OW Ltd		Amey OW Group Ltd	100,0%	1	2
Amey OWR Ltd		Amey OW Group Ltd	100,0%	0	2
Amey Programme Management Ltd		Amey plc	100,0%	0	2
Amey Rail Ltd		Amey plc	100,0%	38	2
Amey Railways Holding Ltd		Amey plc	100,0%	0	
Amey Roads (North Lanarkshire) Ltd		Amey LG Ltd	66,7%	0	2
Amey Services Ltd		Amey plc	100,0%	176	2
Amey Technology Services Ltd		Amey plc	100,0%	0	
Amey Tramlink Ltd		Amey Technololgy Services Ltd	100,0%	0	
Amey Tube Ltd		JNP Ventures Ltd	100,0%	8	
Amey Ventures Asset Holdings Ltd		Amey Investments Ltd	100,0%	0	2
Amey Ventures Ltd		Amey plc	100,0%	6	2
Amey Ventures Management Services Ltd		Amey Investments Ltd	100,0%	0	2
Amey Wye Valley Ltd		Amey LG Ltd	80,0%	0	2
Comax Holdings Ltd		Amey plc	100,0%	0	
JNP Ventures 2 Ltd		Amey Tube Ltd	100,0%	8	
JNP Ventures Ltd		Amey Ventures Ltd	100,0%	0	
Sherard Secretariat Services Ltd		Amey plc	100,0%	0	2
TPI Holdings Ltd		Amey OW Ltd	100,0%	0	
Transportation Planning International Ltd		TPI Holdings Ltd	100,0%	0	
Wimco Ltd		Amey Railways Holding Ltd	100,0%	0	
Amey Public Services LLP		Amey LG Ltd	66,7%	0	2
Nationwide Distribution Services Ltd		Amey LG Ltd	100,0%	5	2
AmeyCespa (MK) ODC Ltd		AmeyCespa Ltd	100,0%	0	2
A.R.M. Services Group Ltd		Enterprise Holding Company No 1 Ltd	100,0%	95	2
Access Hire Services Ltd		Enterprise Managed Services Ltd	100,0%	4	
Accord Asset Management Ltd		Accord Ltd	100,0%	11	
Accord Consulting Services Ltd		Accord Ltd	100,0%	0	
Accord Environmental Services Ltd		Accord Ltd	100,0%	0	
Accord Ltd		Enterprise plc	100,0%	171	2
Accord Network Management Ltd		Accord Asset Management Ltd	100,0%	1	
Brophy Grounds Maintenance Ltd		Enterprise Public Services Ltd	100,0%	5	2
Byzak Ltd		Globemile Ltd	100,0%	9	2
Countrywide Property Inspections Ltd		Durley Group Holdings Ltd	100,0%	0	

ENTITY	TYPE	PARENT	% OWNERSHIP	NET COST OWNERSHIP	AUDIT.
CRW Maintenance Ltd		Enterprise Holding Company No 1 Ltd	100,0%	0	
Durley Group Holdings Ltd		Enterprise Holding Company No 1 Ltd	100,0%	0	
Enterprise (AOL) Ltd		Accord Ltd	100,0%	90	2
Enterprise (ERS) Ltd		Trinity Group Holdings Ltd	100,0%	0	
Enterprise (Venture Partner) Ltd		Enterprise Holding Company No 1 Ltd	100,0%	0	2
Enterprise Building Services Ltd		Enterprise Holding Company No 1 Ltd	100,0%	0	
Enterprise Foundation (ETR) Ltd		Enterprise Holding Company No 1 Ltd	100,0%	0	
Enterprise Holding Company No.1 Ltd		Enterprise plc	100,0%	579	2
Enterprise Lighting Services Ltd		Enterprise Holding Company No 1 Ltd	100,0%	0	
Enterprise Managed Services (BPS) Ltd		Enterprise Managed Services Ltd	100,0%	21	
Amey Metering Ltd		Enterprise Managed Services Ltd	100,0%	10	2
Enterprise Managed Services Ltd		Amey Utility Services Ltd	100,0%	3	2
Enterprise plc		Amey plc	100,0%	0	2
Amey Power Services Ltd		Enterprise Managed Services Ltd	100,0%	11	2
Enterprise Public Services Ltd		Enterprise Holding Company No 1 Ltd	100,0%	4	2
Amey Utility Services Ltd		ARM Services Group Ltd	100,0%	47	2
Globemile Ltd		Enterprise Managed Services Ltd	100,0%	20	2
Haringey Enterprise Ltd		Accord Ltd	100,0%	0	
Heating and Building Maintenance Company Ltd		Enterprise Holding Company No 1 Ltd	100,0%	1	2
Hillcrest Developments (Yorkshire) Ltd		Durley Group Holdings Ltd	100,0%	0	
ICE Developments Ltd		Enterprise Holding Company No 1 Ltd	100,0%	0	
J J McGinley Ltd		Enterprise Holding Company No 1 Ltd	100,0%	4	
JDM Accord Ltd		Accord Ltd	100,0%	1	
MRS Environmental Services Ltd		Enterprise Holding Company No 1 Ltd	100,0%	16	2
MRS St Albans Ltd		MRS Environmental Services Ltd	100,0%	0	
Trinity Group Holdings Ltd		Enterprise Holding Company No 1 Ltd	100,0%	0	
Enterprise Business Solutions 2000 Ltd		Enterprise Holding Company No 1 Ltd	90,0%	0	
Enterprise Islington Ltd		Accord Ltd	99,0%	0	
EnterpriseManchester Partnership Ltd		Enterprise Managed Services Ltd	80,0%	0	2
Slough Enterprise Ltd		Accord Environmental Services Ltd	100,0%	0	2
Enterprise Fleet Ltd		Enterprise Managed Services Ltd	54,5%	0	
AmeyCespa Ltd		Amey LG Ltd	50,0%	0	2
AmeyCespa Ltd		Cespa UK Ltd	50,0%	0	2
AmeyCespa (East) Holdings Ltd		AmeyCespa Ltd	100,0%	54	2
AmeyCespa Services (East) Ltd	P	AmeyCespa (East) Ltd	100,0%	8	2
Allerton Waste Recovery Park Interim SPV Ltd		AmeyCespa Ltd	100,0%	0	
AmeyCespa (AWRP) ODC Ltd		AmeyCespa Ltd	100,0%	0	2
AmeyCespa (East) Ltd		AmeyCespa (East) Holdings Ltd	100,0%	0	2
AmeyCespa WM (East) Ltd	P	AmeyCespa Services (East) Ltd	100,0%	0	2
Novo Community Ltd		Amey Community Ltd	100,0%	0	2
Amey (IOW) SPV Ltd		Amey Ventures Asset Holdings Ltd	100,0%	0	2
Amey TPT Limited		Amey OWR Ltd	100,0%	6	2
Amey Finance Services Ltd		Amey plc	100,0%	0	2
AmeyCespa (MK) Holding Co Ltd	P	Amey Ventures Asset Holdings Ltd	50,0%	0	2
AmeyCespa (MK) Holding Co Ltd	P	Cespa Ventures Limited	50,0%	0	2
AmeyCespa (MK) SPV Ltd	P	AmeyCespa (MK) Holding Co Ltd	100,0%	0	2
Amey MAP Services Limited		Amey Investments Ltd	100,0%	0	
Amey Equitix Smart Meters 1 Holdings Limited		Amey Ventures Asset Holdings Ltd	100,0%	0	
Amey Equitix Smart Meters 1 SPV Limited		Amey Equitix Smart Meters 1 Holdings Limited	100,0%	0	
Amey Keolis Infrastructure/Seilwaith Amey Keolis Limited		Amey Rail Limited	90,0%	0	2
Amey Defence Services Limited		Enterprise Managed Services Limited	100,0%	10	2
Amey Defence Services (Housing) Limited		Enterprise Managed Services Limited	100,0%	11	2
UNITED KINGDOM (Registered Office: Liverpool, United Kingdom)					
Fleet and Plant Hire Ltd		Enterprise Managed Services Ltd	100.0%	0	2
UNITED KINGDOM (Registered Office: Manchester, United Kingdom)					
Enterprise Utility Services (DCE) Ltd		Enterprise Holding Company No 1 Ltd	100.0%	0	
Enterprise Utility Services (TBC) Ltd		Enterprise Holding Company No 1 Ltd	100.0%	0	

Auditores: (1) EY; (2) Deloitte; (3) BDO; (4) PWC; (5) KPMG; (6) Vir Audit
(a) Forman parte del Perímetro Fiscal de Ferrovial, S.A. y sociedades dependientes.

Anexo II. Associates (companies accounted for using the equity method) (millions of euros)

ENTITY	TYPE	PARENT	% OWNERSHIP	VALUE EQUITY METHOD	ASSETS	LIABILITIES	REVENUES	RESULTS	AUDIT.
MOBILITY									
SPAIN									
Car Sharing Mobility Services, S.L.	P	Ferrovial Mobility, S.L.U.	50,0%	7	16	7	6	-6	2
FRANCE									
Car Sharing & Mobility Services France, S.A.S	P	Car Sharing Mobility Services, S.L.	50,0%	2	5	2	1	-4	5
CONSTRUCTION									
SPAIN									
Urbs Iduex Et Causidicus	P	Ferrovial Construccion, S.A.	22,0%	0	385	417	37	7	2
Via Olmedo Pedralba, S.A.	P	Ferrovial Construccion, S.A.	25,2%	1	5	2	4	0	3
Boremer, S.A.		Cadagua, S.A.	50,0%	1	9	7	6	2	2
ESTADOS UNIDOS									
Pepper Lawson Horizon Intl. Group		Webber Commercial Construction LLC	70,0%	0	2	2	0	0	
OMAN									
International Water Treatment LLC		Cadagua, S.A.	37,5%	0	1	5	0	0	4
POLAND									
PPHU Promos Sp. z o.o.		Budimex SA	26,3%	0	4	2	3	0	
AIRPORTS									
UNITED KINGDOM									
FGP Topco Limited	P	Hubco Netherlands B.V.	25,0%	205	26.503	25.681	1.323	-1.585	2
AGS Airports Holdings Limited	P	Faero UK Holding Limited	50,0%	0	1.265	36	80	-121	2
QATAR									
FMM Company LLC	P	Ferrovial Servicios S.A.U.	49,0%	17	63	29	12	2	1
TOLL ROADS									
SPAIN									
Serranopark, S.A.	P	Cintra Infraestructuras España, S.L.	50,0%	2	61	64	4	-6	2
Sociedad Concesionaria Autovía de la Plata, S.A.	P	Cintra Infrastructures SE	25,0%	16	231	168	25	12	2
Bip & Drive, S.A.	P	Cintra Infraestructuras España, S.L.	20,0%	2	21	10	182	2	4
Autopista del Sol, C.E.S.A.	P	Cintra Infraestructuras España, S.L.	15,0%	111	93	93	6	0	1
AUSTRALIA									
Nexus Infrastructure Holdings Unit Trust	P	Cintra Toowoomba Ltd	40,0%	3	1	0	0	0	2
Nexus Infrastructure Unit Trust	P	Nexus Infrastructure Holdings Unit Trust	40,0%	9	48	17	25	3	2
Nexus Infrastructure Holdings PTY Ltd	P	Cintra Toowoomba Ltd	40,0%	0	0	0	0	0	
Nexus Infrastructure PTY Ltd	P	Nexus Infrastructure Holdings PTY Ltd	40,0%	0	0	0	0	0	
Netflow Osars (Western) GP	P	Cintra Osars (Western) Unit Trust	50,0%	29	125	64	35	5	4
CANADA									
407 International Inc	P	11200232 Canadá Inc.	43,2%	1.205	3.621	6.634	591	96	2
407 East Development Group General Partnership	P	Cintra 407 East Development Group Inc	50,0%	12	131	107	6	2	2
OM&R 407 East Development Group General Partnership	P	Cintra OM&R 407 East Development Group Inc	50,0%	1	5	2	5	1	
Blackbird Maintenance 407 GP	P	Blackbird Maintenance 407 Cintra GP Inc	50,0%	0	5	1	3	0	3
Blackbird Infrastructures 407 GP	P	Blackbird Infrastructures 407 Cintra GP Inc	50,0%	13	97	70	4	1	3
COLOMBIA									
Concesionaria Ruta del Cacao S.A.S.	P	Cintra Infraestructuras Colombia S.A.S.	30,0%	13	560	516	68	16	2
SLOVAKIA									
Zero Bypass Limited, Organizacna Zloska	P	Zero Bypass Ltd	35,0%	0	0	0	0	0	7
UNTIED STATES									
I-66 Express Mobility Partners Holdings LLC	P	Cintra 2 I-66 Express Mobility Partners	40,0%	0	163	48	0	0	
I-66 Express Mobility Partners Holdings LLC	P	Cintra I-66 Express Mobility Partners LLC	10,0%	0	163	48	0	0	
I-66 Express Mobility Partners LLC	P	I-66 Express Mobility Partners Holdings LLC	50,0%	45	1.905	1.767	0	0	1
NETHERLANDS									
Algarve International B.V. (1)	P	Cintra Infrastructures SE	20,0%	0	124	123	0	0	1
IRELAND									
Eurolink Motorway Operation (M4-M6) Ltd	P	Cintra Infraestructuras Irlanda, S.L.U.	20,0%	7	244	136	22	4	2
Eurolink Motorway Operations (M3) Ltd	P	Cinsac Ltd	20,0%	6	166	137	20	5	2
PORTUGAL									
Autoestrada do Algarve, S.A. (1)	P	Cintra Infrastructures SE	20,0%	0	202	127	32	13	2
Auto-Estradas Norte Litoral, S.A. (1)	P	Cintra Infrastructures SE	20,0%	0	344	169	38	19	2
UNTIED KINGDOM									
Scot Roads Partnership Holdings Ltd	P	Cintra Infrastructures UK Ltd	20,0%	0	0	0	0	0	4
Scot Roads Partnership Finance Ltd	P	Scot Roads Partnership Holdings Ltd	20,0%	0	417	417	0	0	4
Scot Roads Partnership Project Ltd	P	Scot Roads Partnership Holdings Ltd	20,0%	0	430	430	34	0	4
Zero Bypass Holdings Ltd	P	Cintra Slovakia Ltd	35,0%	0	0	0	0	0	7
Zero Bypass Ltd	P	Zero Bypass Holdings Ltd	35,0%	0	932	996	31	4	7
RiverLinx Holdings Ltd	P	Cintra Silvertown Ltd	22,5%	0	0	0	0	0	1
RiverLinx Ltd	P	RiverLinx Holdings Ltd	22,5%	0	396	493	11	-5	1
TOTAL VALUE BY EQUITY METHOD CONTINUED OPERATIONS				1,710					
SERVICES									
SPAIN									
Vialnet Vic, S.L.		Cespa, S.A.	49,0%	0	1	1	3	0	6
Recollida Residus Osona, S.L.		Cespa, S.A.	45,0%	1	4	2	8	0	6
Inusa Ing. Urbana, S.A.		Cespa, S.A.	35,0%	4	12	0	1	0	2
Valdemingomez 2000, S.A.		Cespa, S.A.	20,0%	1	13	5	7	9	2
Novalis Medio Ambiente . S.A.		Cespa Gestión de Residuos, S.A.	50,0%	0	3	4	0	0	
Valvení Soluciones Para El Desarrollo Sostenible, S.L.		Biotran Gestión de Residuos, S.L.U.	50,0%	4	0	0	0	0	
Valoraciones Farmaceúticas, S.L.		Biotran Gestión de Residuos, S.L.U.	50,0%	0	0	0	0	0	
Empresa Mant. y Explotación M30, S.A.		Ferrovial Servicios, S.A.	50,0%	-34	221	221	29	10	5
Madrid Calle 30, S.A.	P	Empresa Mant. y Explotación M30, S.A.	20,0%	51	698	195	122	63	8
Necrópolis de Valladolid, S.A.		Sitkol, S.A.	49,0%	4	23	5	6	1	11
Aetec, S.A.		Ferroser Infraestructuras S.A.	9,2%	0	1	0	1	0	
FerroNats Air Traffic Services, S.A.		Ferrovial Servicios, S.A.	50,0%	3	11	6	17	2	2
UNITED STATES									
AmeyWebber LLC		Amey Consulting USA, Inc	50,0%	0	0	0	0	0	
PORTUGAL									
Valor Rib, Lda		Ferrovial Serviços, SA	45,0%	1	8	5	5	1	
Ecobeirão, SA		Ferrovial Serviços, SA	20,0%	0	19	18	9	0	9
Ferrovial Serviços, Egeo, ECAC, Gabriel Couto, ACE		Ferrovial Serviços, SA	35,0%	0	1	1	0	0	
UNITED KINGDOM									
GEO Amey PECS Ltd		Amey Community Ltd	50,0%	9	24	6	121	10	10
Amey Infrastructure Management (1) Ltd		Amey Ventures Asset Holdings Ltd	10,0%	0	2	0	0	0	
AHL Holdings (Manchester) Ltd		Amey Ventures Investments Ltd	2,5%	0	25	22	8	1	2
Amey Highways Lighting (Manchester) Ltd	P	AHL Holdings (Manchester) Ltd	2,5%	0	0	0	0	0	2
AHL Holdings (Wakefield) Ltd		Amey Ventures Investments Ltd	2,5%	0	13	12	4	1	2
Amey Highways Lighting (Wakefield) Ltd	P	AHL Holdings (Wakefield) Ltd	2,5%	0	0	0	0	0	2
ALC (Superholdco) Ltd		Amey Ventures Investments Ltd	2,5%	2	45	6	55	23	5
ALC (FMC) Ltd		ALC (Superholdco) Ltd	50,0%	0	0	0	0	0	5
ALC (Holdco) Ltd		ALC (Superholdco) Ltd	2,5%	0	0	0	0	0	5
ALC (SPC) Ltd		ALC (Holdco) Ltd	2,5%	0	0	0	0	0	5
Amey Belfast Schools Partnership Hold Co Ltd		Amey Ventures Investments Ltd	5,0%	0	110	110	8	1	3
Amey Belfast Schools Partnership PFI Co Ltd	P	Amey Belfast Schools Partnership Hold Co Ltd	5,0%	0	0	0	0	0	3
Amey FMP Belfast Strategic Partnership Hold Co Ltd		Amey Ventures Management Services Ltd	70,0%	0	0	0	0	0	3
Amey FMP Belfast Strategic Partnership SP Co Ltd		Amey FMP Belfast Schools Partnership Hold Co Ltd	70,0%	0	0	0	0	0	3
Amey Roads NI Holdings Ltd		Amey Ventures Investments Ltd	2,5%	0	289	300	22	1	3
Amey Roads NI Financial plc		Amey Roads NI Ltd	2,5%	0	0	0	0	0	3
Amey Roads NI Ltd	P	Amey Roads NI Holdings Ltd	2,5%	0	0	0	0	0	3
Amey Lighting (Norfolk) Holdings Ltd		Amey Ventures Investments Ltd	5,0%	0	37	35	6	1	3
Amey Lighting (Norfolk) Ltd	P	Amey Lighting (Norfolk) Holdings Ltd	5,0%	0	0	0	0	0	3

(1) EY; (2) Deloitte; (3) BDO; (4) PWC; (5) KPMG; (6) Vir Audit; (7) Mazars; (8) PKF; (9) Martins Pereira, Joao Careca & Associados, Sroc.; (10) Grant Thornton UK LLP; (11) 3 Auditores SLP

ENTITY	TYPE	PARENT	% OWNERSHIP	VALUE EQUITY METHOD	ASSETS	LIABILITIES	REVENUES	RESULTS	AUDIT.
E4D&G Holdco Ltd		Amey Ventures Investments Ltd	4,3%	0	117	115	7	0	3
E4D&G Project Co Ltd	P	E4D&G Holdco Ltd	4,3%	0	0	0	0	0	3
Eduaction (Waltham Forest) Ltd (IP)		Amey plc	50,0%	0	0	0	0	0	
Integrated Bradford Hold Co One Ltd		Amey Ventures Investments Ltd	1,3%	0	79	78	8	0	5
Integrated Bradford Hold Co One Ltd		Integrated Bradford LEP Ltd	2,0%	0	0	0	0	0	5
Integrated Bradford PSP Ltd (IP)		Amey Infrastructure Management (1) Ltd	25,0%	0	2	2	1	0	5
Integrated Bradford Hold Co Two Ltd		Amey Infrastructure Management (1) Ltd	1,0%	0	163	156	16	2	5
Integrated Bradford Hold Co Two Ltd		Integrated Bradford LEP Ltd	2,0%	0	0	0	0	0	5
Integrated Bradford LEP Ltd		Integrated Bradford PSP Ltd	20,0%	0	0	0	0	0	5
Integrated Bradford LEP Fin Co One Ltd		Integrated Bradford LEP Ltd	20,0%	0	0	0	0	0	5
Integrated Bradford SPV One Ltd	P	Integrated Bradford Hold Co One Ltd	3,3%	0	0	0	0	0	5
Integrated Bradford SPV Two Ltd	P	Integrated Bradford Hold Co Two Ltd	3,0%	0	0	0	0	0	5
RSP (Holdings) Ltd		Amey Ventures Investments Ltd	1,8%	0	117	114	12	1	3
The Renfrewshire Schools Partnership Ltd	P	RSP (Holdings) Ltd	1,8%	0	0	0	0	0	3
Services Support (Avon & Somerset) Holdings Ltd		Amey Ventures Investments Ltd	1,0%	0	58	54	4	1	3
Services Support (Avon & Somerset) Ltd	P	Services Support (Avon & Somerset) Holdings Ltd	1,0%	0	0	0	0	0	3
Keolis Amey Docklands Ltd		Amey Rail Ltd	30,0%	4	19	5	103	1	2
Keolis Amey Metrolink Ltd		Amey Rail Ltd	40,0%	3	10	1	77	0	
AmeyVTOL Ltd		Amey OWR Ltd	60,0%	0	0	0	0	0	
Scot Roads Partnership Holdings Ltd		Amey Ventures Asset Holdings Ltd	20,0%	0	439	439	15	0	4
Scot Roads Partnership Project Ltd	P	Scot Roads Partnership Holdings Ltd	20,0%	0	0	0	0	0	4
Scot Roads Partnership Finance Ltd		Scot Roads Partnership Holdings Ltd	20,0%	0	0	0	0	0	4
Amey Infrastructure Management (2) Ltd		Amey Ventures Asset Holdings Ltd	10,0%	0	0	0	0	0	
AmeyCespa (AWRP) Holdco Ltd	P	Amey Infrastructure Management (2) Ltd	3,3%	0	330	329	19	-3	2
AmeyCespa (AWRP) SPV Ltd	P	AmeyCespa (AWRP) Holdco Ltd	3,3%	0	0	0	0	0	2
Amey Infrastructure Management (3) Ltd		Amey Ventures Asset Holdings Ltd	10,0%	0	0	0	0	0	
Amey Hallam Highways Holdings Ltd	P	Amey Infrastructure Management (3) Ltd	3,3%	0	277	309	57	5	3
Amey Hallam Highways Ltd	P	Amey Hallam Highways Holdings Ltd	3,3%	0	0	0	0	0	3
Amey Ventures Investments Ltd		Amey Investments Ltd	5,0%	0	32	32	0	0	3
Keolis Amey Wales Cymru Ltd		Amey Rail Ltd	40,0%	0	0	0	0	0	
Keolis Amey Operations/Gweithrediadau Keolis Amey Ltd		Amey Rail Ltd	36,0%	0	0	0	0	0	
Amey Breathe Limited		Amey Community Limited	50,0%	0	0	1	0	0	
TOTAL VALUE BY EQUITY METHOD DISCONTINUED OPERATIONS					53				

(1) EY; (2) Deloitte; (3) BDO; (4) PWC; (5) KPMG; (6) Vir Audit; (7) Mazars; (8) PKF; (9) Martins Pereira, Joao Careca & Associados, Sroc.; (10) Grant Thornton UK LLP; (11) 3 Auditores SLP

Appendix III. Information by segment

The Board of Directors analyses the performance of the Group mainly from a business perspective. From this perspective, the Board assesses the performance of the Construction, Toll roads, Airports and Services segments. Set forth below are the consolidated balance sheet and consolidated income statement for 2020 and 2019, broken down by business segment. The “Other” column includes the assets and/or liabilities and income and/or expenses of the companies not assigned to any of the business segments, including most notably the parent company, Ferrovial, S.A., and its other smaller subsidiaries. The "Adjustments" column reflects inter-segment consolidation eliminations.

BALANCE SHEET BY BUSINESS SEGMENT: 2020 (MILLIONS OF EUROS).

ASSETS (Millions of euros)	NOTE	CONSTRUCTION	TOLL ROADS	AIRPORTS	SERVICES	OTHER AREAS	ADJUSTMENTS	2020
Non-current assets		**940**	**9,160**	**460**	**0**	**328**	**-426**	**10,462**
Goodwill on consolidation	3.1	169	0	39	0	0	0	208
Intangible assets	3.2	40	1	18	0	1	0	60
Fixed assets in infrastructure projects	3.3	93	6,145	24	0	-1	-61	6,200
Investment property		2	0	0	0	0	0	2
Property, plant and equipment	3.4	187	19	50	0	12	4	272
Right of use	3.7	80	3	0	0	14	0	97
Investments in associates	3.5	2	1,476	222	0	10	0	1,710
Non-current financial assets	3.6	22	907	100	0	192	-369	852
Loans granted to associates		3	61	100	0	0	0	164
Restricted cash in infrastructure projects and other financial assets	5.2	3	650	0	0	1	0	654
Other receivables		16	196	0	0	191	-369	34
Deferred taxes	2.8	345	134	7	0	100	0	586
Long-term financial derivatives at fair value	5.5	0	475	0	0	0	0	475
Current assets		**4,913**	**2,891**	**104**	**3,884**	**2,909**	**-2,035**	**12,666**
Assets classified as held for sale	1.1.3	118	69	0	3,884	0	0	4,071
Inventories	4.1	671	11	0	0	3	6	691
Current income tax assets		47	18	8	0	31	4	108
Short-term trade and other receivables	4.2	1,108	180	11	0	137	-144	1,292
Trade receivables for sales and services		943	81	4	0	44	-116	956
Other short-term receivables		165	99	7	0	93	-28	336
Cash and cash equivalents	5.2	2,968	2,549	84	0	2,732	-1,901	6,432
Loans with Group companies		959	535	68	0	342	-1,904	0
Other		2,009	2,015	16	0	2,388	4	6,432
Short term financial derivatives at fair value	5.5	1	64	1	0	6	0	72
TOTAL ASSETS		**5,853**	**12,051**	**564**	**3,884**	**3,237**	**-2,461**	**23,128**

LIABILITIES AND EQUITY (Millions of euros)	NOTE	CONSTRUCTION	TOLL ROADS	AIRPORTS	SERVICES	OTHER AREAS	ADJUSTMENTS	2020
Equity	**5.1**	**1,221**	**4,661**	**455**	**1,012**	**-3,601**	**79**	**3,827**
Equity attributable to shareholders		1,089	4,158	455	1,001	-3,600	84	3,187
Equity attributable to non-controlling interests		132	503	0	11	-1	-5	640
Deferred income	**6.1**	**0**	**1,245**	**0**	**0**	**0**	**0**	**1,245**
Non-current liabilities		**436**	**5,736**	**87**	**0**	**3,384**	**-323**	**9,320**
Pension plan deficit	6.2	4	0	0	0	0	0	4
Long-term provisions	6.3	143	109	0	0	169	0	421
Long-term lease liabilities	3.7	48	2	0	0	11	0	61
Borrowings	5.2	130	5,053	77	0	3,034	-324	7,970
Payables to group companies		0	114	25	0	185	-324	0
Other		129	4,939	52	0	2,850	0	7,970
Debt securities and payables of infrastructure project companies		87	4,948	77	0	0	-34	5,078
Debt securities and payables of ex-infrastructure project companies		42	-9	-25	0	2,850	34	2,892
Other payables	6.4	4	12	0	0	0	1	17
Deferred taxes	2.8	102	225	4	0	97	0	428
Financial derivatives at fair value	5.5	5	335	6	0	73	0	419
Current liabilities		**4,196**	**409**	**22**	**2,872**	**3,454**	**-2,217**	**8,736**
Liabilities classified as held for sale	1.1.3	85	0	0	2,872	1	0	2,958
Short-term lease liabilities	3.7	54	1	0	0	4	0	59
Borrowings	5.2	217	204	10	0	3,270	-2,044	1,657
Payables to group companies		199	181	8	0	1,656	-2,044	0
Other		19	23	2	0	1,613	0	1,657
Financial derivatives at fair value	5.5	5	38	4	0	2	0	49
Current income tax liabilities		54	-74	-4	0	108	7	91
Short-term trade and other payables	4.3	3,016	122	11	0	69	-189	3,029
Trade provisions	6.3	763	118	0	0	2	9	892
TOTAL LIABILITIES AND EQUITY		**5,853**	**12,051**	**564**	**3,884**	**3,237**	**-2,461**	**23,128**

BALANCE SHEET BY BUSINESS SEGMENT: 2019 (MILLIONS OF EUROS)

ASSETS (Millions of euros)	NOTE	CONSTRUCTION	TOLL ROADS	AIRPORTS	SERVICES	OTHER AREAS	ADJUSTMENTS	2019
Non-current assets		**1,149**	**10,539**	**980**	**0**	**748**	**-1,058**	**12,358**
Goodwill on consolidation	3.1	205	0	43	0	0	0	248
Intangible assets	3.2	42	0	19	0	2	0	63
Fixed assets in infrastructure projects	3.3	196	6,716	7	0	-1	-38	6,880
Investment property		2	0	0	0	0	0	2
Property, plant and equipment	3.4	202	22	56	0	15	4	299
Right of use	3.7	98	4	1	0	23	0	126
Investments in associates	3.5	3	1,808	747	0	-1	0	2,557
Non-current financial assets	3.6	59	1,443	106	0	664	-1,025	1,247
Loans granted to associates		3	62	106	0	0	0	171
Restricted cash in infrastructure projects and other financial assets	5.2	7	963	0	0	0	0	970
Other receivables		49	418	0	0	664	-1,025	106
Deferred taxes	2.8	341	131	2	0	27	1	502
Long-term financial derivatives at fair value	5.5	1	415	-1	0	19	0	434
Current assets		**4,836**	**2,622**	**63**	**4,936**	**1,605**	**-2,311**	**11,751**
Assets classified as held for sale	1.1.3	0	0	0	4,936	0	0	4,936
Inventories	4.1	681	13	-2	0	2	6	700
Current income tax assets		31	14	8	0	75	-31	97
Short-term trade and other receivables	4.2	1,106	165	8	0	130	-153	1,256
Trade receivables for sales and services		892	88	0	0	34	-123	891
Other short-term receivables		214	77	8	0	96	-30	365
Cash and cash equivalents	5.2	3,018	2,404	48	0	1,394	-2,129	4,735
Loans with Group companies		1,136	409	31	0	557	-2,133	0
Other		1,881	1,995	17	0	838	4	4,735
Short term financial derivatives at fair value	5.5	0	26	1	0	4	-4	27
TOTAL ASSETS		**5,985**	**13,161**	**1,043**	**4,936**	**2,353**	**-3,369**	**24,109**

LIABILITIES AND EQUITY (millions of euros)	NOTE	CONSTRUCTION	TOLL ROADS	AIRPORTS	SERVICES	OTHER AREAS	ADJUSTMENTS	2019
Equity	5.1	**1,214**	**5,262**	**955**	**1,445**	**-3,099**	**-690**	**5,087**
Equity attributable to shareholders		1,127	4,572	955	1,433	-3,098	-685	4,304
Equity attributable to non-controlling interests		87	690	0	12	-1	-5	783
Deferred income	6.1	**2**	**1,345**	**0**	**0**	**0**	**0**	**1,347**
Non-current liabilities		**564**	**6,101**	**73**	**0**	**2,734**	**-418**	**9,054**
Pension plan deficit	6.2	4	0	0	0	0	0	4
Long-term provisions	6.3	165	188	0	0	165	0	518
Long-term lease liabilities	3.7	61	3	1	0	17	0	82
Borrowings	5.2	200	5,311	67	0	2,405	-418	7,565
Payables to group companies		0	47	9	0	362	-418	0
Other		199	5,264	58	0	2,044	0	7,565
Debt securities and payables of infrastructure project companies		148	5,264	67	0	1	-9	5,471
Debt securities and payables of ex-infrastructure project companies		51	0	-9	0	2,043	9	2,094
Other payables	6.4	12	13	0	0	0	0	25
Deferred taxes	2.8	101	263	5	0	106	0	475
Financial derivatives at fair value	5.5	21	323	0	0	41	0	385
Current liabilities		**4,205**	**453**	**15**	**3,491**	**2,718**	**-2,261**	**8,621**
Liabilities classified as held for sale	1.1.3	0	0	0	3,491	0	0	3,491
Short-term lease liabilities	3.7	63	1	0	0	7	0	71
Borrowings	5.2	283	294	14	0	2,497	-2,055	1,033
Payables to group companies		261	277	12	0	1,505	-2,055	0
Other		22	17	2	0	992	0	1,033
Financial derivatives at fair value	5.5	7	65	1	0	26	-2	97
Current income tax liabilities		79	-51	-8	0	118	-31	107
Short-term trade and other payables	4.3	**3,040**	**137**	7	0	71	-183	3,072
Trade provisions	6.3	**733**	**6**	1	0	1	9	750
TOTAL LIABILITIES AND EQUITY		**5,985**	**13,161**	**1,043**	**4,936**	**2,353**	**-3,369**	**24,109**

The detail of total assets by geographical area is as follows:

	2020	2019	CHANGE
Spain	6,636	5,200	1,436
UK	1,987	2,553	-566
USA	7,897	8,571	-674
Canada	3,191	3,416	-225
Australia	91	1,008	-917
Poland	1,721	1,625	96
Other	1,604	1,735	-131
TOTAL	23,128	24,109	-981

INCOME STATEMENT BY BUSINESS SEGMENT: 2020 (MILLIONS OF EUROS).

	CONSTRUCTION	TOLL ROADS	AIRPORTS	SERVICES	OTHER SEGMENTS	DISCONTINUED OPERATIONS	ADJUSTMENTS	TOTAL
Revenue	5,862	405	8	5,935	128	-5,871	-126	6,341
Other operating income	2	0	0	9	1	-8	-1	3
Total operating income	**5,864**	**405**	**8**	**5,944**	**129**	**-5,879**	**-127**	**6,344**
Materials consumed	993	1	0	380	0	-370	1	1,005
Other operating expenses	3,700	97	18	2,771	109	-2,754	-126	3,815
Staff costs	944	55	7	2,573	73	-2,537	0	1,115
Total operating expenses	**5,637**	**153**	**25**	**5,724**	**182**	**-5,661**	**-125**	**5,935**
EBITDA	**227**	**252**	**-17**	**220**	**-53**	**-218**	**-2**	**409**
Fixed asset depreciation	93	92	2	229	9	-227	0	198
Operating profit/(loss) before impairment and disposal of fixed assets	134	160	-19	-9	-62	9	-2	211
Impairment and disposal of fixed assets	0	8	0	-21	7	21	0	15
Operating profit/(loss)	**134**	**168**	**-19**	**-30**	**-55**	**30**	**-2**	**226**
Net financial income/(expense) from financing	-9	-223	-2	-17	0	17	0	-234
Profit/(loss) on derivatives and other net financial income/(expense)	2	36	0	-2	0	2	-1	37
Net financial income/(expense) from infrastructure projects	-7	-187	-2	-19	0	19	-1	-197
Net financial income/(expense) from financing	14	22	0	-17	-46	17	2	-8
Profit/(loss) on derivatives and other net financial income/(expense)	-16	9	-3	-25	-16	24	0	-27
Net financial income/(expense) from other companies	-2	31	-3	-42	-62	41	2	-35
Net financial income/(expense)	**-9**	**-156**	**-5**	**-61**	**-62**	**60**	**1**	**-232**
Share of profits of equity-accounted companies	1	62	-447	22	-2	-15	1	-378
Consolidated profit/(loss) before tax	**126**	**74**	**-471**	**-69**	**-119**	**75**	**0**	**-384**
Corporate income tax	-37	-6	6	-33	65	33	0	28
Consolidated profit/(loss) from continuing operations	89	68	-465	-102	-54	108	0	-356
Net profit/(loss) from discontinued operations	0	0	0	0	0	-1	-2	-3
Consolidated profit/(loss) for the year	**89**	**68**	**-465**	**-102**	**-54**	**107**	**-2**	**-359**
Profit/(loss) for the year attributed to non-controlling interests	-42	-7	0	-2	1	2	-3	-51
Profit/(loss) for the year attributed to the parent company	**47**	**61**	**-465**	**-104**	**-53**	**109**	**-5**	**-410**

INCOME STATEMENT BY BUSINESS SEGMENT: 2019 (MILLIONS OF EUROS).

	CONSTRUCTION	TOLL ROADS	AIRPORTS	SERVICES	OTHER SEGMENTS	DISCONTINUED OPERATIONS	ADJUSTMENTS	TOTAL
Revenue	5,413	617	19	6,995	151	-6,995	-146	6,054
Other operating income	1	0	0	4	0	-4	1	2
Total operating income	**5,414**	**617**	**19**	**6,999**	**151**	**-6,999**	**-145**	**6,056**
Materials consumed	947	2	0	511	0	-511	0	949
Other operating expenses	3,855	118	26	2,987	106	-2,987	-146	3,959
Staff costs	898	62	10	3,118	58	-3,118	-1	1,027
Total operating expenses	**5,700**	**182**	**36**	**6,616**	**164**	**-6,616**	**-147**	**5,935**
EBITDA	**-286**	**435**	**-17**	**383**	**-13**	**-383**	**2**	**121**
Fixed asset depreciation	79	89	2	288	9	-288	1	180
Operating profit/(loss) before impairment and disposal of fixed assets	-365	346	-19	95	-22	-95	1	-59
Impairment and disposal of fixed assets	0	426	33	-5	0	5	1	460
Operating profit/(loss)	**-365**	**772**	**14**	**90**	**-22**	**-90**	**2**	**401**
Net financial income/(expense) from financing	-9	-253	-2	-19	0	19	0	-264
Profit/(loss) on derivatives and other net financial income/(expense)	3	-2	-1	0	0	0	1	1
Net financial income/(expense) from infrastructure projects	-6	-255	-3	-19	0	19	1	-263
Net financial income/(expense) from financing	30	44	0	-31	-15	31	-31	28
Profit/(loss) on derivatives and other net financial income/(expense)	-27	26	13	-23	31	23	-1	42
Net financial income/(expense) from other	3	70	13	-54	16	54	-32	70
Net financial income/(expense)	**-3**	**-185**	**10**	**-73**	**16**	**73**	**-31**	**-193**
Share of profits of equity-accounted companies	-1	182	115	29	0	-29	0	296
Consolidated profit/(loss) before tax	**-369**	**769**	**139**	**46**	**-6**	**-46**	**-29**	**504**
Corporate income tax	3	89	-3	-16	-142	16	6	-47
Consolidated profit/(loss) from continuing operations	-366	858	136	30	-148	-30	-23	457
Net profit/(loss) from discontinued operations	0	0	0	0	-11	-187	0	-198
Consolidated profit/(loss) for the year	**-366**	**858**	**136**	**30**	**-159**	**-217**	**-23**	**259**
Profit/(loss) for the year attributed to non-controlling interests	56	-37	-7	-3	0	3	-3	9
Profit/(loss) for the year attributed to the parent company	**-310**	**821**	**129**	**27**	**-159**	**-214**	**-26**	**268**

SECTION 7: EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group in Spain (see Note 1.1.1). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

Translation of consolidated financial statements originally. In the event of a discrepancy, the Spanish-language version prevails.

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AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

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

To the shareholders of FERROVIAL, S.A.:

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of FERROVIAL, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated statement of financial position at December 31, 2020, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated of cash flow statement, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2020 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of revenue from long-term contracts

Description	A considerable amount of the Ferrovial Group's revenue relates to long-term construction contracts, in which revenue is recognized over time in accordance with the stage of completion method. Revenue recognition for these contracts requires that management make significant estimates of the costs to be incurred and, where applicable, the amount of any modifications, claims or disputes arising in connection with the initial contract that will ultimately be accepted by the customer. The disclosures pertaining to this revenue can be found in Notes 1.3.3.4, 2.1 and 4.4 to the accompanying consolidated financial statements. Due to the complexity of making the aforementioned estimates, which requires that Ferrovial Group management make judgments when determining the assumptions considered and the fact that changes in these assumptions could give rise to material differences in the revenue recognized, we determined this to be a key audit matter.
Our response	In relation to this matter, our Audit procedures included: ▶ Understanding the policies and procedures the Group applies to revenue recognition, including an evaluation of the design and implementation of key controls related to revenue recognition using the stage-of-completion method and to budget planning, assessing methodology and monitoring the assumptions used in the preparation of contract budgets. ▶ Selecting a sample of contracts to assess the most significant estimates affecting revenue recognition, obtaining supporting documentation for these estimates as well as evidence of the judgments made; identifying relevant contractual clauses such as penalties or discounts, and assessing whether such clauses have been adequately reflected in the amounts recognized in the consolidated financial statements. ▶ Conducting a comparative analysis of budgeted vs actual revenue from contracts completed during the year, and analyzing Ferrovial Group management's monitoring of contract risks. ▶ Evaluating the reasonableness of the estimate of completed construction pending certification recognized as revenue at year-end, checking the status of negotiations with customers for the main contracts and reviewing the reasonableness of the documentation substantiating the probability of recovery, taking into account our own expectations based on our knowledge of the client and our experience in the sector as well as in the countries where the Ferrovial Group operates. ▶ Determining whether the provisions recognized at year-end reasonably reflect the main obligations and the level of risk of the contracts in question. ▶ Checking that the disclosures made in the notes to the consolidated financial statement comply with the applicable financial reporting framework.

Recognition and recoverability of investments in infrastructure projects operated under concession arrangements

Description

As explained in Note 1.3.3.2 to the accompanying consolidated financial statements, concession arrangements for which the resulting consideration consists of an unconditional contractual right to receive cash or other financial assets from the grantor (or on the grantor's behalf) as compensation for construction and operating services and for which the grantor has little or no discretion to avoid payment, are classified as a financial asset. In addition, concession agreements in which the consideration received consists of the right to charge the corresponding tariffs based on the degree of use of the public service are classified as intangible assets. Both models are recorded in accordance with IFRIC12 "Service Concession Arrangements." "Fixed assets in infrastructure projects" in the consolidated statement of financial position at December 31, 2020 includes 6.200 million euros for this item, of which 90 million euros correspond to concessions considered as financial assets and 6.110 million euros to concessions considered as intangible assets. The disclosures pertaining to these assets can be found in Note 3.3 to the accompanying consolidated financial statements.

Ferrovial Group management makes estimates regarding concession models which include forecasts of operating expenses, investments, and the internal rate of return. In addition, Ferrovial Group management tests its most significant operating concession assets annually when there are indications of impairment.

Given the complexity associated with making the aforementioned estimates and determining the related assumptions considered, as well as the material impact that changes in these assumptions could have on the accompanying consolidated financial statements, and given the significance of the amounts of investments in infrastructure projects carried out under concession, we determined the recognition and recoverability of these assets to be a key audit matter.

Our response

In this regard, our audit procedures included:

- Understanding the policies and procedures applied to concession assets, including evaluation of the design and implementation of key controls related to the process.
- Reviewing the terms and conditions of concession arrangements to determine whether they have been correctly recorded.
- Reviewing and assessing, for a sample of concession assets, the reasonableness of the methodologies used by the Group to estimate payments and collections and their effect on the internal rate of return.
- Performing substantive tests based on financial economic models of infrastructure projects, verifying the arithmetical accuracy of the calculations made, and assessing the reasonableness of the main projected operating assumptions (mainly related to traffic, tariffs, operating costs, and investment disbursements) and their consistency with the terms and conditions of the concession.
- Reviewing, in collaboration with valuation specialists, the reasonableness of the methodology used by the Group, and the construction of discounted cash flows, focusing on the discount rate and long-term growth rate applied, as well as the related sensitivity analyses carried out.
- Checking that the disclosures made in the notes to the consolidated financial statement comply with the applicable financial reporting framework.

Classification and determination of the recoverable amount of assets classified as held for sale and transactions classified as "Assets and liabilities classified as held for sale and from discontinued operations"

Description	As explained in Notes 1.1.3, 1.3.3.5, 1.3.3.6 and 2.9 to the accompanying consolidated financial statements, the Group records the main revenues and expenses and assets and liabilities related to the services business line as discontinued operations and as non-current assets and liabilities held for sale, respectively, since the conditions set forth in IFRS 5 "Non-current assets held for sale and discontinued operations" are met. Accordingly, net assets corresponding to discontinued operations are measured at the lower of carrying amount and fair value less costs to sell and are not subject to amortization/depreciation. The amount of "Assets and liabilities classified as held for sale and discontinued operations" at December 31, 2020 amounts to 4.071 and 2.958 million euros, respectively, and the amount of "Profit/(Loss) from discontinued operations" in the consolidated income statement as at December 31, 2020 amounts to -3 million euros (losses), corresponding to profit or loss from this business line. Determining the probability of disposing of the services business line in the different geographical areas in the short term, as well as estimating the recoverable amount, less costs to sell of the net assets concerned, require using valuation techniques that include making assumptions and that the Group make judgments to determine them. Therefore, we determined this issue to be a key audit matter.
Our response	In this regard, our audit procedures included: ▶ Understanding the policies and procedures applied to concession assets, including evaluation of the design and implementation of key controls related to the process. ▶ Reviewing the documentation supporting the Group's decision to continue classifying the assets and liabilities of the services line as discontinued operations. ▶ Evaluating the methodology and valuation assumptions used by Ferrovial Group management, for which we involved our valuation specialists. ▶ Reviewing the results of the comparison made by Ferrovial Group management of the carrying amounts and fair values of discontinued operations, ensuring that they were correctly recorded. ▶ Checking that the disclosures made in the notes to the consolidated financial statement comply with the applicable financial reporting framework.

Recoverability of goodwill and investments held in 407 International Inc., FGP Topco Limited and AGS Airports Holdings Limited

Description	As explained in Note 3.5 to the accompanying consolidated financial statements, at December 31, 2020, the Group had investments in the associates 407International Inc., FGP Topco Limited and AGS Airports Holdings Limited" amounting to 1.205, 205 and 0 million euros, respectively.

Moreover, as explained in Note 3.1, the Group has goodwill on consolidation amounting to 208 million euros at December 31, 2020 related to certain investments, associated primarily with cash generating units of the Construction Division.
Where required, the Group tests these assets for impairment at least annually. The disclosures pertaining to these assets can be found in Notes 3.5 and 3.1.2 to the accompanying consolidated financial statements.

The assessment of possible impairment is a key audit matter as it requires estimates that involve the application of judgments both when determining the valuation method used and when evaluating key assumptions related to the future results of the cash generating units to which the goodwill belongs, as well as determining the recoverable amount of equity method investments in which discount rates, business plans, and tariffs are also involved.

Our response

In this regard, our audit procedures included:

- Understanding the policies and procedures the Group applies to assessing goodwill and investments in associates for impairment to determine the recoverable amount of its non-current assets, including evaluation of the design and implementation of related key controls.
- Analyzing internal and external factors taken into account by Ferrovial Group management to conclude on the existence or non-existence of objective indicators of impairment.
- Assessing the reasonableness of the methodology used by Group management to determine the recoverable amount of the assets, involving our valuation specialists in the review of the valuation method used and the uniformity with which it is applied, verifying arithmetical calculations and evaluating the discount rates and long-term growth rates used.
- Reviewing projected financial information, analyzing the congruency among the various assumptions and their reasonableness.
- Verifying that the financial projections used to calculate value in use agree with the latest financial information available to management.
- Analyzing the sensitivity of profit and loss to certain key assumptions.
- Checking that the disclosures made in the notes to the consolidated financial statement comply with the applicable financial reporting framework.

Other questions

On February 27, 2020, other auditors issued their audit report on the 2019 consolidated financial statements, in which they expressed an unmodified opinion.

Other information: consolidated management report

Other information refers exclusively to the 2020 consolidated management report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the consolidated management report, in conformity with prevailing audit regulations in Spain, entails:

a) Checking only that the consolidated non-financial statement and certain information included in the Corporate Governance Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

b) Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2020 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company´s directors and the audit and control committee for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the parent company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit and control committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit and control committee of the parent company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and control committee of the parent company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit and control committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of FERROVIAL, S.A. and subsidiaries for the 2020 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of FERROVIAL S.A. are responsible for submitting the annual financial report for the 2020 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation).

Our responsibility consists of examining the digital files prepared by the directors of the parent company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the consolidated financial statements included in the aforementioned digital files correspond in their entirety to those of the consolidated financial statements that we have audited, and whether the consolidated financial statements and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital files examined correspond in their entirety to the audited consolidated financial statements, which are presented and have been marked up, in all material respects, in accordance with the ESEF Regulation.

Additional report to the audit and control committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit and control committee on February 25, 2021.

Term of engagement

The ordinary general shareholders' meeting held on April 17, 2020 appointed us as auditors for 3 years, commencing on December 31, 2020.

ERNST & YOUNG, S.L.
(Registered in the Official Register of Auditors under No. S0530)

(signed on the original version In Spanish)

Francisco Rahola Carral
(Registered in the Official Register of Auditors under No. 20597)

February 25, 2021

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