FERROVIAL, S.A. & SUBSIDIARIES

Interim Management Report

January - June 2021 results

27 July 2021

ferrovial

For a world on the move

DISCLAIMER

1H 2021 financial information included in this report has been impacted by the COVID-19 outbreak, mainly since the second half of March 2020. Given the uncertainty regarding the speed and extent of the resumption in activity, it is not possible to predict how the health crisis will affect Ferrovial Group's performance in 2021, especially in relation to asset impairment tests, fair value of discontinued activities or provisions for onerous contracts. Ferrovial will continue to closely monitor trading conditions and further evidence on wider economic impacts.

This report may contain forward-looking statements about the Company. These statements are based on financial projections and estimates as well as their underlying assumptions, statements regarding plans, objectives and expectations, which refer to estimates regarding, among others, future growth in the different business lines and the global business, market share, financial results and other aspects related to the activity and situation of the Company. Such forward-looking statements do not represent, by their nature, any guarantees of future performance and are subject to risks and uncertainties, and other important factors that could cause actual developments or results to differ from those expressed in these forward-looking statements. Other than in accordance with its legal or regulatory obligations, the Company does not undertake to update or revise any forward-looking statement to reflect any changes in events, conditions or circumstances on which any statement is based.

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Ferrovial results January - June 2021

Rapid traffic recovery in Toll Roads when restrictions ease, Airports still impacted and robust performance at Contracting activities in 1H 2021.

- **Texas MLs traffic showed a fast recovery once restrictions were lifted** on March 10th with the exception of the impact from heavy rains during May. In June NTE35W & NTE's traffic levels were above June 2019 (+19.4% & +6.4% respectively) while LBJ was 13.6% below. Higher toll rates & a higher proportion of heavy vehicles led to even stronger performance in revenues and average revenues per trip in 1H 2021 in all MLs: NTE 35W +13%, NTE +10% & LBJ +8% vs 1H 2020. In June, **Ferrovial received EUR48mn dividends from NTE & LBJ**.
- **407 ETR traffic was impacted by severe restrictions** and stay-at-home orders during 1H2021 (traffic -14.7% vs 1H 2020), until a three-phased reopening began on June 11th with Step 1. Since July 16th, Toronto has entered step 3 of the reopening. A higher proportion of heavy vehicles and the higher prices (prices increased in February 2020) have led to a better performance of revenue per trip (+6.2% vs. 1H2020). No dividend distributed in 1H 2021 but the Board will monitor the pandemic & review a potential dividend distribution in 2021.
- **Air travel restrictions continued to hold back traffic at Airports**: Heathrow -75.1% & AGS -66.7% in 1H 2021. The CAA approved in April a GBP300mn interim RAB restatement. This adjustment falls far short to, at a minimum, immediately restore regulatory depreciation in line with UK regulatory principles. The CAA will need to address all the issues related to adjustment fully in the upcoming H7 regulatory settlement. On July 19th, Heathrow launched a pre-emptive waiver of the ICR covenant at Heathrow Finance for financial year 2021.
- **Strong performance from Construction:** EBIT mg 2.4% (excl. impact from divestments) vs. -0.7% in 1H 2020 (which included -EUR44mn impact from COVID19). Especially strong performance by Budimex (8.3% EBIT mg), including EUR15mn of margin from works for the divested Real Estate division previously eliminated in consolidation (excluding this impact: 6.2% EBIT mg vs. 2.8% in 1H2020).
  - **Sale of non-core assets in Construction had a very positive CF impact** EUR356mn 1H 2021, including mainly Budimex Real Estate and URBICSA. The sale of Nalanda (contractors portal for suppliers) closed in July & thus was not included in 1H 2021. The sales of Figueras and SCC (Recycled Aggregates, within Webber) have been agreed but are pending final authorizations.
- **Services also showed a solid operating performance with higher activity levels mainly in UK & Spain**, and a continued increase in profitability (8.2% EBITDA mg), with Spain (EBITDA mg 12.7%) and Amey (4.9%). Operating Cash flow reached EUR184mn for Services.

Strong financial situation: high liquidity levels reaching EUR6,510mn and solid net cash position ex-infrastructure (EUR1,859mn).

REPORTED P&L

(EUR million)	JUN-21	JUN-20
REVENUES	**2,965**	**2,937**
EBITDA	**251**	**136**
Period depreciation	-116	-109
Disposals & impairments	17	-20
EBIT*	**152**	**7**
FINANCIAL RESULTS	**-175**	**-127**
Equity-accounted affiliates	-245	-226
EBT	**-268**	**-346**
Corporate income tax	-30	3
NET PROFIT FROM CONTINUING OPERATIONS	-298	-343
NET PROFIT FROM DISCONTINUED OPERATIONS	208	-34
CONSOLIDATED NET INCOME	**-90**	**-377**
Minorities	-87	-7
NET INCOME ATTRIBUTED	**-177**	**-384**

(*) EBIT after impairments and disposals of fixed assets.

CONSOLIDATED EBITDA

(EUR million)	JUN-21	JUN-20	VAR.	LfL
Toll Roads	161	152	5.7%	46.0%
Airports	-9	-8	-9.2%	-6.0%
Construction	112	28	n.s.	n.s.
Others	-13	-36	64.8%	n.s.
Total EBITDA	**251**	**136**	**84.7%**	**88.9%**

PROPORTIONAL EBITDA

(EUR million)	JUN-21	JUN-20	LfL
Toll Roads	218	186	17.6%
Airports	-22	56	-139.2%
Construction	112	28	n.s.
Others	-14	0	n.s.
Total EBITDA	**294**	**269**	**9.0%**

Like-for-like figures.

OPERATING CASH FLOW

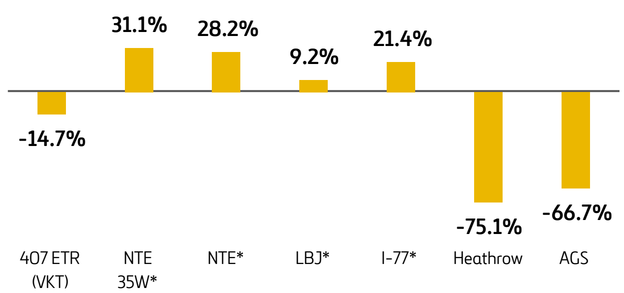
Operating cash flow	JUN-21	JUN-20
Dividends from Toll Roads	53	98
Dividends from Airports	0	29
Construction	-120	-125
Services	184	159
Other*	-92	-110
Operating flow (before taxes)	**26**	**52**
Tax payment	-17	-31
Total	**9**	**20**

NET CASH POSITION

(EUR million)	JUN-21	DEC-20
NCP ex-infrastructures projects	1,859	1,991
NCP infrastructures projects	-4,667	-4,532
Toll roads	-4,378	-4,216
Others	-289	-316
Total Net Cash /(Debt) Position	**-2,808**	**-2,541**

NCP: Net cash position. Includes discontinued operations

TRAFFIC PERFORMANCE



*Transactions

COVID-19 IMPACT

More than a year after the WHO declared COVID-19 as a global pandemic, advances towards herd immunity on the back of vaccination roll-outs have allowed the various countries in which Ferrovial operates to partially or entirely lift mobility and economic activity restrictions which were in place practically since the beginning of the pandemic. This has allowed improvements in the recovery of demand for Ferrovial's activities, although unevenly among the different businesses. Infrastructure assets were highly impacted where restrictions to mobility, stay-at-home orders and quarantines remained in place. A reduction of these restrictions had a very positive impact on the performance of our main toll roads. As for the impact on the contracting activities it has not been material in 1H 2021. Airports has been the division with the highest impact from COVID-19 given the restrictions which are still in place for air travel.

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

The Company remains focused on keeping a strong financial position and working on value creating investment opportunities. As of June 2021, liquidity ex-infrastructure level stood at EUR6,510mn, including EUR1,195mn available liquidity lines. Net cash ex-infrastructure stood at EUR1,859mn (including discontinued operations).

Operationally, the COVID-19 pandemic has impacted Ferrovial's activities in 1H 2021, especially on air and road traffic where mobility restrictions remained present:

- **Toll Roads:** traffic started the year strongly impacted by COVID-19 pandemic across all assets, due to a new surge in cases, but it has been recovering as mobility restrictions were lifted.
  - **Texas Managed Lanes:** a steady recovery in traffic was observed since March, due to ease in mobility restrictions, partially offset by heavy rains in May (60% above May 2020). In June, traffic had reached pre-pandemic levels (Feb. 2020) in NTE & NTE 35W and remained below in LBJ. In 1H 2021, traffic growth in Managed Lanes was as follows: NTE 28.2%, LBJ 9.2% and NTE35W 31.1% in 1H 2021.
  - In Toronto, the **407 ETR** traffic in 1H was impacted by multiple stay-at-home orders and intermittent lockdowns but it showed improvements at the end of June, when the Ontario province entered Step 2 of the phased Reopening process. **407 ETR traffic in 1H 2021 fell by -14.7%**.
- **Airports:** traffic continues to be strongly impacted by COVID-19 in 1H 2021 due to border closures, quarantine measures and other mobility restriction regulations:
  - **Heathrow:** passengers fell by -75.1% in 1H 2021. In May, the UK government approved a gradual reopening of international travel through a traffic light system with a risk-based approach (red/amber/green countries); The number of "green" countries remained very limited at the end of June 2021, therefore having a small positive impact on traffic.

    Heathrow continues to operate aiming to keep costs at a minimum, in order to preserve liquidity and protect its financial position, while ensuring safety and security remain as its first and non-negotiable priorities. Cost reduction initiatives led opex down by -22% in 1H 2021 vs 1H 2020. Additionally, Heathrow's capex was reduced from GBP296mn 1H 2020 to GBP96mn 1H 2021.
  - **AGS** have also seen a strong impact in their traffic levels (-66.7% 1H 2021). AGS reduced its opex by -GBP10mn net savings vs 1H 2020 (20%).
- **Construction and Services**: no material impact in production from COVID-19 in 1H 2021.

The impact on Cash flow of COVID-19 is measured on the reduction in dividends received by our main infrastructure assets; mainly Heathrow and the 407 ETR which did not pay dividends in 1H 2021, compared to the EUR146mn received from 407 ETR and EUR58mn received from Heathrow in 1H 2019.

CONSOLIDATED RESULTS (SERVICES DISCONTINUED ACT.)

- **Revenues:** reached EUR2,965mn (+6.3% LfL) on higher Construction revenues (+6.3% LfL) and Toll Roads (+30.8% LfL).
- **EBITDA:** EUR251mn (EUR136mn in 1H 2020 impacted by the EUR39mn provision related to the corporate restructuring plan).

DIVIDENDS FROM PROJECTS

Total dividends received from projects reached EUR65mn in 1H 2021 (vs EUR133mn in 1H 2020):

- **407 ETR**: no dividends paid to shareholders in 1H 2021 (CAD312.5mn in 1H 2020, EUR89mn 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.
- **Texas managed Lanes**: EUR48mn were received by Ferrovial from NTE (EUR21mn) and LBJ (EUR27mn) compared with no dividends in 1H 2020.
- **Heathrow**: dividend payments are not permitted until RAR is below 87.5% under the current 2020 waiver conditions. In 1H 2020, HAH distributed GBP100mn (EUR29mn for Ferrovial).
- **Other toll roads**: EUR5mn (EUR8mn in 1H 2020).
- **Services**: EUR10mn dividends from projects (EUR5mn 1H 2020).
- The remaining EUR2mn refer to dividends from Construction and Waste Treatment in UK.

M&A TRANSACTIONS

Budimex sale agreement of real estate business: on February 22nd, 2021, Ferrovial's construction subsidiary in Poland, Budimex, agreed the sale of its real estate business (Budimex Nieruchomości), which was classified as discontinued activity. In June, the sale materialized at the agreed price PLN1,513mn (EUR330mn, post transaction costs), implying a capital gain pre-tax & minorities of EUR131mn.

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 holding in Concesionaria de Prisiones Figueras & 22% of URBICSA for EUR41mn and EUR17mn respectively. As of June 30th, the transaction for URBICSA has been completed and the agreement for Figueras is pending the authorization from the competent bodies.

Nalanda sale agreement: in March 2021, an agreement to sell Ferrovial's 19.86% share of Nalanda Global (digital platform for documentation management) to PSG for EUR17mn. The deal has been completed in July and therefore not included in 1H 2021 results.

SCC (Southern Crushed Concrete) asset sale agreement: in June 2021 Ferrovial reached an agreement to sell its recycled aggregates activity at Webber for USD140mn. This transaction is pending the authorization from the competent bodies.

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, 2020, Ferrovial reached an agreement, through Cintra, to sell its 49% stake in Norte Litoral and its 48% stake in Via do Infante (Algarve), to DIF Capital Partners, for EUR172mn. As part of the agreement Cintra will hold a management contract for both assets. Ferrovial has already received EUR100mn from the sale process in 2020, EUR72mn pending.

Divestment of Environmental activity in Spain & Portugal agreed after 1H 2021 close (July): agreement reached with PreZero International GmbH (Group Schwarz) for the sale of the environmental activity in Spain & Portugal for an EV of EUR1,133mn & an implied equity value EUR950mn. The transaction closing, expected for 2H 2021, is subject to approval by Competition authorities & the final price will be adjusted depending on Completion Accounts. The environmental business in Spain and Portugal generated in 2020 an EBITDA of approx. EUR130mn, including EUR101mn from ex-projects and EUR29mn from projects (which generate normalized annual dividends of c.EUR10mn). The estimated, post-tax capital gains, based on the business' Book Value as of December 31st 2020, is approximately EUR317mn.

RESULTS BY DIVISION

Toll roads: revenues increased by +30.8% LfL and EBITDA by +46.0% LfL. EBITDA stood at EUR161mn.

Texas Managed Lanes traffic was impacted by COVID-19 since the beginning of the year, but showed a solid recovery since March once mobility restrictions were eased. In addition, winter storms in February and heavy rainfall during May also took their toll. Our assets reported strong results compared to 1H 2020:

- **NTE**: reported revenues of USD82mn (+40.2%), helped by a higher contribution of heavy vehicles and higher toll rates. EBITDA reached USD71mn (+44.3%). EBITDA margin of 86.8% (+248 basis points).
- **NTE 35W**: reached revenues of USD63mn (+47.5%), also helped by more heavy traffic weight and higher toll rates. EBITDA reached USD53mn (+48.4%) with an EBITDA margin of 83.3% (vs 82.8% in 1H 2020).
- **LBJ**: posted revenues of USD60mn (+17.1%). EBITDA reached USD48mn (+19.7%) with an EBITDA margin of 80.6% (78.9% in 1H 2020).

I-77 Managed Lanes revenues reached USD14mn (+68.6% vs. 1H 2020) as a result of traffic returning quickly as COVID trends improved and reaching pre-COVID-19 levels by June. EBITDA reached USD7mn (+281.2% vs. 1H 2020) with an EBITDA margin of 48.5% (21.4% in 1H 2020).

407ETR revenues were down by -8.7% in 1H 2021 given lower traffic due to Stay-at-Home Orders until 2nd June, partially offset by higher proportion of heavy vehicles and higher toll rates since February 2020. EBITDA at 407 ETR reached CAD310mn (-6.6%) for a 81.4% EBITDA margin.

Airports: Heathrow and AGS are consolidated through equity consolidation.

- **Heathrow** revenues fell by -51.1% and adjusted EBITDA by -114.9% at Heathrow SP. Heathrow revised its forecast for 2021, published in its June Investor Report, to 21.5mn passengers, based on the evidence of pent-up demand for travel and reflecting the gradual addition of countries to the government 'green list'. Under this forecast, headroom to Group ICR covenant is limited, given ongoing cash flow generation pressures. Heathrow has therefore taken the proactive step to address the risk of a Group ICR breach by requesting a waiver of the Group ICR covenant for financial year 2021 from its creditors at Heathrow Finance. This consent exercise was announced on 19th July 2021. Heathrow has further increased liquidity to GBP4.8bn cash, sufficient to meet all forecast needs into 2025 under the current base case traffic forecast or until October 2022 in an extreme no revenue scenario.
- **AGS** revenues decreased by -41.0% driven by lower traffic across the three airports. EBITDA reached -GBP14mn (vs -GBP6mn in 1H2020), partially offsetting the lower revenues with opex reductions.

  The Amend & Extend of its debt facility has been completed with an injection of GBP20mn and further commitment of GBP30mn (all figures at 100%).Total liquidity, including committed equity, reached GBP55mn at 30 June 2021.

Construction: revenues were up +6.3% LfL, 84% international. EBIT reached EUR66mn, vs. -EUR19mn in 1H 2020. EBIT margin reached 2.4% in 1H 2021. The order book stood at EUR9,724mn (-5.8% LfL), not including pre-awarded contracts of around EUR2.7bn.

Services (discontinued operations): net income from Services included in discontinued operations stood at EUR93mn, which includes a positive result from Services business in Spain of EUR101mn in 1H 2021 (without amortization, as per IFRS 5), EUR9mn from UK Services and a negative impact from fair value adjustments in International Services (-EUR17mn).

FINANCIAL POSITION

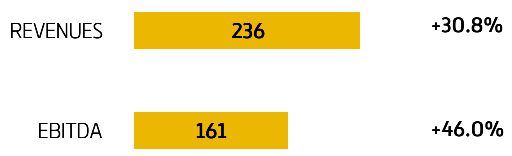
EUR1,859mn net cash ex-infrastructure projects (including discontinued operations) vs EUR1,991mn on December 2020. Net debt of infrastructure projects reached EUR4,667mn (EUR4,532mn in December 2020). Net consolidated debt reached EUR2,808mn (EUR2,541mn in December 2020).

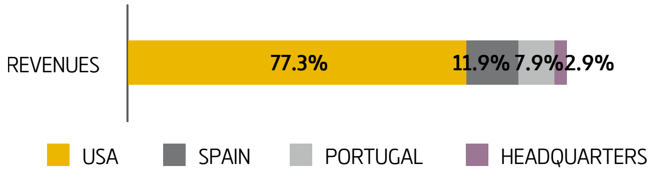
SUSTAINABILITY HIGHLIGHTS

Sustainability remains at the core of our strategy. In 1H 2021:

- Ferrovial appointed **2 new Board Directors** (May 2021) Alicia Reyes & Hildegard Wortmann. The Board now counts with 30% of female Board members, 75% of independent members.
- Ferrovial has been one of the first companies in the world to include **Climate Strategy & GHG emissions reduction plan in its AGM** in 2021, to be voted by its shareholders. Both approved with over 96% votes in favor.
- Ferrovial's **Supplier Code of Ethics** was published in website, with the basic principles to be followed by suppliers in their commercial relationship with Ferrovial.
- **AGS Airports launched its new sustainability strateg**y with roadmap to net neutrality by mid-2030s. Strategy is integrated into the United Nations' SDGs focusing on social progress, economic growth and environmental protection as its main pillars.
- During 1H 2021 **Ferrovial has reinforced its positioning in all main sustainability indices:** Dow Jones Sustainability Index (DJSI), FTSE4Good, Carbon Disclosure Project (A for Climate Change, A for Water Security & B for Forests), MSCI (A), VIGEO (Euronext-Vigeo Eurozone 120 & Europe 120), STOXX, ISS ESG Prime, GRESB (A+) & Bloomberg Gender-Equality Index.
- **Awards**: AECA (Spanish Accounting & Business Admin Association) recognized Ferrovial's business transparency; SEAL (Sustainability, Environmental Achievement & Leadership) Awards named Ferrovial as one of the World's Most Sustainable Companies in 2020; and Ferrovial was ranked 3rd in Sustainability among IBEX35 companies with a 92.5% result by El Economista, based on information by S&P Global, Sustainalytics, ISS, CDP & Bloomberg.

Toll roads





407 ETR (43.23%, equity-accounted)

COVID-19

In early 2020, COVID-19 was confirmed in multiple countries across the world and, on March 11, 2020, the WHO declared it a pandemic. Since March 2020 and continuing into June 2021, the Ontario Province has declared multiple stay-at-home orders, intermittent lockdowns and re-openings. The **developments on COVID-19 related restrictions in 2021 for the Province** are:

- **Apr 8**: Ontario Province entered in stay-at-home-order.
- **Jun 2:** stay-at-home order ended, since then, the region entered in a Reopening Plan based on vaccination rates & key public health care indicators. Provincial Gov. announced that remote learning will continue for the remainder of the school year.
- **Jun 11: Step 1**, focused on resuming outdoor activities with smaller crowds (up to 10 people).
- **Jun 30: Step 2,** with 70% of adults with 1st dose and 20% fully vaccinated. Further expands outdoor activities and limited indoor services (non-essential retail to 25% capacity).
- **Jul 16: Step 3** (70-80% with 1st dose and 25% fully) expands access to indoor settings.

While 407 ETR has experienced significant declines in traffic volumes since the onset of COVID-19 pandemic, it observed **gradual improvements in traffic volumes with each stage of the re-opening**.

Traffic volumes have not been as severely impacted by the lockdowns in 1Q and 2Q of 2021 as compared to the initial closures in March 2020 and 2Q of 2020. 407 ETR expects further improvements in traffic volumes as vaccination levels across the Province increase and COVID-19-related restrictions are gradually lifted.

The COVID-19 pandemic and resulting economic contraction continue to have an impact on demand for highway travel in the GTA. Despite lower revenues, 407 ETR maintained sufficient liquidity to satisfy all of its financial obligations in 2020 and expects to maintain sufficient liquidity to satisfy all of its financial obligations in 2021.

TRAFFIC

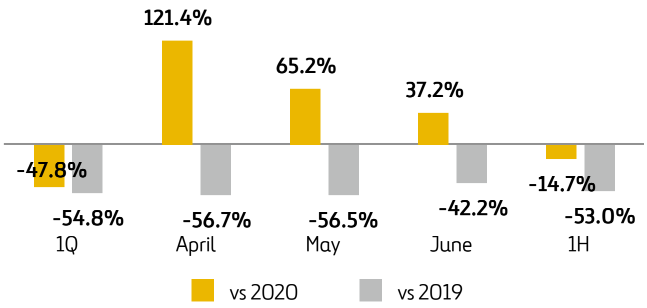
	JUN-21	JUN-20	VAR.
Avg trip length (km)	20.36	20.48	-0.6%
Traffic/trips (mn)	29.41	34.25	-14.1%
VKTs (mn)	599	702	-14.7%
Avg Revenue per trip (CAD)	12.77	12.02	6.2%

VKT (Vehicle kilometers travelled)

In 1H 2021, VKTs fell by -14.7%. Overall traffic volume continues to be lower due to the COVID-19 pandemic, with stay-at-home orders and restrictions in effect for most of 1H 2021. In 2Q 2021, traffic levels increased as a result of the phased reopening of businesses, outdoor activities and public spaces across the Province, coupled with a less severe impact of stay-at-home orders and closures when compared to the prior year.

Monthly traffic performance

The Province declared the first Stay-at-Home order to face the spread of COVID-19 on March 17th, 2020, followed by intermittent lockdowns and re-openings; therefore, monthly traffic performances in 2021 vs. 2020 are not entirely comparable.

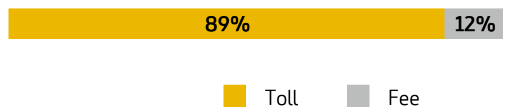


P&L

(CAD million)	JUN-21	JUN-20	VAR.
Revenues	381	417	-8.7%
EBITDA	310	332	-6.6%
EBITDA margin	81.4%	79.6%	

Results for 100% of 407 ETR

Revenues breakdown



Revenues where down -8.7% in 1H 2021, reaching CAD381mn.

- **Toll revenues** (89% of total): -11.3% to CAD341mn, primarily due to the continued impact of the COVID-19 pandemic. However, traffic volumes improved in 2Q 2021 vs 2Q 2020 resulting from the phased re-opening of businesses. Average revenue per trip increased +6.2% vs. 1H 2020.
- **Fee revenues** (11% of total) CAD41mn (+20.8%) due to the temporary suspension of lease fees, late payment charges and initial License Plate Denial notification fees in 2Q 2020 due to the COVID-19.

OPEX -16.7%, primarily due to lower customer operations costs from lower staffing costs, lower bank charges and lower billing costs and a lower provision for doubtful accounts, coupled with lower general costs resulting from the timing of COVID-19 pandemic related charitable donations made by the 407 ETR.

EBITDA -6.6%, as a result of lower revenues due to the COVID-19 pandemic, offset by lower operating expenses. EBITDA margin was 81.4% vs 79.6% in 1H 2020.

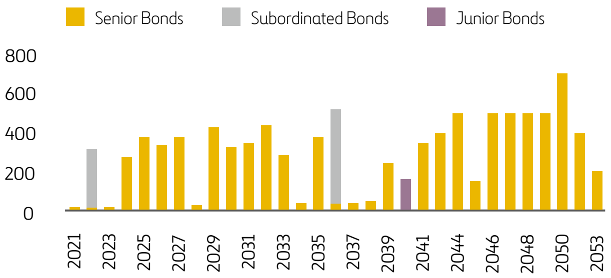
Dividends: no dividends were paid to shareholders in 2Q 2021 and 2Q2020. 407 ETR Board will continue to monitor the current pandemic situation and will review any further potential dividend distribution to Shareholders, as appropriate.

Net debt at end of June: CAD8,304mn (average cost of 4.11%). 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.

407 ETR credit rating

- **S&P:** "A" (Senior Debt), "A-" (Junior Debt) & "BBB" (Subordinated Debt), with stable outlook, issued on 8 June 2021.
- **DBRS:** "A" (Senior Debt), "A low" (Junior Debt) & "BBB" (Subordinated Debt), all trends remain negative, issued on 17 June 2021.

407 ETR bond maturity profile



407 ETR Toll Rates

Toll rates have remained unchanged since February 2020, when 407 ETR implemented a new seasonal toll structure to address customer travel patterns and to manage overall traffic flow along 407 ETR, while optimizing its revenues. Given the impact of COVID-19, 407 ETR did not implement the changes included in the seasonal toll rates aside from the February 2020 increase.

Schedule 22

Due to the COVID-19 pandemic and related Province-wide shutdowns and stay-at-home orders, traffic on Highway 407 ETR has been significantly lower and minimum traffic thresholds cannot be achieved as prescribed under Schedule 22.

407ETR and the Province are in agreement that the COVID-19 pandemic is considered a Force Majeure event under the provisions of the Concession and Ground Lease Agreement, and therefore the 407ETR is not subject to Schedule 22 payments for 2020 and until the end of the Force Majeure event.

The 407ETR and the Province are also in agreement that the Force Majeure event terminates when the traffic volumes on Highway 407 ETR reach pre-pandemic levels (measured as the average of 2017 to 2019), or when there is an increase in toll rates or user charges.

Upon the termination of the Force Majeure event, the 407ETR will be subject to a Schedule 22 payment, if applicable, commencing the subsequent year.

TEXAS MANAGED LANES (USA)

In 1H 2021, the traffic in the Texan Managed Lanes (MLs) was impacted by mobility restrictions until March 10th, when Texas fully reopened, and adverse weather conditions including winter storms in February (all three concessions were closed for 7 days) and heavy rain during May (which was 60% more than the average of May 2020).

On March 10th, Texas Governor issued an Executive Order lifting the mask mandate & increasing capacity of all businesses and facilities in the state to 100%. Currently, there is no major COVID-19 related policy that directly relates to mobility. As of July 16th 2021, in Dallas-Fort Worth first dose rate reaches 55% - 69% of population above 12 years old.

There has been a fast recovery since the reopening due to vaccination advances: NTE35W & NTE's traffic were above Pre-COVID-19 levels (February 2020) in June. All MLs posted solid average revenues per trip NTE 35W +13%, NTE +10% and LBJ +8%. The revenues of the three MLs already practically reached or exceeded pre-COVID-19 levels (Feb 2020).

NTE 1-2 (63.0%, globally consolidated)

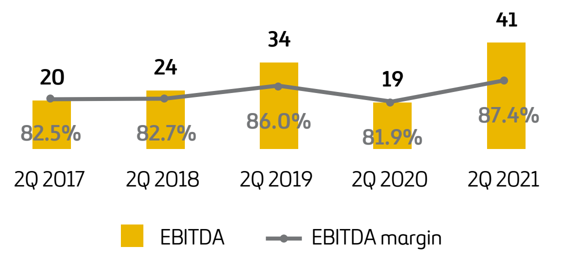
In 1H 2021, traffic increased by +28.2% already above pre-COVID-19 levels, following a strong recovery in 2Q given the full reopening in Texas since mid-March, partially offset by the severe weather conditions in February and May. The traffic showed a rapid recovery in June on the back of good weather and the easing of restrictions, including more mandatory mode events in June 2021 than February 2020 (pre-COVID-19). The midday traffic volumes at NTE are already higher than pre-Covid levels, while the PM peaks are closed to pre-Covid levels.

	JUN-21	JUN-20	VAR.
Transactions (mn)	15	12	28.2%
Revenues (USD mn)	82	58	40.2%
EBITDA (USD mn)	71	49	44.3%
EBITDA margin	86.8%	84.3%	

The **average toll rate** per transaction reached USD5.4 vs. USD4.9 in 1H 2020 (+9.6%) positively impacted by higher proportion of heavy vehicles (toll multiplier 2x - 5x) and higher toll rates. This led to **Revenues** reaching USD82mn or +40.2% vs. 1H 2020.

EBITDA reached USD71mn (+44.3% vs. 1H 2020). EBITDA margin of 86.8% (+248 basis points vs. 1H 2020).

NTE EBITDA EVOLUTION



NTE net debt reached USD1,227mn in June 2021 (USD1,232mn in December 2020), at an average cost of 4.12%.

Credit rating

	PAB	Bonds
Moody's	Baa2	Baa2
FITCH	BBB	

LBJ (54.6%, globally consolidated)

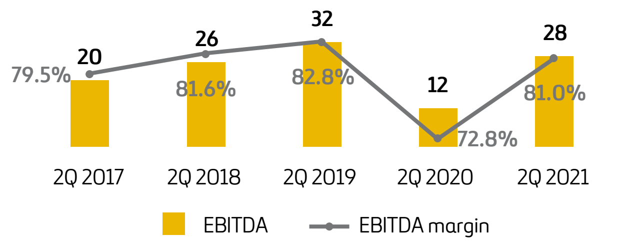
In 1H 2021, traffic increased by +9.2%, on the back of a strong recovery in 2Q given the full reopening in Texas since mid-March, partially offset by the severe weather conditions in February and May.

	JUN-21	JUN-20	VAR.
Transactions (mn)	17	15	9.2%
Revenues (USD mn)	60	51	17.1%
EBITDA (USD mn)	48	41	19.7%
EBITDA margin	80.6%	78.9%	

The **average revenue per transaction** reached USD3.5 in 1H 2021 vs. USD3.3 in 1H 2020 (+7.8%) positively impacted by higher proportion of heavy vehicles (toll multiplier 2x - 5x) and higher toll rates. This, together with higher traffic led to **Revenues** reaching USD60mn (+17.1% vs. 1H 2020).

EBITDA reached USD48mn (+19.7% vs. 1H 2020) with an EBITDA margin of 80.6% (78.9% in 1H 2020).

LBJ QUARTERLY EBITDA EVOLUTION



LBJ net debt amounted to USD1,709mn in June 2021 (USD1,660mn in December 2020), at an average cost of 4.14%.

Credit rating

	PAB	TIFIA
Moody's	Baa2	Baa2
FITCH	BBB-	BBB-

NTE 35W (53.7%, globally consolidated)

In 1H 2021, NTE 35W traffic increased by +31.1% reaching traffic figures above pre-COVID-19 levels given the positive effects of ramp-up and heavy vehicles resilience along with the solid recovery in 2Q given the full reopening in Texas since mid-March, partially offset by the severe weather conditions in February and May. The traffic showed a rapid recovery during June with the traffic above pre-COVID-19 levels during the afternoon peak and midday.

	JUN-21	JUN-20	VAR.
Transactions (mn)	17	13	31.1%
Revenues (USD mn)	63	43	47.5%
EBITDA (USD mn)	53	35	48.4%
EBITDA margin	83.3%	82.8%	

Average revenue per transaction reached USD3.8 in 1H 2021, vs. USD3.4 1H 2020 (+12.9%), positively impacted by higher proportion of heavy vehicles (toll multiplier 2x - 5x) and higher toll rates. These, together with traffic increase, led to **Revenues** reaching USD63mn (+47.5% vs. 1H 2020).

EBITDA reached USD53mn (+48.4% vs. 1H 2020) with an EBITDA margin of 83.3% (vs 82.8% in 1H 2020).

NTE 35W net debt reached USD967mn in June 2021 (USD915mn in December 2020), at an average cost of 4.86%, 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)

North Carolina lifted all restrictions, including the mask mandate in most circumstances, on May 14th. As of July 1st 2021, North Carolina has administered over 4.4mn vaccine doses. Mecklenburg County (Charlotte) has administered over 0.53mn, which implies that 58.3% of total population has had at least the first dose.

In 1H 2021, traffic increased by 21.4% as COVID trends have improved in the area and the state has been easing mobility restrictions. The traffic reached pre-COVID-19 levels by the end of June.

	JUN-21	JUN-20	VAR.
Transactions (mn)	12	10	21.4%
Revenues (USD mn)	14	8	68.6%
EBITDA (USD mn)	7	2	281.2%
EBITDA margin	48.5%	21.4%	

The **average revenue per transaction** reached USD1.1 in 1H 2021 vs. USD0.8 in 1H 2020 (+48.4%).

Revenues reached USD14mn (68.6% vs. 1H 2020) as a result of the traffic returning quickly as COVID trends improved.

EBITDA reached USD7mn (281.2% vs. 1H 2020) with an EBITDA margin of 48.5% (21.4% in 1H 2020).

I-77 net debt reached USD273mn in June 2021 (USD272mn in December 2020), at an average cost of 3.67%.

Credit rating

	PAB	TIFIA
FITCH	BBB-	BBB-
DBRS	BBB	BBB

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), M3, M8 and Toowoomba.

- **Spain:** traffic in 1H 2021 was impacted by the restrictive measures adopted by governments to face the pandemic. However, since late April, traffic improved as Catalonia and Andalusia lifted their regional lockdowns. When compared to 1H 2019, pre-pandemic levels, traffic in Autema was -30.0%, while traffic in Ausol I and Ausol II was -36.3% and -31.9%, respectively.
- **Portugal:** on January 15th, 2021, a new lockdown was approved that was in place for the entire 1Q. Since the end of March, mobility restrictions started to ease, with the State of Emergency lifted on April 30th and traffic in Algarve and Norte Litoral recovering since then until the last weeks of June due to a spike in COVID-19 cases in Portugal. In Azores, the regional government has been applying selective lockdowns depending on the virus evolution of each municipality. In 1H 2021, traffic decreased -35.4% in Algarve, -20.2% in Norte Litoral and -9.8% in Azores, when compared to 1H 2019.
- **Ireland:** On December 24th, 2020, the government approved the maximum level of restrictions, which has been in place for the entire 1Q. Through 2Q, there has been a steady process of reopening, which translated in improving traffic trends and in the last weeks of June traffic levels in M4 and M3 were -10% below pre-pandemic levels. In 1H 2021, M4 was down -30.1% and -25.4% in M3, when compared to 1H 2019.

ASSETS UNDER DEVELOPMENT

(EUR million)	INVESTED CAPITAL	PENDING COMMITTED CAPITAL	NET DEBT 100%	CINTRA SHARE
Global Consolidation				
Intangible Assets		**-73**	**-816**	
NTE35W*		-73	-816	53.7%
Equity Consolidated				
Intangible Assets	**-186**	**-456**	**-1,747**	
I-66	-186	-456	-1,747	50.0%
Financial Assets	**-81**	**-60**	**-1,977**	
Ruta del Cacao	-54	-2	-185	30.0%
Silvertown Tunnel	0	-27	-514	22.5%
Bratislava	0	-30	-876	35.0%
OSARs	-28	0	-402	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 33% 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 70% 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 76% completed as of June 2021.
- **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 97% completed.
- **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 99% completed.
- **Silvertown tunnel (London, UK)**: an availability payment project with a concession term of 25 years. A 1.4 km twin bore road tunnel which will be built under the River Thames. The works are expected to be completed in 2025. Design and construction works are 43% completed.

TENDERS PENDING

In the US we are actively following several projects in Texas, Georgia, Illinois, Virginia and Colorado. These projects have different degrees of development and are expected to come to market in the coming months. Some of them include Managed Lanes schemes.

Apart from the US, Cintra is active in other markets of interest such as UK, Chile, Colombia, Peru and Australia.

Airports

Airports contributed -EUR255mn to Ferrovial's equity accounted result in 1H 2021, vs. -EUR253mn in 1H 2020.

- **HAH:** -EUR238mn in 1H 2021 (-EUR222mn in 1H 2020) due to the negative impact of COVID-19.
- **AGS:** -EUR20mn in 1H 2021 (-EUR31mn in 1H 2020) following IFRS28, as of June 2021, Ferrovial has integrated negative results from AGS due to additional shareholder funds injected in the context of the Amend & Extend of its debt facility (A&E).

In terms of distributions to shareholders:

- **HAH:** dividends from Heathrow are not permitted until RAR is below 87.5%. Dividends distributed in 1Q 2020 amounted to GBP100mn (EUR29mn for Ferrovial).
- **AGS:** has not paid dividends in 1H 2021.

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

COVID-19 & Heathrow's response

The recent progress in the vaccination rollout in the UK and abroad has enabled governments to start easing travel restrictions. The reopening of international travel in the UK on 17 May 2021 via the traffic light system and fully vaccinated UK residents no longer being required to quarantine when returning from amber list countries brings positive signs that Heathrow can soon overcome this crisis. However, further progress is needed. To kick start Britain's economic recovery, the Government must reopen travel to fully vaccinated people from more countries, particularly our key trading partners like the US.

Safety and security remain as first and non-negotiable priorities. Heathrow has continued to significantly expand its COVID-19 screening services, reaching a capacity of over 400,000 tests per month. Its new partnership with a market-leading testing provider will offer tests to arriving and departing passengers at a competitive price across all terminals and car parks.

Heathrow continues to operate with costs at the lowest possible and safe level. Since the crisis started in March 2020, Heathrow implemented early and decisive management actions to reduce costs such as organizational changes, renegotiating our suppliers' contracts, and utilizing the government furlough scheme. In addition, Heathrow has been upgraded to the prestigious 4 Star COVID-19 Airport Safety Ranking by Skytrax.

The costs initiatives implemented throughout 2020 drove a **22.2% cost reduction in 1H 2021 vs 1H 2020**. Similarly, the capital plan remains reduced to preserve Heathrow's cash position and focused on projects that ensure the airport's safety and resilience. **Heathrow's capex reduced by -68%** (GBP96mn spent in 1H 2021 vs. GBP296mn in 1H 2020). Early and decisive management actions to reduce costs allowed Heathrow to reduce its **average monthly cash burn by over 50% in 1H 2021** (GBP80mn in 1H 2021 vs GBP182mn in 1H 2020).

Despite a much more challenging market backdrop, given the COVID-19 pandemic, continued confidence and support for its credit enabled Heathrow to raise GBP1.4bn of debt to date in 2021 across the capital structure in bond format. **Heathrow continues benefiting from a strong liquidity position with GBP4.8bn of cash available** to the business, providing sufficient cash to meet all obligations into 2025 under our current base case traffic forecast or until October 2022 in the extreme no revenue scenario.

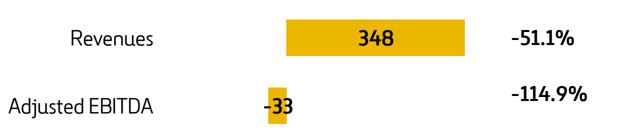
Traffic

Passenger numbers were down -75.1% in 1H 2021. Travel restrictions continue to hold back travel and trade with implications for UK's economic recovery. Cargo volumes remains -18% vs pre-pandemic levels.

Following the restart of international travel on 17 May, Heathrow has seen an increase in passengers travelling through Heathrow. As demand increases, from an operational perspective, Heathrow has taken the prudent step to reopen Terminal 3 to Virgin and Delta airlines and has recommenced operations from two runways. This provides additional capacity and ensures passengers can travel safely and securely through Heathrow in the coming months. Additionally, in June, Terminal 4 was reopened as a dedicated facility to arrivals from 'red list' countries.

Million passengers	JUN-21	JUN-20	VAR.
UK	0.5	1.0	-51.0%
Europe	1.5	6.0	-74.4%
Intercontinental	1.8	8.5	-78.2%
Total	**3.9**	**15.4**	**-75.1%**

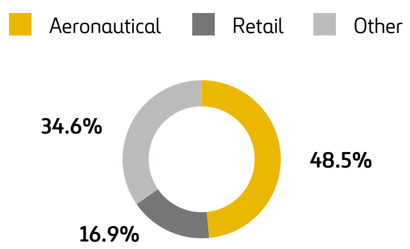
P&L



Revenues: -51.1% in 1H 2021 to GBP348mn.

- **Aeronautical:** -57.5% vs 1H 2020. The decline in aeronautical revenue is due to reduced passenger numbers airport charges vs. 1H 2020. Fewer aircraft movements also drove revenue down. In 2Q 2021, there has been an increase vs 1Q reflecting the recent recovery in passengers due to the reopening of international traffic. 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:** -60.7% driven by reduced passenger numbers and mix of retail service available due to governmental restrictions on non-essential shops in the first five months of the year. This decrease is offset by the application of contractual terms with concessionaires, targeted promotions and a number of Non-Essential retailers offering a Pre-order and Collect service.
- **Other revenues:** -26.8% vs 1H 2020. Other regulated charges declined by -23% predominantly because of fewer passengers and aircraft movements impacting the ability to recover running costs. In February 2021, Heathrow agreed with its airline community and regulator an Airport Cost Recovery Charge, a GBP8.90 flat charge applying to all departing passengers, this removed the need for a more significant price increase at that time, across all Other Regulated Charges (ORCs) such as baggage. Heathrow Express saw a -81% decline in revenue due to fewer passengers. Property and other revenue decreased -14.5% showing relative resilience due to targeted rental alleviation from consolidated operations.

Contribution to revenues:



Adjusted operating costs (ex-depreciation & amortization and exceptional): -22.2% to GBP381mn (GBP490mn in 1H 2020).

Adjusted EBITDA -114.9% to -GBP33mn (GBP222mn in 1H 2020).

HAH net debt: the average cost of Heathrow's external debt was 2.02%, including all the interest-rate, exchange-rate, accretion and inflation hedges in place (2.09% in December 2020).

Heathrow SP reprofiled its swap portfolio and secure interest savings in 2021 while traffic recovers.

(GBP million)	JUN-21	DEC-20	VAR.
Loan Facility (ADI Finance 2)	847	820	3.3%
Subordinated	2,315	2,313	0.1%
Securitized Group	18,278	16,606	10.1%
Cash & adjustments	-4,815	-3,949	21.9%
Total	**16,625**	**15,790**	**5.3%**

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

Financial Ratios: At June 30th, 2021, Heathrow SP and Heathrow Finance continue to operate within required financial ratios.

As of 30 June 2021, 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.

With continued travel restrictions causing some uncertainty over passenger numbers, Heathrow has taken the prudent and proactive step to address the risk of a Heathrow Finance ICR breach by requesting a waiver of the Heathrow Finance ICR covenant for financial year 2021 from its creditors at Heathrow Finance. This consent exercise was announced on 19 July 2021, at which point approx. 71% of HAH's creditors had indicated that, subject to final approvals, they intend to approve the request. Support for the waiver proposal will enable the company to focus on operational delivery, as passenger numbers return in the coming months, to the benefit of all creditors.

Heathrow has sufficient liquidity to meet all its payment obligations until at least October 2022 under the extreme stress-test scenario of no revenue, or well into 2025 under its traffic base case forecast. This includes forecast operational costs and capital investment, debt service costs, debt maturities and repayments. This liquidity position takes into account GBP4.8bn in cash resources as well as undrawn debt and liquidity at Heathrow Finance plc as at 30 June 2021.

Regulatory Asset Base (RAB): at 30th June 2021, the RAB reached GBP16,946mn (GBP16,492mn in December 2020).

Sustainable growth

Despite the considerable impact of COVID-19 on Heathrow's business, sustainability remains core to its strategy. Heathrow is working on reviewing and updating its sustainability plan, Heathrow 2.0, adapting it for the new reality Heathrow is operating in as the airport recovers from the pandemic. Heathrow will share the detail of its revised strategy later in 2021.

Heathrow remains committed to delivering outcomes that reflect the most material colleague, community and environmental issues for Heathrow. Decarbonization remains a key priority and alongside this Heathrow continues to focus on making Heathrow a great place to live and work.

Decarbonizing the aviation sector remains a key priority of Heathrow's sustainable growth plan. Government adoption of the Climate Change Committee's sixth carbon budget has added further impetus to aviation decarbonization, and Heathrow looks forward to the imminent publication of DfT's Net Zero Aviation Consultation which will help to inform how it will be achieved. In early June, Heathrow became the first UK major airport to successfully integrate Sustainable Aviation Fuels (SAF) into its operation, ahead of the G7 Summit. The supply, equivalent to fuel needed to power between 5-10 short haul flights, aims to serve as proof of concept to enable much greater use of SAF going forward. Sustainable Aviation Fuels are key to taking the carbon out of flying, but the Government must act now to introduce a mandate that requires a minimum of 10% SAF use by airlines by 2030, rising to at least 50% by 2050. Currently, 62% of Heathrow airlines have committed to 10% SAF by 2030, ahead of the Climate Change Committee target of 7.5%.

Additionally, Heathrow is leading an 18 month ten-strong consortium, funded by the Innovate UK 'Future Flight' program, researching the introduction of hydrogen and electric aircraft into the aviation system. It will shed light on the implications of clean propulsion technologies for airport infrastructure, as well as operational, commercial and public acceptance issues, and build greater confidence in timelines for entry into service.

Heathrow Expansion: Currently, Heathrow's main focus is on working to safely restart international travel and trade to help kick start the UK's economic recovery. However, when demand returns to pre-COVID levels, meeting that demand as the UK's hub airport will be essential to a country with global and levelling up ambitions. Following the Supreme Court's decision in December 2020 and after consulting with its airline community and the CAA, Heathrow reopened its Interim Property Hardship Scheme in early May 2021 and continues to engage with local communities. Heathrow will continue to consult with investors, Government, airline customers and regulators on its next steps.

Brexit: following the UK's departure from the EU on January 1st, 2021, flights can continue without disruption between the UK and EU. From a border perspective, the UK's Border Operating Model outlines a phased approach for cargo to limit immediate changes at the UK border. In March, the UK Government revised this timeline, with the majority of checks now being required from January 1st, 2022, as opposed to July 1st, 2021. EU citizens can continue to use electronic gates at immigration upon arrival into the UK. Heathrow is also working with Government and Border Force to prepare for changes to the border and passenger processes, including the end of using EU ID cards to enter the UK from October 1st, 2021. Heathrow has been working with the Government and industry to support an open and trading Global Britain post-Brexit. Heathrow is asking Government to ensure any issues at the border are minimized, managed and adequately resourced.

Key regulatory developments

CAA consultations - In April, the CAA published three key documents relating to the regulation of Heathrow. These documents cover a number of key issues regarding Heathrow's future regulatory framework and potential adjustments to the RAB ahead of H7:

- Response to Heathrow's request for a COVID-19 related RAB adjustment.
- Working paper on Q6 capital expenditure and early expansion costs.
- Way Forward document. This document sets out the CAA's initial assessment of Heathrow's RBP and provides further thinking on key policy issues for the H7 period.

In response to CAA, Heathrow expressed that the CAA has a key role to play to support our financeability and its recognition of the impact of COVID-19 on Heathrow's position. While it is positive that the CAA accepted the need to act in its decision to implement a GBP300mn adjustment to Heathrow's RAB, the scale of the adjustment is disappointing and indicates that the CAA does not understand the magnitude of the challenge posed by COVID-19. Heathrow sets out clearly the need to return to an A- credit rating through H7 to ensure financeability and ensure that the CAA takes an informed approach to equity financeability. Heathrow reiterated the need for a move to revenue risk sharing in order to readdress and provide clarity around the balance of risk and reward in the price control. Heathrow also reinforced the need for a flexible and adaptable regulatory framework alongside this risk sharing mechanism through its capital efficiency framework and uncertainty mechanisms in its price control condition to ensure that the H7 settlement is fit for purpose and able to react to the potential uncertainties ahead.

Revised Business Plan update - Alongside Heathrow's consultation responses, Heathrow published an update to its December 2020 Revised Business Plan (RBP) to the CAA and airlines. This provided an update to the assumptions underlying December's RBP to reflect the changes that Heathrow has seen since then and ensure that the CAA has the most up to date evidence base available on which it can build its Initial Proposals.

Heathrow's update is built around two scenarios:

1. A 'Full Adjustment' scenario where the CAA implements the full RAB adjustment requested by Heathrow.
2. A 'Low Adjustment' scenario where the CAA implements only its GBP300mn RAB adjustment.

Heathrow is confident that its 'Full Adjustment' plan and the investment it facilitates is in the interests of consumers. Other key changes to its RBP assumptions include:

- The passenger forecast has gone down vs the forecast shown in the RBP from a forecast total of 325.5mn pax in H7 to 317.7m pax across H7. This largely reflects a lower forecast for 2022.
- Heathrow has proposed an increase to its capital plan from a maximum plan of GBP3.5bn across H7 to GBP4.2bn over the period. This is mainly due to safety spend, the inclusion of an allowance for airspace modernization to allow Heathrow to make meaningful progress on decarbonization and the inclusion of capital for future solutions on T2 baggage and connectivity and efficiency in the Western Campus.

Under its current timetable, the CAA is planning to publish its Initial Proposals for H7 later in 2021. The H7 period is due to start in 2022.

Outlook

The outlook for the adjusted EBITDA in 2021 remains consistent with the revised guidance published in Heathrow's June Investor Report. The updated traffic forecast is 21.5mn pax forecasted in 2021 (-2.7% vs 2020; -73.4% vs 2019). This Base Case traffic forecast, detailed in the Investor Report, reflects the ongoing political caution around border controls and the expected gradual addition of countries to the UK government's 'green list' over the balance of the year.

Under the base case scenario, no covenant breaches are forecast across the wider Group. However, the headroom to Heathrow Finance ICR covenant is expected to be limited given ongoing pressures on cash flow generation. HAH's Management has stress tested the base case due to the uncertainty in passenger recovery and has adopted a severe but plausible case of 13.0mn pax. In this scenario, the Heathrow Finance ICR would be breached for 31 December 2021; no other breaches are forecast across the wider Group.

Heathrow has therefore taken the prudent and proactive step to address the risk of a Heathrow Finance ICR breach by requesting a waiver of the Heathrow Finance ICR covenant for financial year 2021 from Heathrow Finance creditors. This consent exercise was announced on 19 July 2021. Support for the waiver proposal will enable the company to focus on operational delivery as passenger numbers recover in the coming months to the benefit of all creditors. Whilst Heathrow's management is confident it will receive support from its creditors, there is no certainty a further covenant waiver will be agreed, and this indicates the existence of a material uncertainty which could cast significant doubt upon the Group and the Company's ability to continue as a going concern.
Heathrow's liquidity position remains strong with GBP4,759mn of cash as of 30 June 2021, which provides sufficient cash to meet all obligations into 2025 under our base case traffic forecast or until October 2022 in the extreme no revenue scenario.

AGS (50%, equity-accounted) – UK

AGS response to COVID-19: AGS Airports continue to be significantly impacted by the unprecedented disruption to air travel following the spread of the COVID-19 pandemic in March 2020 and subsequent emergence of new COVID-19 variants in 2021, which resulted in further travel restrictions and a full UK lockdown in January 2021.The main focus of AGS during these times has been to ensure the health and safety of all its employees, business partners and airport passengers. The Group has taken a number of health measures to provide a safe environment at the three airports.

Opex reached -GBP10mn of net savings delivered vs 1H 2020 (20%), including:

- Organizational transformation.
- Adoption of the Furlough Scheme both for employees and outsourced services.
- Rates waiver ratified by Scottish Parliament (Aberdeen & Glasgow).
- Contract renegotiation and volume related savings.
- Removal of all non-essential costs.

Capital expenditure has been deferred or cancelled, except for safety and compliance required investments.

Financial covenants: In 1H 2021, AGS completed negotiations regarding amending and extending its debt facility with unanimous approval from all lenders. Under the aforementioned agreement, AGS's debt will now mature in June 2024.

As part of the A&E, AGS 's shareholders have committed to inject funds in a net the amount of GBP20mn into the Group, with an additional GBP30mn commitment (at 100%).

Traffic: number of passengers fell by -66.7% (0.7mn passengers) across the three airports driven by tightened government restrictions and quarantine measures. The negative performance can be mainly attributed to the 1Q 2021 compared to 1Q 2020 passenger levels prior to the COVID-19 impact and Flybe collapse, partially offset by 2Q 2021 passenger levels being significantly higher in domestic passengers, along with a slight increase in international passengers. Aberdeen traffic has been more resilient to COVID-19 vs other UK airports due to passengers related to Oil & Gas industry.

Million passengers	JUN-21	JUN-20	VAR.
Glasgow	0.3	1.4	-77.2%
Aberdeen	0.4	0.6	-37.9%
Southampton	0.0	0.2	-82.6%
Total AGS	**0.7**	**2.2**	**-66.7%**

Revenues decreased by -41.0% to GBP25mn driven by the reduced pax. volume across the three airports. **EBITDA** -GBP14mn (-GBP6mn in 1H2020), driven by the aforementioned decrease in revenues partially offset by a program of opex reductions.

Following the successful A&E process in June in a net amount of GBP20mn, the liquidity position, including committed shareholder funds, amounts to GBP55mn as at 30 June 2021.

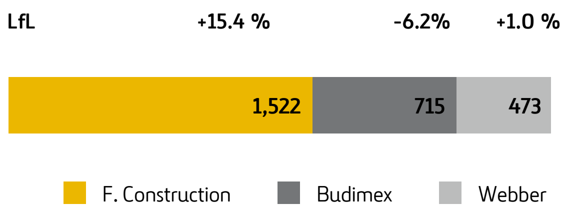
AGS net bank debt stood at GBP708mn at 30 June 2021.

Construction

Revenues +6.3% LfL, mainly on the back of projects in the US and Spain, and the COVID-19 impact on revenues in 1H 2020 given the stoppages and the slowdown of works, widely distributed throughout all geographies. International revenues accounted for 84%, focused on North America (40%) and Poland (26%).

COVID-19 impact has not been material compared to the volume of activity both in revenues and profitability, in line with last quarters.

1H 2021 revenue (EUR2,710mn) and change LfL vs 1H 2020:



In 1H 2021, Construction **EBIT** stood at EUR66mn vs. -EUR19mn in 1H 2020. EBIT mg 2.4% (excl. impact from divestments) vs. -0.7% in 1H 2020 (including EUR44mn of negative impact from COVID-19).

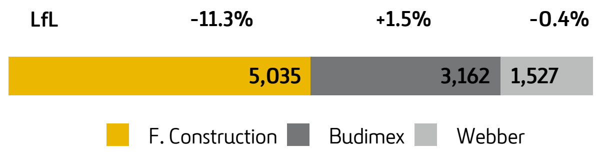
Detail by subdivision:

- **Budimex:** Revenues decreased by -6.2% LfL due to a different mix in execution contracts, in line with expectations. 8.3% EBIT margin vs 2.8% in 1H 2020 with EBIT +178.1% LfL, showing a substantial improvement. The extraordinarily high margin includes the emergence of the result in Budimex's consolidated financial statements for internal works between the Construction division and the Real Estate division prior to the sale (EUR15mn). Excluding this extraordinary effect, EBIT would have reached EUR44mn, maintaining the strength shown of last quarters of 2020 (EBIT mg exc. one-off 6.2% vs. 2.8% in 1H2020). The Real Estate activity has been classified as discontinued activity since 1Q 2021, and its contribution is excluded from Budimex results for 1H 2021 and 1H 2020.
- **Webber:** revenues remained steady (+1.0% LfL), as large projects entered into high execution phase, such as the I-10 San Bernard and Loop 12, offsetting the decrease in revenues of Non-Residential Construction and the aggregate recycling activity. EBIT margin decreased slightly to 2.0% in 1H 2021 vs 2.2% in 1H 2020, broadly due to the exceptional performance of the aggregate recycling activity in 1H 2020.
- **Ferrovial Construction:** revenues grew by +15.4% LfL on the good execution rates in essentially all the works in the US, while 1H 2020 was impacted by COVID-19. EBIT stood at -EUR3mn (-EUR52mn in 1H 2020) showing a major improvement, partly due to the estimated losses from COVID-19 in 1H 2020, and partly due to the profitability improvement in projects underway in various geographies. Additionally, the EBIT included the internal fees of onerous contracts in US (the costs of which cannot be provisioned by accounting rules) amounting to -EUR20mn.

1H 2021 EBIT & EBIT margin & change LfL vs 1H 2020:

JUN-21	EBIT	LfL	EBIT mg
Budimex	59	178.1%	8.3%
Webber	10	-3.1%	2.0%
F. Construction	-3	n.s.	-0.2%
Total EBIT	**66**	**n.s.**	**2.4%**

1H 2021 Order book & LfL change vs December 2020:



The **order book** reached EUR9,724mn (-5.8% LfL compared to December 2020). The civil works segment remains the largest segment (73%) and continues to adopt highly selective criteria when participating in tenders. The international order book accounts for 84% of the total.

The percentage of the construction order book (excluding Webber and Budimex) from projects with Ferrovial reached 34% in 1H 2021 (38% in December 2020).

The order book figure at June 2021 does not include pre-awarded contracts or contracts pending commercial or financial agreement, which amount to over EUR2,7bn, including EUR1.3bn corresponding to I-35 extension in San Antonio (Texas) and EUR620mn from the Sydney Metro West tunnel contract, along with EUR630mn corresponding to Budimex.

DIVESTMENTS

Budimex sale agreement of real estate business: On February 22nd, 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 was PLN1,513mn (EUR330mn, post transaction costs). On June 2021, the sale materialized implying the recognition of a capital gain before tax and minorities of (EUR131mn) and the result before taxes generated up to the sale (EUR9mn), both were included in discontinued operations in the P&L.

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. (URBICSA) for EUR41mn and EUR17mn respectively. As of June 30th, the sale of URBICSA was closed with an impact on net income of EUR17mn, while the sale of the Concesionaria de Prisiones Figueras is pending authorization from the competent bodies.

Nalanda sale agreement: In March 2021, an agreement to sell Ferrovial's 19.86% share of Nalanda Global (digital platform for documentation management) to PSG for EUR17mn. As of June 30th, the deal was pending Competition authorities' approval. It was completed in July and therefore is not included in 1H 2021 results.

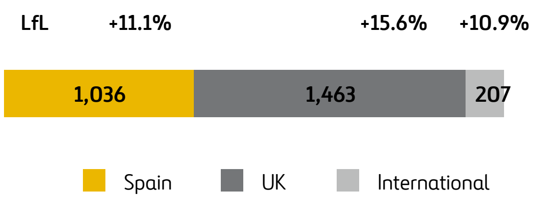
SCC (Southern Crushed Concrete) asset sale agreement: In June 2021 Ferrovial reached an agreement to sell its recycled aggregates activity at Webber for USD140mn.

Services (discontinued operations)

Ferrovial remains committed to the 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 in 2020. In addition, in July 2021, Ferrovial has reached an agreement with PreZero International GmbH (Group Schwarz) for the sale of the environmental activity in Spain & Portugal for an EV of EUR1,133mn & an implied equity value EUR950mn. For further detail, please see Appendix VIII (Events subsequent to 1H 2021 closing).

In line with Ferrovial's commitment to divest Services, the division has been classified as "held for sale" however, in order to provide an analysis of the division, the main figures of the Services results are detailed below excluding Broadspectrum figures in 2020 following its sale in June 2020.

1H 2021 revenues by activity & change LfL vs 1H 2020:



In 1H 2021, revenues increased by +12.1% LfL and EBITDA reached EUR222mn (+83.7% LfL vs 1H 2020) without a COVID-19 material impact during 1H 2021. By geographies, Amey and Spain led the increase in profitability with +168.2% and +66.1% LfL respectively.

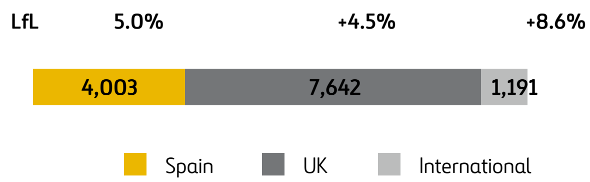
Spain: Revenues were up by +11.1% LfL due to the COVID-19 impact in 1H 2020 and the recovery of services to the transport sector after the effects of the pandemic, along with increased activity in hospitals and industrial activity. The Environment business also showed a positive evolution, based on the higher volume of tons in waste treatment plants, and the increase in industrial and hospital waste management. All these effects had also an impact in terms of profitability, EBITDA increased by +66.1% LfL and EBITDA margin stood at 12.7% (8.4% in 1H 2020).

International: Revenues increased by 10.9% LfL on the back of higher activity in Chile due to the start of new mining maintenance contracts in the last months of 2020, partially offset by the COVID-19 impact on the Oil & Gas activity of N. America. EBITDA increased by 53.6% LfL on the back of higher activity in Chile and in N. America given the improvement in the road maintenance sector and the savings plans put in place by the company to adapt to new market conditions in N.America.

UK: Revenues increased by +15.6% LfL mainly due to new road contracts in the Transport area and higher activity in Rail and Maintenance with the Ministries of Defense and Justice. Profitability was also positively impacted with EBITDA increasing +168.2% LfL, with an EBITDA margin of 4.9% vs 1.4% in 1H 2020.

The Services order book (EUR12,836mn) increased by 3.9% LfL vs December 2020 (EUR12,018mn).

1H 2021 Order book & LfL change vs December 2020:



DISCONTINUED OPERATIONS

Ferrovial classified all of its services activities as "discontinued operations" as of 31 December 2018. In accordance with IFRS 5, the classification of the Services business activities to discontinued operations continues at the date of this report.

The result from Services discontinued operations stood at EUR93mn, which includes the results from Services business in Spain of EUR101mn in 1H 2021 (without amortization, as per IFRS 5), EUR9mn from UK Services and a negative impact from fair value adjustments in International Services (-EUR17mn).

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.

The Waste Treatment activity in UK has been reclassified as continuing activity, the comparable information for 2020 has been restated, in accordance with the provisions of IFRS5. Although Ferrovial will continue with its divestment process in the future, it is foreseeable that it will take longer than 12 months since one plant is reaching construction end and others are increasing availability in the following months.

In addition, it has been decided to exclude from the scope of Services sale, the contract for the conservation and operation of the section of the A2 highway located between PK232.8 and PK340.0 (Calatayud-Alfajarín), also reclassified as a continuing activity. This contract is remunerated as a shadow toll concession with an annual EBITDA of around EUR30mn (EUR32mn in 2019 & EUR28mn in 2020).

The results of these two activities are included in Others, having a contribution at EBITDA level of -EUR12mn (Waste Treatment activity in UK) and EUR14mn (A2 highway) in 1H 2021 respectively, and EUR9mn and EUR12mn in 1H 2020, respectively.

Consolidated P&L

(EUR million)	JUN-21	JUN-20
REVENUES	**2,965**	**2,937**
EBITDA	**251**	**136**
Period depreciation	-116	-109
Disposals & impairments	17	-20
EBIT	**152**	**7**
Financial Result	**-175**	**-127**
Financial Result from infrastructure projects	-155	-132
Financial Result from ex-infrastructure projects	-20	5
Equity-accounted affiliates	-245	-226
EBT	**-268**	**-346**
Corporate income tax	-30	3
NET PROFIT FROM CONTINUING OPERATIONS	**-298**	**-343**
NET PROFIT FROM DISCONTINUED OPERATIONS	**208**	**-34**
CONSOLIDATED NET INCOME	-90	-377
Minorities	-87	-7
NET INCOME ATTRIBUTED	**-177**	**-384**

Revenues at EUR2,965mn (+6.3% LfL) on the back of higher Construction revenues (+6.3% LfL) and Toll Roads (+30.8% LfL).

EBITDA: EUR251mn (EUR136mn in 1H 2020 which was impacted by -EUR39mn provision related to the corporate restructuring plan).

Depreciation: +6.7% in 1H 2021 (+3.8% LfL) to -EUR116mn.

Impairments and fixed asset disposals: EUR17mn in 1H 2021 related to Ferrovial's stake sale in URBICSA, compared to -EUR20 in 1H 2020, impacted by the impairment related to the Waste Treatment business in UK.

Financial result: higher financial expenses in 1H 2021 vs 1H 2020.

- **Infrastructure projects:** -EUR155mn expenses (-EUR132mn in 1H 2020) mainly on the back of the negative performance of Autema's ILS derivative given the increase in inflation (mark to market change ILS), partially offset by the lower financing costs following LBJ's refinancing (September 2020).
- **Ex-infrastructure projects:** -EUR20mn of financial expenses 1H 2021 compared to EUR5mn income in 1H 2020, due to lower remuneration of the cash position due to lower interest vs 2020, along with the negative performance of exchange rate derivatives, partially offset by the performance of the hedges provided by equity swaps linked to payment plans, with no cash impact. The hedges on the equity swaps linked to payment plans led to +EUR6mn in 1H 2021 (-EUR9mn in 1H 2020), due to the positive performance of the share price as compared with its negative performance in 2020:

DATE	CLOSING PRICE (€)
31-Dec-19	26.97
30-Jun-20	23.7
31-Dec-20	22.6
30-Jun-21	24.75

Equity-accounted result at net profit level, equity-accounted companies contributed -EUR245mn after tax (-EUR226mn in 1H 2020).

(EUR million)	JUN-21	JUN-20	VAR.
Toll Roads	**13**	**27**	**-50.2%**
407 ETR	4	14	-74.6%
Others	10	13	-23.8%
Airports	**-255**	**-253**	**-0.9%**
HAH	-238	-222	-7.3%
AGS	-20	-31	35.4%
Others	3	0	n.s.
Construction	**0**	**0**	**n.s.**
Others	**-3**	**0**	**n.s.**
Total	**-245**	**-226**	**-8.1%**

REVENUES

(EUR million)	JUN-21	JUN-20	VAR.	LfL
Toll Roads	236	227	3.9%	30.8%
Airports	4	4	-2.8%	5.0%
Construction	2,710	2,619	3.5%	6.3%
Others	15	87	-83.1%	-73.3%
Total Revenues	**2,965**	**2,937**	**0.9%**	**6.3%**

EBITDA

(EUR million)	JUN-21	JUN-20	VAR.	LfL
Toll Roads	161	152	5.7%	46.0%
Airports	-9	-8	-9.2%	-6.0%
Construction	112	28	n.s.	n.s.
Others	-13	-36	64.8%	n.s.
Total EBITDA	**251**	**136**	**84.7%**	**88.9%**

EBIT*

(EUR million)	JUN-21	JUN-20	VAR.	LfL
Toll Roads	105	110	-5.4%	75.2%
Airports	-10	-10	-6.4%	-4.6%
Construction	66	-19	n.s.	n.s.
Others	-25	-55	54.4%	n.s.
Total EBIT	**135**	**27**	**n.s.**	**n.s.**

*EBIT before impairments and disposals of fixed assets

Tax: the corporate income tax for 1H 2021 amounted to -EUR30mn (vs EUR3mn for 1H 2020). There are several impacts to be considered when calculating the effective tax rate; among which the material and/or significant ones are:

- Equity-accounted companies' profit must be excluded, as it is already net of tax (-EUR245mn).
- Losses and tax credits that, following accounting prudence criteria, do not imply the recognition of the full tax credits for future years.

Excluding the aforementioned adjustments in the tax result, and adjusting for the impact from previous years spending (EUR5mn), the resulting effective corporate income tax rate is 24%.

Net income from continuing operations stood at -EUR298mn in 1H 2021 (-EUR343mn in 1H 2020). This result includes a series of impacts, notable among which were:

- Fair value adjustments for derivatives: -EUR23mn (-EUR49mn in 1H 2020), primarily impacted by the negative evolution of HAH's derivatives.
- Negative impact from Autema ILS derivative due to the increase in inflation rate (-EUR37mn).
- 1H 2020 was impacted by HAH & AGS extraordinary impacts, due to change in UK Income Tax Rate, fixed assets write-off and restructuring plans given COVID-19 impact, and the one-off cost related to the restructuring plan carried out by Ferrovial.

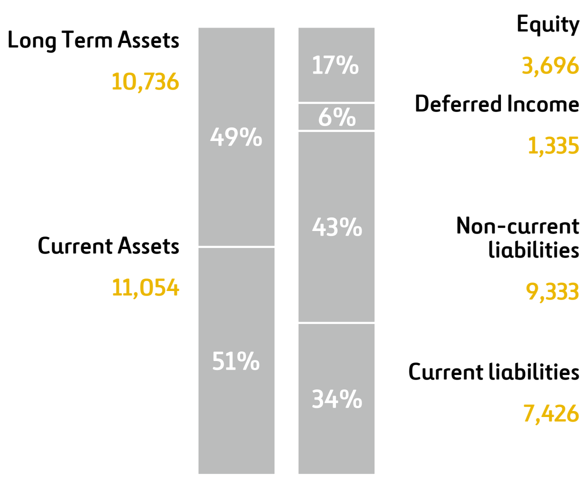
Net income from discontinued operations stood at EUR208mn including the discontinued operations from Services activities (EUR93mn) and Budimex's Real Estate business (EUR115mn).

Consolidated Balance Sheet

(EUR million)	JUN-21	DEC-20
FIXED AND OTHER NON-CURRENT ASSETS	**10,736**	**10,706**
Consolidation goodwill	154	208
Intangible assets	105	94
Investments in infrastructure projects	6,565	6,355
Property	0	2
Plant and Equipment	283	305
Right-of-use assets	114	97
Equity-consolidated companies	1,743	1,710
Non-current financial assets	825	856
Long term investments with associated companies	192	163
Restricted Cash and other non-current assets	585	654
Other receivables	48	39
Deferred taxes	589	604
Derivative financial instruments at fair value	358	475
CURRENT ASSETS	**11,054**	**12,416**
Assets classified as held for sale	3,990	3,729
Inventories	374	698
Trade & other receivables	1,396	1,326
Trade receivable for sales and services	1,036	987
Other receivables	360	339
Taxes assets on current profits	103	108
Other short term financial assets	20	0
Cash and other temporary financial investments	5,152	6,483
Infrastructure project companies	181	148
Restricted Cash	36	33
Other cash and equivalents	145	115
Other companies	4,971	6,335
Derivative financial instruments at fair value	19	72
TOTAL ASSETS	**21,790**	**23,122**

(EUR million)	JUN-21	DEC-20
EQUITY	**3,696**	**3,808**
Capital & reserves attrib to the Company´s equity holders	3,055	3,168
Minority interest	641	640
Deferred Income	**1,335**	**1,281**
NON-CURRENT LIABILITIES	**9,333**	**9,554**
Pension provisions	4	4
Other non current provisions	429	446
Long term lease debts	69	61
Financial borrowings	7,976	8,084
Financial borrowings on infrastructure projects	5,321	5,192
Financial borrowings other companies	2,655	2,892
Other borrowings	63	63
Deferred taxes	446	449
Derivative financial instruments at fair value	346	447
CURRENT LIABILITIES	**7,426**	**8,479**
Liabilities classified as held for sale	2,683	2,588
Short term lease debts	49	60
Financial borrowings	748	1,678
Financial borrowings on infrastructure projects	41	48
Financial borrowings other companies	707	1,630
Derivative financial instruments at fair value	110	52
Trade and other payables	2,760	3,060
Trades and payables	1,447	1,415
Other non commercial liabilities	1,313	1,645
Liabilities from corporate tax	117	93
Trade provisions	959	948
TOTAL LIABILITIES & EQUITY	**21,790**	**23,122**

CONSOLIDATED BALANCE SHEET



GROSS CONSOLIDATED DEBT*

Gross debt JUN-21	EX-INFRA	INFRA	CONSOLIDATED
Gross debt (EUR mn)	-3,455	-5,557	-9,012
% fixed	91.3%	97.5%	95.1%
% variable	8.7%	2.5%	4.9%
Average rate	0.9%	4.6%	3.2%
Average maturity (years)	4	20	13

*Includes discontinued operations

CONSOLIDATED FINANCIAL POSITION*

(EUR million)	JUN-21	DEC-20
Gross financial debt	**-9,012**	**-10,085**
Gross debt ex-infrastructure	-3,455	-4,640
Gross debt infrastructure	-5,557	-5,445
Gross Cash	**6,204**	**7,544**
Gross cash ex-infrastructure	5,315	6,631
Gross cash infrastructure	890	913
Total net financial position	**-2,808**	**-2,541**
Net cash ex-infrastructure	1,859	1,991
Net debt infrastructure	-4,667	-4,532
Total net financial position	**-2,808**	**-2,541**

*Includes discontinued operations

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

NET CASH POSITION (EUR)

Gross cash	5.3bn
Gross debt	-3.5bn
Net cash position	1.9bn

LIQUIDITY (EUR mn)

Total cash	UNDRAWN LINES
5,315	1,195
TOTAL LIQUIDITY	6,510

DEBT MATURITIES (EUR mn)

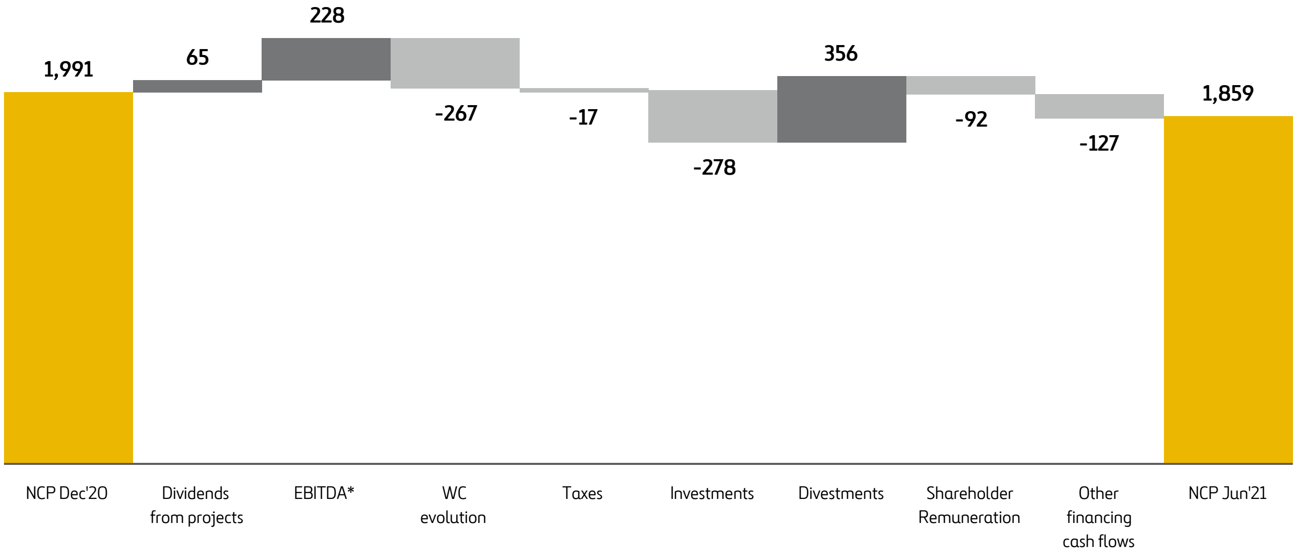
2021*	2022	2023	> 2024
489	513	8	2,455

(*) In 2021, ex-infrastructure debt includes outstanding ECP (Euro Commercial Paper), which at 30 June 2021 had a carrying amount of EUR450mn, with an average rate of -0.30%.

RATING

Standard & Poor's	BBB / stable
Fitch Ratings	BBB / stable

CASH FLOW COMPONENTS (including discontinued operations)



* EBITDA excludes contribution from projects but it includes EBITDA from Services. .

Net cash position (NCP) excluding infra projects: stood at EUR1,859mn in June 2021 vs EUR1,991mn in December 2020. The main drivers of this change were:

- **Project dividends:** EUR65mn vs. EUR133mn in 1H 2020, impacted by lower dividends or no dividends from main assets. Toll Roads dividends reached EUR53mn, including EUR48mn from Managed Lanes (EUR98mn in 1H 2020). No dividends were distributed from Airports (EUR29mn from Heathrow in 1H 2020). Services added EUR10mn of dividends (EUR5mn Services dividends in 1H 2020).
- **EBITDA:** EUR228mn (vs -EUR12mn in 1H 2020) which includes EUR190mn from Services.
- **Working capital evolution** stood at -EUR267mn in 1H 2021 (-EUR35mn in 1H 2020), including the EUR39mn application (cash out), as of June 2021, of the non-cash Construction Provision registered in 1Q 2019.
- **Net Investment** reached EUR78mn in 1H 2021 vs EUR263mn in 1H 2020. Investments reached -EUR278mn in 1H 2021 (-EUR86mn in 1H 2020), most noteworthy of which was the -EUR150mn invested in the I-66 Managed Lanes project. Divestments reached EUR356mn in 1H 2021 (EUR348mn in 1H 2020) related to the sale of non-core assets in Construction including Budimex Real Estate & URBICSA.
- **Shareholder Remuneration:** -EUR92mn in 1H 2021 above -EUR74mn in 1H 2020, including -EUR80mn from the treasury share repurchase program in 1H 2021.
- **Other financing cash flows**: includes other cash flow movements, such as forex impact (EUR64mn) mainly from USD from advanced payments in construction to pay for expenses in such currency and derecognition of Budimex Real Estate business upon sale.

The net cash position at the end of June (EUR1,859mn) includes the net cash from Services (EUR291mn).

Consolidated cash flow

JUN-21	EXINFRASTRUCTURE PROJECTS CASH FLOW	INFRASTRUCTURE PROJECTS CASH FLOW	ADJUSTMENTS	TOTAL CASH FLOW
EBITDA	228	230	0	458
Dividends received	65	-1	-50	14
Construction provision variation	-3	0	0	-3
Working capital variation (account receivables, account payables and others)	-264	16	0	-247
Operating flow (before taxes)	**26**	**246**	**-50**	**222**
Tax payment	-17	-1	0	-18
Operating Cash Flow	**9**	**245**	**-50**	**204**
Investments	-278	-92	15	-355
Divestments	356	21	0	377
Investment cash flow	**78**	**-71**	**15**	**22**
Activity cash flow	**86**	**174**	**-35**	**225**
Interest flow	-34	-120	0	-154
Capital flow from Minorities	9	17	-15	11
Ferrovial shareholder remuneration	-92	0	0	-92
Scrip dividend	-12	0	0	-12
Treasury share repurchase	-80	0	0	-80
Other shareholder remuneration for subsidiary minorities	-47	-96	50	-93
Forex impact	64	-110	0	-47
Variation of Bridge Loans (project financing)	0	0	0	0
Other debt movements (non cash)	-118	1	0	-117
Financing cash flow	**-218**	**-309**	**35**	**-492**
Net debt variation	**-132**	**-135**	**0**	**-267**
Net debt initial position	**1,991**	**-4,532**	**0**	**-2,541**
Net debt final position	**1,859**	**-4,667**	**0**	**-2,808**

JUN-20	EXINFRASTRUCTURE PROJECTS CASH FLOW	INFRASTRUCTURE PROJECTS CASH FLOW	ADJUSTMENTS	TOTAL CASH FLOW
EBITDA	-12	221	0	209
Dividends received	133	0	-1	131
Construction provision variation	18	0	0	18
Working capital variation (account receivables, account payables and others)	-88	11	0	-76
Operating flow (before taxes)	**52**	**232**	**-1**	**282**
Tax payment	-31	-4	0	-35
Operating Cash Flow	**20**	**228**	**-1**	**247**
Investments	-86	-47	4	-128
Divestments	348	0	0	348
Investment cash flow	**263**	**-47**	**4**	**221**
Activity cash flow	**283**	**182**	**3**	**468**
Interest flow	-15	-114	0	-129
Capital flow from Minorities	6	6	-4	8
Ferrovial shareholder remuneration	-74	0	0	-74
Scrip dividend	0	0	0	0
Treasury share repurchase	-74	0	0	-74
Other shareholder remuneration for subsidiary minorities	-102	-2	1	-102
Forex impact	-44	8	0	-36
Variation of Bridge Loans (project financing)	0	0	0	0
Other debt movements (non cash)	-17	-23	0	-41
Financing cash flow	**-246**	**-125**	**-3**	**-374**
Net debt variation	**37**	**57**	**0**	**94**
Net debt initial position	**1,631**	**-4,588**	**0**	**-2,957**
Net debt final position	**1,668**	**-4,531**	**0**	**-2,863**

EX-INFRASTRUCTURE PROJECT CASH FLOW

Activity cash flow*

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

JUN-21	OPERATING CF*	NET INVESTM. CF*	ACTIVITY CF*
Toll Roads	53	-150	-97
Airports	0	-55	-55
Construction	-120	342	222
Services	184	-35	149
Other	-92	-24	-116
Total	**26**	**78**	**104**

JUN-20	OPERATING CF*	NET INVESTM. CF*	ACTIVITY CF*
Toll Roads	98	-20	78
Airports	29	-4	25
Construction	-125	33	-91
Services	159	257	417
Other	-110	-4	-114
Total	**52**	**263**	**314**

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

Operations cash flow

At 30 June 2021, cash flow from ex-infrastructure project operations totaled EUR26mn (before tax), below EUR52mn in June 2020, impacted by lower dividends distribution from Toll Roads and Airports affected by COVID-19 impact, partially offset by the improved performance of the performance of the Services operating cash flow.

Operating cash flow	JUN-21	JUN-20
Dividends from Toll Roads	53	98
Dividends from Airports	0	29
Construction	-120	-125
Services	184	159
Other*	-92	-110
Operating flow (before taxes)	**26**	**52**
Tax payment	-17	-31
Total	**9**	**20**

The entry "Others" includes the operations cash flow relating to Broadspectrum (2020) and Corporate Business, Airports and Toll Roads.

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

Construction	JUN-21	JUN-20
EBITDA	112	28
EBITDA from projects	6	7
EBITDA Ex projects	105	21
Construction provision variation	-3	18
US Construction provision application (*)	-39	-40
Other Construction provision variation	36	58
Dividends received	0	0
Working capital variation (account receivables, account payables and others)	-222	-164
Changes in factoring	0	-1
Land purchases	0	0
Working capital	-222	-163
Operating Cash Flow before Taxes	**-120**	**-125**

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

Services	JUN-21	JUN-20
EBITDA	222	112
EBITDA from projects	31	28
EBITDA Ex projects	190	84
Dividends received	10	5
Working capital variation (account receivables, account payables and others)	-9	137
Changes in factoring	-1	-58
Pensions payments UK	-5	-8
Operating Cash Flow before Taxes	184	159

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

(EUR million)	SPAIN	UK	INTERNATIONAL	TOTAL
EBITDA ex-infrastructure	101	72	18	**190**
Dividends received	1	9	0	**10**
Changes in factoring	0	0	-1	**-1**
Pension scheme payments	0	-5	0	**-5**
Working capital	-34	46	-21	**-9**
Op. cash flow ex-Taxes	67	121	-5	**184**

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

The revenue from Toll Roads operations amounted to EUR53mn in 1H 2021 (EUR98mn in 1H 2020), resulting from dividends and repaid shareholders' funds from companies owning toll road infrastructure projects.

Dividends and Capital reimbursements	JUN-21	JUN-20
407 ETR	0	**89**
LBJ	27	**0**
NTE	21	**0**
Irish toll roads	0	**0**
Portuguese toll roads	2	**0**
Australian toll roads	1	**6**
Spanish toll roads	1	**1**
Other	1	**1**
Total	53	**98**

Dividends and capital reimbursements from Airports was nil in 1H 2021 vs EUR29mn in 1H 2020.

Airports	JUN-21	JUN-20
HAH	0	29
AGS	0	0
Others	0	0
Total	0	29

Investment cash flow

JUN-21	INVESTMENT	DIVESTMENT	INVESTMENT CF
Toll Roads	-150	0	-150
Airports	-55	0	-55
Construction	-14	356	342
Services	-35	0	-35
Other	-24	0	-24
Total	**-278**	**356**	**78**

JUN-20	INVESTMENT	DIVESTMENT	INVESTMENT CF
Toll Roads	-19	-1	-20
Airports	-4	0	-4
Construction	-28	61	33
Services	-31	288	257
Other	-4	0	-4
Total	**-86**	**348**	**263**

The **net investment cash flow** in 1H 2021 (EUR78mn) includes:

- **Investments** reached -EUR278mn in 1H 2021 (-EUR86mn in 1H 2020), most noteworthy of which was the -EUR150mn invested in the I-66 Managed Lanes project.
- **Divestments** reached EUR356mn in 1H 2021 (EUR348mn in 1H 2020) related to the sale of non-core assets in Construction including Budimex Real Estate & URBICSA.

Financing cash flow

Financing cash flow includes:

- **Shareholder remuneration cash flow:** -EUR92mn in 1H 2021, including -EUR12mn from the scrip dividend and -EUR80mn from the treasury share repurchase program in 1H 2021.
- **Net interest payments** reached -EUR34mn in 1H 2021.
- **FX impact** (EUR64mn), primarily from the translation of cash balances held in USD and PLN.
- **Other non-cash flow** related movements (-EUR118mn), that included the net cash position held by Budimex Real Estate (EUR110mn), 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 EUR291mn of debt at 30 June 2021.

INFRASTRUCTURE PROJECT CASH FLOW

Operations cash flow

As regards cash flows for companies that own infrastructure project concessions, these primarily include revenues from those companies that are currently in operation, though they also include VAT refunds and payments corresponding to projects currently in the construction phase.

The following table shows a breakdown of cash flow operations for infrastructure projects.

(EUR million)	JUN-21	JUN-20
Toll roads	202	179
Other	43	50
Operating cash flow	**245**	**228**

Investment cash flow

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

(EUR million)	JUN-21	JUN-20
LBJ	-1	-1
NTE	-1	-1
NTE 35W	-73	-29
I-77	-2	-14
Portuguese toll roads	-1	0
Spanish toll roads	0	0
Others	0	0
Total toll roads	**-78**	**-46**
Others	-14	-6
Total projects	**-92**	**-52**
Equity Subsidy	**21**	**5**
Total investment cash flow (projects)	**-71**	**-47**

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)	JUN-21	JUN-20
Spanish toll roads	-21	-21
US toll roads	-78	-71
Portuguese toll roads	-7	-7
Other toll roads	0	0
Total toll roads	**-106**	**-99**
Other	-14	-15
Total	**-120**	**-114**

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 1H 2021 was a negative impact in the amount of -EUR110mn, primarily as the result of the depreciation of the euro against USD, which has had an impact on the net debt figure for the US toll roads.

Appendix I – segmented information

TOLL ROADS – GLOBAL CONSOLIDATION

(EUR million)	TRAFFIC (ADT)			REVENUES			EBITDA			EBITDA MARGIN		NET DEBT 100%	
Global consolidation	**JUN-21**	**JUN-20**	**VAR.**	**JUN-21**	**JUN-20**	**VAR.**	**JUN-21**	**JUN-20**	**VAR.**	**JUN-21**	**JUN-20**	**JUN-21**	**SHARE**
NTE*	15	12	28.2%	68	53	29.0%	59	44	32.8%	86.8 %	84.3 %	-1,036	63.0%
LBJ*	17	15	9.2%	50	46	7.8%	40	37	10.1%	80.6 %	78.9 %	-1,442	54.6%
NTE 35W*/**	17	13	31.1%	53	39	35.8%	44	32	36.6%	83.3 %	82.8 %	-816	53.7%
I-77*/***	12	10	21.4%	12	8	55.2%	6	2	251.0%	48.5 %	21.4 %	-231	65.1%
TOTAL USA				**183**	**146**	**25.4%**	**149**	**115**	**29.7%**			**-3,525**	
Autema	13,669	11,490	19.0%	28	58	-51.8%	24	54	-55.0%	87.2 %	93.5 %	-589	76.3%
TOTAL SPAIN				**28**	**58**	**-51.8%**	**24**	**54**	**-55.0%**			**-589**	
Azores	9,366	7,762	20.7%	13	11	20.0%	11	9	25.3%	86.8 %	83.1 %	-272	89.2%
Via Livre				6	6	-0.5%	1	1	7.0%	18.7 %	17.4 %	8	84.0%
TOTAL PORTUGAL				**19**	**16**	**12.8%**	**12**	**10**	**23.4%**			**-264**	
TOTAL HEADQUARTERS				**7**	**7**	**-3.4%**	**-24**	**-26**	**7.9%**				
TOTAL TOLL ROADS				**236**	**227**	**3.9%**	**161**	**152**	**5.7%**	**68.3 %**	**67.1 %**	**-4,378**	

* 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.
***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	**JUN-21**	**JUN-20**	**VAR.**	**JUN-21**	**JUN-20**	**VAR.**	**JUN-21**	**JUN-20**	**VAR.**	**JUN-21**	**JUN-20**	**JUN-21**	**SHARE**
407 ETR (VKT mn)	599	702	-14.7%	254	276	-7.7%	207	219	-5.6%	81.4%	79.6%	-5,649	43.2%
M4	24,266	22,876	6.1%	11	10	5.6%	5	5	5.1%	48.5%	48.8%	-65	20.0%
M3	30,830	29,149	5.8%	9	9	-7.8%	6	7	-14.3%	64.6%	69.5%	-73	20.0%
A-66 Benavente Zamora				11	12	-2.1%	10	10	-4.7%	87.3%	89.7%	-151	25.0%
Serrano Park				3	2	21.9%	2	-2	n.s	70.8%	-76.8%	-34	50.0%
Algarve	8,865	8,053	10.1%	15	17	-10.6%	13	15	-10.1%	87.6%	87.1%	-70	20.0%
Norte Litoral	20,530	19,185	7.0%	18	19	-9.1%	15	17	-9.9%	87.9%	88.7%	-85	20.0%
Toowoomba				12	12	5.6%	2	2	10.1%	20.3%	19.4%	-232	40.0%

MAIN TOLL ROADS (P&L)

407 ETR

(CAD million)	JUN-21	JUN-20	VAR.
Revenues	381	417	-8.7%
EBITDA	310	332	-6.6%
EBITDA margin	81.4%	79.6%	
EBIT	263	283	-7.1%
EBIT margin	68.9%	67.7%	
Financial results	-224	-192	-16.6%
EBT	39	91	-57.4%
Corporate income tax	-10	-23	55.7%
Net Income	28	68	-58.0%
Contribution to Ferrovial equity accounted result (EURmn)	4	14	-74.6%

LBJ

(USD million)	JUN-21	JUN-20	VAR.
Revenues	60	51	17.1%
EBITDA	48	41	19.7%
EBITDA margin	80.6%	78.9%	
EBIT	36	27	30.7%
EBIT margin	59.1%	53.0%	
Financial results	-35	-45	21.3%
Net Income	0	-18	101.0%
Contribution to Ferrovial*	0	-9	100.9%

* Contribution to Net profit. 54.6% stake (EURmn)

NTE

(USD million)	JUN-21	JUN-20	VAR.
Revenues	82	58	40.2%
EBITDA	71	49	44.3%
EBITDA margin	86.8%	84.3%	
EBIT	56	35	59.3%
EBIT margin	68.8%	60.5%	
Financial results	-25	-25	0.3%
Net Income	31	10	209.8%
Contribution to Ferrovial*	16	6	185.2%

* Contribution to Net profit. 62.97% stake (EURmn)

NTE 35W

(USD million)	JUN-21	JUN-20	VAR.
Revenues	63	43	47.5%
EBITDA	53	35	48.4%
EBITDA margin	83.3%	82.8%	
EBIT	41	26	59.7%
EBIT margin	64.5%	59.6%	
Financial results	-21	-20	-6.9%
Net Income	19	6	251.1%
Contribution to Ferrovial*	9	3	223.2%

* Contribution to Net profit. 53.67% stake (EURmn)

I-77

(USD million)	JUN-21	JUN-20	VAR.
Revenues	14	8	68.6%
EBITDA	7	2	281.2%
EBITDA margin	48.5 %	21.4 %	
EBIT	4	0	n.s.
EBIT margin	30.6 %	(3.0)%	
Financial results	-6	-5	-3.4%
Net Income	-1	-6	76.7%
Contribution to Ferrovial*	-1	-3	72.2%

*Contribution to Net profit. 65.10% stake (EURmn)

AIRPORTS (P&L)

Heathrow SP & HAH

	Revenues			EBITDA			EBITDA margin		
(GBP million)	JUN-21	JUN-20	VAR.	JUN-21	JUN-20	VAR.	JUN-21	JUN-20	VAR. (bps)
Heathrow SP	**348**	**712**	**-51.1%**	**-33**	**222**	**-114.9%**	**-9.5%**	**31.1%**	**-4,066**
Exceptionals & adjs	0	0	-48.7%	6	-121	104.7%	97.6%	n.a.	n.a.
Total HAH	**348**	**713**	**-51.1%**	**-27**	**102**	**-127.0%**	**-7.9%**	**14.3%**	**-2,219**

HAH

(GBP million)	JUN-21	JUN-20	VAR.	LfL
Revenues	348	713	-51.1%	-51.1%
EBITDA	-27	102	-127.0%	-112.3%
EBITDA margin	-7.9%	14.3%		
Depreciation & impairments	-425	-376	13.0%	-13.0%
EBIT	-453	-274	-65.0%	-196.7%
EBIT margin	-129.9%	-38.5%		
Financial results	-446	-535	16.7%	-6.0%
EBT	-899	-810	-11.0%	-67.4%
Corporate income tax	9	31	-70.3%	n.s.
Net income	-889	-779	-14.2%	n.s.
Contribution to Ferrovial equity accounted result (EUR mn)	-238	-222	-7.3%	n.s.

AGS

(GBP million)	JUN-21	JUN-20	VAR.
Total Revenues AGS	**25**	**43**	**-41.0%**
Glasgow	10	22	-55.6%
Aberdeen	13	16	-21.2%
Southampton	3	5	-39.8%
Total EBITDA AGS	**-14**	**-6**	**-120.9%**
Glasgow	-10	-3	-191.8%
Aberdeen	-1	2	-133.4%
Southampton	-4	-5	19.5%
Total EBITDA margin	**-56.2%**	**-15.0%**	**n.s.**
Glasgow	n.s.	-15.1%	n.s.
Aberdeen	n.s.	10.8%	n.s.
Southampton	n.s.	-100.2%	n.s.

CONSTRUCTION

CONSTRUCTION	JUN-21	JUN-20	VAR.	LfL
Revenues	2,710	2,619	3.5%	6.3%
EBITDA	112	28	n.s.	n.s.
EBITDA margin	4.1%	1.1%		
EBIT	66	-19	n.s.	n.s.
EBIT margin	2.4%	-0.7%		
Order book*	9,724	10,129	-4.0%	-5.8%

BUDIMEX	JUN-21	JUN-20	VAR.	LfL
Revenues	715	780	-8.3%	-6.2%
Construction	669	762	-12.3%	-10.3%
FB Serwis	79	62	26.9%	29.8%
Others	-33	-45		
EBITDA	75	36	108.4%	113.7%
EBITDA margin	10.5 %	4.6 %		
EBIT	59	22	170.8%	178.1%
Construction	49	18	175.6%	181.8%
FB Serwis	12	7	65.9%	69.7%
Others	-2	-3		
EBIT margin	8.3 %	2.8 %		
Order book*	3,162	3,083	2.6%	1.5%

WEBBER	JUN-21	JUN-20	VAR.	LfL
Revenues	473	509	-7.1%	1.0%
EBITDA	22	26	-13.5%	-5.1%
EBITDA margin	4.7 %	5.0 %		
EBIT	10	11	-12.8%	-3.1%
EBIT margin	2.0 %	2.2 %		
Order book*	1,527	1,486	2.7%	-0.4%

F. CONSTRUCTION	JUN-21	JUN-20	VAR.	LfL
Revenues	1,522	1,331	14.4%	15.4%
EBITDA	14	-34	142.8%	n.s.
EBITDA margin	1.0 %	-2.5%		
EBIT	-3	-52	94.5%	n.s.
EBIT margin	-0.2 %	-3.9%		
Order book*	5,035	5,561	-9.5%	-11.3%

EBIT before impairments and disposals of fixed assets

SERVICES

SERVICES**	JUN-21	JUN-20	VAR.	LfL
Revenues	2,706	2,439	11.0%	12.1%
EBITDA	222	112	98.1%	83.7%
EBITDA margin	8.2 %	4.6 %		
Order book*	12,836	12,018	6.8%	3.9%

SPAIN	JUN-21	JUN-20	VAR.	LfL
Revenues	1,036	963	7.6%	11.1%
EBITDA	132	81	63.4%	66.1%
EBITDA margin	12.7%	8.4%		
Order book*	4,003	3,813	5.0%	5.0%

UK	JUN-21	JUN-20	VAR.	LfL
Revenues	1,463	1,249	17.2%	15.6%
EBITDA	72	17	n.s.	168.2%
EBITDA margin	4.9%	1.4%		
Order book*	7,642	7,008	9.0%	4.5%

INTERNATIONAL	JUN-21	JUN-20	VAR.	LfL
Revenues	207	228	-9.0%	10.9%
EBITDA	18	14	28.8%	53.6%
EBITDA margin	8.7%	6.1%		
Order book*	1,191	1,197	-0.4%	8.6%

* Construction and Services Order book compared to December 2020.
**Excluding Broadspectrum figures in 2020, following the completion of the sale in June 2020.

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 21/20	EXCHANGE RATE MEAN (P&L)	CHANGE 21/20
GBP	0.8586	-6.3%	0.8654	-1.1%
US Dollar	1.1849	4.5%	1.2010	8.4%
Canadian Dollar	1.4701	-3.5%	1.4982	0.5%
Polish Zloty	4.5205	4.2%	4.5390	2.7%
Australian Dollar	1.5805	-5.5%	1.5688	-7.3%

Appendix III – Shareholder remuneration

The company held its AGM on 9th April 2021. The AGM approved two capital increases, by means of the issuance of new ordinary shares, with no issue premium, of the same class and series as those at present in circulation, charged to reserves.

These increases form part of the shareholder remuneration system known as the "Ferrovial Scrip Dividend", which the company introduced in 2014. The purpose of 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).

The first of the scrip issues (equivalent to the 2020 complementary dividend) took place in May 2021,with the following result:

Scrip Dividend details	JUN-21
Guaranteed set price to purchase rights	0.197
Rights per share	120
% shareholders chose shares as dividends	91.95 %
% shareholders chose cash as dividends	8.05 %
Number of new shares issued	5,615,714
Number of rights purchase	59,016,522

SHARE BUY-BACK

On 25th February 2021, 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 5th April 2017 under item ten of its agenda.

The Buy-Back Program will be executed under the following terms:

- Purpose: reduce the share capital of Ferrovial, subject to the prior approval of the AGM.
- Maximum net investment: EUR320mn or 22 million shares, 3% of Ferrovial's share capital as of the date thereof.
- Duration: 10th March 2021 - 3rd December 2021.

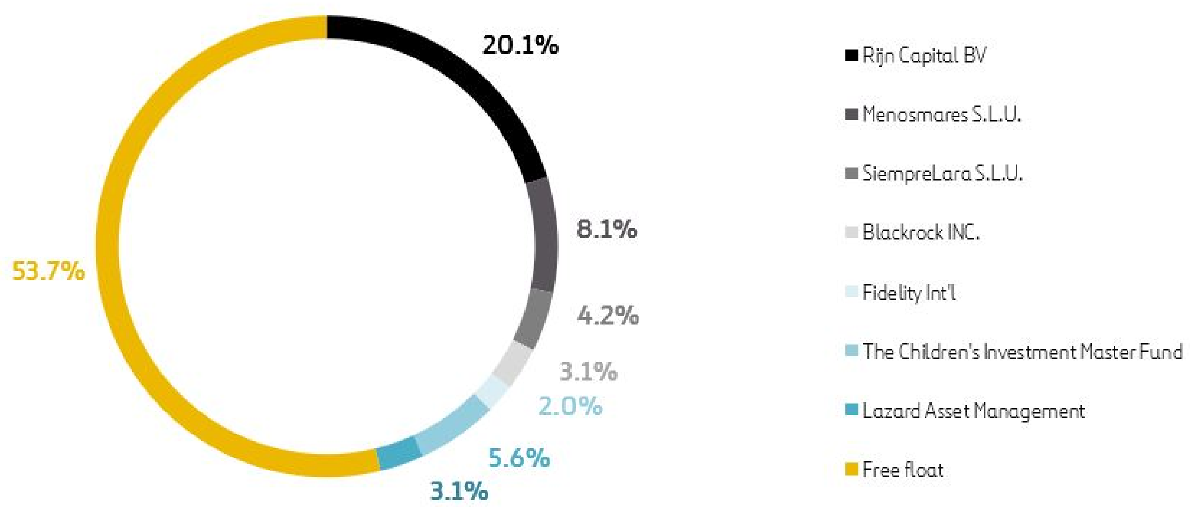
The AGM held on 9th April 2021 approved a share capital reduction by means of redemption of a maximum of 22 million of Ferrovial's own shares, representing 3% of the company's share capital.

Ferrovial held 3,992,599 own shares at end-June 2021, of which 3,332,174 shares were acquired in 2021, under the share buy-back program, and are due to be amortized over the course of 2021, along with the following shares acquired under the share buy-back program.

Ferrovial's share capital figure as of 30 June 2021 amounted to EUR147,703,618 all fully subscribed and paid up. The share capital comprises 738,518,090 ordinary shares of one single class, each with a par value of twenty-euro cents (EUR0.20).

Appendix IV – Shareholder structure

SHAREHOLDER STRUCTURE (CNMV) 30 JUNE 2021



Appendix V – Main risks & uncertainties in the different business areas in 2H 2021

The main risks and uncertainties for the second half of the year are related to the evolution of the pandemic in the countries where we operate, and how it will affect to Ferrovial's businesses and assets.

As it has been observed since the beginning of the year, Construction and Services divisions have proven to be resilient even in the worst moments of the pandemic, and so it is expected that these businesses will keep their normal activity in the foreseeable future.

On the other hand, the infrastructure businesses Toll Roads and Airports, are still being affected by mobility restrictions, and there is still uncertainty about the future performance, as explained below:

TOLL ROADS

The Toll Roads division has shown a gradual recovery in its various geographies as restrictions were lifted. The traffic performance of key assets comparing to pre-Covid levels is shown in the table below:

Traffic performance (*)	apr-21	may-21	jun-21
407 ETR	-57%	-56%	-42%
NTE	-1%	-3%	6%
LBJ	-18%	-23%	-13%
NTE 35W	17%	15%	19%

(*) Comparing to same month of 2019

US Toll Roads: In the US, NTE and NTE 35W showed a fast recovery after restrictions were lifted in Texas in March 2021, reaching 2019 pre-Covid traffic levels before the end of 1S 2021, with LBJ lagging. If herd immunity is achieved during 2021 and with an economic bounce back, a further traffic recovery is expected to take place.

It is important to highlight that NTE and LBJ paid a dividend in June 2021, amounting to EUR48mn in total.

407 ETR: In Toronto, since March 2020 and continuing into June 2021, the Ontario Province has declared multiple stay-at-home orders, intermittent lockdowns and re-openings, which explains the worse performance of 407 ETR vs MLs pre-COVID levels recovery.

On May 20, 2021, the Province announced a 3-step roadmap to re-open the economy based on vaccination threshold rates. With the latest stay at home order (declared on April 8 2021) lifted on June 2, 2021, the Province entered into the 1st and 2nd stages of re-opening, which came in to effect on June 11, 2021 and June 30, 2021, respectively, marking the re-opening of a number of non-essential businesses, as well as easing of restrictions on gatherings in public spaces. The 3rd stage started on July 16.

While 407 ETR has experienced significant declines in traffic volumes since the onset of COVID-19 pandemic, it observed gradual improvements in traffic volumes with each stage of the re-opening. Traffic volumes have not been as severely impacted by the lockdowns in 1Q and 2Q 2021 as compared to the initial closures in March 2020 and 2Q 2020. 407 ETR expects further improvements in traffic volumes as vaccination levels across the Province increase and COVID-19-related restrictions are gradually lifted.

The COVID-19 and resulting economic contraction continue to have an impact on demand for highway travel in the GTA. Despite lower revenues, 407 ETR maintained sufficient liquidity to satisfy all of its financial obligations in 2020 and expects to maintain sufficient liquidity to satisfy all of its financial obligations in 2021.

No dividends were paid to shareholders in 2Q 2021 and 2020. 407 ETR Board will continue to monitor the current pandemic situation and will review any further potential dividend distribution to Shareholders, as appropriate.

AIRPORTS DIVISION

Clearly the Airports division has seen the higher impact of the pandemic, as a consequence of tougher restrictions for air travel:

Heathrow Airport

Heathrow's latest forecast is 21.5mn pax in 2021, representing -2.7% vs 2020 and a significant -73.4% vs 2019. This Base Case traffic forecast reflects the ongoing political caution around border controls and the expected gradual addition of countries to the UK government's 'green list' over the balance of the year. Additionally, the arrivals of passengers from the amber list who have received both doses of the COVID vaccine will no longer have to quarantine for 10 days from 19 July.

No covenant breach is expected at Heathrow Finance under its base case scenario. However, the headroom to the ICR covenant is expected to be limited given ongoing pressures on cash flow generation. Management has stress tested the base case due to the uncertainty in passenger recovery and has adopted a severe but plausible case of 13.0mn pax. In this scenario, Heathrow Finance ICR would be breached for 31 December 2021; no other breaches are forecasted across the Group under the severe but plausible scenario.

Heathrow has therefore taken the prudent and proactive step to address the risk of a Heathrow Finance ICR breach by requesting a waiver of the Heathrow Finance ICR covenant for financial year 2021 from its creditors at Heathrow Finance. This consent exercise was announced on 19 July 2021. Support for the waiver proposal will enable the company to focus on operational delivery as passenger numbers recover in the coming months to the benefit of all creditors. Whilst management is confident it will receive support from its creditors, there is no certainty a further covenant waiver will be agreed, and this indicates the existence of a material uncertainty which could cast significant doubt upon the Group and the Company's ability to continue as a going concern.

Heathrow's liquidity position remains strong with GBP4,759mn of cash as of 30 June 2021, which provides sufficient cash to meet all obligations into 2025 under its base case traffic forecast or until October 2022 in the extreme no revenue scenario.

AGS: Amend & Extend of debt facility was completed in June, with unanimous approval from all lenders. AGS's debt will now mature in June 2024. The acquired commitment from shareholders was GBP20mn on top of previous GBP50mn injected by end of 1Q 2021 (GBP35mn total Fer. share), with an additional GBP30mn (GBP15mn at Fer. share) to keep the minimum cash level required.

Based on the current forecasts, Management have concluded that AGS is able to continue to operate as a going concern for the period under review, being 1 January 2021 to 30 June 2022. However, due to the impacts of Covid-19, there remains a material forecast uncertainty around timing of travel restrictions and lockdown ending, vaccine rollout, testing requirements, pace of recovery, and ultimately uncertainty regarding passenger number recovery and how comparable this will be to historic levels.

Under certain scenarios of Covid-19 travel restrictions continuing longer than expected, AGS could have a requirement for additional funding, for which there are sources and options available to the directors, to meet the minimum liquidity test and operational needs.

LIQUIDITY AND GOING CONCERN

In June 2021, ex-infra projects liquidity amounted to EUR6,510mn (cash and cash equivalents & undrawn credit lines) and the ex-infra projects net cash position amounted to EUR 1,859mn.

Even in a stress case scenario although it would entail a very significant deterioration of Ferrovial's cash position, cash resources would continue to be sufficient to meet commitments. Ferrovial's finances are sufficient to guarantee the capacity to continue operating under the going concern principle during 2021 and 2022, with no material uncertainties having been identified to doubt this conclusion.

Appendix VI – Alternative Performance Measures

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

EBITDA = Gross operating result

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

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

- **Definition:** relative year-on-year variation in comparable terms of the figures for revenues, EBITDA, EBIT and order book. The comparable is calculated by adjusting the present year and the previous one, in accordance with the following rules:
  - Elimination of the exchange-rate effect, calculating the results of both periods at the rate in the current period.
  - Elimination from the EBIT of both periods of the impact of fixed asset impairments and results from company disposals (corresponds with the figure reported in the line "Impairments and disposals of fixed assets").
  - In the case of company disposals and loss of control, the homogenization of the operating result is undertaken by eliminating the operating results of the sold company when the impact occurred in the previous year, or if it occurred in the year under analysis, considering the same number of months in both periods.
  - Elimination of the restructuring costs, in both periods.
  - In acquisitions of new companies which are considered material, elimination, in the current period, of the operating results derived from those companies, except in the case where this elimination is not possible due to the high level of integration with other reporting units (material companies are those whose revenues represent ≥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 Order book, 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. Additionally, it also allows the Company to present homogenous information, thus ensuring its uniformity, providing a better understanding of the performance of each of its businesses.
- **Comparisons:** the comparable 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.

CONSOLIDATED NET DEBT

- **Definition:** this is the net balance of Cash and cash equivalents (including short and long-term restricted cash), and other current financial assets, 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 section headed Net Debt in the Interim Financial Report.
- **Explanation of use:** this is a financial indicator used by investors, financial analysts, rating agencies, creditors and other parties to determine the company's debt position. In addition, Ferrovial breaks down its net debt into two categories:

- **Net debt of infrastructure projects.** This is the ring-fenced debt which has no recourse to the shareholder or with recourse limited to the guarantees issued. This is the debt corresponding to infrastructure project companies.
- **Net debt ex-infrastructure projects.** This is the net debt of Ferrovial's other businesses, including the group holding companies and other companies that are not considered infrastructure projects. The debt included in this calculation is mainly with recourse, and is thus the measure used by investors, financial analysts and rating agencies to assess the company's leverage, financial strength, flexibility and risks.

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

EX INFRASTRUCTURE LIQUIDITY

- **Definition:** is the sum of the cash and cash equivalents ex infrastructure projects and the committed short and long term credit facilities undrawn by the end of the period, corresponding to credits granted by financial entities which may be drawn by the Company within the terms, amount and other conditions agreed in the contract.
- **Reconciliation:** a detailed breakdown of the reconciliation of this figure is given in the Interim 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 liquidity to cope with any commitment.
- **Comparisons:** the company does not present comparisons with previous years as it is not considered relevant information
- **Consistency:** this criterion is established for the first time to explain the liquidity of the Group.

ORDER BOOK

- **Definition:** the income pending execution, which correspond to contracts which the Company has signed up to a certain date, and over which it has certainty on its future execution. The total income from a contract corresponds to the agreed price or rate corresponding to the delivery of goods and/or the rendering of the contemplated services. If the execution of a contract is pending the closure of financing, the income from said contract will not be added to the order book until financing is closed. The order book is calculated by adding the contracts of the actual year to the balance of the contract order book at the end of the previous year, less the income recognized in the current year.
- **Reconciliation:** the order book is presented under Key figures under Services and Construction sections of the Interim Management Report. There is no comparable financial measure in IFRS. The reconciliation between total figures and the proportional figures is included in the Appendix provided in the web. 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, rescission (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 Appendix of this document available on the Web. Management believes that the order book is a useful indicator in terms of the future income of the company, as the order book for a specific construction will be comprised of the final sale of said construction less the net construction work undertaken.
- **Explanation of use:** The Management believes that the order book is a useful indicator with respect to the future income of the Company, due to the order book for a specific work will be the final sale of said work less the work executed net at source.
- **Comparisons:** the company presents comparisons with previous years.
- **Consistency:** the criteria used to calculate order book is the same as the previous year.

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 for 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 is the same as the previous year.

Appendix VII – Legal disputes

SH-130 legal proceedings: Toll roads and construction

As indicated in the 2020 financial statements, there are two lawsuits for claims filed by the current partners of the concession company for this project: a lawsuit before the Texas courts against Ferrovial companies, Cintra and Ferrovial Construcción, and an arbitration before the CCI against Ferrovial Construcción companies.

At the date these interim accounts are issued, both proceedings are suspended since the claimant and defendants have reached a preliminary agreement, during a mediation process.

The formalization agreement would involve an additional expense of USD17.4mn, which has been recognized at June 2021. Ferrovial's contribution to the agreement would total USD42.4mn.

Appendix VIII – Events subsequent to 1H 2021 closing

Divestment of Environmental activity in Spain & Portugal agreed after 1H 2021 close (July):

Within the divestment process of Ferrovial's Services business, the company has reached an agreement with PreZero International GmbH (Group Schwarz) for the sale of the environmental activity in Spain and Portugal. The transaction, which includes the sale of environmental business, and waste collection, treatment and recycling, has been agreed at an EV of EUR1,133mn, which includes an implied equity value (based on 31 December 2020 Balance Sheet) EUR950mn and debt & equivalents adjustment.

The environmental business in Spain and Portugal generated in 2020 an EBITDA of approximately EUR130mn, including EUR101mn from ex-projects and EUR29mn from projects (which generate normalized annual dividends of c.EUR10mn).

As is usual in this type of transactions, the transaction closing is subject to its approval by Competition authorities and the final price will be adjusted depending on net debt and the working capital evolution of the company as of the transaction closing date (Completion Accounts). We expect the transaction to close during 2H 2021.

The estimated, post-tax capital gains, based on the business' Book Value as of December 31st 2020, is approximately EUR317mn. Of these capital gains, EUR70mn is already included in the 1H 2021 results, as the results generated in the period by this business have been included in the Discontinued Operations line (without including amortization, in accordance with IFRS5).

BOARD APPROVAL

The foregoing pages contain the consolidated interim management report of Ferrovial, S.A. and its subsidiaries for the six-month period ended 30 June 2021, which was approved by the Board of Directors of the Company at its meeting held in Madrid on 27 July 2021 pursuant to article 119 of the consolidated text of the Spanish Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October, and other applicable regulations (such as the rule fifth.2 of the Circular 3/2018 of the CNMV), and which the Directors attending in person sign below.

Mr. Rafael del Pino y Calvo-Sotelo Chairman	Mr. Óscar Fanjul Martín Vice-Chairman
Mr. Ignacio Madridejos Fernández Chief Executive Officer	Ms. María del Pino y Calvo-Sotelo Director
Mr. José Fernando Sánchez-Junco Man Director	Mr. Philip Bowma Director
Ms. Hanne Birgitte Breinbjerg Sørensen Director	Mr. Bruno Di Leo Director
Mr. Juan Hoyos Martínez de Irujo Director	Mr. Gonzalo Urquijo Fernández de Araoz Director
Ms. Hildegard Wortmann Director	Ms. Alicia Reyes Revuelta Director

The Secretary of the Board of Directors states for the record that the Directors Ms. María del Pino y Calvo-Sotelo and Mr. Philip Bowman have not signed this document because they attended the meeting of the Board of Directors held on 27 July 2021 remotely by technical means. These Directors voted in favor of the approval of the consolidated interim management report of Ferrovial, S.A. and its subsidiaries for the first six-month period of 2021

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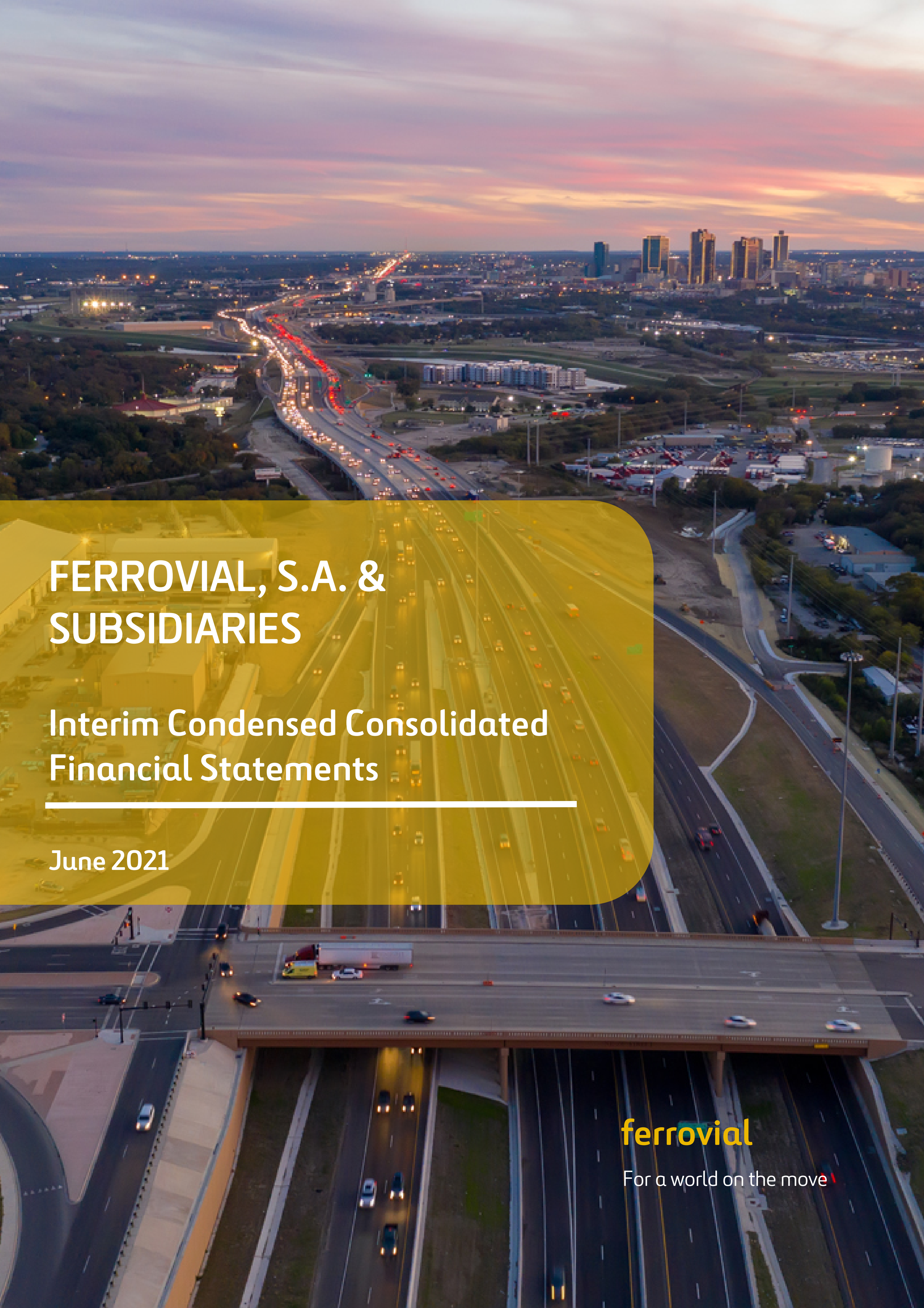
D. Santiago Ortiz Vaamonde
Secretary of the Board of Directors



FERROVIAL, S.A. & SUBSIDIARIES

Interim Condensed Consolidated Financial Statements

June 2021

ferrovial

For a world on the move

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2021 AND 31 DECEMBER 2020

ASSETS (Millions of euros)	NOTE	30.06.2021	31.12.2020 (*)
Non-current assets		**10,736**	**10,706**
Goodwill on consolidation	5.2	154	208
Intangible assets		105	94
Fixed assets in infrastructure projects	5.3	6,565	6,355
Intangible asset model		*6,397*	*6,189*
Financial asset model		*168*	*166*
Investment property		0	2
Property, plant and equipment		283	305
Right-of-use leased assets		114	97
Investments in associates	5.4	1,743	1,710
Non-current financial assets	8	825	856
Long-term loans to associates		*192*	*163*
Restricted cash in infrastructure projects and other financial assets	*7*	*585*	*654*
Other receivables		*48*	*39*
Deferred taxes	5.7	589	604
Long-term financial derivatives at fair value	8.2	358	475
Current assets		**11,054**	**12,415**
Assets classified as held for sale	1.3	3,990	3,729
Inventories		374	698
Current income tax assets		103	108
Short-term trade and other receivables	5.5	1,396	1,326
Trade receivables for sales and services		*1,036*	*987*
Other short-term receivables		*360*	*339*
Other current financial instruments		20	0
Cash and cash equivalents	7	5,152	6,483
Infrastructure project companies		181	148
Restricted cash		*36*	*33*
Other cash and cash equivalents		*145*	*115*
Ex-infrastructure project companies		4,971	6,335
Short term financial derivatives at fair value	8.2.	19	72
TOTAL ASSETS		**21,790**	**23,122**

(*) Restated figures (Note 3.1)

Notes 1 to 16 form part of the interim condensed consolidated financial statements at 30 June 2021.

LIABILITIES AND EQUITY (Millions of euros)	**NOTE**	**30.06.2021**	**31.12.2020 (*)**
Equity	6	**3,696**	**3,808**
Equity attributable to shareholders		3,055	3,168
Equity attributable to non-controlling interests		641	640
Deferred income		**1,335**	**1,281**
Non-current liabilities		**9,333**	**9,554**
Pension plan deficit		4	4
Long-term provisions	5.6	429	446
Long-term lease liabilities		69	61
Bank borrowings	7	7,976	8,084
Debt securities and debts of infrastructure project companies		*5,321*	*5,192*
Debt securities and payables of ex-infrastructure project companies		*2,655*	*2,892*
Other payables		63	63
Deferred taxes	5.7	446	449
Financial derivatives at fair value	8.2	346	447
Current liabilities		**7,426**	**8,479**
Liabilities classified as held for sale	1.3	2,683	2,588
Short-term lease liabilities		49	60
Bank borrowings	7	748	1,678
Debt securities and debts of infrastructure project companies		*41*	*48*
Bank borrowings of ex-infrastructure project companies		*707*	*1,630*
Financial derivatives at fair value	8.2	110	52
Current income tax liabilities		117	93
Short-term trade and other payables	5.5	2,760	3,060
Trade payables		*1,447*	*1,415*
Advance payments from customers		*983*	*1,333*
Other short-term payables		*330*	*312*
Trade provisions	5.6	959	948
TOTAL LIABILITIES AND EQUITY		**21,790**	**23,122**

(*) Restated figures (Note 3.1)

Notes 1 to 16 form part of the interim condensed consolidated financial statements at 30 June 2021.

B. CONSOLIDATED INCOME STATEMENT FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2021 AND 30 JUNE 2020

		30.06.2021			30.06.2020 (**)		
(Millions of euros)	NOTE	BEFORE FAIR VALUE ADJUSTMENTS	(*) FAIR VALUE ADJUSTMENTS	TOTAL 2021	BEFORE FAIR VALUE ADJUSTMENTS	(*) FAIR VALUE ADJUSTMENTS	TOTAL 2020
Revenue	4	2,965	0	2,965	2,937	0	2,937
Other operating income		0	0	0	1	0	1
Total operating income		**2,965**	**0**	**2,965**	**2,938**	**0**	**2,938**
Materials consumed		482	0	482	462	0	462
Other operating expenses		1,665	0	1,665	1,768	0	1,768
Staff costs	11	567	0	567	574	0	574
Total operating expenses		**2,714**	**0**	**2,714**	**2,802**	**0**	**2,802**
EBITDA		**251**	**0**	**251**	**136**	**0**	**136**
Fixed asset depreciation		116	0	116	109	0	109
Operating profit/(loss) before impairment and disposal of fixed assets		**135**	**0**	**135**	**27**	**0**	**27**
Impairment and disposal of fixed assets	9.2	17	0	17	-20	0	-20
Operating profit/(loss)		**152**	**0**	**152**	**7**	**0**	**7**
Net financial income/(expense) from financing		-106	0	-106	-122	0	-122
Profit/(loss) on derivatives and other net financial income/(expense)		-2	-47	-49	-10	0	-10
Net financial income/(expense), infrastructure projects		**-108**	**-47**	**-155**	**-132**	**0**	**-132**
Net financial income/(expense) from financing		-22	0	-22	5	0	5
Profit/(loss) on derivatives and other net financial income/(expense)		5	-3	2	6	-6	0
Net financial income/(expense), ex-infrastructure projects		**-17**	**-3**	**-20**	**11**	**-6**	**5**
Net financial income/(expense)	9.3	**-125**	**-50**	**-175**	**-121**	**-6**	**-127**
Share of profits of equity-accounted companies	5.4	-218	-27	-245	-181	-45	-226
Consolidated profit/(loss) before tax		**-191**	**-77**	**-268**	**-295**	**-51**	**-346**
Corporate income tax	9.4	-30	0	-30	2	1	3
Consolidated profit/(loss) from continuing operations		**-221**	**-77**	**-298**	**-293**	**-50**	**-343**
Net profit/(loss) from discontinued operations	9.5	208	0	208	-34	0	-34
Consolidated profit/(loss) for the year		**-13**	**-77**	**-90**	**-327**	**-50**	**-377**
Profit/(loss) for the year attributed to non-controlling interests		-98	11	-87	-7	0	-7
Profit/(loss) for the year attributed to the parent company		**-111**	**-66**	**-177**	**-334**	**-50**	**-384**
Net earnings per share attributed to the parent company (Basic /Diluted)				*-0.25/-0.25*			*-0.53/-0.53*
Net earnings per share attributed to discontinued operations (Basic /Diluted)				*0.28/0.28*			*-0.05/-0.05*

(*) Relating to gains and losses arising from changes in the fair value of derivatives and other financial assets and liabilities, asset and liability impairment (Note 8) and the impact of the two items on "share of profits of equity-accounted companies".

(**) Restated figures (Note 3.1)

Notes 1 to 16 form part of the interim condensed consolidated financial statements at 30 June 2021.

C. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2021 AND 2020

	(Millions of euros)	Note	30.06.2021	30.06.2020(**)
a)	**Total consolidated profit/(loss) for the year**		**-90**	**-377**
	Attributed to the parent company		-177	-384
	Attributed to non-controlling interests		87	7
b)	**Income and expenses recognised directly in equity**	6	**174**	**-104**
	Fully-consolidated companies		**9**	**46**
	Impact on hedging reserves	8	13	91
	Impact on defined benefit plan reserves (*)		0	0
	Currency translation differences		-4	-24
	Tax effect		0	-21
	Companies classified as held for sale		**27**	**-4**
	Impact on hedging reserves		6	-1
	Impact on defined benefit plan reserves (*)		0	0
	Currency translation differences		22	-3
	Tax effect		-1	0
	Equity-accounted companies		**138**	**-146**
	Impact on hedging reserves		45	-22
	Impact on defined benefit plan reserves (*)		33	-25
	Currency translation differences		85	-110
	Tax effect		-25	11
c)	**Transfers to the income statement**	6	**0**	**43**
	Fully-consolidated companies		0	0
	Transfers to income statement		0	0
	Tax effect		0	0
	Companies classified as held for sale		0	43
	Transfers to the income statement		0	53
	Tax effect		0	-10
	Equity-accounted companies		0	0
	Transfers to income statement		**0**	**0**
	Tax effect		**0**	**0**
a+b+c	**TOTAL COMPREHENSIVE INCOME**		**84**	**-438**
	Attributed to the parent company		-3	-473
	Attributed to non-controlling interests		87	35

(*) 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 6).

(**) Restated figures (Note 3.1)

Notes 1 to 16 form part of the interim condensed consolidated financial statements at 30 June 2021.

D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2021 AND 2020

(Millions of euros)	Share capital	Share/Merger premium	Treasury shares	Other equity instruments	Measurement adjustments	Retained earnings and other reserves	Attributed to shareholders	Attributed to non-controlling interests	Total equity
Balance at 31.12.2020 (*)	**147**	**647**	**-13**	**505**	**-1,497**	**3,379**	**3,168**	**640**	**3,808**
Consolidated profit/(loss) for the year	0	0	0	0	0	-177	-177	87	-90
Income and expenses recognised directly in equity	0	0	0	0	174	0	174	0	174
Transfers to the income statement	0	0	0	0	0	0	0	0	0
Total recognised income and expenses during the	**0**	**0**	**0**	**0**	**174**	**-177**	**-3**	**87**	**84**
Scrip dividend agreement	1	0	0	0	0	-13	-12	0	-12
Other dividends	0	0	0	0	0	0	0	-94	-94
Treasury share transactions	0	-80	-80	0	0	80	-80	0	-80
Shareholder	**1**	**-80**	**-80**	**0**	**0**	**67**	**-92**	**-94**	**-186**
Share capital increases/reductions	0	0	0	0	0	0	0	9	9
Share-based remuneration schemes	0	0	0	0	0	-10	-10	0	-10
Other movements	0	0	0	0	0	1	1	-1	0
Other transactions	**0**	**0**	**0**	**0**	**0**	**-9**	**-9**	**8**	**-1**
Perpetual subordinated bond issues	**0**	**0**	**0**	**-5**	**0**	**-4**	**-9**	**0**	**-9**
Scope changes	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Balance at 30.06.2021	**148**	**567**	**-93**	**500**	**-1,323**	**3,256**	**3,055**	**641**	**3,696**

(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**	**3,927**	**4,304**	**783**	**5,087**
Consolidated profit/(loss) for the year	0	0	0	0	0	-384	-384	7	-377
Income and expenses recognised directly in equity	0	0	0	0	-132	0	-132	28	-104
Transfers to the income statement	0	0	0	0	43	0	43	0	43
Total recognised income and expenses during the	**0**	**0**	**0**	**0**	**-89**	**-384**	**-473**	**35**	**-438**
Scrip dividend agreement	1	-95	0	0	0	0	-94	0	-94
Other dividends	0	0	0	0	0	0	0	-9	-9
Treasury share transactions	0	-74	-74	0	0	74	-74	0	-74
Shareholder	**1**	**-169**	**-74**	**0**	**0**	**74**	**-168**	**-9**	**-177**
Share capital increases/reductions	0	0	0	0	0	0	0	6	6
Share-based remuneration schemes	0	0	0	0	0	-17	-17	0	-17
Other movements	0	0	0	0	0	-1	-1	-1	-2
Other transactions	**0**	**0**	**0**	**0**	**0**	**-18**	**-18**	**5**	**-13**
Perpetual subordinated bond issues	**0**	**0**	**0**	**-5**	**0**	**-4**	**-9**	**0**	**-9**
Consolidation scope	**0**	**0**	**0**	**0**	**0**	**36**	**36**	**0**	**36**
Balance at 30.06.2020 (*)	**148**	**826**	**-149**	**500**	**-1,284**	**3,631**	**3,672**	**814**	**4,486**

(*) Restated figures (Note 3.1)

Notes 1 to 16 form part of the interim condensed consolidated financial statements at 30 June 2021.

E. CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2021 AND 30 JUNE 2020

(Millions of euros)	NOTE	2021	2020 (*)
Net profit/(loss) attributable to parent company		-177	-385
Adjustments to profit/(loss)		634	602
Non-controlling interests		*87*	*-7*
Net profit/(loss) from discontinued operations		*-208*	*34*
Tax		*30*	*-3*
Profit/(loss) from equity-accounted companies		*245*	*226*
Net financial income/(expense)		*175*	*127*
Impairment and disposal of fixed assets		*-17*	*20*
Depreciation/amortisation		*116*	*108*
EBITDA discontinued operations	*9.5*	*206*	*97*
EBITDA including discontinued operations		**457**	**217**
Tax payments		-18	-38
Working capital variation (receivables, payables and other)	5.5	-188	61
Dividends from infrastructure project companies received	5.4	14	131
Cash flows from operating activities		**265**	**371**
Investments in property, plant and equipment/intangible assets		-48	-50
Investments in infrastructure projects	5.3	-71	-47
Loans granted to associates/acquisition of companies		-215	-31
Interest received	9.3	0	20
Investment of long-term restricted cash		89	-11
Divestment of infrastructure projects		0	0
Divestment/sale of companies	1.2	356	348
Cash flows from investing activities		**111**	**229**
Cash flows before financing activities		**376**	**600**
Capital cash flows from non-controlling interests	6	11	8
Scrip dividend		*-12*	*-93*
Acquisition of treasury shares		*-80*	*-74*
Shareholder remuneration	6	-92	-167
Dividends paid to non-controlling interests of investees	6	-93	-9
Other movements in shareholder's funds	6	-7	-7
Cash flows from financing activities (own funding)		-181	-175
Interest paid	9.3	-155	-146
Lease instalments		-62	-60
Increase in borrowings		32	1,922
Decrease in borrowings		-1,188	-17
Net change in borrowings, discontinued operations		-28	-36
Cash flows from financing activities		**-1,582**	**1,488**
Effect of exchange rates on cash and cash equivalents		**69**	**-99**
Change in cash and cash equivalents due to consolidation scope changes		**-111**	**0**
Change in cash and cash equivalents from discontinued operations	7	**-83**	**-91**
Change in cash and cash equivalents	7	**-1,331**	**1,897**
Cash and cash equivalents at beginning of the year		6,483	4,735
Cash and cash equivalents at end of the year		5,152	6,632

Notes 1 to 16 form part of the interim condensed consolidated financial statements at 30 June 2021.

(*) Restated figures (Note 3.1)

F. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2021

1. Activities and consolidation scope changes

1.1 Activities of the company

The Ferrovial consolidated group (hereinafter “the Group” or “Ferrovial”) comprises the parent company Ferrovial, S.A. and its subsidiaries. Its registered office is in Madrid, at Calle Príncipe de Vergara 135.

Through these companies Ferrovial carries out its business activities with a presence in the following business areas: Construction, Services (discontinued operation), Toll Roads and Airports, which are its primary reporting segments pursuant to IFRS 8.

For a more detailed description of the various areas of activity in which the consolidated Group conducts business, please consult the annual accounts as at December 2020 and the website: www.ferrovial.com.

For the purpose of understanding these consolidated financial statements, it should be noted that a significant part of the Group's activities consist of developing infrastructure projects, mainly in the Toll Roads and Airports areas, but also in Construction and Services. The modus operandi for these projects is described in the annual accounts as at 31 December 2020.

From an accounting standpoint, most of these arrangements fall within the scope of application of IFRIC 12 "Service concession arrangements".

Accordingly, and in order to help understand the Group’s financial performance, these financial statements present separately the impact of projects of this nature on both non-financial fixed assets (the heading “Fixed assets in infrastructure projects” includes the property, plant and equipment, intangible assets and investment property assigned to these projects) and non-current financial assets, payables and cash flows.

It is also important to highlight that two of the Group's main assets are its 25% stake in Heathrow Airport Holdings (HAH), the company that owns Heathrow Airport in London, and its 43.23% stake in ETR 407, the concession operator of the ETR 407 toll road in Toronto (Canada), which have been equity-accounted since 2011 and 2010, respectively. Detailed information on the two companies is included in Note 5.4 (Investments in associates) and is completed by relevant data provided in other notes to the interim condensed consolidated financial statements.

1.2 Consolidation scope changes

Below is a description of the most significant changes in the consolidation scope in the first six months of 2021:

Construction

On 22 February, Budimex, Ferrovial’s construction subsidiary in Poland, reached an agreement to sell the real estate business carried on through its subsidiary Budimex Nieruchomości. The sale was completed on 05 June.

The sale was completed on 5 June for the amount of PLN 1,513 million (EUR 330 million net of transaction costs), recognising a gain before minority interests of EUR 107 million, included in the discontinued operations line.

In addition, as indicated in the Ferrovial Group’s notes to the December 2020 annual accounts, at year-end 2020 an agreement was reached with Aberdeen Infrastructure (Holdco) IV B.V to sell the Group’s ownership interest in Urbs Iudex Et Causidicus, S.A - URBICSA - (22%) for EUR 16.6 million. This transaction was completed in the second quarter of the year and led to the recognition of a capital gain of EUR 16.6 million under Impairment and disposal of fixed assets.

Services

In 2021, the decision was taken to treat the UK waste treatment business as a continuing activity. Although the Group will carry on with the divestment process in the future, it is likely to take more than 12 months since construction of one of the plants must first be completed and production processes must be stabilised at another plant (see Note 3.1).

Additionally, the maintenance and operation contract for the A2 highway section between km 232.8 and km 340.0 (Calatayud-Alfajarín) was reclassified as a continuing operation because no divestment is envisaged in the short term.

1.3 Assets and liabilities held for sale and discontinued operations

Discontinued operations

Services Division

At 30 June 2021, the main 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 division’s business lines.

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.

Additionally, as explained in Note 3.1, during 2021 the UK waste treatment business and the maintenance and operation contract for the A2 highway section were reclassified as continuing operations.

A fair value estimation exercise was conducted at the closing date of these interim financial statements. As was the case in the 2020 accounts, any offers received for activities were taken into consideration for valuation purposes. For the remainder, the multiples of comparable transactions valuation method were employed by reference to estimated 2021 EBITDA. As regards the multiples, available reference values were used, relating to the offers received, listed companies and comparable transactions.

Following the fair value estimation exercise, a net profit of EUR 93 million from Services business division was recognised in the discontinued operations line, which is the sum of the result of the period excluding amortisation of those businesses whose fair value is above their carrying value, EUR 140 million, and the impairment of those assets whose fair value is estimated to be below their carrying value of EUR -47 million (Note 9.5).

Construction Division

As mentioned in Note 1.2 the assets and liabilities related to the real estate business in Poland have been reclassified to discontinued operations. The sale was completed on 05 June, obtaining a capital gain of EUR 107 million, plus EUR 8 million for the business results generated in the period (Note 9.5).

Impact on the presentation of the financial statements

The reclassification of these businesses to discontinued operations has had the following impacts on these financial statements:

- The profit/(loss) after tax generated is not reported on each line of the income statement but on a single line named “Net profit/(loss) from discontinued operations”, in both 2021 and 2020 (Note 9.5). 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) generated at the moment of sale.
- For the purposes of the balance sheet, all assets and liabilities attributable to these businesses have been reclassified to “Assets/liabilities held for sale and discontinued operations”.
- Note 10 on "Contingent assets and liabilities and investment commitments" includes information on discontinued operations.
- The following table provides a breakdown by nature of the assets and liabilities classified as discontinued operations at June 2021 and December 2020:

Services Division (millions of euros)	JUN. 2021	DEC. 2020 (*)	VAR.
Non-current assets	**2,975**	**2,786**	**189**
Goodwill	1,379	1,342	37
Intangible assets	151	147	4
Fixed assets in infrastructure projects	260	252	8
Property, plant and equipment	410	366	44
Right of use	377	328	49
Deferred taxes	254	254	-1
Other non-current assets	144	97	47
Current assets	**1,444**	**1,396**	**48**
Inventories	16	21	-5
Short-term trade and other receivables	1,000	1,030	-29
Cash and cash equivalents	421	343	79
Other current assets	7	3	4
TOTAL assets	**4,419**	**4,182**	**237**
Fair value provision	-712	-639	-73
TOTAL assets classified as discontinued operations	**3,707**	**3,543**	**164**

Services Division (millions of euros)	JUN. 2021	DEC. 2020 (*)	VAR.
Deferred income	**5**	**2**	**2**
Non-current liabilities	**820**	**872**	**-52**
Long-term provisions	256	257	-1
Long-term lease liabilities	155	143	12
Bank borrowings	140	161	-22
Other non-current liabilities	270	310	-41
Current liabilities	**1,776**	**1,628**	**148**
Short-term lease liabilities	56	51	5
Bank borrowings	57	62	-5
Short-term trade and other payables	1,420	1,287	132
Trade provisions	220	217	4
Other current liabilities	24	12	12
TOTAL liabilities classified as discontinued operations	**2,601**	**2,503**	**99**

(*) Restated figures (Note 3.1)

Assets and liabilities held for sale

In addition to the assets classified as discontinued operations, there are other assets that are classified as assets held for sale but do not correspond to a specific line of business.

In this regard, as of December 2020, assets classified as held for sale included the Group’s ownership interest in Concesionaria de Prisiones Figueras, S.A.U. (100%) and Urbs Iudex Et Causidicus, S.A. URBICSA – (22%) with Aberdeen Infrastructure (Holdco) IV B.V. for EUR 40.7 million and EUR 16.2 million, respectively, as well as the Portuguese toll roads Norte Litoral and Via do Infante, both of which are equity-accounted, where the Group maintains an ownership interest of 20% in both concessions as of June 2021. The sale will be completed during the current year.

At the reporting date, the sale of URBICSA has been completed, with a positive impact of EUR 16.6 million on the income statement in the Impairment and disposals line, while the sale of the remaining assets is still pending.

Additionally in 2021, in the Construction business, certain assets of the company Southern Crushed Concrete LLC (SCC) related to Webber's crushed concrete business in the USA were reclassified to held-for-sale for EUR 94 million, as the agreement was concluded with the buyer on 5 June. The transaction is pending final authorisation by the competition authorities.

Furthermore, the 19.86% stake held by the Group in the capital of Nalanda Global, S.A., a company that manages an online portal for the digital management of suppliers in the construction sector, has also been classified to held-for-sale as the sale has been agreed for EUR 16.7 million. As of June 2021, the transaction was pending final authorisation by the competition authorities and was concluded in July.

In contrast to discontinued operations the profit/(loss) generated by held-for-sale assets 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 June 2021 and December 2020:

Assets held for sale (millions of euros)	**JUN. 2021**	**DEC. 2020**	**VAR.**
Non-current assets	**250**	**170**	**80**
Intangible assets	60		60
Fixed assets in infrastructure projects	93	96	-4
Property, plant and equipment	22		22
Investments in associates	71	68	2
Deferred taxes	5	5	-1
Current assets	**33**	**16**	**16**
Inventories	12	0	12
Short-term trade and other receivables	5	5	0
Cash and cash equivalents	16	11	4
TOTAL assets classified as held for sale	**283**	**186**	**97**

Liabilities held for sale (Millions of euros)	**JUN. 2021**	**DEC. 2020**	**VAR.**
Non-current liabilities	**76**	**82**	**-6**
Bank borrowings	54	56	-2
Other payables	8	8	0
Financial derivatives at fair value	14	18	-5
Current liabilities	**6**	**3**	**3**
Bank borrowings	3	2	1
Financial derivatives at fair value	2	0	2
Current income tax liabilities	1	1	0
TOTAL liabilities classified as held for sale	**82**	**85**	**-4**

2. Impact of COVID-19

More than a year after the World Health Organization declared the COVID-19 global pandemic, progress towards herd immunity thanks to vaccination has allowed the countries in which Ferrovial operates to partially raise the restrictions on mobility and on economic activities that have been in force since the start of the pandemic, although at an uneven rate depending on the country. Demand for Ferrovial's services has therefore risen, also at an uneven pace, as explained below.

The Construction and Services activities were hardly affected by the pandemic in the first six months of 2021, while traffic on the main toll roads operated by Ferrovial recovered quickly as soon as the countries began to lift restrictions. In contrast, the Airports business is clearly experiencing the greatest difficulties and recovering more slowly due to the ongoing air traffic restrictions.

With the aim of presenting the global impact of the pandemic and in line with ESMA's recommendations, this note provides an explanation of the impact on the financial statements for the first half of the year (focused on the infrastructure business), 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.

2.1 Impact on the financial statements for the first half of the year and mitigating measures adopted

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

Airports Division

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

Passenger performance (*)	Jun-21
Heathrow	-90%
Aberdeen	-73%
Glasgow	-93%
Southampton	-95%

(*) Compared to the first six months of 2019.

This deviation is due essentially to the new outbreaks in the first few months of 2021 in certain geographies, so the restrictions imposed in 2020 remained in place in general until the end of the half year, as explained later. That led Heathrow to make an announcement on 11 June in its half-yearly Investor Report, in which the traffic forecast for 2021 was cut to 21.5 million passengers, down from the 37.1 million initially announced in the December 2020 Investor Report.

This explains the net loss posted by Ferrovial, since of the total losses for the first six months of the year of EUR -177 million, the Airports business contributed EUR -267 million, with EUR -238 million relating to Heathrow Airport.

In May, once the vaccination process was well under way, the UK government began to gradually open up international air traffic, establishing a traffic light system, classifying countries of origin into three categories (green, amber and red) based on progress in vaccination, infection levels and the incidence of particularly worrying variants. At the reporting date of these interim accounts, there were not many countries in the green category, which means limitations to air traffic in the upcoming months. However, the recently announced lifting of the quarantine obligation for fully-vaccinated UK residents returning from "amber" countries is expected to provide a boost to vacation related trips.

Toll Roads Division

In toll roads, in 2021 traffic has gradually recovered as mobility restrictions were lifted. Trends have been more positive in the US toll roads, particularly in the Dallas area thanks to the swift lifting of restrictions since March. Traffic in June was above 2019 levels (pre-pandemic) at the NTE and NTE 35W toll roads, but LBJ is still below.

The 407 toll road in Canada has recovered more slowly due to the lockdown in Toronto up until the end of May. However, in June, once restrictions were relaxed thanks to progress with vaccinations, there has been a considerable recovery.

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

Traffic trends (*)	Apr-21	May-21	Jun-21
407 ETR	-57%	-56%	-42%
NTE	-1%	-3%	6%
LBJ	-18%	-23%	-13%
NTE 35W	17%	15%	19%

(*) Compared with the same month in 2019

The decline in traffic caused the Toll Roads Division's EBITDA to fall to EUR 161 million, as compared with a figure of EUR 207 million for the same period of 2019 (pre-pandemic). Similarly, the contribution by equity-accounted businesses, particularly 407 ETR, was also considerably lower (EUR 13 million as compared with EUR 75 million in 2019).

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 407 ETR and Heathrow assets not paying dividends in the first six months of the year). Dividend trends were as follows as compared with the same pre-pandemic period of 2019:

Dividends received (*)	Jun-21	Jun-19	Change
407 ETR	0	146	-146
HAH	0	58	-58
NTE and LBJ	48	0	+48
Other	17	40	-23
TOTAL	**65**	**244**	**-179**

(*) Compared with the same period of 2019

2.2 Going concern assessment

Ferrovial is confronting the current economic situation in a position of very high liquidity. In June 2021, ex-infrastructure projects, liquidity reached EUR 6,510 million, including EUR 350 million from the Services Division, as well as lines available at the ex-infrastructures level in the amount of EUR 1,195 million. The ex-infrastructures net cash position stood at EUR 1,859 million at end-June 2021 (including the Services Division). It should also be noted that the Group's short-term assets and liabilities, including cash and debt position, show a positive balance at end-June 2021.

Nonetheless, despite the sound liquidity position and favourable outlook as regards the end of restrictions and reopening of the economy thanks to progress with vaccination, there is still uncertainty in relation to how the pandemic will evolve in the upcoming months. In order to conclude as to the Company's capacity to continue as a going concern, the Group has analysed future cash needs, particularly for the rest of 2021 and 2022, also including a pessimistic scenario with a series of stress assumptions regarding the Company's cash flow, most notably:

- Assumption that there will be no additional dividends received from infrastructure projects in 2021 or in 2022.
- Worsening of cash projections in the Construction business.
- Delay in sale processes currently under way, until after 2022.
- Specific recapitalisation needs in certain projects due to the breach of the financing agreements (covenants).

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

2.3 Impact on asset impairment

As explained before, the impact of the pandemic in the Construction and Services divisions in the first half of 2021 has been very limited. Additionally, due to the good prospects in the Toll Roads business, asset impairment risk relates primarily to the Airports Division.

Nonetheless, it is important to point out that in June 2021 the carrying amount of Heathrow investment fell to zero (AGS carrying amount has also stood at zero since December 2020), as a result of the recognition of losses (Note 5.4), therefore there is no room for additional impairment.

2.4 Impact on financial risks

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

In order to bolster its liquidity position, Heathrow has issued GBP 1,400 million in debt since the start of the year. Its liquidity position and cost mitigation plans have been recognised by Standard and Poor's and Fitch, which confirmed its credit ratings in March 2021.

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

3. Summary of the main accounting policies

3.1 Basis of presentation

The accompanying interim condensed consolidated financial statements of Ferrovial, S.A. for the six-month period ended 30 June 2021 have been prepared in accordance with IAS 34 "Interim financial reporting".

In accordance with IAS 34, interim financial information is prepared placing emphasis on new activities, events and circumstances that have arisen during the half year and not duplicating the information previously published in the 2020 consolidated annual accounts. Consequently, for a proper understanding of the information included in these interim condensed consolidated financial statements, they should be read together with the Group's consolidated annual accounts for the year ended 31 December 2020, which were prepared in accordance with International Financial Reporting Standards (IFRS) in force.

Restatement of the comparative financial statements

As indicated in Note 1.2, in 2021 the decision was taken to treat the UK waste treatment business as a continuing activity. Although the Group will carry on with the divestment process in the future, it is likely to take more than 12 months since construction of one of the plants must first be completed and production processes must be stabilised at another plant.

Additionally, the maintenance and operation contract for the A2 highway section between km 232.8 and km 340.0 (Calatayud-Alfajarín) was reclassified as a continuing operation because no divestment is envisaged in the short term.

The Group's real estate business in Poland has been reclassified as a discontinued operation and, therefore, in accordance with IFRS 5, p.4.1, the income statement for the comparative period has been restated, the sale of which was completed on June 5, as mentioned in note 1.2 on changes in the scope of consolidation.

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

	DEC. 2020		DEC. 2020
(Millions of euros)	**Audited**	**Adjusted**	**Restated**
Non-current assets	**10,462**	**244**	**10,706**
Intangible assets	60	34	94
Fixed assets in infrastructure projects	6,200	155	6,355
Property, plant and equipment	272	33	305
Deferred taxes	586	18	604
Investments in associates	1,710	0	1,710
Other non-current assets	1,634	4	1,638
Current assets	**12,666**	**-251**	**12,415**
Assets classified as held for sale	4,071	-342	3,729
Short-term trade and other receivables	1,292	33	1,325
Cash and cash equivalents	6,432	51	6,483
Other current assets	871	7	878
TOTAL ASSETS	**23,128**	**-7**	**23,121**

	DEC. 2020		DEC. 2020
(Millions of euros)	**Audited**	**Adjusted**	**Restated**
Equity	**3,827**	**-19**	**3,808**
Deferred income	**1,245**	**36**	**1,281**
Non-current liabilities	**9,320**	**234**	**9,554**
Bank borrowings	7,970	114	8,084
Other long-term payables	16	47	63
Deferred taxes	428	21	449
Financial derivatives at fair value	419	28	447
Other non-current liabilities	487	24	511
Current liabilities	**8,736**	**-258**	**8,478**
Liabilities classified as held for sale	2,958	-370	2,588
Bank borrowings	1,657	21	1,678
Short-term trade and other payables	3,029	31	3,060
Trade provisions	892	56	948
Other current liabilities	200	4	204
TOTAL LIABILITIES	**23,128**	**-7**	**23,121**

	JUN. 2020		JUN. 2020
(Millions of euros)	**Audited**	**Adjusted**	**Restated**
Total operating income	2,915	23	2,938
Total operating expenses	-2,787	-15	-2,802
EBITDA	**128**	**8**	**136**
Fixed asset depreciation	96	13	109
Operating profit/(loss) before fixed asset impairment and disposals	**32**	**-5**	**27**
Profit/(loss) from impairment and disposals of fixed assets	0	-20	-20
Operating profit/(loss)	**32**	**-25**	**7**
Net financial income/(expense)	**-120**	**-7**	**-127**
Share of profits of associates	-226	0	-226
Consolidated profit/(loss) before tax	**-315**	**-31**	**-346**
Corporate income tax	2	1	3
Profit/(loss) from continuing operations	**-313**	**-30**	**-343**
Net profit/(loss) from discontinued operations	-59	25	-34
Consolidated profit/(loss) for the	**-373**	**-4**	**-377**
Profit/(loss) for the year attributed to non-controlling interests	-7	0	-7
Profit/(loss) for the year attributed to the parent company	**-379**	**-5**	**-384**

3.2 Accounting policies applied. New standards, amendments and interpretations adopted by the European Union and mandatorily applicable for the first time in the six-month period ended 30 June 2021.

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

The Group intends to adopt the standards, interpretations and amendments to standards issued by the IASB that are not yet mandatory in the European Union when they come into force, if they are applicable to the Group. 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, or the interim condensed consolidated financial statements.

The IASB has introduced two sets of amendments to certain standards (IFRS 9, IAS 39 and IFRS 7) with the objective of minimising the impact of the benchmark interest rate reform on the accounting for affected financial instruments:

- The first phase amendments, effective from 1 January 2020, allowed hedge accounting to continue to be applied to hedging relationships affected by the reform.
- The second phase amendments, approved in August 2020 and applicable from 1 January 2021, allow changes to financial instruments, provided that they are necessary to adapt them to the reform and that the new bases for calculating cash flows are economically equivalent to the previous ones, to be accounted for by adjusting the effective interest rate of such floating rate instruments. They also allow hedge accounting to continue to be applied.

The derivatives affected by the reform of the benchmark interest rate by hedge type are listed below:

Benchmark		Notional (M EUR)	Notional (M Local Currency)
Euribor		**1,384**	**1,384**
	IRS	1,384	1,384
Libor GBP		**2,641**	**2,117**
	IRS	901	566
	CCS	1,740	1,551
Libor USD		**321**	**359**
	IRS	71	85
	CCS	250	274

The Group will apply this amendment to IFRS 9 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.

3.3 Accounting estimates and judgements.

In the interim condensed consolidated financial statements as at 30 June 2021 estimates have had to be made to measure certain of the assets, liabilities, revenues, expenses and commitments reported in those statements. The matters for which estimates are made match those explained in the consolidated annual accounts for the year ended 31 December 2020, plus all the estimates of the impact of COVID-19 (Note 2).

3.4 Basis of consolidation

The basis of consolidation applied at 30 June 2021 is consistent with the approach adopted in the consolidated annual accounts for the year ended 31 December 2020.

4. Segment and geographic market reporting.

The Ferrovial Board of Directors analyses the performance of the Group mainly from a business perspective, evaluating the performance of the Construction, Toll Roads, Airports and Services Divisions (the latter classified as a discontinued operation). These areas are the same as those used in the 2020 consolidated annual accounts. The “other segments” line reflects the figures for companies not assigned to any business area, the most significant being Ferrovial, S.A., the Group's parent, and some of the latter’s minor subsidiaries. The “adjustments” column contains consolidation adjustments between business divisions.

The segment income statement for the six-month periods ended 30 June 2021 and 30 June 2020 is included in the Appendices.

Set out below is a breakdown of revenue by segment as compared with the previous year:

	30/06/2021			
(Millions of euros)	EXTERNAL REVENUE	INTERSEGMENT SALES	TOTAL	CHANGE 21/20
Construction	2,195	515	2,710	3.47%
Toll roads	235	1	236	3.96%
Airports	4	0	4	-%
Other segments	19	73	92	(38.26%)
Adjustments	0	-77	-77	24.19%
Total	**2,453**	**511**	**2,965**	**0.95%**

	30/06/2020		
(Millions of euros)	EXTERNAL REVENUE	INTERSEGMENT SALES	TOTAL
Construction	2,306	313	2,619
Toll roads	227	0	227
Airports	4	0	4
Other segments	90	59	149
Adjustments	0	-62	-62
Total	**2,627**	**311**	**2,937**

The intersegment revenue that is not eliminated in the Group's consolidated financial statements relates to the Construction division project companies, as explained in Note 13.

Geographic areas

Business volume by geographic area breaks down as follows:

(Millions of euros)	2021	2020	Var. 21/20
Spain	490	421	69
UK	251	234	17
Australia	10	25	-16
USA	1,210	1,184	25
Canada	1	8	-7
Poland	715	780	-65
Other	288	285	4
TOTAL	**2,965**	**2,937**	**28**

5. Main changes in the consolidated statement of financial position.

5.1 Foreign exchange effect

As may be observed in the following tables, during 2021 all of the currencies appreciated against the euro, except for the US dollar and Polish zloty average exchange rates.

CLOSING EXCHANGE RATE	2021	2020	CHANGE 21/20(*)
Pound sterling	0.85855	0.89555	(4.13%)
US dollar	1.18490	1.22250	(3.08%)
Canadian dollar	1.47012	1.56087	(5.81%)
Australian dollar	1.58053	1.58884	(0.52%)
Polish zloty	4.52050	4.56780	(1.04%)
Chilean peso	867.73000	868.66000	(0.11%)

AVERAGE EXCHANGE RATE	2021	2020	CHANGE 21/20 (*)
Pound sterling	0.86538	0.87757	(1.389%)
US dollar	1.20098	1.10555	8.632%
Canadian dollar	1.49815	1.51454	(1.082%)
Australian dollar	1.56876	1.68788	(7.057%)
Polish zloty	4.53900	4.43902	2.252%
Chilean peso	869.60833	909.84333	(4.422%)

(*) A negative change represents an appreciation of the reference currency against the euro and vice versa.

This trend has had a negative impact of EUR 94 million on shareholders' funds attributable to the parent company. The main impact arose as a result of the appreciation of the Canadian dollar (EUR 72 million). As commented in the 2020 annual accounts, the Company has arranged various hedging instruments (Note 8.2) the purpose of which is to hedge foreign exchange risk for the dividends that will foreseeably be received in the coming years and a portion of the cash balances invested in currencies other than the euro.

5.2 Acquisitions and goodwill

a) Main changes during the period:

Movements in goodwill on consolidation at June 2021 are as follows:

(Millions of euros)	BALANCES AT	RECLASSIFICATION	EXCHANGE RATE	BALANCES AT
Construction	**169**	**-59**	**3**	**113**
Budimex	64	0	1	65
Webber	99	-59	2	43
Cadagua US	5	0	0	6
Airports	**39**	**0**	**1**	**41**
Transchile (*)	39	0	1	41
TOTAL	**208**	**-59**	**4**	**154**

(*) Company that manages the electricity transmission lines in Chile whose activity is reported within the Airports Division.

The main first-half movement is the reclassification to held-for-sale assets and liabilities of the goodwill recognised for Southern Crush Concrete (SCC), as indicated in Note 1.3.

b) Possible indications of impairment:

The impairment tests on the Group's existing goodwill were not updated since there were no indications that they might have become impaired at the date of preparation of these interim condensed consolidated financial statements.

5.3 Fixed assets in infrastructure projects

Set out below is a breakdown of fixed assets in infrastructure projects at 30 June 2021 and 31 December 2020:

(Millions of euros)	BALANCE AT 01/01	TOTAL ADDITIONS	FOREIGN EXCHANGE EFFECT	BALANCE AT 30/06
Spanish toll roads	521	0	0	521
US toll roads	5,553	106	178	5,837
Other toll roads	391	0	0	391
Toll road investment	6,465	106	178	6,749
Accumulated depreciation	-370	-49	-8	-428
Net investment in toll roads	**6,095**	**57**	**170**	**6,322**
Investment in other infrastructure projects	370	-14	4	360
Depreciation/amortisation of other infrastructure projects	-109	-6	0	-116
Total net investment in other infrastructure projects	**260**	**-21**	**4**	**244**
TOTAL INVESTMENT	*6,835*	*92*	182	*7,109*
TOTAL AMORTISATION AND PROVISION	*-480*	*-56*	-8	*-543*
TOTAL NET INVESTMENT	*6,355*	*36*	174	*6,565*

There was a total net change of EUR 210 million in the net investment in assets accounted for using the intangible asset model in the first half of 2021, the most significant changes being:

- Investment in US toll roads increased by EUR 106 million, excluding the foreign exchange effect, relating essentially to North Tarrant Express Seg. 3.
- The appreciation of the US dollar (Note 5.1) resulted in a total net increase in these assets of EUR 178 million.
- Finally, depreciation and amortisation charges for the period totalled EUR -49 million, excluding the foreign exchange effect.

The total investment in infrastructure projects also includes the assets accounted for using the financial asset model pursuant to IFRIC 12, amounting to EUR 168 million (31 December 2020: EUR 166 million), and which relate mainly to long-term receivables (more than twelve months) from public administrations, as balancing items with respect to services rendered or investments made under a concession arrangement. The most significant balance relates to the Waste Treatment business in the amount of EUR 79 million at 30 June 2021 (31 December 2020: EUR 76 million).

5.4 Investments in associates

Set out below is a breakdown of investments in equity-accounted companies at 30 June 2021 showing movements during the year. Due to their significance, the investments in 407 ETR (43.23%), AGS (50%) and HAH (25%) are presented separately.

2020 (millions of euros)	HAH (25%)	407 ETR (43.23%)	AGS (50%)	OTHER	TOTAL
Balance at 31.12.20	**205**	**1,205**	**–**	**300**	**1,710**
Share of profit/(loss)	-238	4	-20	10	-245
Dividends	–	–	–	-3	-3
Foreign exchange differences	7	74	–	4	85
Pensions	23	–	–	–	23
Other	3	–	20	150	173
Balance at 30.06.21	**–**	**1,282**	**–**	**461**	**1,743**

Trends: movements under this heading are explained essentially by the loss for the period (EUR -245 million), which was adversely affected by the impact of COVID-19 on the results posted by HAH (Note 2), offset by the capital contribution at the I-66 (EUR +150 million) and the foreign exchange impact (EUR 85 million; see currency fluctuations against the euro in Note 5.1).

The following is a more detailed analysis of the performance in the first half of the year of the three main operational assets: HAH, 407 ETR and AGS.

a. Information relating to Heathrow Airport Holding (HAH)

a. Impairment analysis and financial position

During the first six months of 2021, Heathrow airport traffic has been affected by restrictions similar to those in place at the end of 2020, due to how the pandemic has evolved.

At the end of June, Heathrow revised its traffic forecasts for 2021, setting it at 21.5 million passengers, versus the forecast of 37.1 million at December 2020.

Due to this decline in airline traffic has meant that Ferrovial has recognised equity-accounted losses of EUR -238 million and a total write-down of EUR 205 million in the investment, including the impacts on reserves, the investment's carrying amount having decreased from EUR 205 million at December 2020 to zero million at 30 June 2021. Therefore, given that there is no further impairment, (under IAS 28.36, the Group need not recognise additional impairment losses on the associate once the carrying amount of the shareholding is reduced to zero as a result of prior losses) no additional further analysis of the value of the asset has been considered necessary.

In terms of the Company's financial position, the waiver obtained in 2020 in terms of the covenants contained in Heathrow's financing facilities; continues to entail the suspension of dividend payments during 2021.

The Company increased its liquidity to approximately GBP 4,800 million, which is sufficient to meet all obligations until 2025 under the current baseline traffic forecasts, or until October 2022 in the most extreme no-revenue scenario.

In the baseline scenario approved in June 2021, Heathrow will meet all of its covenants, although there is little room for manoeuvre due to the current pressures on cash flow generation. In more adverse circumstances, specifically the "severe but plausible downside" scenario (13 million passengers), the Heathow Finance ICR covenant would be infringed at December 2021. In order to tackle this potential risk, HAH has initiated a new waiver application with respect to the Heathrow Finance debt.

In 2020, Heathrow applied to the Civil Aviation Authority (hereinafter, CAA) for an adjustment to the Regulated Asset Base to take into consideration the losses which occurred due to the impact of COVID-19. In April 2021, the CAA confirmed an immediate provisional adjustment of GBP 300 million. Although it is positive that the CAA has accepted the need for the adjustment, this amount is far from the Company's expectations, and as part of the upcoming regulatory period, it will continue to hold talks with the CAA on this subject.

In this regard, it should be noted that in April 2021, the CAA published its 'Way Forward' document, in response to the Revised Business Plan (RBP) presented by Heathrow. This document establishes the initial value of the RBP, confirming that the following regulatory period (H7) will be five years, will be based on the single cash model and will bring in a traffic risk allocation mechanism. In June, Heathrow responded to the "Way Forward" document with its updated Revised Business Plan. Under its current timetable, the CAA will publish its initial proposals for the H7 period in H2 2021 and its final decision in December.

b. Balance sheet movements 2021-2020

HAH (100%) (Millions of GBP)	Jun. 2021	Dec. 2020	Var. 21/20
Non-current assets	**16,404**	**16,823**	**-419**
Goodwill	2,753	2,753	0
Fixed assets in infrastructure projects	12,756	13,076	-320
Rights of use of leased assets	272	285	-13
Non-current financial assets	45	42	3
Assets due to pension plan surplus	116	12	104
Deferred taxes	0	0	0
Financial derivatives	463	656	-193
Other non-current assets	0	0	0
Current assets	**5,179**	**4,572**	**607**
Trade and other receivables	201	462	-261
Financial derivatives	149	146	2
Short-term cash and deposits	4,814	3,949	865
Other current assets	15	14	0
Total assets	**21,582**	**21,395**	**188**

HAH (100%) (Millions of GBP)	Jun. 2021	Dec. 2020	Var. 21/20
Equity	**-2,387**	**-1,586**	**-801**
Non-current liabilities	**21,455**	**20,637**	**818**
Pension provisions	30	31	0
Bank borrowings	18,913	18,461	452
Deferred taxes	707	652	55
Financial derivatives	1,463	1,134	329
Other non-current liabilities	341	359	-18
Current liabilities	**2,515**	**2,344**	**171**
Bank borrowings	2,149	1,921	229
Trade payables	333	386	-53
Financial derivatives	25	21	4
Other current liabilities	7	16	-9
Total liabilities	**21,582**	**21,395**	**188**

Financial debt

The consolidated nominal net debt of Heathrow Finance increased to GBP 15,222 million (31 December 2020: GBP 15,120 million). This included:

- Heathrow SP's GBP 13,176 million nominal net debt (31 December 2020: GBP 13,131 million) comprised GBP 10,964 million in senior net debt and GBP 2,212 million in junior debt. It included GBP 14,679 million in bond issues, GBP 1,604 million in other term debt, GBP 181 million in index-linked derivative accretion, GBP 1,150 million in revolving credit and working capital facilities and GBP 3 million of additional lease liabilities post transition to IFRS 16. This was offset by GBP 4,441 million in cash and cash equivalents and term deposits.
- Heathrow Finance's nominal gross debt of GBP 2,364 million and cash and term deposits held at Heathrow Finance of GBP 318 million.

The reconciliation with the figures of debt report in the balance sheet above is due to accounting values versus nominal values:

- Index linked swap accretion is included in nominal net debt, amounts are reported within derivative financial instruments on the Statement of Financial Position.
- Where bonds are issued in currencies other than GBP, HAH has entered into foreign currency swaps to fix the GBP cash outflows on redemption. The impact of these swaps is reflected in nominal net debt.
- Capitalised bond issue costs are excluded from nominal net debt.

Finally, the debt of the balance sheet is at FGP TOPCO level which include a Facility of GBP 750 million of ADI finance 2, not included at Heathrow Finance level.

HAH's financial gross debt (short and long term) at 30 June 2021 stands at GBP 21,062 million, an increase of GBP 681 million compared to the previous year (31 December 2020: GBP 20,382 million). This increase is mainly due to the effect of:

- Heathrow's liquidity position at 30 June amounted to GBP 4,759 million in cash resources, as well as undrawn debt and Heathrow Finance plc's liquidity at 30 June 2021. It has sufficient liquidity to meet all projected requirements until at least October 2022 in the extreme no-revenue scenario, or well into 2025 based on the traffic forecast. This includes projected operating costs and capital investments, debt servicing costs, debt maturities and repayments.
- Bond redemptions and issuance of GBP -496 million and GBP 1,386 million respectively.
- Decrease of GBP -230 million as a result of fair value and exchange rate adjustments of bonds issued in foreign currency (this effect is almost entirely offset by the impact of the derivatives the company has contracted to hedge these risks).
- Other movements of EUR 23 million (mainly unpaid accrued interest and commissions).

c. Income statement movements 2021-2020

HAH (100%) GBP (MILLIONS)	June 21	June 20	Var. 21/20
Operating income	348	713	-364
Operating expenses	-376	-611	235
EBITDA	**-27**	**102**	**-129**
Depreciation/amortisation charges	-425	-376	-49
Operating profit/(loss) before impairment and disposals	**-453**	**-274**	**-178**
Impairment and disposal of fixed assets	0	0	0
Operating profit/(loss)	**-453**	**-274**	**-178**
Net financial income/(expense)	**-446**	**-535**	**89**
Profit/(loss) before tax	-899	-810	-89
Corporate income tax	9	31	-22
Profit/(loss) from continuing operations	**-889**	**-779**	**-111**
Profit/(loss) from discontinued operations	0	0	0
Net profit/(loss)	**-889**	**-779**	**-111**
Profit/(loss) attributed to Ferrovial (Millions of euros)	-238	-222	-16

The Management Report includes detailed explanations of HAH's results trend.

b. Disclosures relating to 407 ETR

a. Impairment analysis

As commented in Note 2, COVID-19 severely affected traffic at 407 ETR during H1 2021, but it is now making a gradual recovery. Given the very significant buffer between the measurement and the carrying amount of the company, the impairment test was not reviewed in June.

b. Balance sheet movements 2021-2020.

407 ETR (100%) (MILLIONS OF CAD)	Jun. 2021	Dec. 2020	Var. 21/20
Non-current assets	4,585	4,598	-13
Fixed assets in infrastructure projects	3,998	4,016	-17
Non-current financial assets	527	580	-53
Deferred taxes	60	2	58
Other non-current assets	0	0	0
Current assets	1,114	1,054	60
Trade and other receivables	198	173	25
Cash and cash equivalents	916	881	35
Total assets	**5,699**	**5,652**	**47**
Equity	-4,675	-4,703	28
Non-current liabilities	10,184	10,154	29
Bank borrowings	9,624	9,603	21
Deferred taxes	559	551	8
Current liabilities	191	201	-10
Bank borrowings	121	124	-3
Trade and other payables	70	77	-7
Total liabilities	**5,699**	**5,652**	**47**

c. Income statement movements 2021-2020.

The table below details the income statement for 407 ETR in the periods June 2021 and June 2020:

407 ETR (100%) (MILLIONS OF CAD)	Jun. 2021	Jun. 2020	Var. 21/20
Operating income	381	417	-36
Operating expenses	-71	-85	14
EBITDA	**310**	**332**	**-22**
Depreciation/amortisation charges	-48	-49	2
Operating profit/(loss)	263	283	-20
Net financial income/(expense)	-224	-192	-32
Profit/(loss) before tax	39	91	-52
Corporate income tax	-10	-23	13
Net profit/(loss)	**28**	**68**	**-39**
Profit/(loss) attributable to Ferrovial (millions of CAD)	12	29	-17
Adjustment to depreciation/amortisation following loss of control (Millions of CAD)	-7	-8	1
Adjusted net profit/(loss) attributable to Ferrovial (43.23% in millions of CAD)	5	21	-16
Adjusted net profit/(loss) attributable to Ferrovial (43.23% in millions of EUR)	4	14	-10

The Management Report includes detailed disclosures on 407 ETR's results trend.

c. Disclosures relating to AGS

The traffic trend at AGS's airports was in line with the trend at Heathrow. The three airports in the Airport business have been significantly affected by COVID-19. Passenger volumes fell by 66.7% on the previous year.

The integration of these losses reduced the shareholding value to zero at both December 2020 and June 2021. However, in June, as a result of the debt renegotiation process, Ferrovial increased its contribution to the company's capital by GBP 17.5 million, an amount that has been fully impaired in accordance with IAS 28, paragraph 36 ("If an investor's share of losses of an associate equals or exceeds its interest in the associate, the investor discontinues recognising its share of further losses").

In addition, as indicated in Note 8.1.1, in December 2020 the Company had been granted a subordinated loan from Ferrovial for a nominal amount of GBP 98 million to be repaid in 2025. The shareholders made a commitment to contribute additional financing in the amount of GBP 25 million each, which was paid early in 2021 (see point iii above).

On 18 June, AGS entered into an agreement with a syndicate of banks to modify and extend the facility agreement concluded in February 2017 in the amount of GBP 793 million (the amount of GBP 757 million having been drawn). The main terms and conditions of the agreement are as follows:

i. The loan amount is reduced to the amount drawn down.

ii. The maturity date is put back to June 2024.

iii. The shareholders will contribute capital and loans in proportion to their ownership interest (50%). In the case of Ferrovial's 50% interest, this entails injecting capital of GBP 17.5 million and a shareholder loan of the same amount. The total value of the loan granted by Ferrovial is therefore GBP 119 million: the initial GBP 98 million plus the additional GBP 17.5 million resulting from the financing process, plus the accrued interest for the period GBP 3.4 million (see Note 8.1.1 on recoverability).

iv. On 18 June, AGS repaid the loan of GBP 50 million (GBP 25 million for Ferrovial) granted in November 2020 and drawn down during the first quarter of 2021.

v. An additional commitment to inject up to GBP 15 million (per shareholder), callable to meet certain liquidity conditions until the loan matures, which will occur in 2024. It is important to note that this is Ferrovial's only commitment to contribute additional capital.

vi. A monthly minimum liquidity requirement is stipulated.

vii. The interest rates are revised and tied to SONIA, plus certain spreads over the term of the debt extension.

viii. Compliance with the financial covenants is waived for 30 June 2021, 31 December 2021 and 30 June 2022.

Following the refinancing operation, the Company has reassessed the recoverability of the total shareholder loan of GBP 119 million granted (Note 8.1.1), concluding that it is recoverable on the basis of projections updated to account for the refinancing agreement.

d. Other associates

Appendix II to the consolidated annual accounts at December 2020 includes a list of ownership interests in equity-accounted companies, including names, countries of incorporation, business segments, percentage shareholdings, aggregate assets and liabilities, revenue and profit/(loss) for the year.

The share of the profit/(loss) for 2021 includes most notably the contribution of the Toll Roads Division (EUR 13 million).

In addition to the variations discussed in relation to HAH, 407 ETR and AGS, the main variation in the year is on the I66 toll road, as described below.

<u>I-66 toll road</u>

Although at 31 May 2021 the investment in the capital of this company amounts to EUR 186 million (USD 221 million), there is a commitment to invest an additional EUR 456 million in the next two years.

At 31 May 2021, the toll road company's main assets are the fixed assets used in infrastructure projects in the amount of EUR 2,197 million. As regards liabilities, borrowings amount to EUR 1,749 million.

5.5 Working capital

This note addresses trends under the asset headings "Inventories" and "Short-term trade and other receivables" and the liability heading "Short-term trade and other payables". The net balance of these items is referred to as working capital (see section 4 of the consolidated annual accounts at December 2020).

The following table shows the relevant trends:

Millions of euros	2020	Exchange rate	Consolidation scope changes	Other	2021
Total inventories	**697**	**8**	**-359**	**28**	**374**
Trade receivables for sales and services	723	10	8	-3	738
Completed work pending certification	263	3	0	32	298
Other receivables	339	1	0	20	360
Total short-term trade and other receivables	**1,326**	**14**	**8**	**48**	**1,396**
Trade payables	-1,415	-19	7	-20	-1,447
Progress billing for construction work	-804	-18	0	86	-735
Advance payments from customers	-529	-5	235	52	-248
Other short-term payables	-313	-3	2	-16	-330
Total short-term trade and other payables	**-3,060**	**-45**	**243**	**102**	**-2,760**
TOTAL	**-1,037**	**-23**	**-108**	**178**	**-990**

Excluding the exchange rate effect and the scope changes, the change in working capital at June 2021 amounted to EUR 178 million. This change derives mainly from the decrease in works certified in advance and advance payments collected by customers in the Construction business.

The main variation in "Change in consolidation scope" relates to sale of Budimex's real estate business during the year (Note 1.2).

5.6 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. The consolidated annual accounts at 31 December 2020 contain a detailed description of the different types of provisions set aside by the Group.

This note provides a breakdown of all the line items disclosed separately in provisions on the liabilities side of the balance sheet. Movements were as follows at 30 June 2021:

(Millions of euros)	Long-term provisions	Short-term provisions	TOTAL
Balance at 31 December 2020	**446**	**948**	**1,394**
Impact of scope changes and other transfers	-44	-8	-52
Impact of foreign exchange differences	4	15	19
Other movements during the year:	**22**	**-4**	**26**
Appropriations/reversals affecting EBITDA (other operating expenses)	*24*	*83*	107
Charges/reversals with an impact in other income and expense items	*15*	*0*	15
TOTAL impact of appropriations/reversals	**39**	**83**	**122**
Amounts used with an impact on working capital	*-13*	*-79*	-92
Other amounts used	*-4*	*0*	*-4*
TOTAL impact of amounts used	**-17**	**-79**	**-96**
Balance at 30 June 2021	**428**	**959**	**1,387**

The main variation during the year in the item "Appropriations/reversals affecting EBITDA" derives from the net appropriation to Construction provisions (EUR 80 million), mainly in Poland.

Regarding "Charges/reversals with an impact in other income and expense items" amounting to EUR 15 million, these derive mainly from the recognition of "Provisions for replacement of IFRIC 12", the relevant movements being charged to depreciation/amortisation over the period in which the obligations accrue, until the replacement becomes operational.

Applications of provisions amounting to EUR -96 million with no impact on profit/(loss), of these EUR -92 million have balancing entries in working capital.

5.7 Deferred taxes

Set out below is a breakdown of movements in deferred tax assets and liabilities at 30 June 2021:

Deferred taxes (millions of euros)	2020	Var.	2021
Assets	**604**	**-15**	**589**
Tax-loss carryforwards	127	6	133
Derivatives	109	-15	94
Other deferred tax assets	368	-5	362
Liabilities	**449**	**-3**	**446**
Derivatives	66	-15	51
Other deferred tax liabilities	383	12	395

The main variation in deferred tax assets relates to the fair value of derivatives and therefore of the associated tax. The same occurs in deferred tax liabilities, where the main change is the result of the variation in the value of derivatives.

6. Equity

Changes in equity

Set out below is a breakdown of changes in equity during the six-month period ended 30 June 2021 is as follows:

2021 (millions of euros)	Attributed to shareholders	Attributed to non-controlling interests	Total equity
Equity at 31.12.2020 (**)	**3,168**	**640**	**3,808**
Consolidated profit/(loss) for the year	-177	87	-90
Impact on hedging reserves	58	-10	48
Impact on defined benefit plan reserves (*)	23	0	23
Currency translation differences	94	9	103
Income and expenses recognised directly in equity	175	-1	174
Amounts transferred to the income statement	0	0	0
TOTAL RECOGNISED INCOME AND EXPENSES	**-2**	**86**	**84**
Scrip dividend/other dividends	-12	-94	-106
Treasury share transactions	-80	0	-80
SHAREHOLDER REMUNERATION	**-92**	**-94**	**-186**
Share capital increases/reductions	0	9	9
Share-based remuneration schemes	-10	0	-10
Hybrid bond	-9	0	-9
Consolidation scope changes	0	0	0
Other movements	1	-1	0
OTHER TRANSACTIONS	**-18**	**8**	**-10**
Equity at 30.06.2021	**3,055**	**641**	**3,696**

(*) Pursuant to the amendment to IAS 1 Presentation of financial statements, 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 profit or loss.

(**) Restated figures (Note 3.1)

The reduction in shareholders' funds of the parent company in the first half of the year relates to the following effects:

Consolidated profit/(loss) for the period: profit/(loss) for the period attributable to the parent company amounted to EUR -177 million.

Income and expenses recognised directly in equity: unlike the detail presented in the main statement of changes in equity, the impacts are shown net of the related tax effect.

Impact on reserves of hedging instruments: the recognition of value changes in derivative financial instruments designated as hedges had a positive impact of EUR 58 million on the parent company's shareholders' funds, of which EUR 22.3 million corresponds to fully-consolidated companies, EUR 31.2 million to equity-accounted companies and EUR 4.1 million to services classified as discontinued operations.

Impact on reserves of defined benefit plans: this reflects the impact on equity of actuarial gains and losses arising from changes to the Group's defined benefit plan assumptions, which had a net impact of EUR 23 million for the period, associated with 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 5.1, gave rise to currency translation differences of EUR 94 million attributed to the parent company, mainly in Canadian dollars (EUR 72 million), pound sterling (EUR 14 million) and US dollars (EUR 10 million). These translation differences are presented net of the effect of foreign currency hedging instruments arranged by the Group (Note 8.2).

Shareholder remuneration:

Scrip dividend: The impact of this item relates to the first tranche of the shareholder remuneration scheme approved by the General Shareholders' Meeting of Ferrovial, S.A. on 9 April 2021. Under this scheme, shareholders can freely choose to receive newly issued fully-paid shares in the Company by subscribing for a share capital increase out of reserves or to receive an amount in cash through the transfer to the Company (if they have not already done so in the market) of the free allotment rights pertaining to the shares held. It should be noted that 91.95% of the shareholders opted to receive shares in the Company, whereas 8.05% availed themselves of the Company's commitment to purchase rights.

Consequently, in the first half of 2021, a share capital increase was carried out for a total of 5,615,714 shares with a par value of EUR 0.20 per share, representing a share capital increase of EUR 1.1 million. Also, free allocation rights amounting to EUR 12 million were purchased, representing a price per share of EUR 0.2.

Buy-back programme: the Board meeting held on 25 February 2021 approved a treasury share buy-back programme of up to 22 million shares for a maximum amount of EUR 320 million, which was ratified by Ferrovial, S.A.'s Annual General Meeting on 9 April 2021. The General Meeting approved the reduction of Ferrovial, S.A.'s share capital by redeeming (i) the treasury shares held at the resolution date; and (ii) the treasury shares to be acquired under the buy-back programme.

Over the course of H1 2021, 3,332,174 shares were acquired at an average price of EUR 24.03 per share, giving rise to a total disbursement of EUR 80 million.

Share-based remuneration schemes: this mainly reflects treasury share transactions relating to executive share-based remuneration schemes. At 30 June 2021, 345,000 treasury shares had been acquired under different remuneration schemes. The total cost of acquisition of these shares was EUR 7 million and the total gain on these remuneration schemes recognised in the Company's equity amounts to EUR -10 million.

The market value of the treasury shares held by Ferrovial at 30 June 2021 (3,992,599 shares) was EUR 99 million. Movements in treasury shares during 2021 were as follows:

TRANSACTION PERFORMED/OBJECTIVE	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES APPLIED TO PURPOSE	TOTAL NUMBER OF SHARES
Balance at 31.12.2020			**634,034**
Share capital reduction	3,332,174	0	3,332,174
Remuneration schemes	345,000	-333,812	11,188
Shares received - scrip dividend	15,203	0	15,203
Balance at 30.06.2021			**3,992,599**

Other transactions:

Subordinated hybrid bond: As described in the consolidated accounts at 31 December 2020, the Group issued perpetual subordinated bonds for a nominal amount of EUR 500 million, the features of which remain unchanged at 30 June 2021. The impact of accrued interest and the coupon payment is reflected in reserves, in a similar manner to dividends, amounting to EUR -9 million at the end of June 2021.

"Other dividends, non-controlling interests" reflects the dividends corresponding to the non-controlling interests in the Budimex Group (EUR 47 million), to the LBJ toll road (EUR 23 million), the NTE toll road (EUR 12 million) and Autema (EUR 12 million).

Share capital increases, non-controlling interests: There was an increase of EUR 9 million in equity attributable to non-controlling interests in D4R7 Construction S.R.O.

7. Net cash position

In order to present an analysis of the Group's net debt position, the following table contains a breakdown of the net cash position. The net cash position is understood to be the balance of the items included in cash and cash equivalents, the long-term restricted cash of infrastructure projects, less borrowings (short-term and long-term bank borrowings and debt securities), together with other current financial instruments. The net cash position also includes forwards and cross-currency swaps (CCS) totalling EUR -25 million that hedge the cash held by the Group in Canadian dollars, as well as, the borrowings and cash denominated in US dollars. This is because the derivatives are associated in full of the aforementioned borrowings/cash and they net the related foreign exchange effect.

The method used to define the Group's net cash position coincides with that used when preparing the 2020 consolidated annual accounts.

The net cash position is in turn broken down into infrastructure projects and other Group companies.

The change in the net cash position is explained in the cash flow section of the Interim Management Report at 30 June 2021.

The following tables provide a breakdown of the net cash position at June 2021 and December 2020.

							30/06/2021
Continuing operations (Millions of euros)	BANK BORROWINGS/ BONDS	CASH AND CASH EQ. & OTHER CURR. FIN. INVEST.	FORWARDS/CCS	LONG-TERM RESTRICTED CASH	NET BORROWING POSITION	INTRA-GROUP POSITION	TOTAL
Ex-infrastructure project companies	-3,361	4,991	-25	1	1,606	-39	1,567
Infrastructure project companies	-5,362	181	0	584	-4,597	39	-4,558
Total consolidated net debt	**-8,723**	**5,172**	**-25**	**585**	**-2,991**	**0**	**-2,991**

							31/12/2020
Continuing operations (Millions of euros)	BANK BORROWINGS/ BONDS	CASH AND CASH EQ. & OTHER CURR. FIN. INVEST.	FORWARDS/CCS	LONG-TERM RESTRICTED CASH	NET BORROWING POSITION	INTRA-GROUP POSITION	TOTAL
Ex-infrastructure project companies	-4,522	6,335	12	3	1,828	-39	1,789
Infrastructure project companies	-5,240	148	0	650	-4,442	39	-4,403
Total net consolidated debt	**-9,762**	**6,483**	**12**	**653**	**-2,614**	**0**	**-2,614**

A breakdown of discontinued operations for both periods is also included below:

	30/6/2021			31/12/2020			
Discontinued operations (Millions of euros)	BANK BORROWINGS/BONDS	CASH AND CASH EQUIVALENTS	NET BORROWING POSITION	BANK BORROWINGS/BONDS	CASH AND CASH EQUIVALENTS	NET BORROWING POSITION	Var.
Ex-infrastructure project companies	-59	350	291	-76	278	202	89
Infrastructure project companies	-195	88	-107	-205	76	-129	22
Net debt, discontinued operations	**-254**	**438**	**184**	**-281**	**354**	**73**	**111**

The net cash position ex-infrastructure projects including discontinued operations amounted to EUR 1,859 million at 30 June 2021 compared to EUR 1,991 million at December 2020, a change of EUR -132 million. The net cash position of infrastructure projects including discontinued operations varied by EUR -136 million, changing from EUR -4,532 million in December 2020 to EUR -4,667 million in June 2021. An analysis of the net cash position, including discontinued operations, is provided in the Interim Management Report issued together with these interim condensed consolidated financial statements.

7.1. Infrastructure projects

<u>a) Cash and cash equivalents and restricted cash</u>

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.

In this regard, restricted cash at 30 June 2021 amounted to EUR 584 million (December 2020: EUR 683 million), including both long-term and short-term amounts. The main movements are described below:

- The exchange rate effect had an impact of EUR 20 million (Note 5.1).
- Decrease of EUR -84 million, relating essentially to the NTE Segment 3 toll road (EUR -41 million) and the LBJ toll road (EUR -47 million) as a result of the dividend pay-out, after achieving the distribution milestones.

The item "Other cash and cash equivalents" (excluding restricted cash) increased by EUR 31 million in this period and relates to bank accounts and highly liquid investments exposed to interest rate risk. The trend is analysed in the management report.

<u>b) Infrastructure project borrowings</u>

Millions of euros	Dec. 2020	Net drawdowns	Exchange rate	Scope changes	June 2021
Toll roads	4,962	4	127	0	5,093
Services	80	-11	0	0	69
Construction	90	-2	0	0	88
Airports	54	-1	2	0	55
Other	54	0	3	0	57
Total infrastructure project borrowings	**5,240**	**-10**	**132**	**0**	**5,362**

Infrastructure project borrowings increased by EUR 122 million with respect to December 2020, a change that was mainly due to the following reasons:

- The appreciation of the dollar against the euro (Note 5.1) increased indebtedness by EUR 127 million (EUR 45 million for the LBJ toll road, EUR 42 million at NTE Mobility Partners Segments 3, EUR 32 million at NTE Managed Lanes Mobility Partners and EUR 8 million at I-77).
- With regard to net drawdowns (EUR -9 million), noteworthy were Services (EUR -11 million), primarily in relation to the Aragón Toll Road project, mainly due to the accrual of debt with no impact on cash (payable accrued interest and interest capitalisation).

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. 2020	INCREASE/ REDUCTION IN CASH EFFECT	FOREIGN EXCHANGE EFFECT	IMPACT OF SCOPE CHANGES	CAPITALISED/ACCRUED INTEREST	OTHER	JUN. 2021
Bank borrowings/Project bonds	5,240	-13	132	0	3	0	5,362
Gross borrowing position,	**5,240**	**-13**	**132**	**0**	**3**	**0**	**5,362**

At 30 June 2021, all the project companies fulfilled significant covenants in force.

7.2 Other companies

The net cash position excluding infrastructure projects amounted to EUR 1,567 million, a change of EUR -221 million compared with December 2020. Including discontinued operations, this reduction would be EUR -132 million, falling from EUR 1,991 million in December 2020 to EUR 1,859 million in June 2021.

a) Cash and cash equivalents of other companies

At 30 June 2021, there were certain restricted accounts totalling EUR 70 million (December 2020: EUR 111 million), of which EUR 1 million related to the long term and EUR 69 million to the short term, primarily in the Construction Division, for operating reasons affecting projects in progress in the US.

The Group's liquidity position is strong at June 2021, reflecting solid finances to face the current economic situation.

(Millions of euros)	Dec. 2020	June 2021	Change
Short-term restricted cash	108	69	-39
Other cash and cash equivalents	6,227	4,922	-1,305
Total short-term cash and cash equivalents	**6,335**	**4,991**	**-1,344**
Long-term restricted cash	3	1	-2
Cash-related forwards	14	-28	-42
Total cash and cash equivalents	**6,352**	**4,964**	**-1,388**

In addition, the Services Division records cash and cash equivalents of EUR 350 million and drawable credit lines of EUR 1,195 million (including Services).

The sum of the EUR 4,964 million in cash and cash equivalents plus the cash in Services (EUR 350 million) and the drawable credit lines of EUR 1,195 million makes a total overall ex infrastructure projects liquidity position of EUR 6,510 million.

b) Breakdown of borrowings of other companies

(Millions of euros)	31/12/2020	Other companies -	Exchange rate	30/06/2021
Construction	58	-23	1	36
Corporate and other	4,464	-1,146	7	3,325
Total ex-infrastructure project company borrowings	**4,522**	**-1,169**	8	**3,361**

The borrowings of infrastructure project companies amounted to EUR 3,361 million, a decrease of EUR 1,161 million. The reduction in borrowings is essentially due to the balance reduction of the Euro Commercial Paper (ECP) issue arranged in 2018 and showing a balance of EUR 450 million at June 2021 (EUR 1,091 million at December 2020), as well as the maturity of corporate bonds in the amount of EUR 500 million.

The following table shows changes to ex-infrastructure project gross borrowings, broken down into variations in borrowings with balancing entries in cash flows, exchange rate effects and scope changes, as well as changes in borrowings due to the accrual of interest, which do not affect period cash positions:

(Millions of euros)	DEC. 2020	INCREASE/ REDUCTION IN CASH EFFECT	FOREIGN EXCHANGE EFFECT	IMPACT OF SCOPE CHANGES	CAPITALISED/ACCRUED INTEREST	OTHER	JUNE 2021
Bank borrowings/ Ex-project bonds	4,522	-1,144	8	-1	-24	0	3,361
Gross borrowing position,	**4,522**	**-1,144**	8	-1	**-24**	**0**	**3,361**

8. Non-current financial assets and financial derivatives at fair value

The main movements in non-current financial assets and assets and liabilities relating to financial derivatives at fair value are set out below:

Millions of euros	30.06.2021	31.12.2020	Var.
Non-current financial assets	**825**	**856**	**-31**
Long-term loans to associates	192	163	29
Restricted cash and other non-current financial assets	585	654	-69
Other non-current financial assets	48	39	9
Financial derivatives at fair value (net)	**-79**	**48**	**-127**
Financial derivatives at fair value (assets)	377	547	-170
Financial derivatives at fair value (liabilities)	-456	-499	43

8.1. Non-current financial assets

The item "Long-term loans to associates" essentially includes the loans of EUR 129 million granted to AGS (31 December 2020: EUR 100 million) net of provisions for expected losses (EUR 10 million) which include the accrued interests in the year of EUR 4 million (Note 5.4.c). The change is explained basically by the loan of EUR 20 million granted by Ferrofin to AGS in 2021 (Note 8.1.1.) under the agreement to refinance existing bank borrowings. It also reflects other loans granted to associates in the amount of EUR 64 million (EUR 64 million in 2020), primarily in the Toll Roads Division.

The item "Restricted cash in infrastructure projects and other financial assets" relates primarily to deposits made in toll road concession operators, the use of which is limited to certain purposes under the concession, that is payments of future investments, operating expenditure or debt servicing. This item forms part of the net cash position.

Finally, the item "Other non-current financial assets" relates basically to financial investments funds of EUR 30 million. The most relevant figure relates to an investment fund called Credit Suisse (Lux) Supply Chain Finance Fund of EUR 15 million invested in invoices from suppliers whose payment was granted by insurance companies with investment grade rating (average AA-). This fund is currently in the liquidation process and considered that the amount invested is going to be recovered in full, having reclassified the aforementioned EUR 15 million in the long term, which is expected to be recovered in more than one year. Likewise, Other short-term financial assets include another EUR 15 million that are expected to be recovered in a period of less than one year. Therefore, the total investment pending to be recovered that relates to this fund amount to EUR 30 million. In addition, it includes trade balances from various public administrations under long-term contracts totalling EUR 10 million (31 December 2020: EUR 10 million) mainly in construction companies.

8.1.1. Loan granted to AGS

As indicated in Note 5.4.c., Ferrovial has granted a subordinated loan of GBP 98 million to the company AGS (GBP 90 million, including the amount for the expected loss provision) the accrued interest of which for the year amounts to GBP 3.4 million. 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, which were provided in Q1 2021. Thanks to the financing agreement mentioned in Note 5.4.c., AGS repaid this GBP 25 million loan and Ferrovial granted another loan of GBP 17.5 million, taking the total loan value to GBP 119 million at 30 June 2021.

Given the impact of the COVID-19 crisis on the Company, a recoverability analysis of the loan was carried out, including expectations of the asset's future performance, the company's liquidity forecasts for the next twelve months, and the status of the bank borrowings following the agreement on the above-mentioned loan:

- Future asset trends: The company owns the assets, so operations are not subject to a concession period. Accordingly, a model was prepared in which traffic is assumed to progressively recover as the vaccination process takes effect. The assumptions 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 and 2021 have allowed the Company to end H1 with a positive position of liquidity. The forecast shows that, with the estimated traffic levels, it would be able to maintain its activity with the available liquidity.
- Bank borrowing situation: Following the agreement of 18 June to amend and extend the loan granted by a syndicate of banks, AGS will have until June 2024 to repay it.

On the basis of the three factors analysed, the amounts borrowed by the company are likely to be recovered, in view of the information currently available.

8.2. Financial derivatives at fair value

In general, the Group's position in derivatives and its hedging strategies remained in line with the situation described in detail in the financial statements for the year ended 31 December 2020. Derivatives are recognised at market value at the arrangement date and at fair value at subsequent dates. Note 2 provides further details of the effects of the coronavirus pandemic on the value of the derivatives portfolio.

A breakdown of assets and liabilities relating to financial derivatives at fair value showing the main impacts on reserves and on profit or loss is as follows:

Millions of euros	Notional amounts at 30/06/2021	Balance at 30/06/2021	Balance at 31/12/2020	Var.	Impact on reserves	Impact on P&L - Fair value	Other effects on the balance sheet or P&L
Index-linked derivatives	**235**	**375**	**489**	**-115**	**-61**	**-47**	**-7**
Cash flow hedges	235	375	489	-115	-61	-47	-7
Interest rate derivatives	**1,151**	**-392**	**-455**	**64**	**74**	**1**	**-11**
Cash flow hedges	1,151	-392	-460	68	74	1	-7
Fair value hedges	0	0	4	-4	0	0	-4
Cross-currency swaps	**440**	**-16**	**-2**	**-14**	**0**	**0**	**-14**
Cash flow hedges	250	-19	-26	7	0	0	7
Fair value hedges	190	3	23	-21	0	0	-21
Foreign exchange derivatives	**3,141**	**-49**	**19**	**-68**	**0**	**-11**	**-57**
Fair value hedges	192	-4	-5	0	0	0	0
Net foreign investment hedges	2,705	-36	22	-58	0	-3	-55
Speculative	244	-8	2	-9	0	-8	-1
Equity swaps	**65**	**3**	**-3**	**6**	**0**	**6**	**0**
Speculative	65	3	-3	6	0	6	0
TOTAL	**5,031**	**-79**	**48**	**-127**	**13**	**-51**	**-89**

The net change in the fair value of the Group's financial derivatives amounts to EUR -127 million, its assets position switching from EUR 48 million at December 2020 to a liabilities position of EUR 79 million at the close of June 2021.

The main changes are described below:

- Inflation derivatives (EUR -115 million) primarily relating to the concession operator Autema (Group's ownership percentage of 76.276%). The main causes of this change are the following:
  - Impact on reserves (EUR -61 million), primarily due to an increase in inflation forecasts in Spain.
  - ILS hedge ineffectiveness peak resulted in a fair value loss of EUR -47 million.
  - Cash settlements inflows during the year of EUR -14 million.
- Interest rate derivatives (EUR 64 million), the main variations being explained by the improved expectations of future interest rates. This fact is the main reason for the impact generated on reserves (EUR 74 million), mainly in the toll roads division.
- Foreign exchange derivatives (EUR -68 million), which are essentially used to hedge the volatility of future foreign currency flows, the main impacts of which have been caused by the appreciation of the currencies against the euro, especially the Canadian dollar (Note 5.1) of EUR -150 million. This impact was partially offset by cash settlement outflows (EUR 94 million) and fair value impact on profit and loss (EUR -11 million).

9. Disclosures relating to the income statement

9.1 Operating profit/(loss)

A breakdown of the Group's operating profit/(loss) at 30 June 2021 is as follows:

(Millions of euros)	2021	2020	Var.
EBITDA	251	136	115
Fixed asset depreciation	113	109	7
Operating profit/(loss) before impairment and disposals	135	27	108

EBITDA at 30 June 2021 amounted to EUR 251 million (30 June 2020: EUR 136 million), representing an increase of 85% on the previous year. This improvement is explained mainly by the growth in the Construction business, which was very positive in the first half of the year (particularly in Spain and Poland). In addition, in Toll Roads, the improvement on 2020, which was severely impacted by Covid-19 (Note 2), is due to the swift recovery of traffic once the restrictions were lifted in March and despite the inclemency of the weather in Texas.

Fixed asset depreciation charges for 2021 totalled EUR 116 million as compared with EUR 109 million in the previous year.

9.2 Impairment and disposals of fixed assets

"Impairment and disposals of fixed assets" primarily includes asset impairment losses and gains or losses on the sale and disposal of shareholdings in Group companies and associates.

At 30 June 2021, a profit of EUR 16,6 million is recognised on the sale of the Group's ownership interest in Urbs Iudex Et Causidicus, S.A - URBICSA - (22%) (Note 1.2).

At 30 June 2020 (restated figures), an impairment loss of EUR 20 million was recorded in relation to the UK Waste Treatment business.

9.3 Net financial income/(expense)

<u>Net financial income/(expense) from financing</u>

Net financial income/(expense) from financing recognised by the infrastructure project companies amounted to EUR -106 million (30 June 2020: EUR -122 million), relating primarily to these companies' borrowing costs. This change in net financial income/(expense) was largely due to the lower finance costs of the US toll roads, primarily the LBJ toll road (EUR 12 million).

As regards the other companies, or ex infrastructure projects information, net financial expense totalled EUR -22 million (net financial income of EUR 5 million at 30 June 2020), relating to costs of external borrowings amounting to EUR -33 million (EUR -23 million at 30 June 2020) and to financial income from financial investments made and other items amounting to EUR 10 million (EUR 28 million at 30 June 2020). The decrease in net financial income/(expense) from financing is due mainly to the reduction in the yield on cash investments due to lower interest rates compared to the previous year.

<u>Other net financial income/(expense)</u>

This item relates mainly to changes in the fair value of financial instruments in ex-infrastructure project companies, having no impact on cash. At 30 June 2021, the impact amounts to EUR -3 million (expense of EUR 6 million at 30 June 2020) and is reflected in the fair value adjustments column in the income statement. Also noteworthy in this amount is the positive impact of the equity swaps arranged by the Group to hedge the effect on equity of the share option plans; these swaps had an impact of EUR 6 million in the period (Note 8) due to the increase in the share price in the first six months of the year. Conversely, a negative impact of EUR -8 million relates to foreign exchange hedges obtained essentially to cover the volatility of future foreign currency flows (mainly in Canadian dollars).

Disregarding the fair value impact, the remainder of the net financial income/(expense) of EUR 5 million (30 June 2020: EUR 6 million) essentially relates to income from the billing of guarantee deposits to equity-accounted projects (EUR 7 million), bank guarantee costs (EUR -14 million), exchange rate differences (EUR 3 million), as well as late payment interest (EUR 3 million). The change on the previous year is primarily explained by foreign exchange differences, a gain of EUR 3 million having been recognised this year, as compared with a loss of EUR -5 million in the same period of the previous year.

In the infrastructure project companies, the most significant changes on the previous year relate to gains/(losses) on derivatives and other fair value adjustments, particularly the impact of the ineffectiveness peak of an index-linked swap (ILS) showing a fair value of EUR -47 million, associated with the Autema project.

9.4 Corporate income expense

Corporate income tax expense for the first six months of 2021 was calculated on the basis of the tax rate that is expected to be applicable to profit/(loss) for the financial year. Accordingly, at 30 June 2021 this gave rise to an expense of EUR 30 million. However, it should be noted that this amount includes EUR 5 million in prior-year regularisations. Excluding this impact, corporate tax income amounts to EUR 25 million.

In addition, pre-tax profit/(loss) (EUR -268 million at 30 June 2021) includes certain impacts that must be excluded when calculating the effective income tax rate, particularly those described below:

- Impact of the results of equity-accounted companies which, in accordance with accounting standards, are presented net of the related tax effect.
- Profit/(loss) on consolidation with no tax impact, that primarily relates to losses in concession project companies in the US and Canada, and which are fully consolidated.
- In accordance with the prudence principle of accounting, the decision was taken not to capitalise tax losses nor all the tax credits, in view of the lack of certainty as to short-term recoverability, primarily in Spain.
- Various different types of non-deductible expenses primarily related to Budimex.
- Limit on the deductibility of financial expenses for corporate income tax purposes, on the Toll Road Division in Portugal.

Having adjusted for the main impacts, profit/(loss) before tax would amount to EUR 103 million. After applying the aforementioned adjustments, the effective tax rate is 24% (25 million tax expense out of EUR 103 million income before taxes).

9.5 Profit/(loss) from discontinued operations

Services Division

As explained in Note 1.3, at 30 June 2021, as in 2020, the Services Division is carried as a discontinued operation, meaning that the impact of this business on the income statement is reported on a single line named "Net profit/(loss) from discontinued operations".

As explained in Note 1.3, after the year end a net profit of EUR 93 million was recognised in the Services business in the discontinued operations line, which is the sum of the result for the period excluding depreciation of those businesses whose fair value is above their carrying amount, EUR 140 million, and the impairment of those assets whose fair value is estimated to be below their carrying amount, EUR 47 million.

For a better understanding of the results of the Services business and the way in which they have been included in the Group's consolidated results, the accompanying table provides a breakdown by line of profit/(loss) from this discontinued operation:

Services Division (millions of euros)	JUN. 2021	JUN. 2020 (*)	VAR.
Revenue	2,706	3,279	-573
EBITDA	**222**	**145**	**77**
Fixed asset depreciation	-92	-130	39
Operating profit/(loss) before impairment and disposal of fixed assets	**130**	**15**	**115**
Impairment and disposal of fixed assets	-1	-5	4
Operating profit/(loss)	**129**	**10**	**119**
Net financial income/(expense)	**-19**	**-33**	**14**
Share of profits of equity-accounted companies	9	7	2
Consolidated profit/(loss) before tax	**119**	**-16**	**136**
Corporate income tax	-31	-1	-30
Profit/(loss) after tax	**88**	**-18**	**106**
Profit/(loss) for the year attributed to non-controlling interests	-1	0	-1
Profit/(loss) for the year attributed to the parent company	**87**	**-18**	**105**
Adjustments to discontinued operations	52	-4	56
Fair value provision	-46	-23	-23
Profit/(loss) from discontinued	**93**	**-45**	**138**

(*) Restated figures (Note 3.1)

Adjustments for discontinued operations in 2021 mainly comprise the elimination of asset depreciation amounting (EUR 68 million).

Construction Division

On 22 February, an agreement was reached to sell the real estate business of the Budimex Group (B.N.I.), which was included in discontinued operations.

For a better understanding of the results of the Construction business and the way in which they have been included in the Group's consolidated results, the accompanying table provides a breakdown by line of profit/(loss) from this discontinued operation:

Construction Division (Millions of euros)	JUN. 2021	JUN. 2020
Revenue	56	62
EBITDA	**9**	**13**
Fixed asset depreciation	0	0
Operating profit/(loss) before impairment and disposal of fixed assets	**9**	**13**
Impairment and disposal of fixed assets	131	0
Operating profit/(loss)	**140**	**13**
Net financial income/(expense)	**0**	**1**
Share of profits of equity-accounted companies	0	0
Consolidated profit/(loss) before tax	**140**	**14**
Corporate income tax	-25	-3
Profit/(loss) after tax	115	11
Profit/(loss) for the year attributed to non-controlling interests	0	0
Profit/(loss) for the year attributed to the parent company	115	11
Profit/(loss) from discontinued operations	115	11

These results of EUR 115 million include both the amount recognised up to the company's exclusion from the consolidation scope (EUR 8 million) and the capital gain of EUR 131 million in the impairments and disposals of fixed assets line generated by the transaction (EUR 107 million net of tax and EUR 53 million net of minority interests).

10. Contingent assets and liabilities and investment commitments

As indicated in Note 1.3., the disclosures included in this Note also include the information relating to discontinued operations.

10.1. Litigation

The 2020 consolidated annual accounts contained detailed disclosures on the main litigation in which the Group companies were involved on that date. There follows an explanation of the main changes in the status of the lawsuits in the first half of 2021:

a) SH-130 legal proceedings: Toll roads and construction

As indicated in the 2020 financial statements, there are two lawsuits for claims filed by the current partners of the concession company for this project: a lawsuit before the Texas courts against Ferrovial companies, Cintra and Ferrovial Construcción, and an arbitration before the CCI against Ferrovial Construcción companies.

At the date these interim accounts are issued, both proceedings are suspended since the claimant and defendants have reached a preliminary agreement, during a mediation process.

The formalisation agreement would involve an additional expense of USD 17.4 million, which has been recognised at June 2021. Ferrovial's contribution to the agreement would total USD 42.4 million.

b) Other litigation relating to the toll road business

<u>Terrassa Manresa toll road (Autema)</u>

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.

Following the non-admission of the cassation appeal, the Company changed the concession's accounting approach from the financial asset model to the intangible asset model.

Autema lodged an appeal for legal protection at the Constitutional Court, which was also not admitted on 15 June 2021.

<u>M-203 toll road</u>

Legal proceedings initiated by the concession company against the Madrid Regional Government seeking compensation for the investments made (NIV) and for damages suffered:

This litigation relates to a road concession awarded by the Madrid Regional Government and terminated by decision of the Madrid High Court due to a breach of contract by the granting entity. The proceeding currently in progress will resolve upon the compensation that the granting entity must pay to the concession company as a result of termination.

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 the Madrid Regional Government has still not complied with the judgement, on 2 June 2021 and then on 6 July 2021 the Company filed petitions to expedite proceedings so that the Madrid Regional Government fulfils the terms of the October 2020 judgement.

As a result of the termination of the concession arrangement, at 30 June 2021 the Company reclassified the carrying amount of the asset (EUR 79 million) as receivables and includes the above-mentioned EUR 60 million, as well as EUR 13 million in VAT and EUR 6 million in interest. A provision of EUR 4 million is recorded in case of non-recovery.

<u>Radial R4 toll road</u>

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 14.95 million.

At present, both the EUR 14.95 million of the guarantees given and the EUR 4.43 million in default interest accruing since the proceeding began are fully provisioned by the Company. There were no changes in the first half of 2021 in relation to this litigation.

c) Other litigation relating to the Construction business:

<u>Construction business Spain:</u>

In 2019, the Spanish National Markets and Competition Commission (CNMC) initiated penalty proceedings against Ferrovial Construcción, S.A. and other construction firms for alleged anti-competitive behaviour.

The Competition Directorate notified the Company of the proposed penalty in March 2020 (EUR 48 million). In July 2020, the CNMC's Competition Court declared the proceedings expired and ordered raising of new proceedings relating to the same events.

In April 2021, a new list of charges drawn up by the Competition Directorate was received containing the investigation findings and a description of the facts that could constitute an infringement of competition law. In May 2021, a writ of defence allegations was presented stating that the infringements claimed by the directorate had not taken place. In June, notification of the proposed penalty was received, which does not end the penalty proceedings as the CNMC's board, who is the authority for ruling, has not made the final decision yet.

The Group therefore considers that no additional amount to the EUR 3 million recognised in the 2019 needs to be provisioned in the Consolidated Interim Accounts.

d) Litigation relating to the Services business:

Regarding the Services business in Spain:

<u>Litigation relating to the Ruling of the Spanish National Markets and Competition Commission (CNMC) in relation to the municipal solid waste sector.</u>

No new developments have occurred in relation to these legal proceedings since 19 September 2019, when 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. On 13 April 2021, the National High Court passed down a judgement upholding the application for legal protection and annulling the CNMC's resolution of 18 April 2018 whereby the penalty proceeding was initiated. The judgement may be appealed on cassation, notification having been received on 27 May 2021 that the CNMC is preparing an appeal.

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.

<u>Litigation relating to the penalty proceedings opened by the Spanish National Markets and Competition Commission (CNMC) in relation to the road maintenance sector:</u>

In July 2019, the CNMC initiated penalty proceedings against Ferroser Infraestructuras, S.A. and its Parent Ferrovial, S.A., as well as against other companies in the sector, due to alleged anti-trust practices during tendering for providing maintenance and operations services for the State Road Network, arranged by the Ministry of Public Works.

Following a procedural process, on 31 December 2020, the CNMC gave notice of its List of Established Facts, in which Ferrovial Servicios S.A.U. was also included, but without proposing a penalty. The corresponding allegations were submitted in February 2021. On 28 April 2021, the CNMC's Competition Directorate issued a resolution proposal that does not mark the end of the penalty proceeding, the CNMC's board having competence to make the final decision, which will be announced accordingly. On 13 July 2021, the Spanish National Securities Market Commission (CNMC) gave notice of a reclassification decision indicating, among other matters, that Ferrovial Servicios, S.A.U. must not be treated as the principal offender in the proceeding. The decision provides for a new allegations period, so the proceeding is still under way.

On this basis, the Group has decided not set aside any allowance provision.

<u>Empresa de Mantenimiento y Explotación M-30, S.A. (EMESA).</u>

There were no changes in the first half of 2021 in relation to this litigation.

Regarding the Services business in the United Kingdom:

<u>Cyber-attack on Amey</u>

On 16 December 2020, Amey advised that it had been hit by a cyber-attack, and subsequently learned that the attack had lead to data being stolen and systems being encrypted. The attackers demanded a ransom, which was rejected and they proceeded to publish Amey information on the dark web. Some of its computers, servers, systems and archives were affected. Other systems (including SAP) were not affected, but were deactivated as a precautionary measure. Ferrovial's systems were not affected.

An action plan was immediately drawn up to mitigate the consequences, comprising four lines of action: investigate, preserve, recover and restore. The Company has insurance policies in place to cover these types of risks.

Following the analysis conducted, Amey concluded that the cyber-attack did not have a material impact on its 2020 financial information, and as a result, no material liability exists that requires the recognition of a risk provision. At the reporting date, no significant contractual deductions have been imposed on Amey as a direct result of the cyber-attack. The company is unaware of any claim other than those arising from customary contractual provisions. The "Information Commissioner's Office" has confirmed that it will not be necessary to take regulatory measures.

<u>WBHO lawsuit</u>

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 filed several petitions with the Court seeking – among other things – more details in respect of the lawsuit, though it has also notified its insurers about the lawsuit.

10.2. Guarantees

a) Bank guarantees and other guarantees issued by insurance companies

At 30 June 2021, the Group companies had given bank guarantees and other guarantees issued by insurance companies for a total of EUR 6,365 million (EUR 6,728 million in December 2020), which break down as follows: i) EUR 3,334 million in bank guarantees (EUR 3,403 million in December 2020); and ii) EUR 3,030 million in guarantees issued by bonding agencies and insurance companies (EUR 3,325 million in December 2020). 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.

Of the total amount of the guarantees, EUR 610 million (31 December 2020: EUR 756 million) secures commitments to invest in the capital of infrastructure projects (Note 10.3).

b) Guarantees given by Group companies for other Group companies

Guarantees are given among Group companies to cover third-party liability arising from contractual, commercial or financial relationships. In general, these guarantees do not have any impact on the analysis of the Group's consolidated accounts. However, there are certain guarantees provided by ex-infrastructure project companies to infrastructure project companies which, due to the classification of project borrowings as being without recourse, it is relevant to disclose. Guarantees given to equity-accounted companies, whether or not they are infrastructure project companies, must also be disclosed since they could give rise to future additional capital disbursements in these companies, were the secured events to occur.

There follows a breakdown of this type of guarantees outstanding at 30 June 2021 and changes with respect to December 2020:

b.1) Guarantees provided by ex-infrastructure project companies to fully-consolidated infrastructure project companies (contingent capital).

These guarantees totalled EUR 124 million at 30 June 2021 (31 December 2020: EUR 126 million).

The Company has also furnished bank guarantees amounting to EUR 14 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.

b.2) Guarantees provided by ex-infrastructure project companies to equity-accounted infrastructure project companies (contingent capital).

Guarantees securing infrastructure project financing amount to EUR 5 million based on the Ferrovial Group's ownership interest (31 December 2020: EUR 48 million). The significant reduction in the amount of these guarantees is due to the fact that an agreement was reached at the end of the year to sell URBICSA, this project having been secured in the amount of EUR 42 million at 31 December 2020. There are also bank guarantees in place in the amount of EUR 5 million in relation to possible cost overruns at the I-66 and Ausol projects.

In addition, the Company has furnished a guarantee of EUR 19 million in relation to the Radial 4 toll road, which was deconsolidated in 2015. This amount had been provisioned in full at 30 June 2021 (Note 10.1 relating to litigation).

b.3) Other guarantees provided for equity-accounted companies.

Certain Construction and Services contracts are performed by equity-accounted companies often created specifically to perform contracts previously awarded to their shareholders. In these cases, the shareholders of those companies provide performance bonds relating to those contracts. The liabilities secured are similar to those indicated in Note 11.2.a).

They include guarantees provided in the Services Division by Amey UK PLC in favour of various equity-accounted companies. These guarantees totalled EUR 296 million at 30 June 2021 (31 December 2020: EUR 303 million). It should be noted that the aforementioned amount corresponds to work not yet executed in proportion to Ferrovial's ownership interest.

10.3. Commitments

a) Investment commitments

The investment commitments undertaken by the Group in relation to the capital contribution in infrastructure projects amount to EUR 741 million (December 2020: EUR 851 million) and the commitments to purchase property, plant and equipment and acquire companies amount to EUR 94 million (December 2020: EUR 116 million). Of the EUR 741 million relating to investment commitments in infrastructure projects, the Toll Roads Division accounts for EUR 456 million relating to the I-66 project (EUR 590 million in December 2020). A part of these commitments are secured by bank guarantees received from third parties amounting to EUR 610 million (Note 10.2).

In addition, and as a result of the AGS refinancing agreement, mentioned in Note 5.4.c.v, Ferrovial has a commitment to inject up to GBP 15 million (50% equity - 50% debt) in favour of AGS, subject to compliance with certain liquidity conditions until maturity of the loan granted, which will occur in 2024.

b) Environmental commitments

There were no changes with respect to the information disclosed in the annual accounts for 2020 in relation to the provisions for probable or certain environmental liabilities, litigation in progress, indemnities or other outstanding obligations of undetermined amount.

11. Workforce

Set out below is an analysis of the number of employees at 30 June 2021 and 2020 by professional category and gender:

	30/6/2021			
CONTINUING OPERATIONS CATEGORY	**MEN**	**WOMEN**	**TOTAL**	**VAR. 21/20**
Executive directors	2	0	**2**	-%
Senior managers	14	1	**15**	7%
Executives	103	12	**115**	(10%)
Managers/Professionals/Supervisors	6,245	2,453	**8,698**	(3%)
Administrative/Support personnel	520	567	**1,087**	(7%)
Manual workers	9,112	332	**9,444**	9%
Total	**15,996**	**3,365**	**19,361**	**2%**

CONTINUING OPERATIONS CATEGORY	30/6/2020		
	MEN	WOMEN	TOTAL
Executive directors	2	0	2
Senior managers	13	1	14
Executives	117	11	128
Managers/Professionals/Supervisors	5,226	3,766	8,992
Administrative/Support personnel	563	605	1,168
Manual workers	8,358	284	8,642
Total	**14,279**	**4,667**	**18,946**

The 2% workforce increase (415 employees) compared to 30 June 2020.

DISCONTINUED OOPEOPERATIONS CATEGORY	30/6/2021			VAR. 21/20
	MEN	WOMEN	TOTAL	
Executive directors	0	0	0	-%
Senior managers	0	0	0	-%
Executives	23	5	28	87%
Managers/Professionals/Supervisors	7,274	2,204	9,478	23%
Administrative/Support personnel	171	640	811	(5%)
Manual workers	29,429	19,698	49,127	3%
Total	**36,897**	**22,547**	**59,444**	**5%**

DISCONTINUED OPERATIONS CATEGORY	30/6/2020		
	MEN	WOMEN	TOTAL
Executive directors	0	0	0
Senior managers	0	0	0
Executives	10	5	15
Managers/Professionals/Supervisors	7,109	599	7,708
Administrative/Support personnel	176	681	857
Manual workers	29,320	18,503	47,823
Total	**36,615**	**19,788**	**56,403**

The average headcount by business division in the first six months of the year was as follows:

BUSINESS	30/6/2021			VAR. 21/20
	MEN	WOMEN	TOTAL	
Construction	14,718	2,915	17,633	3%
Toll roads	309	142	451	(10%)
Airports	24	10	34	(29%)
Services	491	70	561	4%
Other	234	184	418	(5%)
Total continuing operations	**15,776**	**3,321**	**19,097**	**3%**
Total discontinued operations	**36,995**	**22,398**	**59,393**	**(18%)**
Total	**52,771**	**25,719**	**78,489**	**(14%)**

BUSINESS	30/6/2020		
	MEN	WOMEN	TOTAL
Construction	14,279	2,803	17,082
Toll roads	334	167	501
Airports	32	16	48
Services	475	63	538
Other	265	174	439
Total continuing operations	**15,384**	**3,223**	**18,608**
Total discontinued operations	**47,427**	**24,938**	**72,365**
Total	**62,812**	**28,161**	**90,973**

12. Comments on seasonality

Ferrovial's business activities are subject to a certain degree of seasonality in certain months of the year, making it impossible to extrapolate figures to a full year on the basis of figures for a six-month period.

In general, business in nearly all areas is slightly busier in the second half of the financial year.

COVID-19 continued to have a very significant impact on the Toll Roads and Airports activities in the first half of 2021, although a considerable turnaround is expected in the second half of the year (Note 2).

13. Related-party transactions

The table below shows the commercial transactions effected between the Company (or its Group companies) and related parties on an arm's length basis in the first six months of 2021 and 2020 (if they were related parties for only a part of the six-month period, the transactions carried out during that period are indicated), in relation to the following items:

i. Transactions between Ferrovial, S.A. and its significant shareholders, Board directors or senior managers.

They include transactions carried out (i) between Ferrovial, S.A. and its significant shareholders, their close family members or entities in which the said related parties might exercise significant influence; and (ii) between Ferrovial, S.A. and its directors or senior managers, their close family members or entities in which the said related parties might exercise significant influence.

ii. Transactions between subsidiaries of Ferrovial, S.A and its significant shareholders, directors and executives.

They include transactions carried out (i) between subsidiaries of the Company and its significant shareholders, their close family members or entities in which the said related parties might exercise significant influence; and (ii) between the Company's subsidiaries and its directors or senior managers, their close family members or entities in which the said related parties might exercise significant influence.

Thousands of euros				30/6/2021				30/6/2020
EXPENSES AND INCOME:	**a) Transactions with Ferrovial, S.A.**	**b) Transactions with subsidiaries**	**Total expenses and income**	**Balance at 30/06/2021**	**a) Transactions with Ferrovial, S.A.**	**b) Transactions with subsidiaries**	**Total expenses and income**	**Balance at 30/06/2020**
Financial expenses		55	55	0	0	0	0	0
Services received	51	1,283	1,334	-28	0	6,481	6,481	-353
EXPENSES	**51**	**1,338**	**1,389**	**-28**	**0**	**6,481**	**6,481**	**-353**
Financial income	0	0	0	0	0	0	0	0
Services rendered	0	161	161	77	0	189	189	94
INCOME	**0**	**161**	**161**	**77**	**0**	**189**	**189**	**94**

Thousands of euros			30/6/2021			30/6/2020
OTHER TRANSACTIONS:	**a) Transactions with Ferrovial, S.A.**	**a) Transactions with subsidiaries**	**Balance at 30/06/2021**	**a) Transactions with Ferrovial, S.A.**	**a) Transactions with subsidiaries**	**Balance at 30/06/2020**
Financing agreements: loans and capital contributions (borrower)	16,980	104,220	121,200	0	0	0
Bank and other guarantees received	17,760	78,750	96,510	0	0	0
Settlement of derivatives		-624	0	0	0	0

There are also transactions between the Company's subsidiaries which, in all cases forming part of their ordinary businesses as regards purpose and conditions, were not eliminated on consolidation for the following reasons.

As explained in detail in Note 1.2.2 to the consolidated annual accounts for the year ended 31 December 2020, balances and transactions relating to construction work performed by the Construction Division for Group infrastructure concession operators are not eliminated on consolidation since, at the consolidated level, contracts of this type are classed as construction contracts in which the work, during execution, is deemed to be performed for third parties, as the ultimate owner of the work, from both a financial and a legal viewpoint, is the awarding entity.

For the first half of 2021, Ferrovial's Construction Division recognised revenue totalling EUR 511,383 thousand for the above-mentioned construction work (30 June 2020: EUR 310,716 thousand), 408 million of which relate to companies accounted for by the equity method, mainly the I-66 toll road.

The related profit/(loss) not eliminated on consolidation and attributable to Ferrovial's ownership interest in the concession operators, net of taxes and minority interests, amounted to EUR 494 thousand in the first half of 2021, -6 million of which relate to companies accounted for by the equity method, mainly the I-66 toll road. At 30 June 2020, this amounted to EUR 1,236 thousand.

14. Directors' remuneration

There follows an itemised breakdown of the remuneration received by all the Company's directors as members of the Board of Directors of Ferrovial, S.A. and by Ferrovial's senior managers sitting on the Company's management committee or reporting directly to the Board, the Executive Committee or the Company's CEOs (except for those who are also executive directors, whose remuneration is included in that received by the Board of Directors):

Remuneration item	Amount (thousands of euros)	
BOARD DIRECTORS:	**30/6/2021**	**30/6/2020**
Fixed remuneration	1,300	1,133
Variable remuneration	2,430	1,858
Bylaw-stipulated emoluments:	0	0
Fixed allowance	210	190
Per diems	339	481
Transactions involving shares and/or other financial instruments	490	1,602
TOTAL	**4,768**	**5,264**
SENIOR MANAGERS:	**30/6/2021**	**30/6/2020**
Total remuneration received by senior managers	13,920	12,882

The increase in directors' fixed allowance for holding office is due to the 20% reduction approved by the Board of Directors from 07 April to 31 July 2020 as a result of COVID-19. The reduction in directors' per diems is due to the holding of a lower number of meetings and reduction in the number of committee members in some cases. In the case of the executive directors, the increase in fixed remuneration is explained by the combined effect of the cut in 2020 already mentioned in relation to COVID-19 and the rise in the CEO's 2021 remuneration under the remuneration policy approved by the Annual General Meeting. The decrease in long-term incentives is due to the fall in the level of ratios achieved. Senior management remuneration increased compared to H1 2020 due to the amounts paid for the exit of two of its members, without any significant impact on the income statement for the period, since the Company expenses the annual contributions to the group insurance policy.

In addition, in order to cover the extraordinary remuneration of certain senior managers (including the CEO), which is subject to the circumstances described in Note 6.6.7 to the consolidated annual accounts, the Group's parent company makes annual contributions to a group savings insurance plan of which the Company is the policy holder and beneficiary, quantified based on a certain percentage of each senior manager's total cash remuneration. Contributions made in the first six months of 2021 amounted to EUR 2,169 thousand.

Notes 6.6 and 6.7 to the consolidated annual accounts at 31 December 2020 describe in detail the remuneration of the Board of Directors and senior managers, as well as the functioning of the share-based remuneration schemes.

15. Events after the reporting date

Within the divestment process of Ferrovial's Services business, the company has reached an agreement with PreZero International GmbH (Group Schwarz) for the sale of the environmental activity in Spain and Portugal. The transaction, which includes the sale of environmental business, and waste collection, treatment and recycling, has been agreed at an EV of EUR1,133mn, which includes an implied equity value (based on 31 December 2020 Balance Sheet) EUR950mn and debt & equivalents adjustment.

As is usual in this type of transactions, the transaction closing is subject to its approval by Competition authorities and the final price will be adjusted depending on net debt and the working capital evolution of the company as of the transaction closing date (Completion Accounts). We expect the transaction to close during 2H 2021.

The estimated, post-tax capital gains, based on the business' Book Value as of December 31st 2020, is approximately EUR317mn. Of these capital gains, EUR70mn is already included in the 1H 2021 results, as the results generated in the period by this business have been included in the Discontinued Operations line (without including amortization, in accordance with IFRS5).

16. Appendices

Appendix I. Segment reporting

Consolidated income statement as at 30 June 2021.

(Millions of euros)	CONSTRUCTION	TOLL ROADS	AIRPORTS	SERVICES	OTHER SEGMENTS	ADJUSTMENTS FOR DISCONTINUED OPERATIONS	ADJUSTMENTS	TOTAL
Revenue	2,710	236	4	2,706	75	-2,690	-77	2,965
Other operating income	0	0	0	6	0	-6	0	0
Total operating income	**2,710**	**236**	**4**	**2,712**	**75**	**-2,695**	**-77**	**2,965**
Materials consumed	466	1	0	149	15	-149	0	482
Other operating expenses	1,637	51	11	1,284	43	-1,283	-77	1,665
Staff costs	495	23	3	1,057	44	-1,056	0	567
Total operating expenses	**2,599**	**75**	**13**	**2,490**	**102**	**-2,488**	**-77**	**2,714**
EBITDA	**112**	**161**	**-9**	**222**	**-27**	**-207**	**0**	**251**
Fixed asset depreciation	46	57	1	92	4	-83	0	116
Operating profit/(loss) before impairment and disposal of fixed assets	**66**	**105**	**-10**	**130**	**-31**	**-125**	**0**	**135**
Impairment and disposal of fixed assets	17	0	0	-1	0	1	0	17
Operating profit/(loss)	**83**	**105**	**-10**	**129**	**-31**	**-124**	**0**	**152**
Net financial income/(expense) from financing	-4	-95	-1	-6	-3	3	0	-106
Profit/(loss) on derivatives and other net financial income/(expense)	0	-49	0	-1	0	1	0	-49
Net financial income/(expense), infrastructure projects	**-4**	**-144**	**-1**	**-7**	**-3**	**4**	**0**	**-155**
Net financial income/(expense) from financing	1	4	0	-1	-29	2	1	-22
Profit/(loss) on derivatives and other net financial income/(expense)	-9	0	1	-10	12	10	-1	2
Net financial income/(expense) from other ex-infrastructure project companies	**-8**	**4**	**1**	**-11**	**-18**	**12**	**0**	**-20**
Net financial income/(expense)	**-12**	**-140**	**-1**	**-19**	**-21**	**17**	**0**	**-175**
Share of profits of equity-accounted companies	0	13	-255	9	-3	-9	0	-245
Consolidated profit/(loss) before tax	**71**	**-22**	**-266**	**119**	**-54**	**-116**	**0**	**-268**
Corporate income tax	-21	0	0	-31	-8	31	0	-30
Consolidated profit/(loss) from continuing operations	**49**	**-22**	**-267**	**88**	**-62**	**-85**	**0**	**-298**
Net profit/(loss) from discontinued operations	115	0	0	0	0	93	0	208
Consolidated profit/(loss) for the year	**164**	**-22**	**-267**	**88**	**-62**	**8**	**0**	**-90**
Profit/(loss) for the year attributed to non-controlling interests	-79	-7	0	-1	0	0	0	-87
Profit/(loss) for the year attributed to the parent company	**85**	**-30**	**-267**	**87**	**-61**	**8**	**0**	**-177**

Consolidated income statement as at 30 June 2020 (*).

(Millions of euros)	CONSTRUCTION	TOLL ROADS	AIRPORTS	SERVICES	OTHER SEGMENTS	ADJUSTMENTS FOR DISCONTINUED OPERATIONS	ADJUSTMENTS	TOTAL
Revenue	2,619	227	4	3,279	105	-3,235	-62	2,937
Other operating income	1	0	0	1	0	-1	0	1
Total operating income	**2,620**	**227**	**4**	**3,280**	**105**	**-3,236**	**-62**	**2,938**
Materials consumed	444	1	0	223	12	-218	0	462
Other operating expenses	1,670	45	9	1,446	97	-1,438	-62	1,767
Staff costs	479	29	4	1,464	43	-1,445	0	574
Total operating expenses	**2,592**	**75**	**13**	**3,133**	**153**	**-3,101**	**-62**	**2,803**
EBITDA	**28**	**152**	**-8**	**146**	**-48**	**-135**	**0**	**136**
Fixed asset depreciation	47	42	1	130	11	-121	0	109
Operating profit/(loss) before impairment and disposal of fixed assets	**-19**	**110**	**-10**	**16**	**-58**	**-13**	**0**	**27**
Impairment and disposal of fixed assets	0	0	0	-5	-20	5	0	-20
Operating profit/(loss)	**-19**	**110**	**-10**	**12**	**-78**	**-9**	**0**	**7**
Net financial income/(expense) from financing	-4	-111	-1	-7	-2	4	0	-121
Profit/(loss) on derivatives and other net financial income/(expense)	-1	-10	0	-1	0	1	1	-10
Net financial income/(expense), infrastructure projects	**-5**	**-121**	**-2**	**-8**	**-2**	**5**	**1**	**-132**
Net financial income/(expense) from financing	11	15	0	-9	-22	10	0	5
Profit/(loss) on derivatives and other net financial income/(expense)	-7	10	4	-15	-6	16	-1	0
Net financial income/(expense) from other companies	**3**	**25**	**4**	**-25**	**-27**	**26**	**-1**	**5**
Net financial income/(expense)	**-2**	**-95**	**2**	**-33**	**-29**	**31**	**0**	**-127**
Share of profits of equity-accounted companies	0	27	-253	7	0	-7	0	-226
Consolidated profit/(loss) before tax	**-21**	**42**	**-261**	**-15**	**-108**	**16**	**0**	**-346**
Corporate income tax	-9	-28	2	-2	39	2	0	3
Consolidated profit/(loss) from continuing operations	**-30**	**14**	**-259**	**-16**	**-69**	**17**	**0**	**-343**
Net profit/(loss) from discontinued operations	11	0	0	0	-1	-44	0	-34
Consolidated profit/(loss) for the year	**-19**	**14**	**-259**	**-16**	**-70**	**-27**	**0**	**-377**
Profit/(loss) for the year attributed to non-controlling interests	**-4**	**-3**	**0**	**0**	**1**	**0**	**0**	**-7**
Profit/(loss) for the year attributed to the parent company	**-23**	**10**	**-259**	**-17**	**-69**	**-27**	**0**	**-384**

(*) Restated figures

Appendix II. Selected Individual Financial Information

a) Basis of presentation

Accounting legislation applied
The selected individual financial information set out below has been prepared in accordance with regulatory framework set forth in:

- The Spanish Chart of Accounts approved by Royal Decree 1514/2007 and its subsequent modifications.
- Spanish Securities Market Act, Royal Decree 1362/2007, Royal Decree 878/2015 and the Spanish Stock Market Commission Circular 3 dated 28 June 2018.

This individual financial information selected does not therefore include all the information that some full interim individual financial statements would require, prepared in line with the generally accepted accounting principles and standards. In particular, the selected individual financial information has the necessary content to comply with the financial information requirements laid down in the standard four of Circular 3/2018, which allows the issuer, when required to prepare interim consolidated financial information, to only complete the relevant individual information that will allow a suitable understanding of the six-monthly report.

The selected individual financial information must therefore be read together with the Company's annual accounts for the year ended at 31 December 2020 and the interim condensed consolidated financial statements for the six-month period ended 30 June 2021.

b) Selected Interim Financial Information

b.1. Balance sheet at 30 June 2021 and 31 December 2020

ASSETS (Millions of euros)	30/6/2021	31/12/2020
NON-CURRENT ASSETS	**8,737**	**8,336**
Long-term investments in Group companies and associates	8,600	8,200
Equity instruments	8,600	8,200
Other non-current assets	1	1
Long-term financial derivatives	3	0
Deferred tax assets	133	135
CURRENT ASSETS	**322**	**1,101**
Financial assets held for sale	4	4
Receivables	112	135
Trade receivables	0	0
Receivables, Group companies and associates	31	50
Current tax assets	29	36
Public administrations	52	49
Short-term investments in Group companies and associates	94	311
Short-term prepayments and accrued income	3	1
Cash and cash equivalents	109	650
TOTAL ASSETS	**9,059**	**9,437**

LIABILITIES (Millions of euros)	30/6/2021	31/12/2020
EQUITY	**4,321**	**4,437**
Shareholders' funds	4,311	4,434
Share capital	148	147
Share and merger premium	567	647
Reserves	3,707	3,630
Legal reserve	30	30
Reserves subject to but exempt from Articles 21 and 22 of the Spanish Companies Act (SCA)	2,342	2,355
Other reserves	1,335	1,245
Treasury shares and own equity interests	-93	-13
Prior-year profit/(loss)	4	0
Profit/(loss) for the year	-22	23
Measurement adjustments	10	3
NON-CURRENT LIABILITIES	**3,072**	**3,324**
Long-term provisions	168	166
Long-term payables	97	356
Bank borrowings	62	284
Derivatives	35	72
Long-term payables to Group companies and associates (Note 8)	2,778	2,773
Deferred tax liabilities	29	29
CURRENT LIABILITIES	**1,666**	**1,676**
Short-term provisions	1	1
Short-term payables	698	1,091
Debentures and bonds	450	1,091
Bank borrowings and other financial liabilities	229	0
Derivatives	19	0
Short-term payables to Group companies and associates	936	548
Trade and other payables	31	36
Short-term prepayments and accrued income	0	0
TOTAL LIABILITIES	**9,059**	**9,437**

b.2. Income statements for the six-month periods ended 30 June 2021 and 30 June 2020

Millions of euros	30/6/2021	30/6/2020
Revenue (Note b.5.i)	**17**	**26**
Dividends received from subsidiaries	1	1
Services rendered	13	20
Other returns received from subsidiaries	3	4
Staff costs (Note b.5.ii)	-13	-16
Other operating expenses	-7	-57
OPERATING PROFIT/(LOSS)	**-3**	**-47**
Financial income	1	4
Financial expenses	-31	-32
Change in fair value of financial instruments	6	11
Foreign exchange differences	0	1
Impairment and profit/(loss) on disposals of financial instruments	0	0
NET FINANCIAL INCOME/(EXPENSE)	**-24**	**-16**
PROFIT/(LOSS) BEFORE TAX	**-27**	**-64**
Corporate income tax	5	16
PROFIT/(LOSS) FOR THE YEAR	**-22**	**-47**

b.3. Statement of changes in equity for the six-month periods ended 30 June 2021 and 30 June 2020

b.3.i) Statement of recognised income and expense for the six-month periods ended 30 June 2021 and 30 June 2020

(Millions of euros)	2021	2020
Total profit/(loss) for the year	**-22**	**-47**
Income and expense attributed to equity	**6**	**0**
On cash flow hedges	9	0
Tax effect	-2	0
Transfer to income statement	**0**	**0**
On cash flow hedges	0	0
Tax effect	0	0
Total recognised income and expenses	**-16**	**-47**

b.3.ii) Total statement of changes in equity for the six-month periods ended 30 June 2021 and 30 June 2020

(Thousands of euros)	SHARE CAPITAL	SHARE/MERGER PREMIUM	RESERVES	TREASURY SHARES	PROFIT/(LOSS) FOR THE YEAR	MEASUREMENT ADJUSTMENTS	TOTAL
Balance at 01/01/2021	**147**	**647**	**3,630**	**-13**	**23**	**3**	**4,437**
Total recognised income and expenses			**0**		**-22**	**6**	**-16**
Shareholder remuneration	**1**	**-80**	**67**	**-80**	**0**	**0**	**-92**
Scrip dividend agreement	1		-13				-12
Treasury share transactions		-80	80	-80			-80
Other transactions	**0**	**0**	**13**	**0**	**-23**	**0**	**-10**
Distribution of profit/(loss)			23		-23		0
Share-based remuneration scheme			-10				-10
Balance at 30/06/2021	**148**	**567**	**3,711**	**-93**	**-22**	**9**	**4,321**

(Thousands of euros)	SHARE CAPITAL	SHARE/MERGER PREMIUM	RESERVES	TREASURY SHARES	PROFIT/(LOSS) FOR THE YEAR	MEASUREMENT ADJUSTMENTS	TOTAL
Balance at 01/01/2020	**147**	**995**	**3,036**	**-75**	**672**	**0**	**4,775**
Total recognised income and expenses	**0**	**0**	**0**	**0**	**-47**	**0**	**-47**
Shareholder remuneration	**1**	**-169**	**74**	**-74**	**0**	**0**	**-168**
Scrip dividend agreement	1	-95	0	0	0	0	-93
Treasury share transactions	0	-74	74	-74	0	0	-74
Other transactions	**0**	**0**	**656**	**0**	**-672**	**0**	**-16**
Distribution of profit/(loss)	0	0	672	0	-672	0	0
Share-based remuneration scheme	0	0	-16	0	0	0	-16
Balance at 30/06/2020	**148**	**826**	**3,767**	**-149**	**-47**	**0**	**4,545**

b.4. Cash flow statement for the six-month periods ended 30 June 2021 and 30 June 2020

(Millions of euros)	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES	**-36**	**-45**
Profit/(loss) before tax	**-27**	**-64**
Profit/(loss) adjustments:	**21**	**53**
Fixed asset depreciation/provisions	0	0
Other adjustments to profit/loss (net)	21	53
Changes in working capital	**-2**	**-10**
Other cash flows from operating activities:	**-28**	**-24**
Interest payments	-41	-30
Interest receipts	1	1
Income tax receipts/(payments) and tax consolidation	12	5
CASH FLOWS FROM INVESTING ACTIVITIES	**-400**	**41**
Payments on investments:	**-400**	**0**
Group companies, associates and business units	-400	0
Other financial assets	0	0
Receipts from divestments:	**0**	**41**
Group companies, associates and business units	0	41
Other financial assets	0	0
CASH FLOWS FROM FINANCING ACTIVITIES	**-106**	**930**
Receipts and (payments) from financial liability instruments:	**-15**	**1,078**
Change in Group company cash pooling accounts	625	-52
Issuance, repayment and redemption	-641	1,130
Payments of dividends and returns on other equity instruments	**-92**	**-168**
Scrip dividend	-12	-93
Treasury share purchases	-80	-75
Receipts and (payments) on equity instruments:	**1**	**20**
Effect of foreign exchange fluctuations	0	-4
Net increase/(decrease) in cash and cash equivalents	**-541**	**922**
Cash and cash equivalents at beginning of the year	**650**	**77**
Cash and cash equivalents at end of the year	**109**	**999**

b.5. Explanatory notes on the Selected Interim Financial Information

b.5.i) Revenue:

In line with the approach set out in consultation report 5 in Official Gazette 79 of the Spanish Institute of Accounting and Auditing, revenue includes provisions of services, dividends received and interest accrued on financing granted to the Company's investees. The revenue breakdown by geographic area is as follows:

(Millions of euros)	30/06/2021	30/06/2020
Internal market	16	23
Euro area	1	2
Non-Euro area	0	1
TOTAL	17	**26**

b.5.iii) Personnel:

The Company's average headcount during the periods ended 30 June 2021 and 30 June 2020 is as follows:

	30/06/2021	30/06/2020
Men	47	48
Women	28	28
TOTAL	75	**76**

BOARD APPROVAL

The foregoing pages contain the consolidated condensed financial statements of Ferrovial, S.A. and its subsidiaries for the six-month period ended 30 June 2021, which were approved by the Board of Directors of the Company at its meeting held in Madrid on 27 July 2021 pursuant to article 119 of the consolidated text of the Spanish Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October, and other applicable regulations (such as rule fourth.2 of the Circular 3/2018 of the CNMV), and which the Directors attending in person sign below.

Mr. Rafael del Pino y Calvo-Sotelo Chairman	Mr. Óscar Fanjul Martín Vice-Chairman
Mr. Ignacio Madridejos Fernández Chief Executive Officer	Ms. María del Pino y Calvo-Sotelo Director
Mr. José Fernando Sánchez-Junco Mans Director	Mr. Philip Bowman Director
Ms. Hanne Birgitte Breinbjerg Sørensen Director	Mr. Bruno Di Leo Director
Mr. Juan Hoyos Martínez de Irujo Director	Mr. Gonzalo Urquijo Fernández de Araoz Director
Ms. Hildegard Wortmann Director	Ms. Alicia Reyes Revuelta Director

The Secretary of the Board of Directors states for the record that the Directors Ms. María del Pino y Calvo-Sotelo and Mr. Philip Bowman have not signed this document because they attended the meeting of the Board of Directors held on 27 July 2021 remotely by technical means. These Directors voted in favor of the approval of the consolidated condensed financial statements of Ferrovial, S.A. and its subsidiaries for the first six-month period of 2021.

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Mr. Santiago Ortiz Vaamonde

Secretary to the Board of Directors

Report on Limited Review

FERROVIAL, S.A. and subsidiaries
Interim Condensed Consolidated Financial Statements and Interim Management Report for the six months period ended June 30, 2021

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REPORT ON LIMITED REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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. at the request of Management:

Report on the Interim Condensed Consolidated Financial Statements

Introduction

We have carried out a limited review of the accompanying interim condensed consolidated financial statements (hereinafter the interim financial statements) of FERROVIAL, S.A. (hereinafter the parent) and subsidiaries (hereinafter the Group), which comprise the condensed consolidated statement of financial position as of June 30, 2021, and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and the explanatory notes for the six months period then ended. The parent's directors are responsible for the preparation of said Interim financial statements in accordance with the requirements established by IAS 34, "Interim Financial Reporting", adopted by the European Union for the preparation of interim condensed financial reporting in conformity with article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of review

We have performed our limited review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Reporting Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making enquiries, primarily of personnel responsible f or financial and accounting matters and applying analytical and other review procedures. A limited review is substantially less in scope than an audit carried out in accordance with regulations on the auditing of accounts in force in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

During the course of our limited review, which under no circumstances can be considered an audit of accounts, no matter came to our attention which would lead us to conclude that the accompanying interim financial statements for the six months period ended June 30, 2021 have not been prepared, in all material respects, in accordance with the requirements established by International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union in conformity with article 12 of Royal Decree 1362/2007 for the preparation of interim condensed consolidated financial statements.

Domicilio Social: C/Raimundo Fernández Villaverde, 65. 28003 Madrid -Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª, Madrid 9 de Marzo de 1.989. A member firm of Ernst & Young Global Limited.

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Emphasis paragraph

We draw attention to the matter described in the accompanying explanatory Note 3 in the interim financial statements, which indicates that the abovementioned accompanying interim financial statements do not include all the information that would be required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union. Therefore, the accompanying interim condensed consolidated financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2020. This matter does not qualify our conclusion.

Report on other legal and regulatory reporting requirements

The accompanying interim consolidated management report for the six months period ended June 30, 2021 contains such explanations as the parent's directors consider necessary regarding significant events which occurred during this period and their effect on these interim financial statements, of which it is not an integral part, as well as on the information required in conformity with article 15 of Royal Decree 1362/2007. We have checked that the accounting information included in the abovementioned report agrees with the interim condensed consolidated financial statements for the six months period ended on June 30, 2021. Our work is limited to verifying the interim consolidated management report in accordance with the scope described in this paragraph and does not include the review of information other than that obtained from the accounting records of FERROVIAL, S.A. and its subsidiaries.

Paragraph on other issues

This report has been prepared at the request of Management with regard to the publication of the semi-annual financial report required by article 119 of Royal Legislative Decree 4/2015, of October 23.

ERNST & YOUNG, S.L.

(Signed in the original version)

Francisco Rahola Carral

July 27, 2021