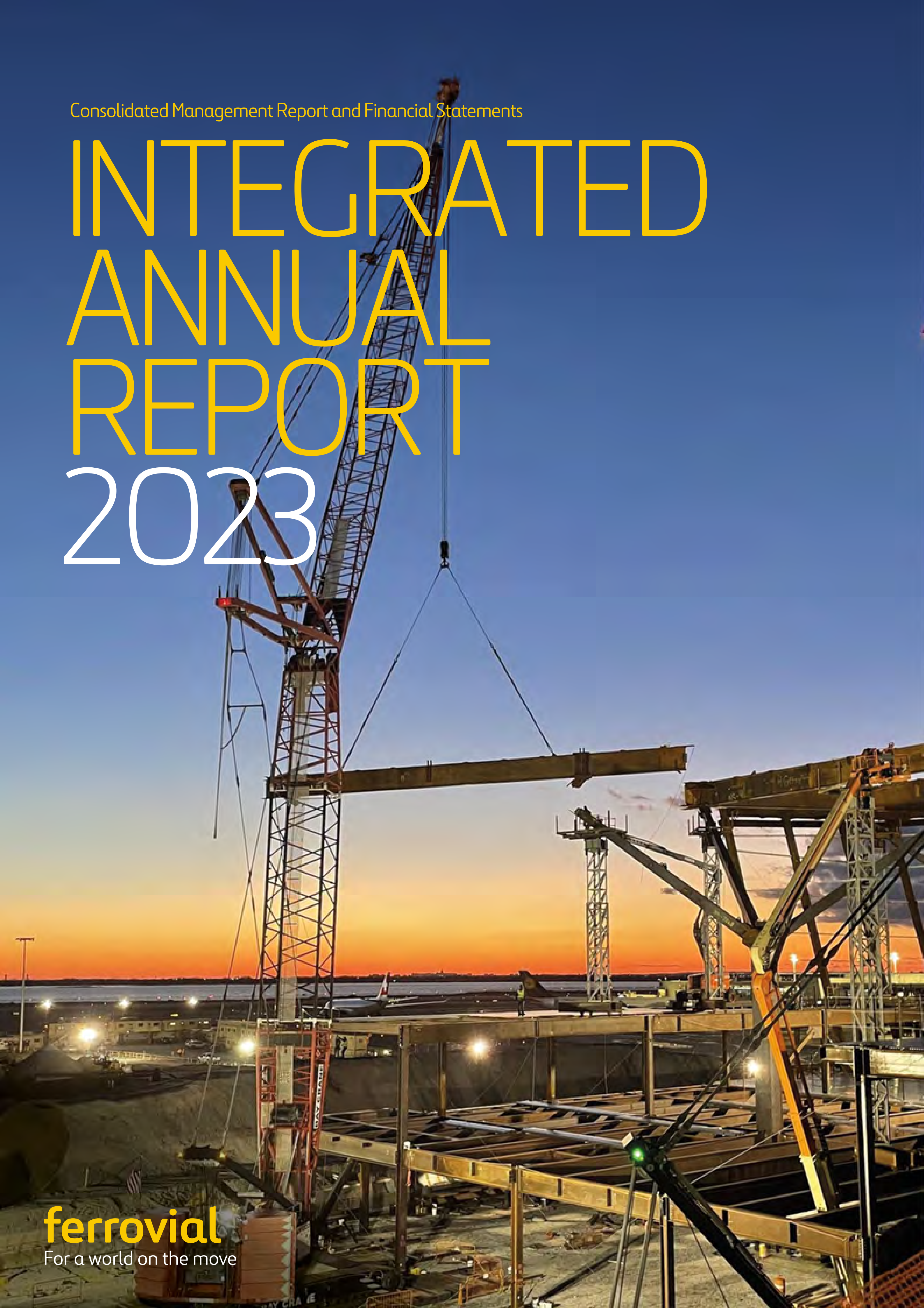
Consolidated Management Report and Financial Statements

INTEGRATED ANNUAL REPORT 2023



ferrovial

For a world on the move

The Report

Management Report

The following section and chapters form the Management Report within the meaning of the article 2:391 of the Dutch Civil Code:

- Letter from the Chairman.
- 1. In two minutes, comprising key figures of the company in 2023 and company's business model.
- 2. Value Creation, including strategy and a description of businesses performance information.
- 3. Ferrovial in 2023, including our financial and ESG performance.
- 4. Corporate Governance, including the Corporate Governance Report with a subsection about diversity, ethical and responsible management and Risks section but excluding the Remuneration Report.
- 5. Appendix, including the Alternative Performance Measures and the detail of other non-financial frameworks, excluding the Assurance Report of the independent auditor.

The Management Report has been prepared by the Board of Directors on February 27, 2024.

Remuneration Report

The Remuneration Report within the meaning or article 2:135b of the Dutch Civil Code (and the Dutch corporate governance code) is included on the pages 196 to 227 and has been prepared by the Board of Directors on February 27, 2024.

Consolidated Financial Statements

The Consolidated Financial Statements, covering pages 346 to 451, have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code and EU-IFRS, by the Board of Directors on February 27, 2024.

Separate Financial Statements

The Separate Financial Statements, covering pages 452 to 479, have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, by the Board of Directors on February 27, 2024.

Other Information

For the "Other Information" within the meaning of the Article 3:392 of the Dutch Civil Code, please refer to page 480. This section includes the independent auditor's report and a representation of the provisions in the articles of association on profit appropriation.

Non -financial information

This Integrated Annual Report has also been prepared in accordance with the requirements of Dutch and Spanish laws. It complies with the following requirements on non-financial information:

- EU Directive 2014/95/EU on non-financial information implemented through the Besluit bekendmaking niet-financiële informatie (Dutch law) and the 11/2018 law on non-financial information and diversity (Spanish law).
- Regulation (EU) 2020/852 and the Delegated Regulations that complement it (Taxonomy Regulation), by including Eligibility figures for the six environmental objectives, Alignment figures for climate objectives and qualitative information about Accounting policy, Assessment of compliance with Regulation (EU) 2020/852 and contextual information.

Also during the development of the Integrated Annual Report the following standards and frameworks have been taken into consideration:

- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) including information relating to governance, strategy, risk management and indicators and objectives related to climate change.
- GRI Sustainability Reporting Standards of the Global Reporting Initiative (GRI).
- Sectoral indicators of the Sustainability Accounting Standards Board (SASB).

Ferrovial's consideration of the principles related to the content of the Report, such as materiality, stakeholder engagement, Taxonomy and Sustainability Strategy, are described in the Appendix.

Limited assurance on the selected sustainability information

Ferrovial has engaged EY to perform a limited assurance engagement on selected sustainability information in this integrated annual report. The selected sustainability information in the scope of the assurance engagement consists of the sustainability information included and referred to in the tables in appendixes Non-financial information and diversity reference table (Dutch Law) and Contents of Non-Financial Information Statements (Spanish Law) of the integrated annual report 2023. Refer to pages 342-344 for the limited assurance report of the independent auditor on the selected sustainability information.

This document is the PDF/printed version of Ferrovial's Integrated Annual Report 2023, and has been prepared for ease of use. The Integrated Annual Report 2023 was made publicly available pursuant to section 5:25c of the Dutch Financial Supervision Act (Wet op het financieel toezicht), and was filed with Netherlands Authority for the Financial Markets in European single electronic reporting format (the ESEF package). The ESEF package is available on the company's website at https://www.ferrovial.com and includes a human readable XHTML version of the Integrated Annual Report 2023. In any case of discrepancies between this PDF version and the ESEF package, the latter prevails.

Cover photo: New Terminal One. JFK Airport. New York, U.S.

Ferrovial SE is a company existing under the laws of the Netherlands. Its legal form is a European public liability company. The corporate seat of the company is in the Netherlands. The company is registered in the Dutch Commercial Register of the Chamber of Commerce.

The company was originally incorporated as a public limited company under the laws of England and Wales and converted to a European public limited liability company under the laws of England and Wales on 13 December 2018. On 26 of March 2019, the company transferred its registered office to Netherlands. Ferrovial became the parent company of the Ferrovial group, as a result of the reverse cross-border merger between the former parent company, renamed Ferrovial SE when the merger was effective. By means of the Merger, which became effective on 16 June 2023, the Company acquired all Ferrovial, S.A.'s assets and liabilities of under universal title.

The divestment of the Services businesses that were in the process of being sold was completed in 2022. The remaining non-divested Services businesses have been reported under the Ferrovial Energy Infrastructures and Mobility business line. However, as explained throughout the report, a partial reorganization was approved in January 2024 whereby the Energy Solutions business line, which is currently part of the Construction Division, and the Energy Infrastructures business line, which until January 2024 was part of the Energy Infrastructures and Mobility Division, will be merged. The resulting Business Division is called Ferrovial Energy. From now on, the mobility business line and the rest of the services businesses, which until then formed part of the Energy Infrastructures and Mobility Business Division, will be managed separately.

The non-financial information for the 2022 financial year includes in the perimeter the companies of the Services division over which Ferrovial had operational control during the previous financial year to report on all aspects and impacts of the business.

In relation to the scope of consolidation, during 2023 an agreement was reached to sell 89.2% of the Azores toll road in Portugal to Horizon and RiverRock infrastructure funds. The sale resulted in a pre-tax capital gain of 39 million euros for Ferrovial.


LETTER FROM
THE CHAIRMAN


1.
IN TWO
MINUTES


2.
VALUE
CREATION


3.
FERROVIAL
IN 2023


4.
CORPORATE
GOVERNANCE


ferrovial
for a world on the
5.
APPENDIX


6.
CONSOLIDATED
FINANCIAL
STATEMENTS


7.
SEPARATE
FINANCIAL
STATEMENTS


8.
OTHER
INFORMATION

MANAGEMENT REPORT

Rafael de Pino
Chairman

Fellow shareholder:

Ferrovial delivered strong results in 2023. All assets showed significant traffic growth. Toll roads in US achieved a remarkable performance. IRB in India secured major project awards. Airports recorded an increase in traffic during 2023 across the portfolio, with Heathrow surpassing 79 million passengers.

Revenue increased 12.8% to 8,514 M€, accompanied by a significant rise in Adjusted EBITDA to 991 M€, marking a growth of 36.1% compared to 2022. Net profit totaled 460 M€.

Construction has seen a growth in revenue in 2023, completing I-66 in Virginia and NTE 3C in Dallas. The order book closed at 15,632 M€, a record high.

The year has also been dynamic in investments with a total of 454 M€ allocated. This includes 214 M€ in equity invested in the New Terminal One at JFK airport in New York, 53 M€ in the I-66 and 35 M€ in the NTE 3C.

In 2023, the company received 741 M€ dividends from its infrastructure projects, with 407 ETR contributing 281 M€ and the US Express Lanes, 397 M€. Ferrovial achieved a Consolidated Net Debt of ex-infrastructure project companies of -1,121 M€.

Shareholder remuneration, encompassing dividends, share buybacks, share redemptions, and discretionary treasury stock, amounted to 250 M€. The company's stock appreciated by 34.9% in 2023, surpassing the 22.9% gain of the IBEX 35 index.

In June, the reverse cross-border merger became effective, with Ferrovial International SE absorbing the parent company and successfully achieving the objective of being listed on Euronext Amsterdam, which facilitated simultaneous trading in Spain and the Netherlands. This dual listing represents a significant landmark in our internationalization strategy, as outlined by the Board of Directors in late February and overwhelmingly endorsed by shareholders at the April 2023 General Shareholders Meeting. Additionally, the company has started the regulatory review process to be listed on Nasdaq in the United States.

The company continues to make progress in the decarbonization of its activities. The reduction of emissions (Scope 1&2) in absolute terms was of 29% compared to last year, and we continue committed to achieve carbon neutrality by 2050.

Ensuring the safety and well-being of our employees remains a top priority, and we spare no effort in this endeavor. In this regard, the serious injuries and fatalities frequency rate down by 20.3%. However, our aspiration is zero fatalities and, although closer, we are still not there yet.

Ferrovial's commitment to maintaining the highest environmental, social, and governance standards is endorsed by its inclusion in the Dow Jones Sustainability Index for the 22nd consecutive year. Furthermore, we maintain our position in indices such as FTSE4Good, CDP, Sustainalytics, MSCI, Moody's, ISS ESG, and Bloomberg Gender Equality.

Once again, I would like to thank Ferrovial's employees across our organization for their hard work and dedication. Without their contribution the continued performance of our company would not have been possible. I also extend my gratitude to our investors, shareholders, clients, and other stakeholders for their unwavering support, which is instrumental in achieving Ferrovial's goal of creating value for society.

Rafael del Pino

1.
IN TWO MINUTES

Key figures

2023 Milestones

Main markets

Ferrovial on the Stock Market

Business Model

KEY FIGURES 2023

TOTAL LIQUIDITY* (M€)

5,387

ex-infrastructure. Includes undrawn credit lines (€788 million)

CONSOLIDATED NET DEBT* (M€)

-1,121

ex-infrastructure project companies.

*More information on Alternative Performance Measures section, page 262.

REVENUES (M€)

8,514
2023

7,551
2022*

+12.8%
compared to 2022

* Figures excluding Services, classified as discontinued operations.

CONSTRUCTION ORDER BOOK (M€)

15,632

+6.0%

SERIOUS INJURIES AND FATALITIES FREQUENCY RATE(1)

-20.3%

compared to 2022

(1) SIF -FR= no. (serious accidents + fatalities)*1,000,000/no. hours worked. Includes employees and contractors.

CO_2 EMISSION INTENSITY Scope 1&2 tCO_2 eq/M€

43.26

CO_2 EMISSIONS Scope 1&2 tCO_2 eq

-45.6%

in absolute terms compared to 2009

TOTAL TAXES* (M€)

1,027

*Supported, paid and collected in 2023

BENEFICIARIES OF SOCIAL PROJECTS*

212,627

of beneficiaries of Stronger Together, Social Infrastructure and other programs.

*Direct beneficiaries of social programs according to the B4SI - LBG methodology

WORKFORCE AT YEAR-END*

24,799

*as of December 31, 2023

2023 MILESTONES

JANUARY

- Contract award of the new Microsoft Data Center in Spain.
- Ferrovial rated as "Top-Rated ESG company" by Sustainalytics.
- Contract award of two water contracts in Texas (USA) for 166 M$.

FEBRUARY

- The new Terminal 1 at JFK Airport, USA, P3 project of the year according to Project Finance International.
- Agreement with RWE on offshore wind energy projects in Spain.
- Bloomberg Gender-Equality Index (GEI) selects Ferrovial.

MARCH

- Contract award of two photovoltaic power projects in Andalusia, Spain, for 75 M€.
- Signing of the company's social programs in the amount of 600,000 euro and 52,000 people benefited.

APRIL

- Launch of a pioneering generative artificial intelligence assistant for employees.
- Support of the Shareholders' Meeting (93.3%) for the corporate reorganization.
- Awarded a 2.1 million euro contract for a floating photovoltaic plant in Madrid, Spain.

MAY

- Contract award of three toll road expansion contracts in Texas (USA) for 265 M$.
- 42 million euro contract award of the lighting management of Santiago de Compostela, Spain.
- HCCA (Construction Contractors Association) top infrastructure award for I-66 in Virginia (USA).

JUNE

- Start of listing of Ferrovial SE on Euronext Amsterdam.
- Sale of the stake in the Azores toll road for more than 43 million euros.
- Inauguration of section 3C of NTE 35W in Texas (USA) with an investment of 1 billion USD.

JULY

- Contract award for the construction of a viaduct for a railroad over the Ebro River, Spain, for 58.8 million euro.
- Contract award for the extension of Line 8 of FGC (Ferrocarriles de la Generalidad de Catalunya) in Barcelona, Spain, for 300 million euro.
- Top Wellbeing Company Award for its health and wellbeing program.

AUGUST

- Ferrovial closes 400 million dollar in financing for the improvement of the NTE Toll Road in Texas (USA) to the I-66 in Virginia (USA).

SEPTEMBER

- Top Employer 2023 recognition as one of the best companies to work for in Spain.
- Contract award of the new high-speed railway line in Latvia for 3.7 billion euro.
- Inauguration of the runway extension at Southampton airport, United Kingdom, for £15 million.

OCTOBER

- Aberdeen Airport, United Kingdom, awarded with "UK Transport Hub of the year".
- Award of the 540.4 million euro contract for the underground construction of the R2 commuter train line in Barcelona, Spain.
- British Construction Industry Award to the Silvertown Tunnel in London, UK.
- Ferrovial certified "Top 50 Diversity Company" by Intrama in Spain.

NOVEMBER

- Potencia 2023 award in the 'roads' category to the I-66 Toll Road in Virginia (USA).
- Vocento Award for the company's results.

DECEMBER

- Presence in the Dow Jones Sustainability Index for the 22nd consecutive year.
- Ferrovial Construction obtains the EcoVadis Gold Medal.
- Highest rating "A" in CDP Climate and CDP Water.

MAIN MARKETS

LATIN AMERICA

461 M€
REVENUES

-15 M€
ADJUSTED EBITDA*

5,191
WORKFORCE

POLAND

2,160 M€
REVENUES

207 M€
ADJUSTED EBITDA*

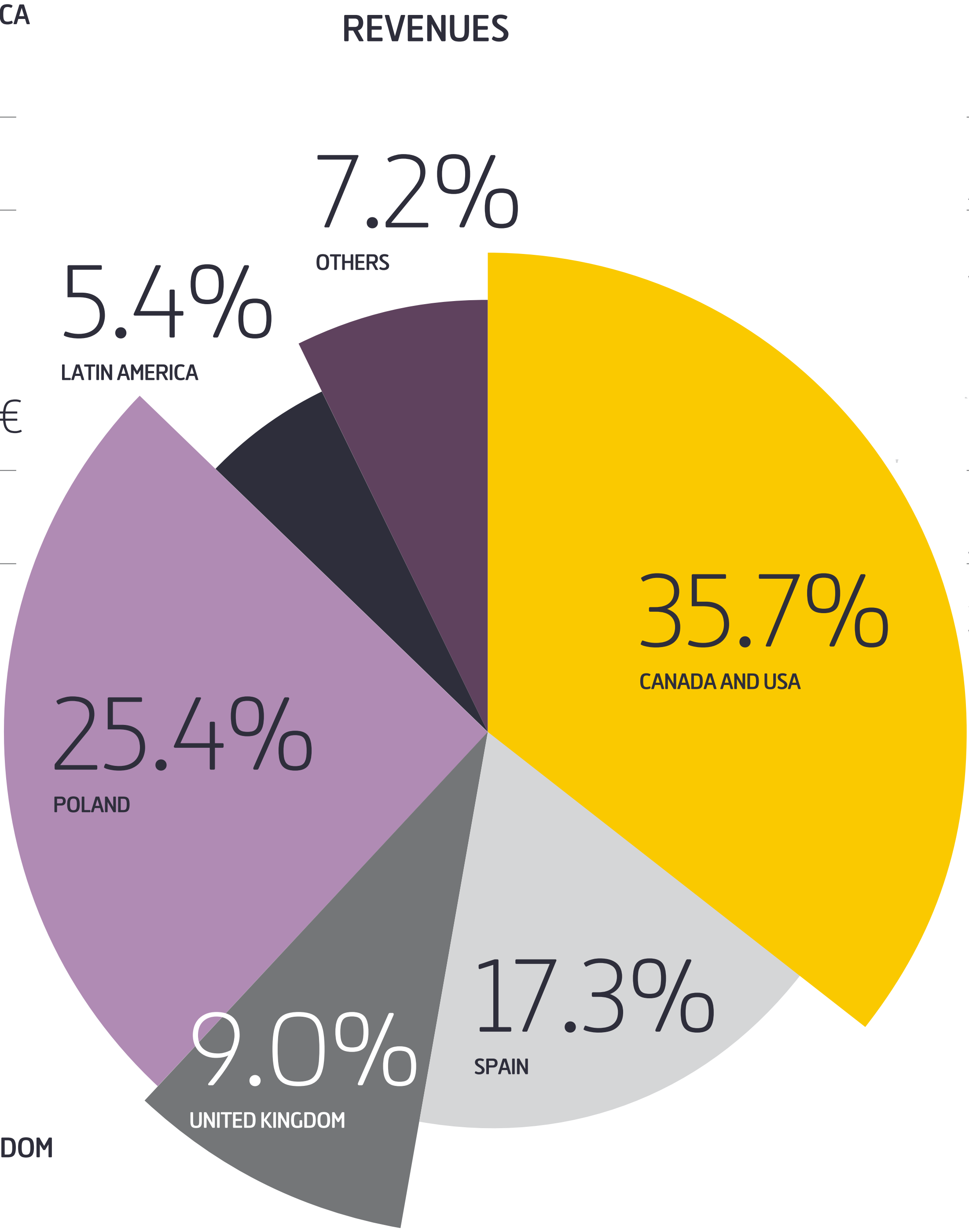
6,349
WORKFORCE

UNITED KINGDOM

771 M€
REVENUES

8 M€
ADJUSTED EBITDA*

1,140
WORKFORCE



CANADA

161 M€
REVENUES

8 M€
ADJUSTED EBITDA*

553
WORKFORCE

USA

2,879 M€
REVENUES

592 M€
ADJUSTED EBITDA*

4,817
WORKFORCE

SPAIN

1,475 M€
REVENUES

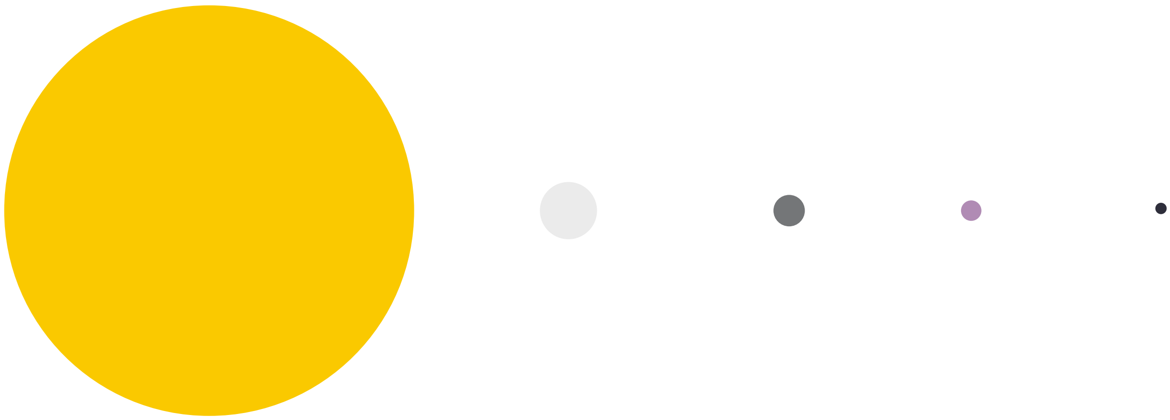
141 M€
ADJUSTED EBITDA*

5,829
WORKFORCE

*More information on the Alternative Performance Measures section

ANALYSTS' VALUATION*

**Analysts' consensus valuation as of December 2023. Refers to sell-side research analysts covering Ferrovial who share their sum of the parts. The consensus refers to the average of the analysts valuation per country.*



81%
USA & CANADA

10%
UNITED KINGDOM

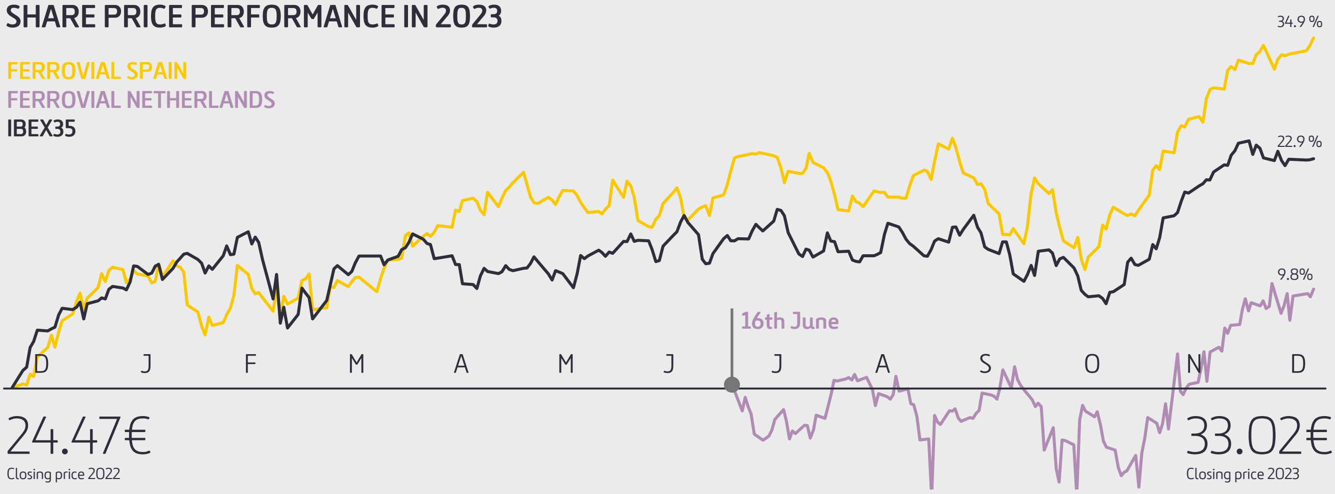
5%
POLAND

3%
SPAIN

1%
REST OF THE WORLD

FERROVIAL ON THE STOCK MARKET

SHARE PRICE PERFORMANCE IN 2023



Ferrovial was listed on EURONEXT AMSTERDAM on June 16th, 2023.

HISTORICAL STOCK DATA

	2023	2022	2021
CLOSING PRICE (€)	33.02	24.47	27.56
MAX. (€)	33.02	27.72	27.75
MIN. (€)	24.53	22.82	19.81
VWAP (€)	28.71	24.77	24.15
AVERAGE DAILY CASH (M €)	30.27	30.02	32.48
AVERAGE DAILY VOLUME (M ACC)	1.06	1.21	1.35
NUMBER OF SHARES (M ACC)	740,688	727,443	733,602
MARKET CAPITALIZATION (M€)	24,458	17,801	20,218

CAPITALIZATION (M€)

24,458

TOTAL SHAREHOLDER RETURN (TSR)*

38.4%

*TSR: is the sum of dividends received by the shareholder, the revaluation/depreciation of the shares and other payments such as delivery of shares or repurchase plans.

CREDIT RATING

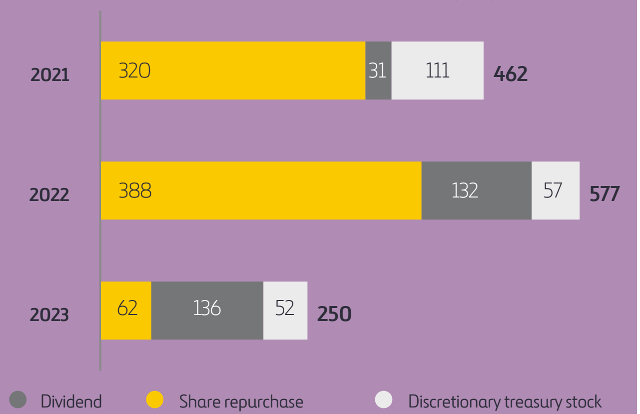
BBB

S&P AND FITCH

ANALYSTS' CONSENSUS TARGET PRICE

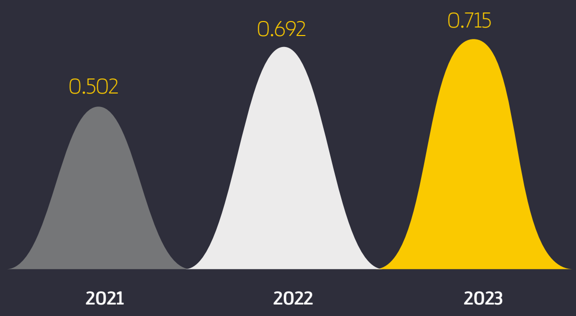
33.82€

SHAREHOLDER REMUNERATION (M€)



In April 2023, the share buyback program approved by the Board of Directors following the merger between Ferrovial S.A. and Ferrovial International SE was cancelled. In November 2023, the Board of Directors approved a new share buyback program for an amount of up to EUR 500 million.

FLEXIBLE DIVIDEND (€/SHARE) (SCRIP DIVIDEND)

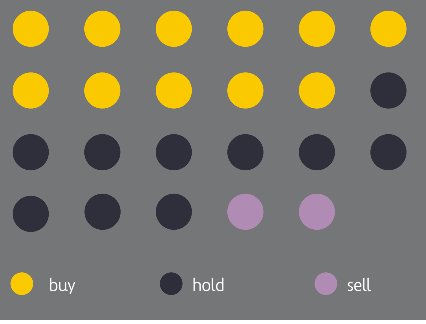


MARKET CONTACT

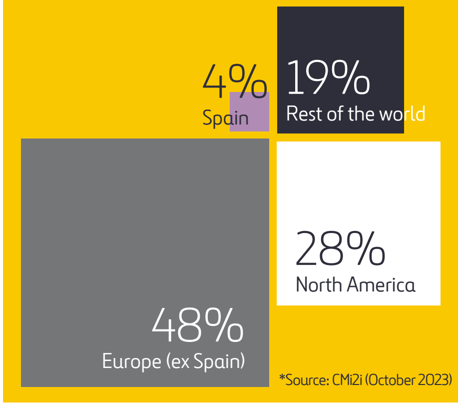
More than 300 investors contacted in multiple meetings, in addition to 22 roadshows

ANALYST RECOMMENDATION

23 analysts covered Ferrovial at December 29, 2023



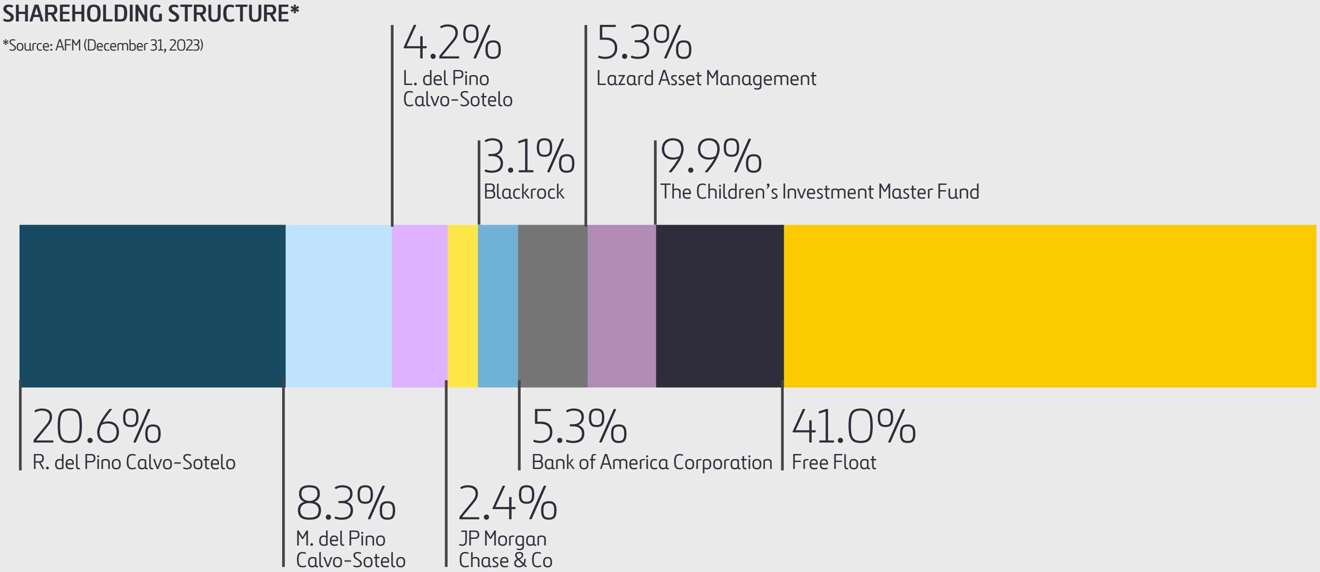
INSTITUTIONAL INVESTORS*



*Source: CMi2i (October 2023)

SHAREHOLDING STRUCTURE*

*Source: AFM (December 31, 2023)



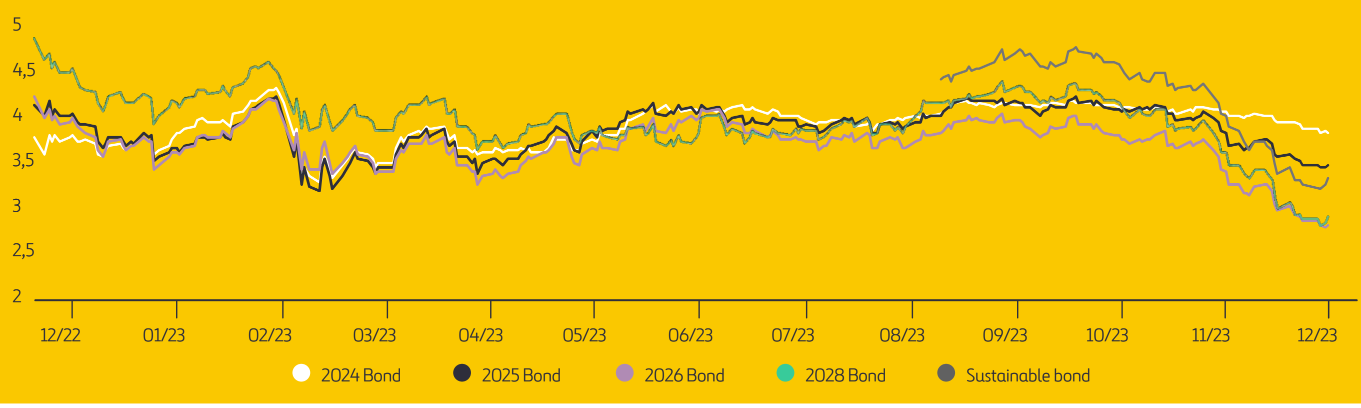
FERROVIAL BONDS IN THE MARKET

MATURITY DATE	COUPON	NOCIONAL (M€)	YIELD TO MATURITY	QUOTATION (29/12/2023)
July 15, 2024	2.500 %	300	3.877	99.261
March 31, 2025	1.375 %	500	3.567	97.381
May 14, 2026	1.382 %	780	2.980	96.403

MATURITY DATE	COUPON	NOTIONAL (M€)	YIELD TO MATURITY	QUOTATION (29/12/2023)
November 12, 2028	0.540 %	500	3.050	88.824
9/13/2030*	4.445 %	500	3.435	105.520

*Ferrovial SE announces the issuance of sustainability-linked bonds amounting to 500 million euros, with a maturity date of September 13, 2030.

FERROVIAL BONDS' YIELD TO MATURITY IN 2023



BUSINESS MODEL

Ferrovial is a global infrastructure company focused on the development and operation of infrastructure, with main presence in the transport sector. The company business model is based on an integrated

RESOURCE

PEOPLE

24,799
employees

15.5
hours of training per employee

INNOVATION

73.97
million in Digitalization and R&D investment

158
projects developed in R&D

LOCAL SUPPLIERS

44,386
suppliers

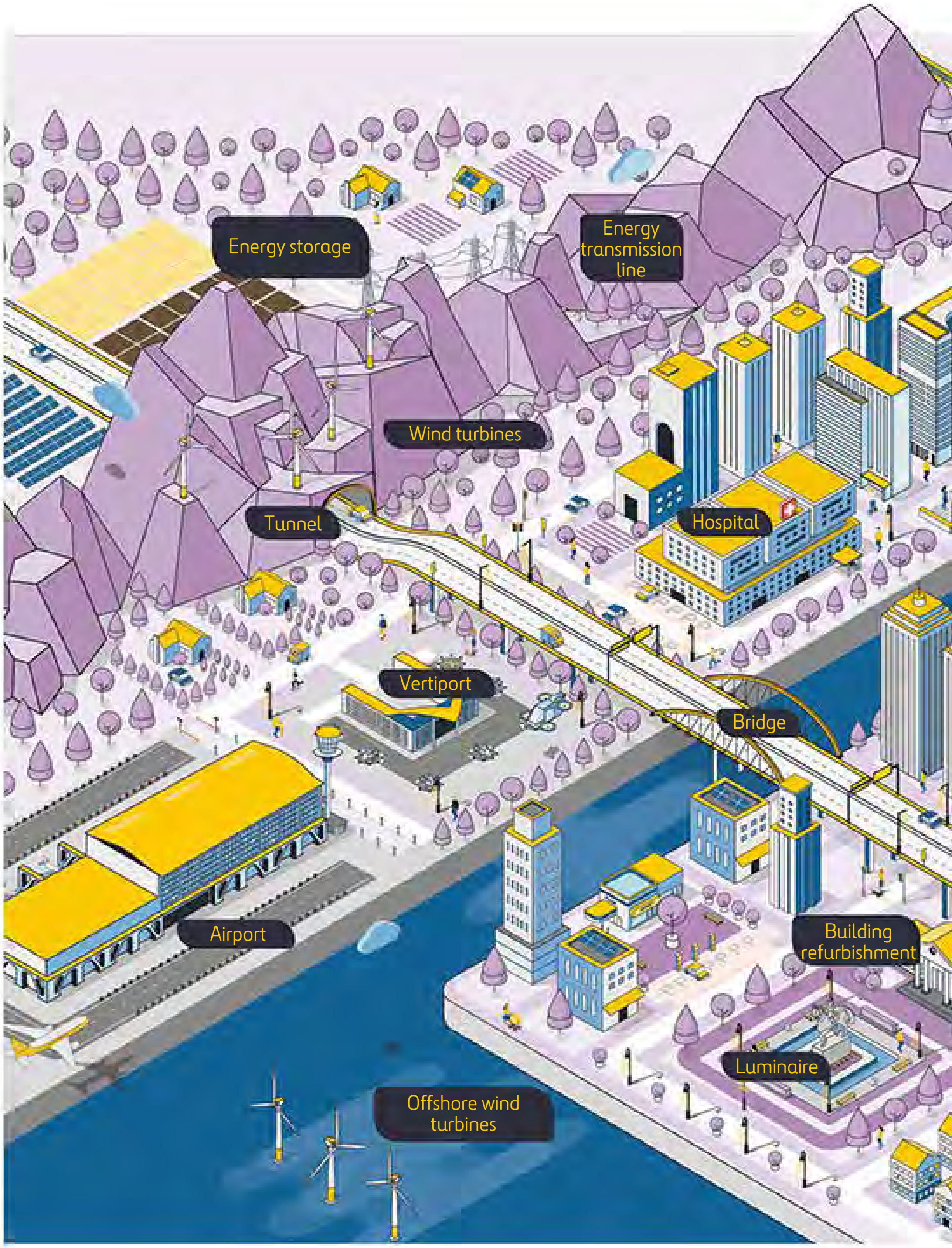
96.9%
of local purchase

FINANCIAL POSITION

5,387
million euros of liquidity*

BBB
credit rating by S&P and Fitch

*More information on the Alternative Performance Measures section



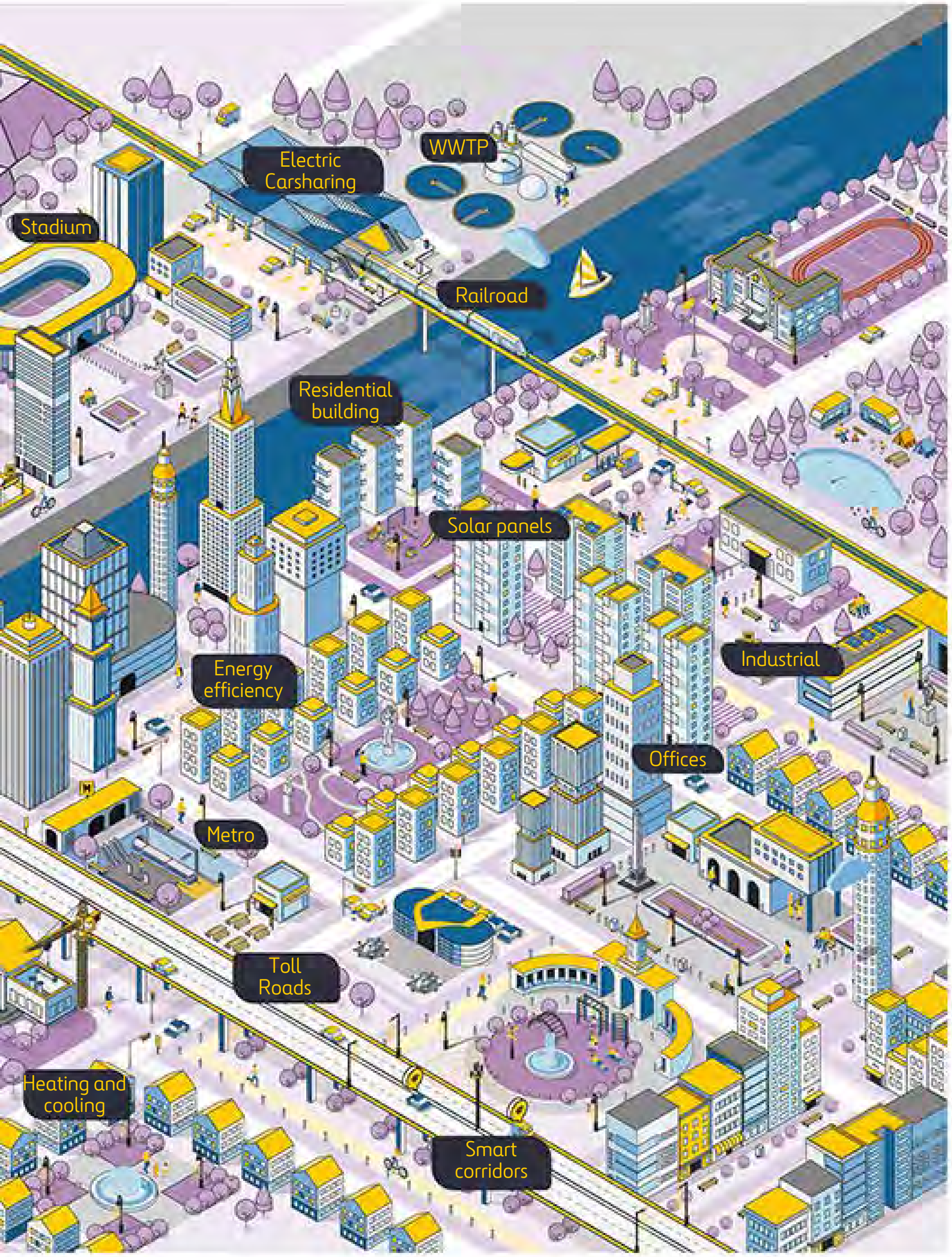
TOLL ROADS

Is focused on the development of congestion-relief solutions, particularly in North America. The division leverages its expertise in transportation infra engineering to develop greenfield assets while minimizing risk and benefiting from synergies through our construction subsidiary, and through the capability to operate and manage the concession for the remaining life-cycle of the asset.

AIRPORTS

It facilitates air transport by improving people's connectivity. The company has more than 25 years of operational expertise managing airports worldwide. It is currently developing the New Terminal One (NTO) concession at JFK airport which is expected to open by 2026. Recently, the company announced the planned divestment of its 25% stake in Heathrow airport, aligned with company's capital allocation strategy of rotating mature assets.

platform with the objective of developing infrastructure projects with high value creation. Ferrovial's activity is carried out through four business units: Toll Roads, Airports, Construction and Energy.



ENERGY

The energy division is focused on the development of projects for the energy transition. The company is dedicated to providing innovative solutions for the promotion, construction, and operation of energy generation and transmission infrastructures, as well as for energy efficiency.

CONSTRUCTION

Is a key pillar of Ferrovial's value creation. It supports all the concession businesses with end-to-end technical, engineering and production capabilities making the company more competitive when bidding new infrastructure projects. Throughout the development of a project, the division is able to manage risks from the bidding and design phase up to the project delivery.

ADDED VALUE

PEOPLE

10,495
new hires

1,599
M€ in salaries and wages

INNOVATION

47
projects with startups

27
new technologies applied

ENVIRONMENT

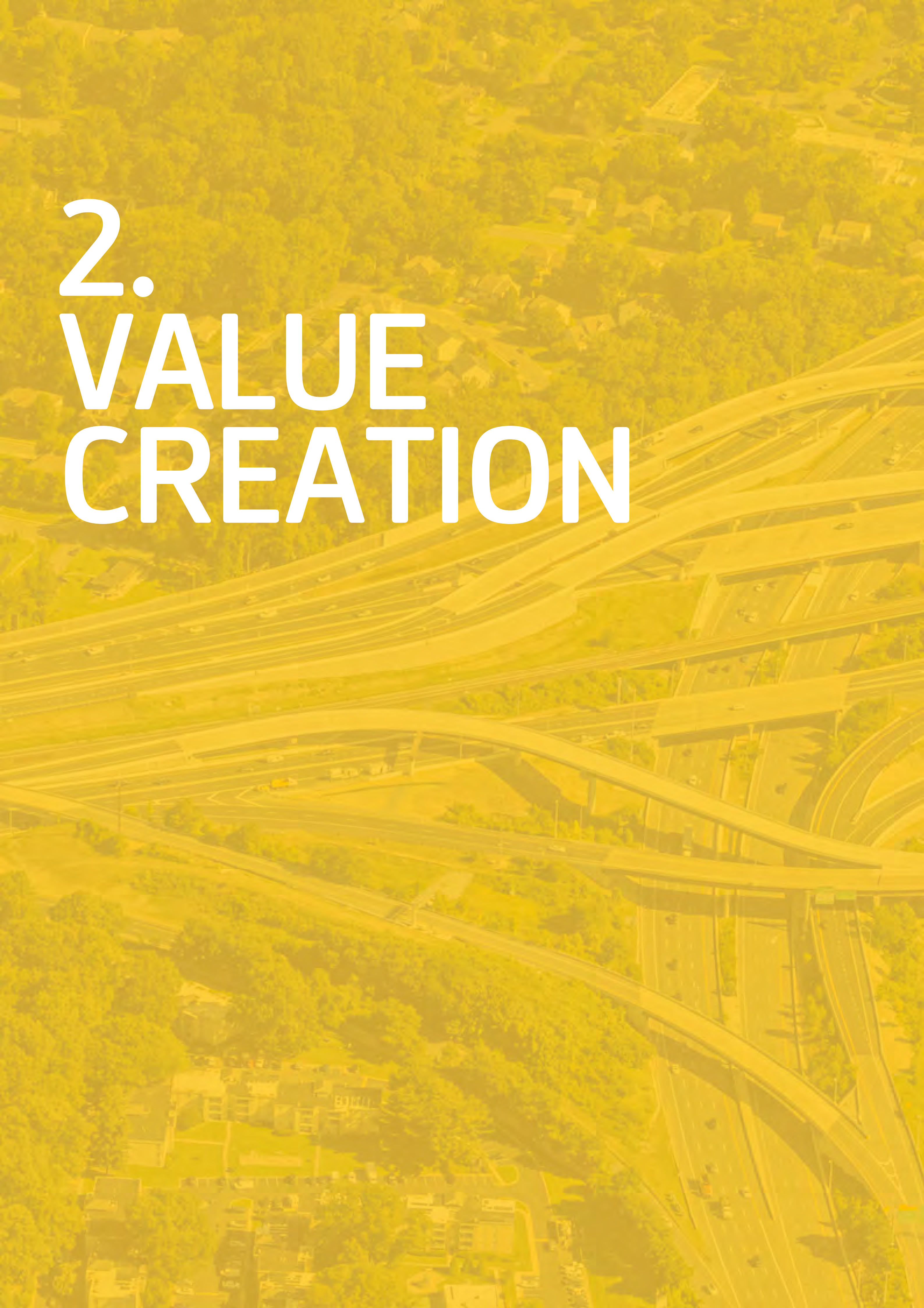
28.97%
absolute emission reduction scope 1&2 compared to 2022

144
times offset water footprint

INVESTMENT AND TAXATION

250 M€
of dividends distributed

1,027 M€
taxes paid



2. VALUE CREATION

Global strategy
Toll Roads
Airports
Energy
Construction

GLOBAL STRATEGY

SHARED VALUE

Ferrovial has completed its fourth year of Horizon 24 strategic plan, reiterating its strategy on the development and operation of sustainable infrastructure with focus in North America.

According to Global Infrastructure Outlook, there is an infrastructure gap that would require additional investments of 1.5 trillion USD yearly (until 2040) in countries where Ferrovial is present. Specifically in the United States, the total investment in infrastructure needed is 4 trillion USD by 2040. A significant part of that will be destined to roads and airports, which are the key infrastructure sectors in which the company develops its activity.

In 2023, the ongoing geopolitical conflicts created new uncertainties for the global economy which could deteriorate the macro-outlook rapidly if the tensions escalate to other regions. This year the economic growth slowed down in the US and in Europe, with no recession and lower inflation. This was supported by the monetary policies deployed together with the gradual implementation of public stimulus packages (IRA and CHIPs Act in US, REPowerEU and NextGen in Europe).

In this dynamic context, Ferrovial has a set of opportunities and challenges:

- Growth in cities and increased congestion lead to new transport infrastructure projects and sustainable mobility alternatives.
- Air traffic demand has shown healthy growth in all markets, reaching pre-pandemic levels in some regions.
- Energy transition targets increase the demand for new energy infrastructure but are pressured by supply chain issues and increasing financing costs.
- High deficit levels provide an opportunity for the private sector to support infrastructure development allowing use of public funds for other alternatives.
- Generative AI helps to improve efficiency but also presents risks that require new regulation and increased cybersecurity.

STRATEGY

Ferrovial is a global infrastructure company focused on the development and operation of sustainable infrastructure, with main presence in the transport sector. The company business model is based on the integration of its business units (Toll Roads, Airports, Construction and Energy). One example of this integration would be the early involvement of the construction division in the design stages of new toll road concession, reinforcing the company's capabilities and increasing its competitiveness.

Ferrovial has completed its fourth year of Horizon 24 strategic plan, reaffirming its strategy in its core businesses mainly in North America. The company announced its corporate reorganization leading to be listed in New York (Nasdaq), thus reinforcing it's focus of increasing its activities in the US. In 2023 it opened a new toll road segment in the NTE 35W and continued developing new infrastructure opportunities. In addition, Ferrovial reached in 2023 the end of the investment cycle in HAH after being the industrial partner since 2006 and having contributed to the airport's transformation.

Strategic priorities:

In addition to North America, Ferrovial remains focused on its other core markets: Spain, Poland, India, Chile and the UK. The company will also identify opportunities selectively in other countries.

The company maintains its four strategic priorities:

- **People**: ensure the highest standards for health and safety in its operations and implement innovative technologies to prevent accidents for users and employees. Ferrovial will continue to attract, develop and deploy the best talent for each position, foster diversity, and actively manage the engagement level of our employees.
- **Sustainable growth**: develop and operate sustainable, innovative, and efficient infrastructure projects with high concessional value.
  - In **Toll Roads**, continue developing Express Lanes in North America and continue to proactively generate future projects. The company will also pursue selected projects in other countries such as India, where it has a strong partnership with IRB.
  - In **Airports**, develop and manage the current assets as air-traffic increases to pre-pandemic levels. Focus on delivering and integrating the new assets (JFK New Terminal One) and continue looking for additional growth opportunities.
  - In **Construction**, support infrastructure business focusing on greenfield transport projects, and develop additional local capabilities in key countries.
  - In **Energy**, develop projects for the energy transition: transmission lines, renewable projects for rotation, and energy efficiency business in selected markets.

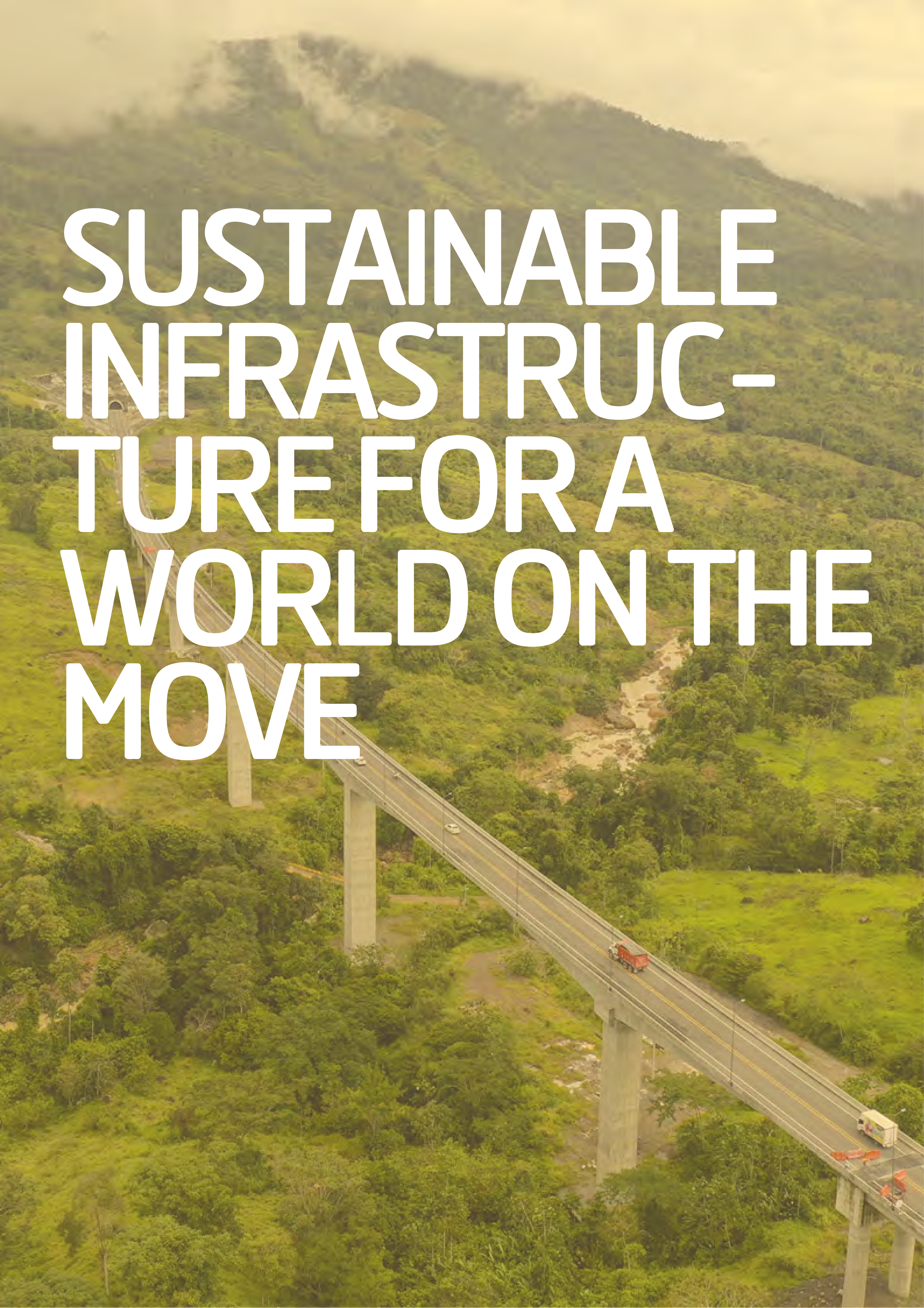
- **Operational excellence:** continue to improve efficiency, maximize cash generation, reinforce core processes and risk management.

  Ferrovial's commitment towards sustainability aims to improve the future through the development and operation of sustainable infrastructures. The company is committed to protect the environment and support communities, enhancing safety, improving user experience, and reducing travel times. Ferrovial is present in industry-leading sustainability indices such as Dow Jones Sustainability, Sustainalytics, FTSE4Good, Moody's, STOXX and Carbon Disclosure Project.

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

- **Innovation:** support Ferrovial's core business, accelerate its digital transformation, foster an appropriate cybersecurity culture and develop AI use cases.

SUSTAINABLE INFRASTRUCTURE FOR A WORLD ON THE MOVE



For Ferrovial, sustainability is a key factor embedded in its Horizon 24 Strategic Plan.

This year, the sustainability strategy has been updated to integrate the ESG context, that has changed significantly, particularly regarding higher expectations from the finance community, including investors, shareholders, proxy advisors, among others, and more demanding regulations in terms of non-financial disclosure. This review ensure that sustainability remains at the core of the company, contributing to business development, helping to address the challenges that society faces and to generate new strategic opportunities, as well as building trust among its stakeholders.

THREE STRATEGY VECTORS

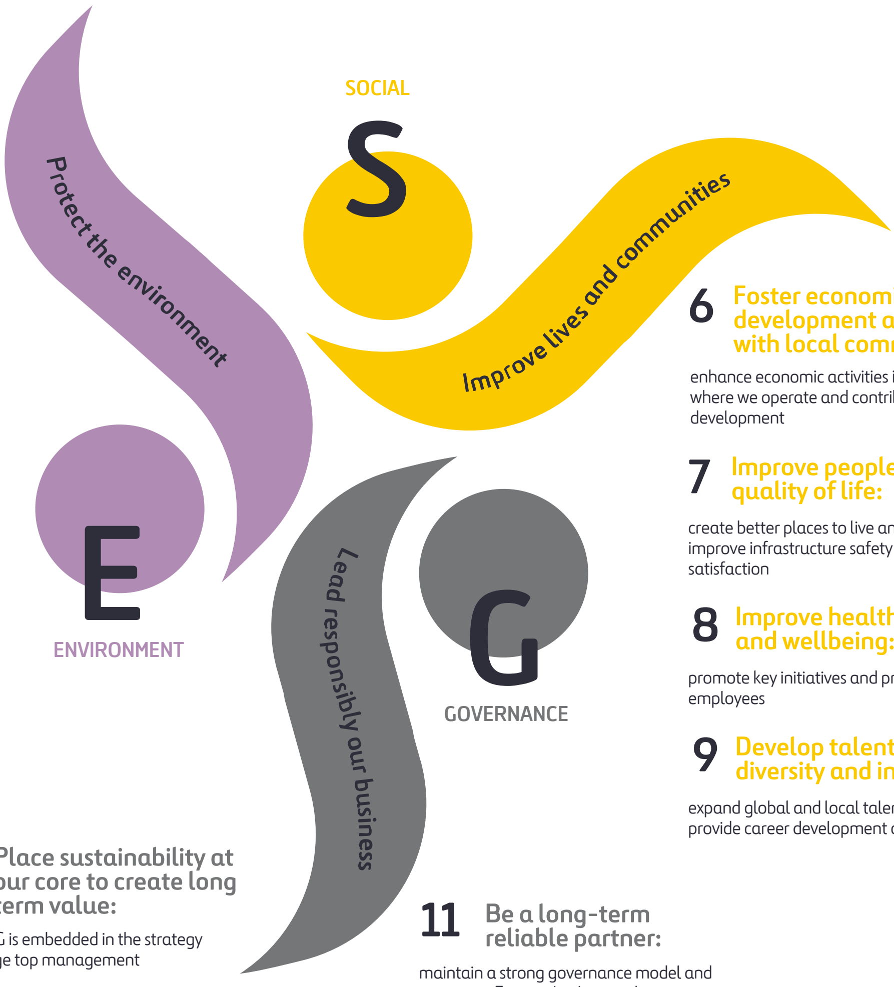
1 Contribute to decarbonization: commit to be carbon neutral (scope 1&2) by 2050, promote low-carbon infrastructure and support energy transition

2 Reduce our environmental footprint: reduce and compensate water consumption, promote circular economy and reduce impact on natural capital

3 Adapt to climate change risk: manage climate transition risks and increase infrastructures resilience through design improvements

4 Invest in business opportunities with positive environmental impact: develop business models to support energy transition (i.e. energy efficiency, urban renovation, vertiports)

5 Foster business towards a taxonomic portfolio: assess and monitor alignment and consider EU taxonomy for new projects



6 Foster economic development and engage with local communities: enhance economic activities in the regions where we operate and contribute to social development

7 Improve people's quality of life: create better places to live and work, improve infrastructure safety and user satisfaction

8 Improve health, safety and wellbeing: promote key initiatives and programs for employees

9 Develop talent ensuring diversity and inclusion: expand global and local talent pool and provide career development opportunities

10 Place sustainability at our core to create long term value: ensure ESG is embedded in the strategy and engage top management

11 Be a long-term reliable partner: maintain a strong governance model and commit to Ferrovial values and governance practices

The strategy has key indicators (see page 30 for further detail) that serve to evaluate the degree of implementation of Ferrovial's Sustainability Policy, along with the degree of achievement of the objectives set out in the Strategy in the short, medium and long term.

The Sustainability Policy is inspired by the 2030 Agenda and the Sustainable Development Goals (SDGs), together with internationally accepted agreements and resolutions to consolidate the company's position as a player that contributes to a more sustainable, innovative, inclusive and low-carbon economy.

From the principles and values of the Sustainability Policy emanate the rest of the company's existing policies that have implications in sustainability matters, ensuring that these principles are observed in the different entities that comprise the Group and in all the companies in which it participates. Both the Sustainability Policy and the Strategy integrate and provide consistency to all of them, guaranteeing a coordinated deployment of the different areas of action.

Ferrovial has established a framework for monitoring the impact of the SDGs in its operations and value chain, having renewed this year the AENOR certification on the alignment of the Sustainability Strategy with the SDGs.

The Board of Directors has approved the Sustainability Policy and supervises its implementation within the Sustainability Strategy and the degree of progress in the actions derived from it. Periodically, at least annually, the Sustainability Department reports to the Board of Directors on the progress of the Strategy and the level of compliance with the objectives, as well as on the progress of the most representative projects or actions. This monitoring is also carried out every four months by the Management Committee.

The Sustainability Committee is chaired by the Sustainability Director and is composed of representatives from the business areas (Toll Roads, Airports, Energy and Construction) and the corporate areas (Human Resources, General Secretariat, Health, Safety and Wellbeing, Information Systems and Innovation, Communication and Corporate Social Responsibility, Strategy, Investor Relations, Compliance and Risks, and Construction Procurement). On an annual basis, the committee chairman reports to the Board of Directors.

The Sustainability Committee is the link between the business areas and the corporation and Senior Management, reporting on progress and results, and proposing actions to the Management Committee, as well as transmitting the approval of proposals and results to the rest of the company. The main objective of this committee is to define the Strategic Sustainability Plan and monitor its follow-up. Its functions can be summarized as follows:

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

To respond to today's challenges, the Sustainability Strategy 2030 provides guidelines for developing innovative, efficient and sustainable infrastructures, always taking into account three fundamental dimensions: environmental, social and governance.

ENVIRONMENTAL

Ferrovial has had a Climate Strategy for several years, framed within the company's Strategic Plan and aligned with the Sustainability Strategy and the SDGs. With the aim of complying with the Paris Agreement and the 2030 Agenda, the strategy includes ambitious emission reduction targets, the roadmap for achieving climate neutrality by mid-century, the consumption of renewable energies to the detriment of fossil fuels, while developing new lines of business aimed at reaching the decarbonization of the economy and combating the effects of climate change. This strategy includes the company's reduction targets approved by the Science Based Target (SBTi) initiative, the evolution of its emissions, compliance with the established roadmap, climate risk analysis and the promotion of sustainable business models. Ferrovial is also one of the first companies in the world to submit its Climate Strategy and Greenhouse Gas Emissions Reduction Plan 2030 and the projection to 2050 for annual consultative approval at the General Shareholders' Meeting.

In terms of water management, the company plays a key role in this matter through its subsidiary Cadagua, contributing to solving the main challenges related to water supply, quality, sanitation and pollution, without neglecting Ferrovial's commitment to reducing water consumption and pollution. Since 2015, Ferrovial has been reporting its water footprint through an internally developed methodology that quantifies the impact of the company's activities on this resource.

With regard to natural capital and biodiversity, Ferrovial is working on alignment with a new nature-related standard: Taskforce on Nature-related Financial Disclosures (TNFD). The objective is to incorporate material issues linked to nature into the company's financial decisions. To this end, the company the company assesses dependencies, impacts, risks and opportunities in relation to nature.

Ferrovial also has a Circular Economy Plan that lays the foundations for waste management and the efficient use of materials to adopt the principles of the circular economy in all processes.

GHG EMISSION REDUCTION SCOPE1&2

-45.6%

in absolute terms compared to 2009

GHG EMISSION REDUCTION SCOPE 3*

-28.9%

in absolute terms compared to 2012
*Excluding capital goods and services categories

ELECTRICITY CONSUMED FROM RENEWABLE SOURCES

68.5%

target of 100% by 2025

SOCIAL

Under the premise of having a positive impact on society, the company focuses all its efforts on building a diverse workforce with the best talent based on meritocracy and inclusion, with the highest health and safety standards for its employees.

Incorporating the best talent in all areas of the organization is one of Ferrovial's priorities. The company's talent attraction strategy is based on attracting STEM talent, with a special focus on engineering and technology. In this line, actions have been carried out such as collaboration agreements with major universities, business schools and other entities. As well as the development of segmented initiatives to strengthen talent attraction and reinforcement as an employer brand.

During 2023, a total of 112,626 applications were received for the 3,003 job offers published in different channels, 29.77% of which were filled by internal applications.

The Horizon 24 Strategic Plan establishes the objective of having a more diverse and representative workforce, promoting an inclusive environment, where collective intelligence is enhanced to increase competitiveness and sustainability. Ferrovial therefore has a Diversity and Inclusion Policy, which establishes the main objectives and main lines of action in these areas.

The company is progressively increasing the presence of women in leadership positions, from 20 % in 2020 to 24% in 2023, in line with the target of having 30% of women in this group by the end of 2025. On the other hand, the company ensures compliance with equal pay for men and women, for which different actions have been developed to monitor the pay gap.

Ferrovial also focuses its efforts on making sure that all employees internalize health, safety and wellbeing as key values in their daily work, a critical point for creating safe and healthy work environments. All this is articulated through the Health, Safety and Wellbeing Strategy, approved by Ferrovial's Board of Directors in 2019 and recently extended until 2026.

The strategy, an Organizational approach with the pillars of Leadership, Competence, Resilience and Engagement, has been extended following an assessment and adjustment to adapt it to the changes that have arisen in the company since its approval, adding an Operational approach based on three layers of protection. Its aim is establishing the path to achieve the company's objectives, with special emphasis on reducing the number of serious and fatal accidents.

In 2022, a new Human Rights Policy covering the entire value chain was approved and the company has continued to evaluate its supply chain, made up of more than 44,000 suppliers, through the Ethical Integrity Due Diligence procedure and with a strong focus on the Supplier Code of Ethics, renewed in 2023, which includes ESG factors. With a target of 100% local purchases, last year it reached 96,9%.

Ferrovial seeks to contribute with its infrastructures to the economic development of the regions in which it operates. In this regard, Cintra contributes to greater job creation and the development of local economies (supply chain), as stated in the report entitled Economic and Community Impact of Ferrovial Toll Roads, published by an external consultant. This study, which covers the period until the end of 2022, shows that in the US, the company's toll road division contributed $42.7 billion dollars to the US economy, while the processes associated with the construction, maintenance and management of the assets generated 228,100 full-time jobs.

The commitment to local communities goes beyond this, with different social programs focused on the most vulnerable groups in the markets where it operates. The company has donated since 2011 a total of 7.3 million euros for the development of water and sanitation infrastructures in vulnerable communities in Latin America, Africa and Asia, which have enabled 336,255 people in 12 countries to have access to water in decent conditions. Likewise, since 2012 has developed 55 projects that, with a budget of approximately one million euros, the company has improved infrastructures that facilitate access to food in Spain. In addition, the company maintains a firm commitment to quality education, with special attention to the promotion of STEM vocations.

LOCAL PURCHASING

96.9%

during 2023

INDEPENDENT DIRECTORS

75%

FEMALE REPRESENTATION AT THE BOARD OF DIRECTORS

33%

GOVERNANCE

It is a priority for the company to have a corporate governance aligned with national and international best practices that guarantees the integrity necessary to achieve a profitable and sustainable business in the long term, reinforcing the confidence of shareholders and other stakeholders.

The company has a Board of Directors composed of 12 members, which facilitates an efficient and participatory operation, with 75% of the members being independent. Directors are re-elected every 3 years, which allows shareholders to validate their management. Executive Directors are attributed variable component elements in remuneration, including qualitative objectives related to environmental, social and corporate governance (ESG) factors.

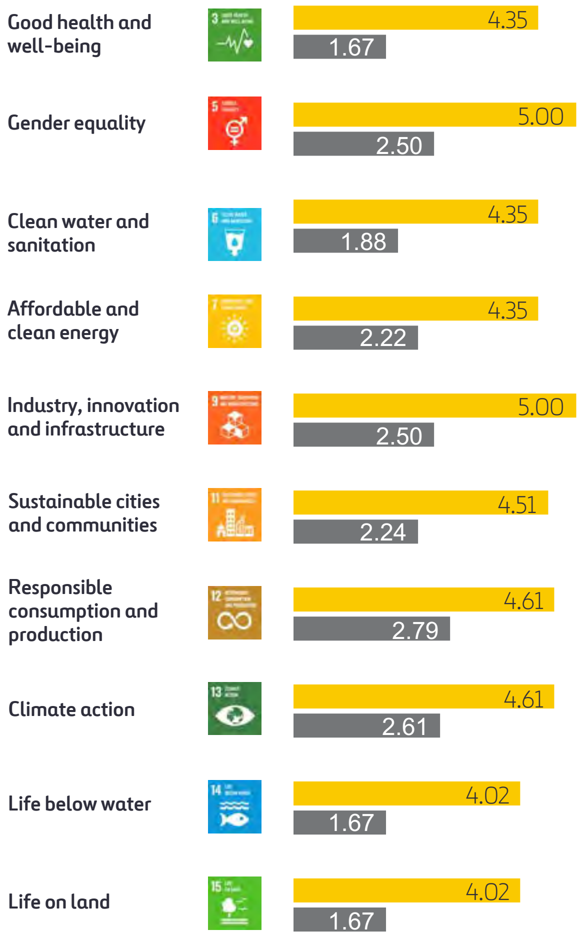
The Compliance Policy describes the Compliance Program, which is based on an effective risk management system. To this end, it has established a common process of evaluation, monitoring and control of compliance risks under the principle of "zero tolerance" to corruption and, in general, to the commission of criminal acts.

Twice a year, within the framework of Ferrovial Risk Management, the company conducts a risk assessment based on the nature of the activities carried out by the company, which is updated when regulatory, organizational or other changes occur that make this advisable. Risks are analyzed in accordance with international best practices and prioritized according to their potential impact and probability of occurrence. The results of the risk assessments, the measures implemented for their mitigation and the proposals for continuous improvement are periodically presented to the Audit and Control Committee and the Board of Directors.

Ferrovial's Code of Ethics and Business Conduct was renewed in 2023 to update it in line with the latest regulatory trends and to make it easier to understand. The code makes it mandatory to report any breach of legislation or internal regulations through the Ethics Channel, a confidential and completely anonymous system if the sender so wishes, which guarantees whistleblowers the absence of reprisals. During the financial year 2023, 167 communications were received through the different channels available.

MEASUREMENT OF TARGETS OF THE SUSTAINABILITY STRATEGY

The Sustainability Strategy has a set of key performance indicators, which serve to assess the progress and implementation level of the strategy, as well as the degree of achievement of the targets set. The Company has also established a framework for monitoring the impact on the SDGs and the 2030 Agenda. This model is certified by AENOR, with the certification that AENOR awarded in 2020 to Ferrovial on sustainability and business contribution to the Sustainable Development Goals was renewed. The results obtained in 2023 and the deadline established for each objective stand as follows:



	Performance indicators	SDG	2023	Final target	Horizon
E	1. GHG emissions: Scope 1&2 absolute emissions (tCO2)*	13	-45.6%	-35,3% (vs 2009)	2030 (carbon neutral by 2050)
E	2. GHG emissions: Scope 3 absolute emissions (tCO2)**	13	-28.9%	-20% (vs 2012)	2030
E	3. Renewable electricity consumption	7, 12, 13	68.5%	100%	2025
E	4. Annual recycling of Construction & Demolition waste	12	94.4%	>70%	2023-on
E	5. Water consumption	6, 12	-31.3%	-20% (vs 2017)	2030
E	6. Taxonomic activities (% of Capex aligned)	3, 6, 7, 11	16.2%	80%	2025
E	7. Taxonomic activities (% of turnover aligned)	12, 13, 14, 15	32.8%	60%	2025
S	8. H&S: Serious injuries and fatalities frequency rate (incl. subcontractors: [Number x 1M] / Hours worked)	3	-20.3%	-27,1% (vs 2022)	2025
S	9. Road safety (fewer crashes compared to an alternative or similar network)	3, 11	-47.5%	-30%	2023-on
S	10. Female talent: Leadership roles	5	23.7%	30%	2025
S	11. Time savings: Monetized annual time savings of the Express Lanes vs the General-Purpose Lanes in the Workday Peak	11	25.9%	+50% (vs 2022)	2030
ESG	12. Digitalization & innovation: portfolio that contributes directly and indirectly to improve ESG (% of investment over total portfolio)	9	40.0%	60%	2025

*Scope 2 emissions reported are calculated by market-based method.
**Capital goods and Purchased goods and services Scope 3 categories are not included.

NOTE: The consolidation perimeter of these indicators does not coincide in all cases with the consolidation perimeter of the Non-Financial information included in this report. For more information, see page 282.

Ferrovial's business lines have integrated the objectives of the corporate Sustainability Strategy into their activities to align themselves with its fulfillment. The main lines of action for each of them are as follows:

TOLL ROADS

Vision: develop roads that improve safety, enable fast and reliable travel times and contribute to decarbonization.

- Promote social wellbeing: improve productivity and livability by relieving traffic congestion and improving the quality of life in the regions where the company operates.
- Prioritize the health and safety of users and team members.
- Foster economic inclusion through job creation and training opportunities.
- Drive the decarbonization of mobility and road transport.
- Leverage technology and innovation to enable incremental benefits and disruptive solutions to support efforts in all areas.

AIRPORTS

Vision: contribute to aviation becoming a force for good and grow to be a leading global airport investor and operator.

- Focus on reducing carbon emissions to achieve Net Zero.
- Airports as on-site alternative energy hubs: renewable energies for self-consumption, development of infrastructures for the supply of SAF and hydrogen.
- Empower airport communities and provide long-term, rewarding employment with a diverse workforce.
- Position the company as a reliable long-term partner incorporating the best corporate governance practices.

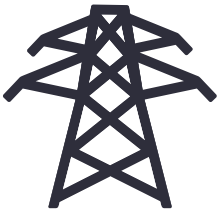
CONSTRUCTION

Vision: to promote sustainable construction, environmental protection and the positive impact of projects on local communities.

- Promote decarbonization (including our supply chain and our customers) and reduce our environmental footprint by proactively managing environmental risks on site.
- Encourage sustainable construction methods and infrastructure (urban renewal, energy transition and adaptation to climate risk).
- Guarantee the highest levels of Health, Safety and Wellbeing.
- Strengthen the construction industry's attract new talent by ensuring workforce diversity and equality on construction sites.

The Energy area, which was recently created, is consolidating its business, although it has also established its sustainability guidelines:

- Decarbonization strategy, natural capital impact assessment, infrastructure adaptation to climate change risks, health and safety strategy and social contribution to local communities.



ENERGY

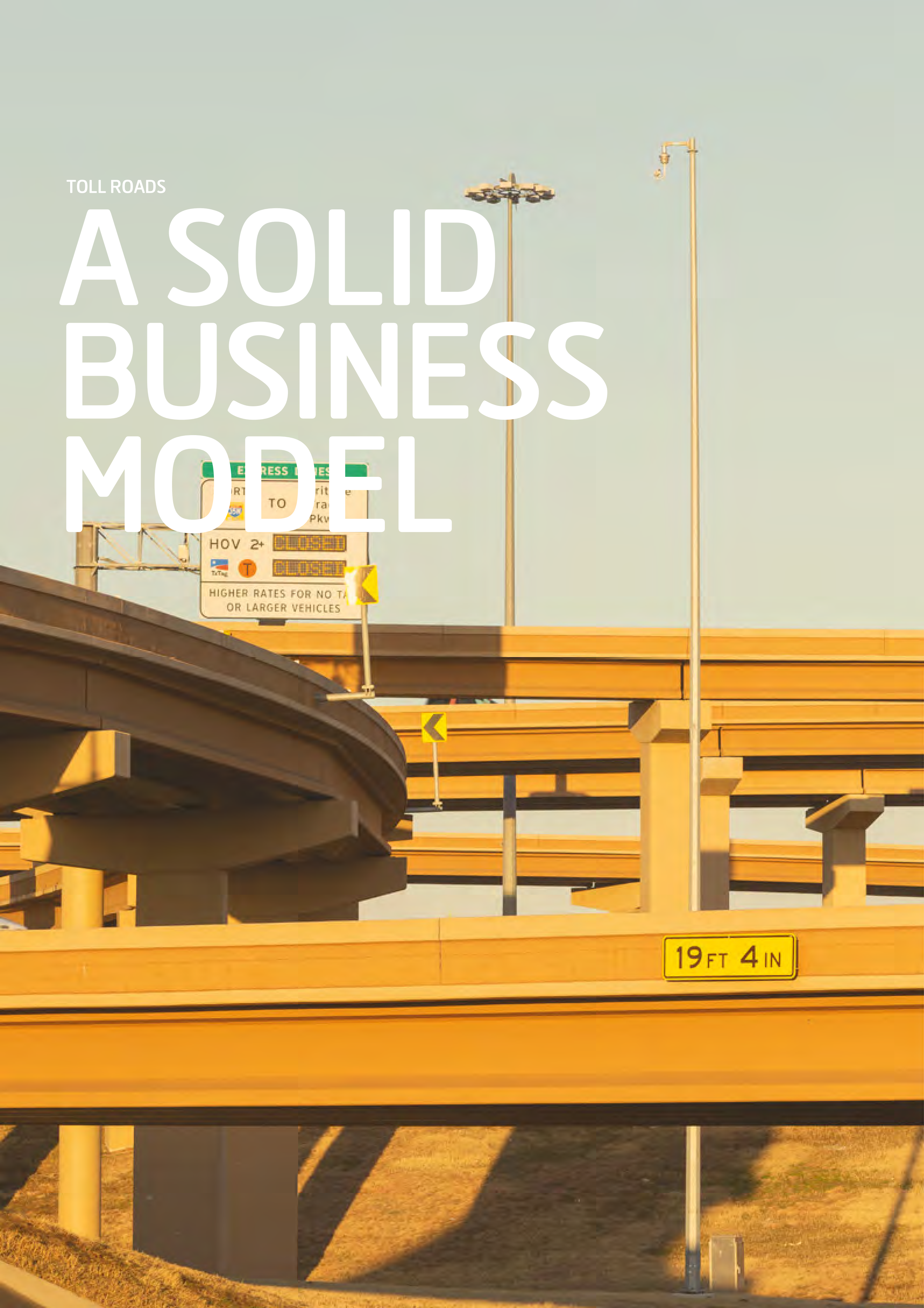
SUSTAINABILITY INDEXES

Ferrovial is periodically evaluated by analysts who take into account the company's ESG performance. In 2023 the company was included in the main sustainability indexes:

- **Dow Jones Sustainability Index (DJSI),** prepared by S&P Global: Ferrovial has been a member of this selective index for the last 22 years continuously.
- **FTSE4Good:** the company has been continuously included in this index for the last 20 editions.
- **CDP:** "A", highest rating in both CDP Climate and CDP Water.
- **MSCI:** "A" rating.
- **Sustainalytics Morningstar:** in May 2023, Ferrovial received an ESG Risk Rating of 26.2, being assessed by Sustainalytics as having a medium risk of experiencing material financial impacts from ESG factors. This rating places Ferrovial in the top 7% of companies in the Construction and Engineering sector rated by Sustainalytics. In addition, in 2023 Ferrovial was recognized by Sustainalytics as an ESG Industry Top-Rated Company within its sector.
- **MOODY'S:** member of the Euronext-Vigeo Europe 120 index.
- **ISS ESG:** Prime category.
- **GRESB:** 92 points, maximum "A" rating.
- **ECOVADIS:** gold medal, with a score of 71/100.

TOLL ROADS

A SOLID BUSINESS MODEL



Ferrovial's Toll Roads business unit develops projects that improve the quality of life of users by reducing urban congestion and contributing to the socioeconomic development of the regions where it operates.

Cintra, Ferrovial's Toll Roads business unit, focuses its activity in developed financial markets with high demand for infrastructures. These markets include North America, Europe and Australia, where the company finds secure regulatory frameworks and future growth prospects. In addition, the company seeks investment opportunities in specific geographies where its business model can generate unique competitive advantages and shareholder value. In this way, Cintra focuses on offering sustainable projects to solve traffic congestion problems in urban areas, as well as complex greenfield concessions. It enables users to save time, improve the certainty of their daily commute and increase the economic productivity, which in turn generates new growth opportunities in the regions where it operates.

With over 50 years of experience, its comprehensive management model and its in-depth knowledge of new technologies applied to pricing (advanced analytics), which allow for improved demand forecasting and fare optimization, as well as the synergy with Ferrovial Construction, make Cintra a company with high potential for value creation and strong competitive advantages. The complete management of the life cycle of projects, together with a diversified and global portfolio, allows Cintra to understand the needs of all parties involved (users, administrations, economic agents), which results in the ability to provide innovative, sustainable and high value-added solutions.

During 2023, despite the complex environment in which the business has performed, Cintra's main assets have distributed dividends amounting to 704 million euros (388 million euros in 2022), including the distribution of the first dividend in June of the NTE35W of 435 million dollars (of which 233 million dollars corresponded to Ferrovial). These figures reflect the financial strength of Ferrovial's business model.

Traffic in 2023 has increased in all assets above 2022 levels, when traffic was affected by the omicron variant of COVID-19, which impacted mobility early that year, especially in Canada. Since then, traffic has experienced a solid recovery in all assets, reaching figures well above 2022 and in some cases volumes above those recorded before the outbreak of the pandemic.

In June, segment 3C north of the NTE 35W in Texas (USA) was opened to traffic before schedule. This 6.7-mile section (10.7- kilometer) involved an investment of more than 1 billion euros by Ferrovial.

Also in 2023, financing was completed for the North Tarrant Express (NTE) in Texas, in an operation valued at more than 400 million US dollars, with the aim to complete its expansion as part of the Comprehensive Development Agreement with the Texas Department of Transportation. This new investment, which is being developed at no cost to Texas taxpayers, is a further example of Ferrovial's commitment to the US market.

NORTH AMERICA

96%

Cintra's valuation according to the analysts' consensus

KILOMETERS

1,169

of Toll Roads under management

INVESTMENT MANAGED* (M€)

21,906

93% international

CONCESSIONS

21

in 10 countries

DIVIDENDS (M€)

704

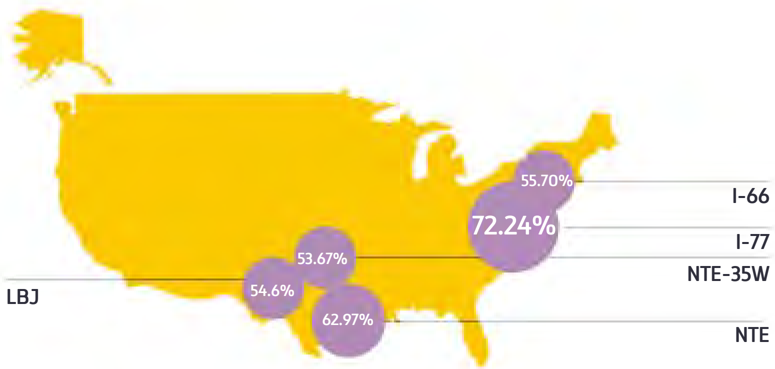
(*) Information regarding investment under management and number of concessions of IRB (India) assets is not included.

ASSETS

Cintra owns 43.23% of the 407 ETR toll road in Toronto (Canada); 62.97%, 54.60% and 53.67% of the Express Lanes NTE, LBJ and NTE 35W in Texas (USA), respectively. Likewise, in North Carolina (USA), Cintra has 72.24% of the I-77 and 55.704% of the I-66 in Virginia (USA).

In the Express Lanes, the rates are dynamic and can be modified every few minutes depending on the level of congestion, always guaranteeing a minimum speed for drivers. With free-flow (barrier-free) toll systems, they stand out for the long duration of their concession, their broad tariff flexibility and an optimized long-term financial structure, positions Cintra as a leader in the private development of highly complex road transport infrastructures.

The company holds stakes and investments in other assets or corporations in Spain, Portugal, the United Kingdom, Ireland, Slovakia, Colombia, Australia and India.



VALUE CREATION

High complexity greenfield projects

Cintra specializes in complex greenfield projects due to their high value creation potential. Its ability to evaluate and assume a higher level of risk associated with the project in the bidding phase (construction, financing, operation and traffic management) allows it to opt for higher rates of return (IRR). Value creation is achieved by decreasing the discount rate of future cash flows as project risks are eliminated in the construction phase or reduced (traffic/financing) as the concession term progresses. An example of the elimination of construction risks is the opening of Segment 3C of the NTE 35W in Dallas in June 2023.

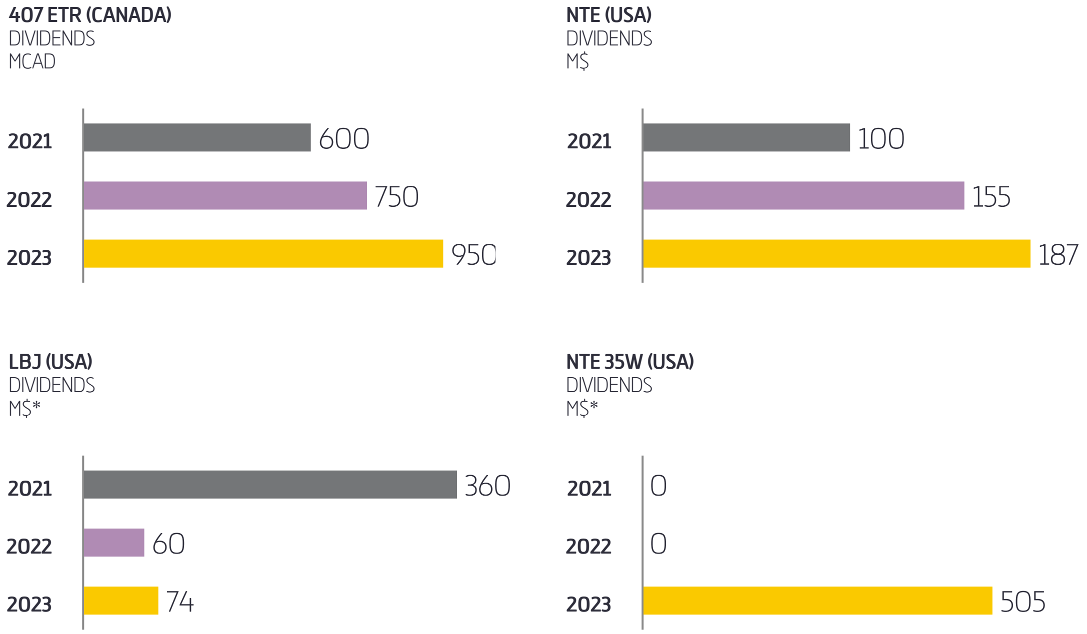
DALLAS

NTE 35W

opening of segment 3C

Rotation of mature assets

Value creation is materialized with the sale of mature projects, whose revenues are invested in new assets with higher value creation potential. An example of this strategy is the agreement reached in June for the divestment of the Euroscut Azores toll road with Horizon Equity Partners and River Rock for 43.3 million euros.



Opening of NTE35W section 3C

Ferrovial announced in June the completion of the third segment of the NTE 35W project in Fort Worth, Texas, which opened three months ahead of schedule. With an investment of more than 1 billion euros, this 6.7-mile section (10.7 kilometer) of the I-35W, which connects North Tarrant Parkway to Eagle Parkway in Fort Worth, has incorporated improvements with the reconstruction of the main lanes, the widening of the service lanes and the addition of TEXpress toll lanes.

Through this public-private partnership, the NTE 35W Section 3C project has not entailed any outlay for the State of Texas. At present, Ferrovial's total investment in Texas toll roads under this formula amounts to more than 7 billion dollars, which has been allocated to the LBJ, NTE and NTE35W toll roads.

AIVIA Smart Roads

In July 2023, Cintra's US innovation team successfully presented its AIVIA Smart Roads initiative on a section of the I-66 in Northern Virginia to the Intelligent Transportation Society of America (ITSA).

The AIVIA platform is characterized by its own logic that integrates data from multiple sensors, as well as filtering false positives and providing accurate information to both Traffic Management Centers and drivers.

AIVIA's main objective is the development of an infrastructure and technology that ensures that conventional and autonomous vehicles can coexist in harmony, as well as to obtain the maximum advantages of all types of automated and autonomous vehicles, improving the safety and travel experience of users.

*Both the LBJ (2021) and NTE 35W (2023) distributed an extraordinary dividend.

Operational efficiency committed to the environment

All of Cintra's assets carry out actions to optimize their operations. Cintra's environmental strategy to reduce its carbon footprint began more than a decade ago, continuously reinforcing environmental practices and protecting the habitat of local species with ongoing monitoring of greenhouse gas emissions, waste, air and water quality and the acoustic impact produced by traffic.

Users: excellence in service

Cintra maintains its focus on customer satisfaction and its value proposition of reliability, time savings, safety and sustainability. The effectiveness of this strategy is proven by the response from customers, with increasing traffic levels in mostly all assets.

Employees: merit support

Cintra offers opportunities for the professional development of all employees by promoting internal mobility and ensuring that merit is the determining factor in their career. During 2023, 15% of employees have had the opportunity to change position or location, and one in four people work in an international assignment.

Assets that create value

Ferrovial, in collaboration with Steer, has presented the conclusions of the study "Economic and Community Impact of Ferrovial Toll Roads", which analyzes the socioeconomic impact of the toll roads managed by its subsidiary Cintra. The analysis includes the 34 assets in which the company has a stake in the United States, Canada, Spain, Portugal, Ireland, the United Kingdom, Australia, Slovakia, Colombia and India, revealing the impact of these toll roads on regional economies from the start of each concession until December 31, 2022.

The report concludes that these assets improve mobility, reduce traffic and contribute to the sustainable development of the regions where they are located. Overall, Ferrovial's assets have contributed more than 64.3 billion dollars to local economies and have created more than 344,000 jobs. Regionally, the economic impact of toll roads in North America amounted to 42.7 billion dollars, while their construction, maintenance and management generated 228,100 full-time jobs.

These figures reflect that Ferrovial's activity has a significant impact on the communities in which it operates, creating lasting value and serving as an economic engine for economic growth.

For more information, please see: https://newsroom.ferrovial.com/en/press_releases/ferrovial-tollroads-contribution-gdp/

EXPECTED BUSINESS PERFORMANCE IN 2024

For 2023, it was expected traffic on all assets to be at levels above 2022, as well as the toll revenue associated with the most important assets in the portfolio. These expectations have been met and both traffic and toll revenues have exceeded the levels of 2022. It was also expected to be above pre-Covid data for some US assets, and meeting these expectations, traffic has been above 2019 levels for all US assets except LBJ, mainly due to construction works underway in the area.

DIVIDENDS 2023

704

million euro

In 2024, the traffic of the company's assets is expected to continue the recovery path of 2023 and increase in all of them, nevertheless, traffic in NTE is expected to be impacted by the ongoing construction works to increase project capacity.

In terms of dividends, it is expected to continue the distribution of dividends and to start distributing the first dividend in NTE35W once the 3C opened to traffic. 3C segment was opened ahead on schedule in June, and a dividend of €435 million was distributed by the project. Dividends received by the group in 2023 were €704 million, compared to €388 million in the previous year.

In 2024, it is expected that the main infrastructure assets will continue to distribute dividends consistently according to their operating performance. Cintra will focus its efforts on maximizing the quality of the service provided, optimizing its revenues and costs, within the framework allowed by the concession contracts.

During 2023 the division finalized the equity investments in the I-66 toll road project and NTE 35W segment 3C. It is not currently expected further investment commitments in these projects during 2024. However, throughout the year, new potential opportunities such as Anillo Vial Periférico in Peru, SR400 Managed Lanes in Atlanta, Georgia and India will be analyzed.

On 2023 Cintra executed the financing transactions for NTE 35W's 5-year bonds to be used for the 2023 and 2024 principal pre-payments of the TIFIA loan and the refinancing of the 2013 PABs. As for 2024, potential opportunities to maximize the financial structure of projects will continue to be analyzed.

The expected evolution by geography is as follows:

- In **Canada**, the 407 ETR toll road will continue to focus on optimization and cost control measures without ceasing the development of its user value generation strategy. The toll road will maintain its investment in the data analytics department to improve its understanding of user behavior and personalize its value propositions, as well as to enhance its customer management systems, which will enable it to offer individualized attention through personalized offers.
- In the **United States**, all toll roads have shown solid traffic growth as well as growth in average revenue per transaction. The current inflationary context will imply an increase in the revenues of the Dallas Express Lanes, where the soft cap will increase in 2024 compared to the previous year. In this regard, the opening of segment 3C of the NTE35W will significantly increase revenues in the US market. During 2024, and thanks to the success of the North Tarrant Express project, toll road expansion work will be carried out earlier than initially planned in the development agreement that the company has with the Texas Department of Transportation. It is expected to be completed in 2027.
- In **Australia,** Cintra will continue to manage the Toowoomba toll road and the Western Roads Upgrade project, which was fully opened to traffic in November 2021.
- In **India**, where IRB Infrastructure Developers Ltd. manages 24 toll road projects with a total length of more than 15,000 kilometers, it is expected to reach significant milestones within its pipeline of projects under development during 2024.
- In the **remaining markets**, Cintra will continue to operate the assets already in operation, including the D4R7 toll road in Slovakia, which opened to traffic completely in October 2021. It will also open to traffic several sections of the Ruta del Cacao, in Colombia, and will continue with the construction of Silvertown, in the United Kingdom.

The company will continue its bidding activity in its target regions (North America, Europe, Australia, Colombia, Chile and Peru), focusing on complex greenfield projects, due to their high potential for value creation, such as the SR400 Express Lanes in Atlanta (Georgia), for which the company has been prequalified, as well as in India through IRB.

AIRPORTS

CONNECTING THE WORLD

Ferrovial Airports integrates all the company's airport management activities and is one of the world's leading private airport operators. It has stakes in Heathrow and AGS (United Kingdom), Dalaman (Türkiye) and in the future New Terminal One of John F. Kennedy International Airport in New York (United States).

All airports recorded a significant increase in traffic during 2023, with some exceeding 2019 levels. Growth is visible across all geographies and in both business and leisure travel. The appetite for traveling is expected to remain strong for the foreseeable future.

During 2023, Ferrovial's Airports business unit expanded its operations by actively collaborating with various projects for the recovery of traffic after the pandemic.

HEATHROW

79.2

million passengers

AGS

10.4

million passengers

DALAMAN

5.2

million passengers

MAIN ASSETS

Ferrovial's Airports division has a portfolio of four airports in the United Kingdom: a 25% stake in Heathrow, Europe's busiest hub, and 50% in Glasgow, Aberdeen and Southampton (AGS).

In 2022, Ferrovial Airports joined, with a 49% stake, the partnership that will design, build and operate the New Terminal One at John F. Kennedy International Airport in New York, USA, and acquired a 60% stake in the company that manages the concession at Dalaman International Airport in Türkiye.

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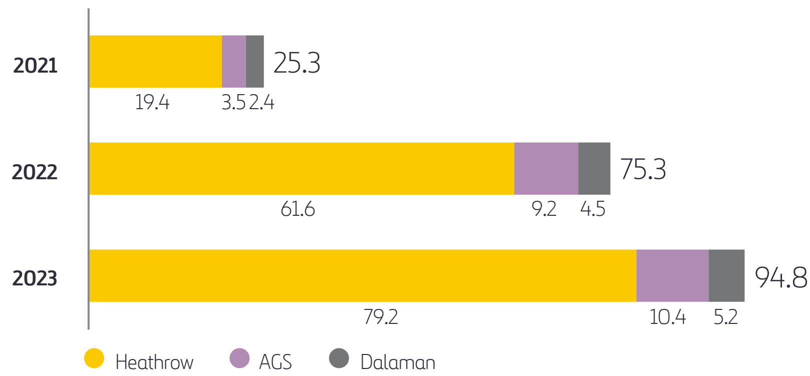


New Terminal One (NTO) at JFK International Airport

The NTO project announced in May 2023 a new partnership with Korean Airlines. The agreement with the airline has added to the portfolio of international premium carriers that have already signed with NTO, including Air France, KLM, Etihad Airways and LOT Polish Airlines, while the new terminal continues to welcome the international airline community during its construction process. NTO is currently in discussions with the international airline community operating at JFK to secure new contracts in the coming years in preparation for the opening of the terminal. This level of commitment, from companies already present at JFK for many years, is evidence of the willingness of major carriers to secure access to the highest quality facilities at JFK. By the end of 2023, NTO's securing of commitments for approximately 25%* of the estimated 2027 traffic through long-term agreements represents industry validation of the company's business plan and the airlines' appetite to pay rates and charges in line with NTO's expectations.

Construction of the first phase began in June 2022 and is scheduled for completion in June 2026. Since the start of the work, significant progress has been made, with important milestones being reached, such as the complete demolition of the green garage and the old Terminal 2; the start of the construction of the steel structure and slabs, of which significant progress can already be perceived in the central area of the building whose foundations are already completed; the enclosure of the AirTrain tracks as they pass through the terminal; the activation of the deviation of the roadway of the existing Terminal 1 facade (C-loop), which has made it possible to unify the construction area while maintaining the operations of the existing Terminal 1, as well as the diversion of all the main services affected, allowing progress without obstruction of the foundations. In addition, work is beginning on the enclosure of the central building, interior partitions, and preliminary work for installing the automatic baggage handling system.

(*) As of the date of publication of this report (February 2024), Korean Air and Asian Airlines are considering a merger. The 25% value mentioned above assumes that the merger is eventually signed. Otherwise, the % of committed traffic would be around 23%.

AGS

AGS also recorded a notable recovery in traffic, with 10.4 million passengers in the year (up 13.5% in 2022 but -23.4% in 2019, a figure influenced by Flybe's suspension of activity). In September, Southampton Airport celebrated the official opening of its runway extension as part of its commitment to expanding airport capacity and offering airlines to reach new destinations. The project consisted of the extension of the northern end of the runway by 164 meters, with an investment of £15 million (17.4 million euros).

Heathrow

Heathrow traffic experienced a strong recovery during the year as the aviation sector has been recuperating from the impact of the pandemic.

During 2023, 79.2 million passengers traveled through Heathrow, representing an increase of 28.6% over the previous year, virtually reaching 2019 levels at year-end (-2.1% for the full year). The airport was named 2023 most interconnected airport in the world according to the index "Megahubs 2023. Most Connected Airports in the World", prepared by the Official Airline Guide (OAG).

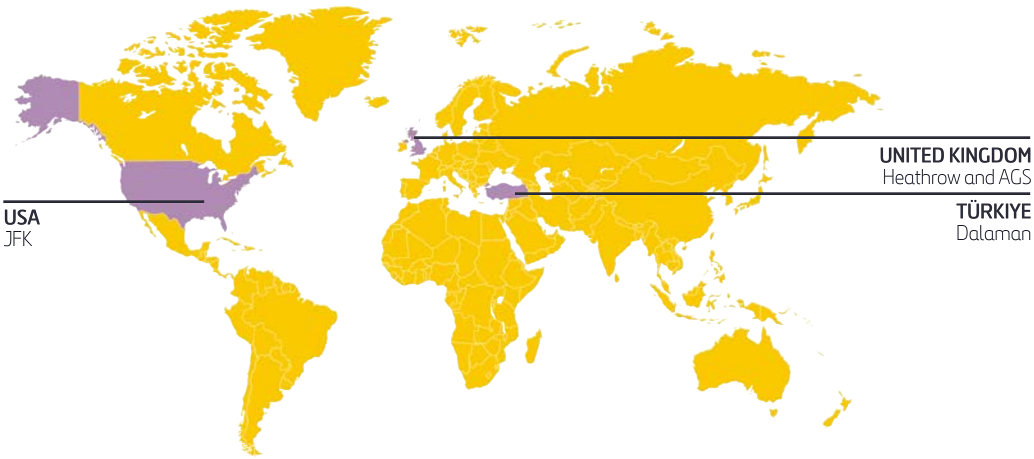
In the last quarter of the year, Ferrovial announced that an agreement had been reached for the sale of its entire stake (25%) in FGP Topco, the parent company of Heathrow Airport Holdings Ltd, for £2,368 million. The current book value of Ferrovial's stake in Heathrow Airport Holdings Ltd., according to Ferrovial's consolidated accounts, is zero. The deal has been reached with two different buyers, Ardian and The Public Investment Fund (PIF), which would acquire Ferrovial's 15% and 10% stake, respectively, through separate deal structures.

The transaction is subject to fulfilling the rights of first offer (ROFO) and full participation (tag-along rights), which the remaining shareholders of FGP Topco may exercise pursuant to the Shareholders' Agreement and the Company's Bylaws. The full completion of the acquisition is also subject to compliance with the applicable regulatory conditions.

In accordance with the tag-along process, some of FGP Topco shareholders have exercised their tag-along rights in respect of shares representing 35% of the share capital of FGP Topco (Tagged Shares). The agreement for the sale and purchase of Ferrovial SE's subsidiary's shares in FGP Topco remains in force although it is a condition for the sale of the shares that the Tagged Shares are also sold. The parties are working towards satisfaction of such condition by exploring different options to satisfy the same. Completion of the transaction continues to be subject to the satisfaction of the tag-along condition, together with applicable regulatory requirements and, consequently, there can be no certainty that the transaction will complete.

Dalaman

Dalaman Airport remains a major vacation destination for both domestic and international travelers in Türkiye, with traffic above prepandemic levels. 5.2 million passengers traveled through Dalaman in 2023 (+15.5% over 2022 and +6.8% over 2019).



VALUE CREATION

Sustainability

Sustainability continues to be a major focus for Ferrovial Airports, where the company is leading major initiatives to reduce emissions, both from aircraft and terminals. Some examples are the promotion of flights with sustainable aviation fuels (SAF), the installation of solar panels to increase self-consumption and reduce emissions, or the growing use of electric buses/equipment for different activities in the airport area.

The decarbonization of the aviation sector remains the priority in this area, where the use of PBS is a fundamental pillar. This fuel, produced from waste products, saves up to 70% of CO_2 emissions during its life cycle, while performing like the traditional aviation fuel it replaces. In this regard, in 2023, Virgin's first transatlantic flight, powered 100% by SAF, departed from Heathrow to New York. In addition, Heathrow launched the first sustainable bond covering "in-air" emissions.

Meanwhile, AGS is continuing with its plan to decarbonize its operations and infrastructure by the mid-2030s. Aberdeen Airport purchased an electric bus to transport passengers between the terminal and the parking lot. It is estimated that these new vehicles will avoid the emission of around 30 tCO_2 per year.

In early 2023, Dalaman Airport entered the Airport Carbon Accreditation (ACA) program of Airports Council International Europe (ACI Europe). The airport was directly awarded the Tier 2 Carbon Emissions Certificate, which recognizes Dalaman's efforts to manage and reduce its CO_2 emissions.

Innovation

Among the main innovation projects implemented by Ferrovial Airports in 2023, the following stand out:

- Glasgow Airport's leadership of a consortium that will test the feasibility of a hydrogen production, storage and distribution center for zero-emission flights at the airport.
- Successful flight testing of the first medical drone network to ensure more efficient delivery of critical medical supplies, also at Glasgow Airport.
- Launched digital channels at Dalaman Airport to improve passenger experience and streamline travel across the infrastructure.

Awards

During 2023, Heathrow, AGS and NTO received numerous awards, including the following:

Heathrow:

Business Traveler 2023 Awards:

- Best Airport in Europe.
- Third Best Airport in the World.
- Best Airport for shopping.

AGS

- Aberdeen, named Hub of the Year at the National Transport Awards 2023
- Glasgow, awarded Scottish Airport of the Year in the Scottish Transport Awards 2023

NTO

- Project Finance International, recognized as P3 operation of the year in America.

Green Bond issuance at NTO

John F. Kennedy International Airport's New Terminal One in New York announced a successful $2 billion bond issuance following a strong reception from the investment community. The Series 2023 Special Facilities Revenue Bonds were oversubscribed, even after increasing the transaction by $500 million due to investor demand. This milestone mitigates nearly one-third of the refinancing risk with still 3 years to refund the initial bank loan. A portion of the issuance (USD 800 million) was insured by Assured Guaranty Municipal Corp ("AGM").

Highlighting the project's commitment to sustainability, the bonds were designated as Green Bonds by Kestrel Verifiers, an independent second-party opinion provider, which confirmed that the uses of the bonds conform to Green Bond principles.

EXPECTED BUSINESS PERFORMANCE IN 2024

In 2024, traffic is expected to increase across all airports, with some reaching figures approaching 2019 and even higher.

- **Heathrow**: 81.4 million passengers (100.4% of 2019 levels), as reported in its latest Investor Report published, in December 2023.
- **AGS**: 12.1 million passengers (89% of 2019 levels).
- **Dalaman:** 5.5 million passengers (+11.6% vs 2019 levels).

Financial results are expected to follow traffic trends, along with an increase in commercial revenue per passenger at all airports.

Vertiports' strategy for fiscal 2024 will focus on continuing to build strong and lasting relationships with key industry stakeholders, while shaping the early stages of its development.

Dividends distribution in the coming years will largely depend on traffic recovery and business performance (Ferrovial Airports assets did not distribute dividends in 2023).

During 2024, Ferrovial Airports will continue to analyze selective investment opportunities worldwide, with an emphasis on sustainable infrastructure to which Ferrovial can contribute its operational and construction experience.

ENERGY

COMMITMENT TO ENERGY TRANSITION

At the end of 2021 Ferrovial decided to explore sustainable business opportunities by creating the Energy Infrastructure and Mobility (FEIM) division. In 2023, the foundations were laid for future activity, as well as the continuation of circular economy activities in the United Kingdom and services in Chile and Spain.

Ferrovial is not limited to the management and development of its traditional businesses; it is constantly seeking ways to respond to new social needs. Projects and opportunities that provide differential value based on the company's experience and background, and that address changes in society's habits. Energy, mobility and the circular economy are evidence of this commitment and this effort.

PHOTOVOLTAIC SOLAR ENERGY

50MWp

in operation

TRANSMISSION LINES

924

kilometers* under construction and operation

68

kilometers of new allotment

CIRCULAR ECONOMY

800,000

annual tons of MSW managed

(*) Transchile Project: 408 km in operation (2x220 kV - 204 km); Centella Project: 504 km under construction (2x220 kV - 252 km); Tap Mauro Project: 12 km under construction (4x220 kV - 3 km); Gabriela Project: approx. 68 km (2x154 V - 34 km).

ACTIVITIES

Chile and Spain are the two main markets for **Energy Infrastructure**. Ferrovial has one transmission line (Transchile*) already operational in Chile, which was acquired in 2016, and another two under construction, included in the Centella project. Likewise, confirming its interest in continuing to grow in the transmission segment, throughout 2023 the company has continued to submit bids in various tenders, having been awarded new construction and extension projects as part of the annual Chilean transmission expansion plan, pending issuance of the award decree by the Ministry of Energy of Chile.

In Spain, the most significant milestone of the year was the El Berrocal project, a 50 MWp photovoltaic plant located in Gerena (Seville), which began operating in the last quarter of the year, and its financing was closed at the same time. Ferrovial continues to work on expanding its portfolio, where it currently has assets in the early stages of development with an installed capacity of more than 2 GW in projects designed for the hybridization of different renewable generation technologies.

Furthermore, the creation of BxF, a Joint Venture between Ferrovial and Budimex, whose main objective is the development and promotion of assets related to energy infrastructures in Poland, was materialized in 2023. This newly created company has already started its activities and has its own development team with a pipeline of greenfield projects of different technologies with an installed capacity of nearly 200 MW in the region.

In **Mobility**, Ferrovial and Renault Group reached an agreement in December 2023 for the sale of Ferrovial's entire 50% stake in the electric car-sharing service Zity to its partner, Renault. Ferrovial will focus its investments on activities related to its core business, the development and operation of sustainable infrastructure.

EL BERROCAL PROJECT

50 MWP

Solar photovoltaic plant, Seville, Spain

The **Circular Economy** is another important area of this division's activity. It has four municipal solid waste (MSW) treatment centers, located in Yorkshire, Milton Keynes, Cambridge and the Isle of Wight. Each of them is associated with a concession contract with different local authorities. Together they have a capacity to treat some 800,000 tons per year. This business comes from its former Services division, as do those in Chile and Spain. In the Andean country, its activity continues to focus on providing services to large-scale copper mining, such as maintenance, hoisting or management of the electrical loop. In Spain, it retains a 24.7% stake in Serveo, a company focused on providing auxiliary services to public and private clients.

STRATEGY

Ferrovial is positioned as a preferred industrial partner, providing value in the development, financing, construction, operation and rotation of Energy's assets. Based on its experience, it plans to take advantage of business opportunities while maintaining a balance between risk and profit. The division is an active part of the company's ESG strategy, with the focus on the fight against climate change and the decarbonization of the economy, always in line with the Horizon 24 Strategic Plan.

(*) Transchile Project: 408 km in operation (2x220 kV - 204 km); Centella Project: 504 km under construction (2x220 kV - 252 km); Tap Mauro Project: 12 km under construction (4x220 kV - 3 km); Gabriela Project: approx. 68 km (2x154 V - 34 km).

In a sector subject to constant change, the company intends to use, together with its own resources, participation in industrial ecosystems, developing and investing in technologies that enable growth in profitable businesses. The activity will focus on Ferrovial's preferred geographies, especially the United States, Spain, Chile and Poland.

BACKGROUND

The future of energy infrastructure and mobility depends largely on five rapidly evolving trends:

- The need and willingness to have greater energy autonomy at regional, national and supranational levels.
- National, regional and local regulation on economic incentives or disincentives to CO_2 production, use of public spaces, regulation of planning and rights to energy assets, etc.
- Social changes driven by growing awareness of climate change and the trend toward individual preferences for more personalized services. Its was accelerated by the COVID-19 pandemic.
- Variations in asset costs due to technological progress that have been altered by rising inflation, shortages of certain components and logistical stresses.
- New products, services and business models driven by technological and process innovation.

Despite the uncertainty of the evolution of these five points, there is a growing awareness of further electrification and a different concept of personal mobility, especially in cities.

EXPECTED BUSINESS PERFORMANCE IN 2024

In Energy Infrastructures, a distinction must be made between generation and transmission:

- In the area of renewable electricity generation, Ferrovial will continue to execute greenfield projects in key markets, with a technology-independent approach. The company will continue to seek profitable acquisitions that will help it accelerate its growth and learning in this sector.
- In transmission, the company will remain focused on expanding its assets, mainly in Chile, participating in public and private tenders, leveraging its current presence and accelerating its integration throughout the value chain.

Finally, during 2024 and with the aim of strengthening the business related to the energy transition and developing new capabilities in this area more quickly and efficiently, the different Energy activities that had been carried out by the Energy Solutions area within the Construction business and those included in the Energy Infrastructure business will be merged, thereby creating a new business unit entitled Ferrovial Energy.

The rest of the activities not related to the Energy area, such as the Services business in Chile (Veltis), Waste Treatment in the United Kingdom (Thalia), other interests in Services businesses and the Mobility activities will be separately managed outside of the scope of this business line.

In Mobility, Ferrovial retains a minority stake in Inspiration Mobility, a US company that invests in the electric vehicle sector, both in cars and associated charging infrastructures, which represents a project for the future.

CONSTRUCTION

COMPLEX PROJECTS

Ferrovial Construction is the business unit that carries out the construction of civil works, building, water treatment plants, industrial works and energy transition projects, to develop sustainable, innovative and efficient infrastructures.

The Construction division is essential in achieving Ferrovial's business strategy, outlined in the Horizon 24 Plan, which is firmly committed to the development of sustainable infrastructures that have a positive impact on the environment and communities. During 2023, the company has carried out numerous contributions on the path towards the decarbonization of the economy, highlighting the execution of new renewable energy and water treatment plants, initiatives for the use of biofuels in its equipment and machinery, and the implementation of targeted sustainability strategies in its main subsidiaries.

BACKGROUND

Ferrovial Construction has increased its revenue again in 2023 and maintained its profitability at positive levels, despite the negative impact of completion work on large projects in the United States, marked by modifications and customer requirements unforeseen in the work program. The company has initiated the claims process for the recovery of these costs.

Looking at the future, the selective criteria for bidding on projects and geographies will be maintained, with a commitment to new and more collaborative contracting models, such as the award of the Construction Management at Risk contract for the Pflugerville Water Treatment Plant in Texas.

The company’s expectations remain positive, with the order book at a record high, and with a solid pipeline of projects in the main markets (USA, Poland and Spain), where major investments are planned not only in transportation infrastructure but also in water, electricity transmission or energy efficiency projects as a result of multi-year plans such as the NextGen funds in Europe or the Infrastructure Investment & Jobs Act in the United States.

In Poland, the implementation of new national investment plans for highways and railroads until 2030-33 stands out, while in Texas (USA), the Department of Transportation has set a record amount of funds over the next ten years through the Unified Transportation Program Road Plan. Budimex, Webber and PLW are leaders in their respective fields in these geographies and markets.

VALUE CREATION

The achievement of Ferrovial's strategy involves Construction. The division remains committed to innovation and technology to minimize its environmental footprint, generate a positive impact on society and ensure the safety of users and workers. Along with its own profitability and cash generation capacity, it adds value by coordinating the design and construction of infrastructure concessions in which other Ferrovial investment divisions participate, as shown by the recent award for the expansion of the capacity of the NTE 1&2W Toll Road in Texas, currently operated by Cintra.

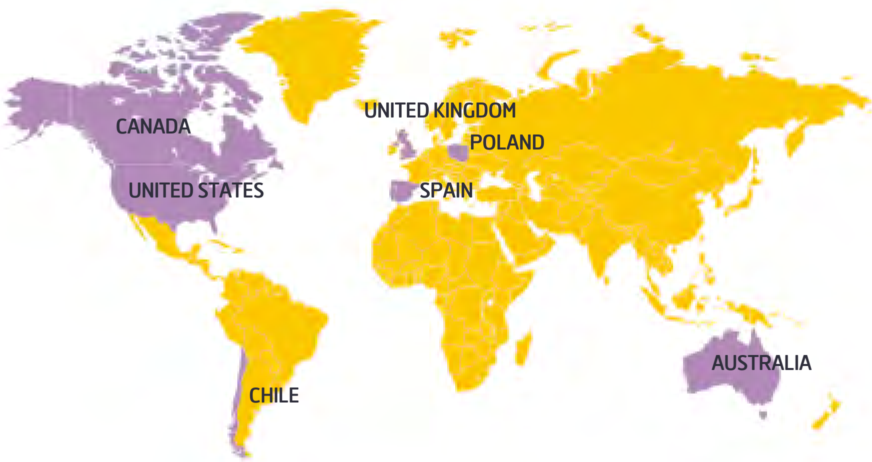
Portfolio diversification and selective internationalization

Sector diversification enables Construction to maintain its technical qualifications and to deploy continuously prepared material and human resources teams, as demonstrated by the variety of contracts awarded to Budimex in Poland in 2023. Highlights include work on the Gdansk and Swinoujscie port terminals, the Kamelia photovoltaic plant, the Nysa Klodzka and Opole anti-flooding infrastructures, and the unique Opera Nova building in Bydgoszcz.

The United States and Poland, in addition to Spain as a market of origin, remain the division's main markets, accounting for around 80% of sales. Other geographies with a stable presence are the United Kingdom, Chile, Australia and Canada.

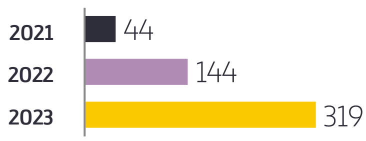
Webber, the Civil Construction subsidiary in the United States, has reached a record high in the awarding of projects, such as the Texas IH-10 toll road in Colorado County, the US-59 in San Jacinto County, or the entry into the state of Florida through three new contracts: the I-95 in Escambia County, the I-95 in Duval County and the SR-8 in Escambia County, which consolidates the company's presence on the east coast of the country.

ORDER BOOK (M€)



REVENUES (M€)

CASH FLOW FROM OPERATING ACTIVITIES (M€)*



*Excluding corporate income tax

Historic record high for Webber's order books

Webber, the Civil Construction subsidiary based in Texas, USA, has reached its all-time contracting high, with more than €2.0 billion in contracts awarded in 2023. This achievement reflects Webber's favorable evolution in recent years, in which it has demonstrated positive financial performance and a successful strategy of geographic expansion into the East Coast states of the U.S. It has also diversified its project portfolio, including water treatment plants, renewable energy and road operation and maintenance services, and implemented new design-build, A+B cost and schedule, or collaborative contractual models such as CMARs.

Respect for the environment, quality and safety

Construction operates under strict guidelines to minimize its environmental impact. Its approach to projects includes the identification of environmental risks through individual management plans to favor the conservation of biodiversity, the efficient use of energy by promoting self-consumption, decarbonization and renewable energies, and fostering the circular economy through the recovery of waste and the use of recycled materials.

The aim is to progressively reduce the carbon footprint and achieve emission neutrality by 2050. Further examples are the construction of the Greatworth "green tunnel" in the HS2 London to Birmingham project in the United Kingdom, which has been executed using the cut and cover method, and which will be buried with trees, shrubs and hedges planted on top for integration with the local landscape and flora, or the I-66 toll road wetlands project in Virginia, where a new water pond and five wetland cells have been designed and constructed as a compensatory measure for the loss of natural habitats, providing similar functionality and increasing the ecological value.

Construction's commitment to the quality of its projects is evidenced by the award of a second Data Center for Microsoft in Meco (Spain), in addition to the one awarded in 2022 in San Sebastián de los Reyes (Spain). The latter has obtained Leed Gold certification awarded by the Green Building Council, after complying with the strictest quality and sustainability criteria.

The safety of people is an essential pillar of Ferrovial Construction, and placing technology at their service is key to guaranteeing it. In addition to the innovative health and safety initiatives implemented in recent years, in 2023 a wearable system was successfully tested in different markets such as the United States, Spain and Portugal to help improve the safety conditions of workers on construction sites, with the installation of proximity sensors in vests, helmets and other connected devices to prevent interference and involuntary interactions of staff with heavy machinery, thus minimizing accidents.

As a result of this strategy in sustainability and corporate social responsibility, Ferrovial Construction has received the Gold Medal award from ECOVADIS, which evaluates more than 100,000 companies worldwide, highlighting its commitment to the environment, labor practices, social wellbeing, mental health, human rights and business ethics. This recognition places Ferrovial Construction in the top 5% of companies in its sector.

Innovation as competitive positioning

Within the framework of the Abacus Strategic Plan, Ferrovial Construction continues to focus on innovation and digital transformation. Some examples are the implementation of the use of Trimble SiteVision augmented reality in the expansion of the I-35 NEX Central toll road in Texas to identify conflicts between the 3D models and the real construction, or the promotion of the Earthworks project, which monitors and analyzes earth movement through IoT devices attached to the machinery, enabling decision-making for the optimization of production, and the prevention of environmental and safety incidents. This last initiative, which is already being used in construction sites in Spain, Australia and the USA, is being scaled up for commercialization.

Talent management

Ferrovial Construction is committed to promoting talent, equality and diversity among all its employees. As part of its ongoing commitment to their professional development, the company has implemented new initiatives such as the GoFurther and Grow programs, focused on the growth of young and female talent.

Silvertown: ground freezing and 180° rotation of the largest tunneling machine in the UK

Ferrovial Construction, together with its partners in the execution of the double-tube urban road Silvertown Tunnel under the River Thames, have applied innovative techniques such as artificial freezing of the subsoil to control groundwater, or the 180° rotation of the largest tunneling machine in the United Kingdom (82 meters long, 11.8 meters in diameter and 2,000 tons) by placing hydrogen skids. It has enabled the construction of the second parallel tunnel by reusing the same tunneling machine immediately after completing the first borehole. This process has resulted in significant savings in time, costs and CO2 emissions, providing a model for future tunneling projects. Thanks to this innovative solution, the project was awarded the Temporary Works Initiative of the Year prize from the British Construction Industry Awards. Thanks to this innovative solution, the project was recognized in 2023 with the Temporary Works Initiative of the Year award from the British Construction Industry Awards, and with four additional awards at the NCE Tunneling Awards, among which stands out Tunneling Contractor of the Year.

TARGET 2024

3.5%

Adjusted EBIT margin

EXPECTED BUSINESS PERFORMANCE IN 2024

The evolution of the Construction division in 2024 is expected to be marked by the prioritization of profitability and stability in sales level. The 3.5% Adjusted EBIT target for next year established in the Horizon 24 Strategic Plan is maintained. The improvement in margins forecast for 2023 is based on the risk control measures and mitigants adopted to control inflation and on the specific contingencies included in the new contracting, favored by the completion of large projects in the United States that impacted negatively on profitability as a result of modifications and requirements unexpected in the work program. The outlook for 2024, by market, is as follows:

- In **Spain**, the upward trend in sales is expected to continue, thanks to the significant contracting in railroads and for private clients in the last two years. In the medium term, the application of the European NextGen funds will maintain the boost in bidding, in addition to the positive dynamics of public railway and healthcare initiatives, including price review formulas implemented by the administration, and private initiatives in industrial, logistics and technology, building and renewable energy projects.
- In the **United States and Canada**, the favorable investment in transportation infrastructure by the states and provinces will continue, with programs such as the new Texas road construction plan, 2024 Unified Transportation Program, the Moving Forward for large projects in Florida, and the Major Mobility Investment Program for P3/DBF contracts in Georgia, among others. Also, in the medium term, the pipeline remains high, favored by the federal Infrastructure Investment & Job Act, which doubles funding for transportation infrastructure. A stable level of sales is expected in 2024, thanks to both the increased pace of execution of the Ontario Line of the Toronto Metro, and to Webber's favorable performance following the major contracts awarded in recent years, despite the completion of major projects such as the I-66 toll road in Virginia, I-285/400 in Georgia, and the High Speed Rail project in California.
- In **Poland**, public tendering maintains good prospects thanks to the national road and rail investment plans until 2030-33, supported by the high level of funding allocation under the EU's 2021-27 multiannual financial framework, which ensures future stability of investment in the country. In 2024, stable turnover is expected, and the selective bidding strategy will be continued, prioritizing profitability, following the tensions arising from the increased cost of raw materials and supply chain problems caused by the uncertainty of the war in Ukraine, and expanding diversification into sectors such as energy, renewables or port terminals.
- In the **rest of the markets**, a moderate drop in sales is expected in Chile, mainly due to lower production in relevant projects such as the Centella Pan de Azúcar power transmission line or the Rutas del Loa toll road, which is expected to be completed in 2024. Other geographies, including Australia and the United Kingdom, will maintain a stable level of sales thanks to the execution of large projects awarded in previous years, such as the Coffs Harbour Bypass in New South Wales or the Silvertown Tunnel in London. Likewise, the outlook for tenders continues to be good, maintaining a selective approach, highlighting important works in tunnels, railroads and energy in Australia and the United Kingdom, while in Latin America, concession projects for roads, water treatment plants and power transmission lines will predominate, together with other Ferrovial divisions.

3. FERROVIAL IN 2023

Business Performance
People
Health, Safety and Wellbeing
The Environment
Digitalization and Innovation
Cybersecurity
Value Chain
Social Value

Ferrovial Results January - December 2023

- **407 ETR's traffic grew by +14.6% in 2023 vs 2022,** primarily due to an increase in mobility and more people commuting to work in 2023 vs 2022, when all COVID-19 related restrictions were lifted (Q1 2022). In 2023, traffic growth was also supported by an increase in rehabilitation construction works on Highway 401. Revenues reached CAD 1,495 million up by +12.7% given the positive trend in traffic volumes.
- **Managed Lanes registered strong traffic growth in 2023.** All Managed Lanes (MLs) posted solid average revenue per transaction growth vs. 2022 with Texan MLs exceeding 2023 Soft Cap update (+6.5%): NTE 35W +15.4%, LBJ +10.7% and NTE +9.0%. This same KPI grew by +28.1% at I-77 where no price cap is in place. I-66 reached an average revenue per transaction of USD 5.5 for 2023 with both, traffic and revenue ramping up.
- **December traffic at Heathrow and Dalaman was above pre-pandemic levels.** Heathrow registered a strong recovery with 79.2 million passengers in 2023 (+28.6% vs 2022 and -2.1% vs 2019), the third highest year in Heathrow's history. AGS traffic evolution performed well vs 2022 (+13.5%), while traffic vs 2019 continued to improve (-23.4%). Dalaman saw a strong performance (+15.5% vs 2022), outperforming 2019 (+6.8%).
- **Construction adjusted EBIT stood at EUR 77 million** vs EUR 63 million in 2022, mainly driven by Budimex performance (Adjusted EBIT +41.0%) partially offset by completion works on large projects in their final stages in the US and the negative impact from a landslide in Colombia (Ruta del Cacao). Adjusted EBIT margin reached 1.1% vs. 1.0% in 2022. The order book reached EUR 15,632 million (+5.5% LfL growth), a new all-time high, not including pre-awarded contracts of c.EUR 1.9 billion.
- **Solid financial position:** high ex-infrastructure project companies liquidity levels reaching EUR 5,387 million and Consolidated Net Debt of ex-infrastructure project companies at EUR -1,121 million, positively impacted by EUR 741 million dividends collected from infrastructure projects, including the first year of dividend distribution from NTE35W (EUR 251 million) and a significant improvement in Cash flows from operating activities in Construction. Cash consumption driven by investments (EUR -454 million) due to equity injections into new projects (I-66, NTE 3C and New Terminal One), as well as shareholder remuneration (EUR -250 million).
- **Other 2023 highlights:**
  - Agreement reached for the sale of c.25% stake in FGP Topco (Heathrow's parent company) for GBP 2,368 million,although the completion of the deal is subject to the satisfaction of tag-along conditions.
  - Sale completed of 89.2% stake in Azores in December 2023, as part of our mature asset rotation strategy.
  - NTE 3C (NTE35W extension) opened to traffic in June 2023 (ahead of schedule).
  - Since June 16, 2023, Ferrovial's shares are simultaneously listed in both Spain and the Netherlands stock markets.

REPORTED P&L

(EUR million)	2023	2022
Revenues	**8,514**	**7,551**
Adjusted EBITDA*	**991**	**728**
Fixed asset depreciation	-401	-299
Adjusted EBIT*	**590**	**429**
Disposals & impairments	35	-6
Operating profit/(loss)	**625**	**423**
Financial Results	**-184**	**-320**
Equity-accounted affiliates	215	165
Net profit/(loss) before tax from continuing operations	**656**	**268**
Income tax	-42	-30
Net profit/(loss) from continuing operations	**614**	**238**
Net profit/(loss) from discontinued operations	**16**	**64**
Net profit/(loss)	**630**	**302**
Net profit/(loss) attributed to non-controlling interests	-170	-117
Net/(loss) attributed to the parent company	**460**	**185**

REVENUES

(EUR million)	2023	2022	VAR.	LfL growth*
Toll Roads	1,085	780	39.0%	42.1%
Airports	80	54	47.9%	9.7%
Construction	7,070	6,463	9.4%	9.9%
Energy Infrastructure & Mobility	334	296	12.8%	13.2%
Others	-55	-43	-30.3%	-28.8%
Revenues	**8,514**	**7,551**	**12.8%**	**13.2%**

ADJUSTED EBITDA*

(EUR million)	2023	2022	VAR.	LfL growth*
Toll Roads	799	550	45.2%	48.3%
Airports	22	-2	n.s.	n.s.
Construction	218	176	23.5%	19.6%
Energy Infrastructure & Mobility	10	13	-23.7%	171.1%
Others	-57	-9	n.s.	n.s.
Adjusted EBITDA*	**991**	**728**	**36.1%**	**40.6%**

ADJUSTED EBIT*

(EUR million)	2023	2022	VAR.	LfL growth*
Toll Roads	586	391	49.9%	49.9%
Airports	2	-9	127.5%	60.2%
Construction	77	63	22.8%	11.9%
Energy Infrastructure & Mobility	-10	0	n.s.	69.4%
Others	-66	-16	n.s.	n.s.
Adjusted EBIT*	**590**	**429**	**37.4%**	**45.4%**

CONSOLIDATED NET DEBT*

(EUR million)	DEC-23	DEC-22
Consolidated Net Debt of ex-infrastructure project companies*	**-1,121**	**-1,439**
Consolidated Net Debt of infrastructure project companies*	**7,100**	**7,219**
Toll roads	6,688	6,852
Others	411	367
Consolidated Net Debt*	**5,979**	**5,781**

TRAFFIC PERFORMANCE

	vs 2022	vs 2019
407 ETR**	14.6%	-7.5%
NTE***	9.0%	16.7%
LBJ***	9.2%	-10.1%
NTE 35W***	20.1%	27.6%
I-77***	18.4%	n.s.
Heathrow****	28.6%	-2.1%
AGS****	13.5%	-23.4%
Dalaman****	15.5%	6.8%

**VKT (Vehicle kilometers travelled)
***Transactions
****Passengers

*Non-IFRS financial measure. For the definition and reconciliation of the most directly comparable IFRS measure, refer to Alternative Performance Measures of the Integrated Annual Report (page 262)

CONSOLIDATED RESULTS

- **Revenues** at EUR 8,514 million (+13.2% LfL growth) on the back of higher Toll Roads revenues (+42.1% LfL growth) and higher Construction revenues (+9.9% LfL growth).
- **Adjusted EBITDA** reached EUR 991 million (+40.6% LfL growth) thanks to a higher contribution from Toll Roads (+48.3% LfL growth), particularly US Toll Roads which posted an adjusted EBITDA of EUR 741 million. Along with greater contribution from Construction (+19.6% LfL growth).

RESULTS BY DIVISION

Toll Roads: revenues rose by +42.1% LfL growth and adjusted EBITDA by +48.3% LfL growth. Adjusted EBITDA stood at EUR 799 million.

- **Texas Managed Lanes:** showed strong traffic growth in 2023 vs 2022, NTE +9.0%, LBJ +9.2%, and NTE 35W +20.1%, the latter positively impacted by the opening to traffic of Segment 3C on June 20. The traffic at NTE35W excluding Segment 3C increased by +6.9% in 2023. NTE & NTE35W traffic was above pre-pandemic levels (2019), while LBJ traffic remained below, mainly due to the construction works underway in the area. All MLs posted significant average revenue per transaction growth vs. 2022: NTE 35W +15.4%, LBJ +10.7% and NTE +9.0%.
    - **NTE**: reported revenues of USD 289 million (+19.0%), aided by higher traffic and higher toll rates. Adjusted EBITDA reached USD 255 million (+19.5%). Adjusted EBITDA margin stood at 88.3% (vs 87.9% in 2022).
    - **LBJ**: revenues stood at USD 193 million (+20.9%), helped by higher traffic and higher toll rates. Adjusted EBITDA at USD 158 million (+23.5%) with Adjusted EBITDA margin of 81.9% (80.1% in 2022).
    - **NTE 35W**: reached revenues of USD 234 million (+39.4%), led by higher traffic (Segment 3C opening) and higher toll rates. Adjusted EBITDA reached USD 195 million (+40.3%) with Adjusted EBITDA margin of 83.1% (82.6% in 2022).
- **I-77** traffic increased by +18.4% vs 2022. Revenues reached USD 91 million (+50.5% vs. 2022) with significant growth in toll revenue per transaction (+28.1% vs 2022). Adjusted EBITDA stood at USD 66 million, and Adjusted EBITDA margin at 72.0% (62.9% in 2022).
- **I-66** showed revenues and traffic ramping up, with USD 167 million of revenues in 2023. Adjusted EBITDA reached USD 129 million with Adjusted EBITDA margin at 76.9%.
- **407 ETR** recorded higher traffic in 2023 (+14.6% vs 2022), due to an increase in mobility. Traffic growth was supported by an increase in rehabilitation construction works on Highway 401. Revenues reached CAD 1,495 million increasing by +12.7% given the positive trend in traffic volumes when restrictions were lifted in Q12022. EBITDA reached CAD 1,284 million (+12.7%) with EBITDA margin at 85.9%.

Airports: traffic improved notably in 2023 vs 2022 at all of the assets. Heathrow 2023 traffic ended up slightly below 2019 figures (-2.1%).

- **Heathrow** revenues increased by +26.6% and adjusted EBITDA was up +32.3% vs 2022. Heathrow welcomed 79.2 million passengers in 2023, increasing by +28.6% vs 2022.
- **AGS** revenues increased by +18.9% vs 2022 driven by higher traffic in the airports (+13.5% vs 2022) coupled with a higher yield. Adjusted EBITDA performed strongly increasing by +42.0% vs 2022.
- **Dalaman** revenues reached EUR 71 million driven by the positive performance in traffic due to the longer peak season. Adjusted EBITDA stood at EUR 55 million.Traffic numbers reached an all-time high of 5.2 million passengers (+15.5% vs 2022).
- **Construction**: revenues were up by +9.9% LfL growth. Adjusted EBIT reached EUR 77 million vs. EUR 63 million in 2022, due to strong performance at Budimex (7.6% Adjusted EBIT margin), partially offset by completion works on the large projects in their final stages in the US and the negative impact from a landslide in Colombia (Ruta del Cacao). Adjusted EBIT margin reached 1.1% vs. 1.0% in 2022. The order book reached EUR 15,632 million (+5.5% LfL growth), not including pre-awarded contracts of c.EUR 1.9 billion.

DIVIDENDS FROM PROJECTS

Total dividends received from projects reached EUR 741 million in 2023 (vs EUR 475 million in 2022) with the main distributions including:

- **407 ETR**: EUR 281 million were received by Ferrovial in 2023, (EUR 237 million in 2022).
- **Texas Managed Lanes:** EUR 397 million were received by Ferrovial (EUR 123 million in 2022), including the first year of distribution from NTE 35W (EUR 251 million), as well as dividends from NTE (EUR 109 million) and LBJ (EUR 37 million).
- **Other toll roads**: EUR 26 million in 2023 (EUR 28 million in 2022), including EUR 9 million from Australian toll roads, EUR 8 million from Spanish toll roads and EUR 2 million from the Irish toll roads.
- **Energy Infrastructure and mobility:** EUR 11 million from Serveo and EUR 18 million related to an intercompany loan repayment following the refinancing process with bank debt at Berrocal photovoltaic plant.

FINANCIAL POSITION

As at 31 December 2023, the Consolidated Net Debt of ex-infrastructure project companies reached EUR -1,121 million vs EUR -1,439 million in December 2022. Consolidated Net Debt of infrastructure project companies stood at EUR 7,100 million (EUR 7,219 million in December 2022). Consolidated Net Debt stood at EUR 5,979 million (EUR 5,781 million in December 2022).

CORPORATE TRANSACTIONS

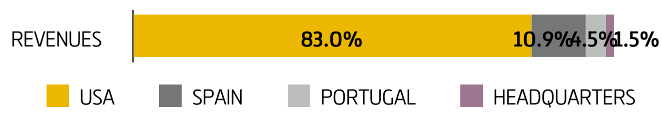
- On November 28, 2023, Ferrovial announced that an agreement had been reached for the sale of its entire stake (c.25%) in FGP Topco, the parent company of Heathrow Airport Holdings Ltd., for GBP 2,368 million. The agreement has been reached with two different buyers, Ardian and The Public Investment Fund, who would acquire Ferrovial's shareholding of c.15% and c.10% stakes respectively, through separate vehicles. Some FGP Topco shareholders have exercised their tag-along rights in respect of shares representing 35% of the share capital of FGP Topco (Tagged Shares). The agreement for the sale and purchase of Ferrovial SE's subsidiary's shares in FGP Topco remains in force although it is a condition for the sale of the shares that the Tagged Shares are also sold. The parties are working towards satisfaction of such condition by exploring different options to satisfy the same.
- In December, Ferrovial and Renault Group reached an agreement to sell the entire 50% of Ferrovial's stake in Zity by Mobilize to its partner Renault Group.
- In December, Ferrovial sold its 89.2% stake in the Portuguese toll road concession Euroscut Azores to infrastructure funds Horizon Equity Partners and RiverRock for EUR 43 million.

SUSTAINABILITY HIGHLIGHTS

- Ferrovial recognized as **one of the world's leading environmental companies by CDP** (Carbon Disclosure Project). Included in the 'A List' for Climate Change and "A List" for water , making it one of the best performing companies.
- Ferrovial received **'Top Employer' 2023** recognition as one of the best companies to work for in Spain.
- Ferrovial issued its **first sustainability-linked bond** (EUR 500 million).
- Ferrovial submitted the **Climate Strategy** for the advisory vote of the 2022 Annual General Shareholders' Meeting and received approval from over 90% of shareholders.
- Ferrovial has been included in **S&P's Global Sustainability Yearbook 2023.**
- **Ferrovial was included in the FTSE4Good Global Index for the 20th consecutive year.**
- Ferrovial **signed its annual social aid program**, which will benefit over 52,000 people. The program aims to improve access to water for human consumption, contribute to the fight against food insecurity and alleviate poverty and severe diseases.
- **Heathrow remains focused on championing the role of sustainable aviation fuel (SAF).** Considered a success in 2022, the incentive has been increased from 0.5% to 1.5% in 2023, and it was once again oversubscribed.
- **Heathrow is the first airport to achieve "science based validation" from the SBTi for their 2030 carbon reduction goals.**

Toll Roads

REVENUES	EUR 1,085 million	+42.1% LfL growth*
ADJ. EBITDA	EUR 799 million	+48.3% LfL growth*



407 ETR (43.23%, equity-accounted)

The annual financial information presented herein for the year ended December 31, 2023 is based on, and is consistent with, the audited consolidated financial statements of 407 ETR for the year ended December 31, 2023, published on February 22, 2024.

TRAFFIC

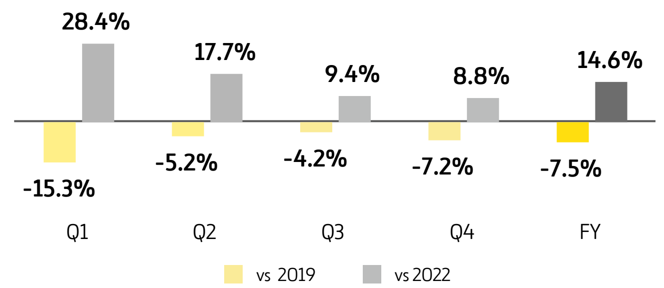
	2023	2022	VAR.
Avg trip length (km)	22.87	22.55	1.4%
Traffic/trips (million)	110.84	98.11	13.0%
VKTs (million)	2,535	2,213	14.6%
Avg Revenue per trip (CAD)	13.23	13.32	-0.7%

VKT (Vehicle kilometers travelled)

In 2023, VKTs increased by +14.6% vs 2022, primarily due to an increase in mobility and more people commuting to workplaces in 2023 vs 2022, when all COVID-19 related restrictions were lifted (Q1 2022). Traffic growth was also supported by an increase in rehabilitation construction activities on Highway 401.

When compared to 2019, traffic volumes in 2023 were still lower (-7.5%), but showed a positive trend thanks to increased mobility in the area.

Quarterly VKT traffic performance vs 2022 & 2019



P&L

(CAD million)	2023	2022	VAR.
Revenues	1,495	1,327	12.7%
EBITDA	1,284	1,139	12.7%
EBITDA margin	85.9%	85.8%	
EBIT	1,187	1,039	14.2%
EBIT margin	79.4%	78.3%	

Revenues were up by +12.7% in 2023, reaching CAD 1,495 million.

- **Toll revenues** (92.2% of total): +14.0% to CAD 1,379 million, on the back of higher number of trips and VKTs compared to 2022.
- **Fee revenues** (6.9% of total): -7.9% to CAD 103 million, due to reversal of provisions in 2022 and due to lower interest on delinquent accounts.
- **Contract revenues** (0.9% of total) amounted to CAD 14 million in 2023, related to the reconfiguration of the road-side tolling technology in connection with the removal of tolls for Highways 412 and 418. The contract was completed on June 1st, 2023.

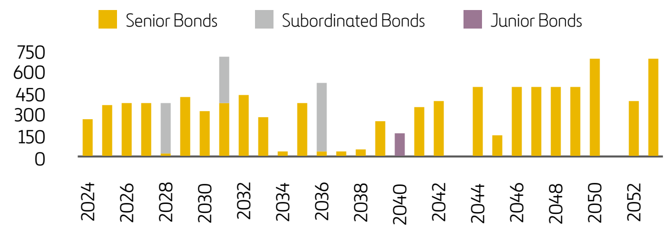
OPEX +12.3%, higher system operations expenses resulting from higher consulting and licensing costs, mainly related to the Company's enterprise resource planning and customer relationship management project. In addition to higher customer operations costs resulting from a higher provision for lifetime expected credit loss due to higher revenues.

EBITDA +12.7%, as a result of higher traffic volumes and revenues. EBITDA margin increased by +0.1% (85.9% vs 85.8% in 2022).

Dividends: CAD 950 million dividends were paid to shareholders in 2023, compared to CAD 750 million in 2022. The dividends distributed to Ferrovial were EUR 281 million in 2023 (EUR 237 million in 2022).

Net debt as at December: CAD 9,464 million (average cost of 4.20%). 53% of debt maturing in more than 15 years or more. Upcoming bond maturity dates are CAD 273 million in 2024, CAD 374 million in 2025 and CAD 381 million in 2026.

407 ETR bond maturity profile (CAD million)



407 ETR credit rating

- **S&P:** "A" (Senior Debt), "A-" (Junior Debt) & "BBB" (Subordinated Debt), with stable outlook, reaffirmed on July 31st, 2023.
- **DBRS:** "A" (Senior Debt), "A low" (Junior Debt) and "BBB" (Subordinated Debt), all trends with stable outlook, reaffirmed on June 28th, 2023.

407 ETR Toll Rates

In December 2023, 407 ETR signalled the end of a four-year rate freeze since February 2020 by announcing a new rate schedule that comes into effect on Feb 1st, 2024. For more information on the new toll rates, please visit the 407 ETR website at 407etr.com.

Schedule 22

The COVID-19 pandemic is considered a Force Majeure event under the provisions of the Concession and Ground Lease Agreement (CGLA), and therefore the 407ETR is not subject to Schedule 22 payments until the end of the Force Majeure event.

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

The toll rate increase by 407 ETR effective February 1, 2024, terminates the Force Majeure event, such that any Schedule 22 Payment applies for the year 2025, and is payable to the Providence in 2026. No Schedule 22 Payment applies for the year 2024.

*Non-IFRS financial measure. For the definition and reconciliation of the most directly comparable IFRS measure, refer to Alternative Performance Measures of the Integrated Annual Report (page 262)

TEXAS MANAGED LANES (USA)

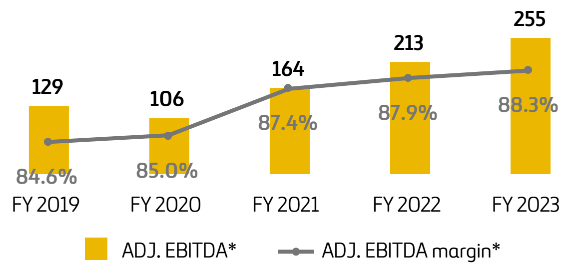
NTE 1-2 (63.0%, globally consolidated)

In 2023, traffic increased by +9.0% vs 2022. Traffic has been improving as a result of higher mobility in the area.

(USD million)	2023	2022	VAR.
Transactions (million)	40	36	9.0%
Avg. revenue per transaction (USD)	7.3	6.7	9.0%
Revenues	289	243	19.0%
Adjusted EBITDA*	255	213	19.5%
Adjusted EBITDA margin*	88.3%	87.9%	
Adjusted EBIT*	227	185	22.7%
Adjusted EBIT margin*	78.5%	76.1%	

The average **revenue per transaction** reached USD 7.3 in 2023 vs. USD 6.7 in 2022 (+9.0%) positively impacted by higher toll rates.

NTE ADJUSTED EBITDA EVOLUTION (USD million)



Dividends: NTE distributed two dividends in 2023 (June and December), for a total of USD 187 million at 100% (EUR 109 million FER's share). In 2022, NTE distributed USD 155 million at 100% (EUR 92 million FER's share).

NTE net debt reached USD 1,263 million in December 2023 (USD 1,223 million in December 2022) with an average cost of 4.46% (including NTE Capacity Improvements financing).

NTE Capacity Improvements financial close: NTE consortium, led by Cintra, issued USD 414.2 million using private activity bonds (PABs). The funds are mainly earmarked to finance the construction of certain capacity improvements required by the Comprehensive Development Agreement with the Texas Department of Transportation (TxDOT). Due to the success of the project, these capacity improvements will be implemented earlier than initially anticipated. The works commenced at the end of 2023, with construction expected to start in 2024 and completion forecasted for early 2027. Ferrovial Construction and Webber will serve as the design-build contractor.

Credit rating

	PAB	Bonds
Moody's	Baa1	Baa1
FITCH	BBB	BBB

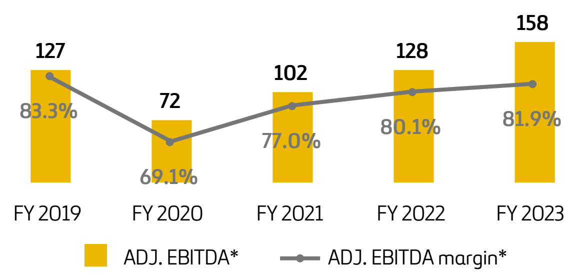
LBJ (54.6%, globally consolidated)

In 2023, traffic increased by +9.2% vs. 2022, still down on 2019 levels mainly due to constructions works in the area. Traffic has been improving as a result of higher mobility but has beem negatively impacted by works in the area (I-635).

(USD million)	2023	2022	VAR.
Transactions (million)	43	40	9.2%
Avg. revenue per transaction (USD)	4.4	4.0	10.7%
Revenues	193	159	20.9%
Adjusted EBITDA*	158	128	23.5%
Adjusted EBITDA margin*	81.9%	80.1%	
Adjusted EBIT*	130	101	28.2%
Adjusted EBIT margin*	67.2%	63.4%	

The average **revenue per transaction** reached USD 4.4 in 2023 vs. USD 4.0 in 2022 (+10.7%) positively impacted by higher toll rates.

LBJ ADJUSTED EBITDA EVOLUTION (USD million)



Dividends: LBJ distributed two dividends in 2023 (June and December), for a total of USD 74 million at 100% (EUR 37 million FER's share). In 2022, LBJ distributed USD 60 million (EUR 31 million FER's share).

LBJ net debt was USD 2,018 million in December 2023 (USD 2,020 million in December 2022) with an average cost of 4.03%.

Credit rating

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

*Non-IFRS financial measure. For the definition and reconciliation of the most directly comparable IFRS measure, refer to Alternative Performance Measures of the Integrated Annual Report (page 262)

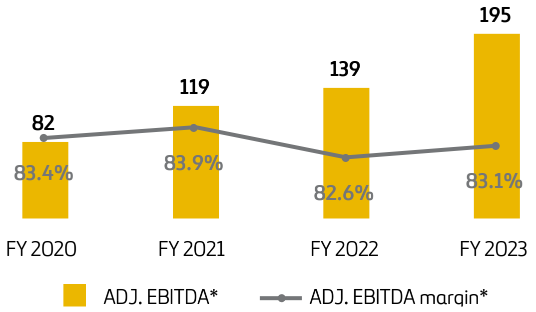
NTE 35W (53.7%, globally consolidated)

In 2023, NTE 35W traffic increased by +20.1% vs 2022, showing a positive performance coming from the opening to traffic of NTE 3C on June 20. The traffic at NTE 35W excluding Segment 3C increased by +6.9% in 2023.

(USD million)	2023	2022	VAR.
Transactions (million)	42	35	20.1%
Avg. revenue per transaction (USD)	5.6	4.8	15.4%
Revenues	234	168	39.4%
Adjusted EBITDA*	195	139	40.3%
Adjusted EBITDA margin*	83.1%	82.6%	
Adjusted EBIT*	156	115	35.0%
Adjusted EBIT margin*	66.4%	68.6%	

Average revenue per transaction stood at USD 5.6 in 2023, vs. USD 4.8 in 2022 (+15.4%), positively impacted by higher toll rates.

NTE 35W ADJUSTED EBITDA EVOLUTION (USD million)



Dividends: In 2023, NTE35W distributed dividends for first time with an extraordinary dividend in June amounting to USD 435 million at 100% (EUR 216 million FER's share) and a regular dividend in December of USD 70 million (EUR 35 million FER's share), totaling USD 505 million (EUR 251 million FER's share).

NTE 35W net debt reached USD 1,624 million in December 2023 (USD 1,233 million in December 2022) with an average cost of 4.67%, including NTE 3C.

Credit rating

	PAB	TIFIA
Moody's	Baa1	Baa1
FITCH	BBB+	BBB+

I-77 (72.2%, globally consolidated)

In 2023, traffic increased by +18.4% vs 2022, showing a strong performance on the back of an increase in mobility.

(USD million)	2023	2022	VAR.
Transactions (million)	41	35	18.4%
Avg. revenue per transaction (USD)	2.2	1.7	28.1%
Revenues	91	61	50.5%
Adjusted EBITDA*	66	38	72.4%
Adjusted EBITDA margin*	72.0%	62.9%	
Adjusted EBIT*	55	30	83.2%
Adjusted EBIT margin*	59.8%	49.2%	

The **average revenue per transaction** was USD 2.2 in 2023 vs. USD 1.7 in 2022 +28.1%), impacted by higher toll rates.

I-77 net debt was USD 202 million in December 2023 (USD 257 million in December 2022) with an average cost of 3.65%.

Credit rating

	PAB	TIFIA
FITCH	BBB	BBB
DBRS	BBB	BBB

I-66 (55.7%, globally consolidated)

In 2023, traffic reached 29 million transactions, with traffic ramping up.

(USD million)	2023
Transactions (million)	29
Avg. revenue per transaction (USD)	5.5
Revenues (USD million)	167
Adjusted EBITDA* (USD million)	129
Adjusted EBITDA margin*	76.9%
Adjusted EBIT*	70
Adjusted EBIT margin*	41.9%

The **average revenue per transaction** was USD 5.5 in 2023.

I-66 net debt reached USD 1,622 million in December 2023 (USD 1,644 million in December 2022) with an average cost of 3.57%.

Credit rating

	PAB	TIFIA
Moody's	Baa3	Baa3
FITCH	BBB	BBB

*Non-IFRS financial measure. For the definition and reconciliation of the most directly comparable IFRS measure, refer to Alternative Performance Measures of the Integrated Annual Report (page 262)

IRB (24.86%, equity-accounted)

Based on Indian legislation, the latest available information corresponds to the closing of IRB's third quarter of Fiscal Year 2024 (April 2023 to March 2024), that goes from April 2023 to December 2023. For comparison purposes, Ferrovial's consolidated financial statements include the company's contribution for the twelve months of 2023 (January to December).

(EUR million)	2023	2022	VAR.	LfL growth*
Revenues	828	802	3.2%	11.5%
Adjusted EBITDA*	406	427	-4.9%	2.7%
Adjusted EBITDA margin*	49.1%	53.2%		
Adjusted EBIT*	301	330	-9.0%	-1.7%
Adjusted EBIT margin*	36.3%	41.2%		

In 2023, IRB achieved significant milestones by being awarded with four projects:

- One BOT project (build-operate-transfer) in the State of Gujarat achieving the financial close in September 2023 and receiving the appointed date (green light to start construction) in December 2023.
- Three TOT projects (toll-operate-transfer), highlighting the project awarded in the State of Telangana, which is the second largest single asset TOT project after Mumbai-Pune.

OTHER TOLL ROADS

Azores (Portugal): In December 2023, Ferrovial completed the sale of its 89.2% stake to infrastructure funds Horizon and RiverRock. The deal amounted to EUR 43 million. Ferrovial will continue to provide technical services to the concession company for two years, which may be extended by mutual agreement.

ASSETS UNDER DEVELOPMENT

(EUR million)	INVESTED CAPITAL	PENDING COMMITTED CAPITAL	NET DEBT 100%	CINTRA SHARE
Equity Consolidated				
Financial Assets	**59**	**27**	**1,474**	
Ruta del Cacao	59	0	299	30.0%
Silvertown Tunnel	0	27	1,175	22.5%

- **Ruta del Cacao (Colombia):** 152 km, out of which 81 km are new toll road, including the construction of 16 bridges, 2 viaducts & 2 tunnels with a combined length of 6km. This is a 25-year concession. Design and construction works 98.2% completed as of December 31st, 2023.
- **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 85.6% completed as of December 31st, 2023.

TENDERS PENDING

Ferrovial keeps focused on the USA as main market, and the Group continues to pay close attention to private initiatives:

- Prequalified in SR400 Managed Lanes in Atlanta (Georgia).
- Actively following several projects in other states (Virginia, Tennessee and North Carolina). 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 USA, Cintra is active in other geographies where selective investments could be pursued. An example is the unsolicited proposal of the Anillo Vial Periferico Project (Peru).

*Non-IFRS financial measure. For the definition and reconciliation of the most directly comparable IFRS measure, refer to Alternative Performance Measures of the Integrated Annual Report (page 262)

Airports

HEATHROW (25%, equity-accounted) – UK

The annual financial information presented herein for the year ended 31 December 2023 is based on, and is consistent with, the audited consolidated financial statements of Heathrow (SP) Limited for the year ended 31 December 2023, published on February 21st, 2024.

TRAFFIC

Million passengers	2023	2022	VAR.
UK	4.2	3.4	23.5%
Rest of Europe	31.5	25.7	22.6%
Intercontinental	43.4	32.5	34.3%
Total	**79.2**	**61.6**	**28.6%**

Heathrow welcomed 79.2 million passengers in 2023, +28.6% vs 2022, representing a substantial increase in traffic, and the third highest year in Heathrow's history, including a very strong Christmas period with Heathrow's busiest ever December, and 97.9% of pre-pandemic levels.

Heathrow's markets continued to demonstrate strong performance, with Heathrow transatlantic routes performing particularly well. New York (JFK) became the most popular destination serving over 3 million passengers. In total, Heathrow had 24 routes which served over a million passengers this year. Latin America, Africa and Asia Pacific also experienced a significant rebound in traffic figures, in particular the Asia Pacific region, considering that borders only fully reopened earlier in the year. Terminal 5 experienced its busiest year ever, with more than 33 million passengers. By the end of the year, we were connected to 207 destinations in 88 countries and territories, up from 189 and 84 respectively in 2022.

Inbound tourism experienced an increase during 2023, and the percentage of business travel also recovery slightly, rising from 26% in 2022 to 27% in 2023. This figure, while on the rise, remains below the pre-pandemic level of 32% in 2019.

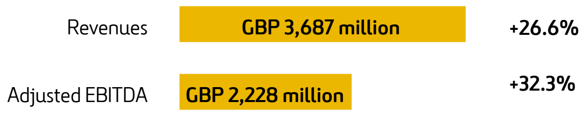
Heathrow was named "Best Airport in Europe" and claimed the title of the **world's "most connected" hub** and broke into the **top five largest airports in the world.**

In July 2023, Heathrow became **the first airport** in the world to launch an innovative **Sustainability Linked Bond** ('SLB').

New investments are underway across the airport to boost passenger experience and operational resilience. Heathrow is upgrading 146 security lanes as part of their GBP1bn investment in next generation security equipment and Heathrow has appointed a lead contractor to being replacing the T2 baggage system this year.

During 2023, Heathrow achieved an overall Airport Service Quality (ASQ) rating of 3.99 out of 5.00. This shows a slight improvement compared to 2022 despite a 28.6% increase in total passenger numbers. Overall, 74% of passengers surveyed between January and December rated their Overall Satisfaction with Heathrow as either 'Excellent' or 'Very good', marking a slight improvement compared to 2022 (2022: 73%), with the proportion of 'Poor' ratings remaining low at just 1%.

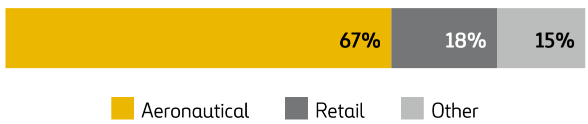
P&L HEATHROW SP



Revenues: +26.6% in 2023 to GBP 3,687 million.

- **Aeronautical:** +31.6% vs 2022, driven by passenger growth and the increase in aero charges. Aeronautical revenue per passenger increased by +2.5% to GBP 31.25 (2022: GBP 30.50), as per the holding price cap set by the CAA for 2023.
- **Retail:** +23.8% vs 2022, with all areas seeing strong growth driven by higher departing passengers. Retail revenue per passenger decreased by -3.8% to GBP 8.81 (2022: GBP 9.16), as passengers increased their usage of public transport post-pandemic and following the opening of the Elizabeth Line.
- **Other revenues:** +9.8% vs 2022 driven by increased passenger numbers contributing to Heathrow Express revenue growth and an increase in property revenue following renewals of terminal facility leases on improved terms, as well as new lets.

Contribution to revenues:



Adjusted operating costs (ex-depreciation & amortization and exceptional items): +18.7% to GBP 1,459 million (2022: GBP 1,229 million). Heathrow is spending more on employment costs in line with rebuilding capacity for higher passenger volumes. This includes costs associated with additional employees, overtime, recruitment and training. The rise in operational costs is mainly due to third-party resourcing, supporting operational resilience, and "Measure, Target, Incentive" rebates incurred. The increase in maintenance is largely driven by terminal cleaning and conservation of terminals, air side and baggage areas. Rates has seen a small decrease compared to 2022. Finally, utilities and other costs have been impacted by higher consumption and higher energy prices.

Adjusted EBITDA increased +32.3% to GBP2,228 million, vs GBP1,684 million in 2022 resulting in an adjusted EBITDA margin of 60.4% (2022: 57.8%).

Heathrow SP & HAH

	Revenues			Adjusted EBITDA			Adjusted EBITDA margin		
(GBP million)	2023	2022	VAR.	2023	2022	VAR.	2023	2022	VAR. (bps)
Heathrow SP	**3,687**	**2,913**	**26.6%**	**2,228**	**1,684**	**32.3%**	**60.4%**	**57.8%**	**262**
Exceptionals & adjs	0	0	n.s.	4	20	-80.7%	n.s.	n.s.	n.s.
Total HAH	**3,687**	**2,913**	**26.6%**	**2,232**	**1,704**	**31.0%**	**60.5%**	**58.5%**	**203**

HAH net debt: the average cost of Heathrow's external debt at FGP Topco, HAH's parent company, was 8.66% in December 2023 (9.81% in December 2022), including all the interest-rate, exchange-rate, accretion and inflation hedges in place.

(GBP million)	2023	2022	VAR.
Loan Facility (ADI Finance 2)	75	839	-91.1%
Subordinated	2,028	2,320	-12.6%
Securitized Group	16,517	15,981	3.4%
Cash & adjustments	-2,418	-3,035	-20.3%
Total	**16,203**	**16,106**	**0.6%**

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

Liquidity Position: Heathrow has sufficient liquidity to meet its base case cash flow needs for the going concern period. This includes forecast operational costs, capital investment, debt service costs, scheduled debt maturities and repayments. The Group had total liquidity available of GBP3.8bn,comprising GBP2.4bn of cash resources across the wider Heathrow Group, as well as a GBP1.4bn undrawn revolving credit facilities.

Regulatory Asset Base (RAB): the RAB reached GBP 19,804 million as of December 2023 (GBP 19,182 million in December 2022). Heathrow Finance's gearing ratio was 84.9% (82.3% in December 2022) with a covenant of 92.5%.

Key regulatory developments: In March, the CAA published its final decision for the H7 price control period – after a process and period of consultation and decision making, which saw delays of around 18 months, lasting in total over six years.

Heathrow, British Airways, Virgin Atlantic and Delta submitted appeals, and in October, the CMA published its final determination on these appeals. Overall, the CMA considered that the CAA was not wrong in most of the aspects of its final decision which had been subject to appeal. However, the CMA considered that the CAA had erred on three specific elements:

- The CAA's mechanistic implementation of the AK Factor, which was introduced by the CAA to claw back revenue which in its view was 'over-recovered' against the maximum allowable yield in 2020 and 2021.
- The CAA made an error in a relatively minor aspect of its cost of debt calculation.
- In the passenger forecast, the CAA was wrong in relation to the calculation of the shock factor.

The CMA has issued an order to the CAA for these three elements to be reconsidered in sufficient time for any amendments to be incorporated into the price cap from 2025. The CAA have committed to reviewing the three elements during H1 2024.

Earlier in the year, Heathrow provided a submission to the Department for Transport's (DfT) independent review into the effectiveness and efficiency of the CAA – with the final publication delivered in July 2023. With the ongoing H7 process and subsequent CMA appeals taking place at that time, it did not allow for sufficient analysis into the delivery of the CAA's economic regulatory functions. However, amongst its recommendations, the DfT set out that the CAA's process for conducting economic regulation should be reviewed - considering the process, governance and 'mechanics' of its economic regulation activity.

Heathrow expects that the CAA will complete its lessons learned review in H1 2024 – before the commencement of any discussions on the next regulatory period. The CAA timelines for the next regulatory period - H8 are also uncertain and have not been communicated, although Heathrow expects to see an initial timetable set out in Spring 2024.

Alongside the DfT's independent review into the CAA, there are several cross-government consultations and calls for evidence via the Department for Business and Trade (DBT) which are seeking to review and improve the UK's economic regulation framework and to boost future infrastructure investment. Heathrow welcomes the review, analysis and collaboration in this area and supports further proposals and developments in 2024.

Expansion developments

Heathrow is currently conducting an internal review of the work carried out and the different circumstances found in the aviation industry, and this will enable Heathrow to progress with the appropriate recommendations and ways forward. The Government's ANPS continues to provide policy support to Heathrow's plans for a third runway and the related infrastructure required to support an expanded airport.

Outlook

The performance outlook for 2024 remains consistent with the forecasts published in Heathrow's Investor Report on 15 December 2023 to welcome 81.4 million passengers in 2024, more than ever before. Heathrow will continue to monitor performance and provide a further update in our Q1 results in April.

Sale of Ferrovial stake

On November 28th, 2023, Ferrovial announced that an agreement has been reached for the sale of its entire stake (c.25%) in FGP Topco, parent company of Heathrow Airport Holdings Ltd., for GBP2,368 million. The agreement has been reached with two different buyers, Ardian and The Public Investment Fund, who would acquire Ferrovial's shareholding in c.15% and c.10% stakes respectively, through separate vehicles.

Some FGP Topco shareholders have exercised their tag-along rights in respect of shares representing 35% of the share capital of FGP Topco (Tagged Shares). The agreement for the sale and purchase of Ferrovial SE's subsidiary's shares in FGP Topco remains in force although it is a condition for the sale of the shares that the Tagged Shares are also sold. The parties are working towards satisfaction of such condition by exploring different options to satisfy the same.

AGS (50%, equity-accounted) – UK

Traffic: number of passengers reached 10.4 million 2023, +13.5% vs. 2022, showing a notable recovery after traffic had been impacted by Omicron in Q1 2022. AGS continues on its path to recovery following the COVID-19 pandemic (-23.4% vs 2019) with an increase in passenger volumes.

In September 2023, Southampton opened its extended runway that will help deliver improved connectivity and unlock opportunities for business and leisure travel to thrive in the area, while guaranteeing the airport's viability for the future.

Million passengers	2023	2022	VAR.
Glasgow	7.4	6.5	12.9%
Aberdeen	2.3	2.0	13.7%
Southampton	0.8	0.6	19.7%
Total AGS	**10.4**	**9.2**	**13.5%**

Revenues increased by +18.9% driven by the increase in passenger numbers coupled with higher aero yield and higher retail activity.

Adjusted EBITDA performed strongly, +42.0%, reaching GBP 67 million (GBP 47 million in 2022).

(GBP million)	2023	2022	VAR.
AGS Revenues	**198**	**167**	**18.9%**
Glasgow	130	105	22.9%
Aberdeen	52	46	12.1%
Southampton	17	15	11.3%
AGS Adjusted EBITDA*	**67**	**47**	**42.0%**
Glasgow	55	41	33.9%
Aberdeen	15	11	29.3%
Southampton	-3	-6	42.6%
AGS Adjusted EBITDA margin*	**33.8%**	**28.3%**	
Glasgow	42.8%	39.3%	
Aberdeen	28.3%	24.6%	
Southampton	-19.8%	-38.3%	

Cash amounted to GBP 65 million as at December 31, 2023 (GBP 52 million as at December 31, 2022).

AGS net debt stood at GBP 693 million as at December 31, 2023 (GBP 706 million as at December 31, 2022).

Refinancing process: GBP 757 million mature in June 2024. The company has already initiated the refinancing process that advances to be closed ahead of the debt maturity.

Dalaman (60%, globally consolidated) – Turkey

Traffic: the airport reached an all-time high of 5.2 million passengers in 2023 (4.5m in 2022), achieving a +15.5% increase vs 2022 as a result of the increase from both, domestic (+16.6%) and international (+15.0%) routes (mainly UK and Germany). International passenger traffic was up in 2023 due to a longer peak season and the addition of new destination countries. Traffic numbers stood above pre-pandemic levels, increasing by +6.8% vs. 2019.

Revenues reached EUR 71 million. Adjusted EBITDA stood at EUR 55 million. This relates to both, the seasonality of expenditure and the higher share of international passengers of the airport. Adjusted EBITDA post concession fee reached EUR 38 million in 2023 (EUR 28 million in 2019, shared with the transaction announcement).

(EUR million)	2023
Revenues	71
Adjusted EBITDA*	55
Adjusted EBITDA margin*	78.1%
Adjusted EBIT*	36
Adjusted EBIT margin*	51.1%

Cash amounted to EUR 18 million as at December 31, 2023 (EUR 10 million as at December 31, 2022).

Dalaman net debt stood at EUR 96 million as at December 31, 2023 (EUR 103 million as at December 31, 2022).

NTO at JFK (49%, equity-accounted) – USA

As of December 31, 2023, Ferrovial has contributed USD 294 million of equity to the NTO (New Terminal One). Ferrovial will contribute a total since the start of USD 1,142 million during the construction period.

The development of the project continues to progress in line with expectations. In 2023, the air train encapsulation works were completed and the former Terminal 2 building was demolished. The terminal is expected to be operational in 2026, with the concession contract ending in 2060.

In December 2023, the first debt refinancing took place with the issuance of green bonds for USD 2.0 billion.

(EUR million)	INVESTED CAPITAL	PENDING COMMITTED CAPITAL	NET DEBT 100%	FERROVIAL SHARE
NTO	273	768	1,443	49%

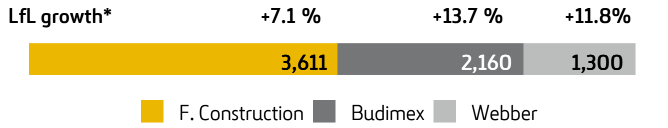
*Non-IFRS financial measure. For the definition and reconciliation of the most directly comparable IFRS measure, refer to Alternative Performance Measures of the Integrated Annual Report (page 262)

Construction

Revenues	**EUR 7,070 million**	**+9.9%**	**LfL growth***
Adjusted EBIT*	**EUR 77 million**	**1.1%**	**Adjusted EBIT* margin**

Revenues increased by +9.9% LfL growth with all three subdivisions registering revenue growth, particularly Budimex and business in Spain. International revenues accounted for 81%, focused on North America (30%) and Poland (31%).

2023 revenues (EUR 7,070 million) and change LfL growth vs 2022:
(EUR million)



In 2023, Construction **adjusted EBIT** stood at EUR 77 million vs. EUR 63 million in 2022, reaching 1.1% adjusted EBIT margin (1.0% in 2022).

2023 adjusted EBIT & adjusted EBIT margin & LfL growth vs 2022:

2023	Adjusted EBIT*	LfL growth*	Adjusted EBIT margin*
Budimex	164	36.3%	7.6%
Webber	35	9.8%	2.7%
F. Construction	-122	n.s.	-3.4%
Adjusted EBIT*	**77**	**11.9%**	**1.1%**

Details by subdivision:

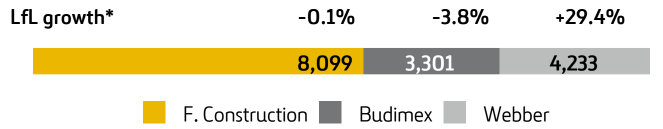
- **Budimex:** Revenues increased by +13.7% LfL growth supported by the Civil Works activity due to a different portfolio of contracts in progress and exceeding forecasts due to the good weather and newly awarded projects from last year. Adjusted EBIT margin reached 7.6% in 2023 improving vs 6.3% in 2022. Last year profitability was impacted by the uncertainty of the war in Ukraine and the increase in the prices of steel and other materials, as well as problems with some supplies, which today have been mitigated to a certain extent (also favored by indexation agreements at both Roads and Railways).
- **Webber**: Revenues increased by 11.8% LfL growth, mainly due to Civil Works activities on the back of strong hiring pace along with higher sales from infrastructure maintenance activity, partially offset by the permanent withdrawal of the Non-Residential. Adjusted EBIT margin stood at 2.7% vs. 2.8% in 2022.
- **Ferrovial Construction:** Revenues increased by +7.1% LfL growth, with the Spanish market particularly standing out, with growth in both civil works and non-residential building; and the Australian market, mainly due to the execution of the Sydney Metro and Coffs Harbour Bypass works, offsetting the lower activity in North America due to the coincidence of some large contracts completions (I-66 in Virginia and NTE 3C in Dallas) with the still very early stages of new contracts (Toronto Subway in Canada or I-35 in San Antonio).

  Adjusted EBIT stood at EUR -122 million (EUR -87 million in 2022), the decrease in profitability at Ferrovial Construction is largely due to the impact of the completion works in large projects in the US. The cost estimate for these projects close were higher than previously anticipated. Prior estimates were based in our experience in completing other projects of similar size and complexity. By contrast, many of the activities in these outstanding projects were performed out of sequence due to client requirements. Additionally, said clients' posture with respect to punch-list and completion works, though still under discussion, has largely over-exceeded our expectations, which again were based on prior experience with these types of projects.

  Finally, the company firmly believes that it is entitled to recover an important part of incurred costs from said clients via claims which have already been submitted to the client and are pending resolution.

  Additionally, in October 2023, a landslide occurred in Colombia that affected the completion of the Ruta del Cacao project. A provision has been included for the provisional estimate of costs. The company is in negotiations with the client to analyze viable technical alternatives for the delivery of the project.

2023 Order book & LfL growth change vs December 2022:
(EUR million)



The **order book** stood at EUR 15,632 million (+5.5% LfL growth compared to December 2022). The Civil Works segment remains the largest segment (69%) and continues to adopt highly selective criteria when participating in tenders. The international order book accounts for 82% of the total.

The percentage of the construction order book (excluding Webber and Budimex) from projects with Ferrovial remained consistent with December 2022 at 8%.

The order book figure, at December 2023, which is an all-time high, does not include pre-awarded contracts or contracts pending commercial or financial agreement, which amount to c.EUR 1.9bn, from contracts at Budimex.

P&L DETAILS (EUR million)

CONSTRUCTION	2023	2022	VAR.	LfL growth*
Revenues	7,070	6,463	9.4%	9.9%
Adjusted EBITDA*	218	176	23.5%	19.6%
Adjusted EBITDA margin*	3.1%	2.7%		
Adjusted EBIT*	77	63	22.8%	11.9%
Adjusted EBIT margin*	1.1%	1.0%		
Order book*	15,632	14,743	6.0%	5.5%

BUDIMEX	2023	2022	VAR.	LfL growth*
Revenues	2,160	1,842	17.3%	13.7%
Adjusted EBITDA*	199	149	33.5%	29.1%
Adjusted EBITDA margin*	9.2 %	8.1 %		
Adjusted EBIT*	164	117	41.0%	36.3%
Adjusted EBIT margin*	7.6 %	6.3 %		
Order book*	3,301	3,181	3.8%	-3.8%

WEBBER	2023	2022	VAR.	LfL growth*
Revenues	1,300	1,194	8.9%	11.8%
Adjusted EBITDA*	77	73	5.6%	8.5%
Adjusted EBITDA margin*	5.9 %	6.1 %		
Adjusted EBIT*	35	33	6.9%	9.8%
Adjusted EBIT margin*	2.7 %	2.8 %		
Order book*	4,233	3,372	25.5%	29.4%

F. CONSTRUCTION	2023	2022	VAR.	LfL growth*
Revenues	3,611	3,428	5.3%	7.1%
Adjusted EBITDA*	-58	-45	27.5%	n.s.
Adjusted EBITDA margin*	-1.6%	-1.3%		
Adjusted EBIT*	-122	-87	41.2%	n.s.
Adjusted EBIT margin*	-3.4%	-2.5%		
Order book*	8,099	8,189	-1.1%	-0.1%

*Non-IFRS financial measure. For the definition and reconciliation of the most directly comparable IFRS measure, refer to Alternative Performance Measures of the Integrated Annual Report (page 262)

Energy Infrastructure and Mobility

In 2021, Ferrovial created the Energy Infrastructure and Mobility division to explore sustainable business opportunities. By 2023, the foundations for future activity in both areas have been laid, as well as the continuation of circular economy activities in the United Kingdom and services in Chile and Spain.

Energy Infrastructure: Ferrovial has one transmission line already operational in Chile, which was acquired in 2016, and two projects under construction, Centella and Tap Mauro. At the end of 2023, Ferrovial was declared the winner of a bidding process in connection with the works for the expansion plan of the Chilean electric grid, pending issuance of the award decree by the Ministry of Energy of Chile. The project includes a new "2x154 kV Tinguririca—Santa Cruz" transmission line with a length of 33 kms and five related expansion works.
In Spain, Ferrovial has a 50 MWhp photovoltaic plant located in Seville which reached commercial operation in Q4 2023, with financing being closed concurrently.

Mobility: In December 2023, Ferrovial completed the sale of the Ferrovial's entire 50.0% stake in Zity to its partner, Renault Group.

In addition, Ferrovial owns a minority stake in Inspiration Mobility. This North American company invests in the electric vehicle sector, both in cars and associated charging infrastructures.

Additionally, the division includes the activities excluded from the Services divestment. These activities include the four municipal solid waste treatment centers located in UK, the activity focused on providing services to large-scale copper mining in Chile and the 24.8% stake in Serveo, a Spanish company focused on providing facility management services to public and private clients.

In 2023, the revenues from the Energy Infrastructure and Mobility division reached EUR 334 million (EUR 296 million in 2022) mainly from the activities related to the waste treatment in UK and the services activities in Chile. In 2023, adjusted EBITDA reached EUR 10 million (EUR 13 million in 2022).

Revenues	**EUR 334 million**	**+13.2% LfL growth***
Adj. EBITDA	**EUR 10 million**	**+171.1% LfL growth***

Energy Infrastructure and Mobility distributed EUR 30 million of dividends, including EUR 11 million from Serveo and EUR 18 million related to an intercompany loan repayment following the refinancing process at Berrocales photovoltaic plant.

In January 2024 in order to boost the energy transition related business and develop new capabilities in this area more quickly and efficiently, Ferrovial approved a partial reorganization of our Business Divisions pursuant to which the energy solutions business line, which is currently part of the Construction Business Division, and the energy infrastructures business line, which is currently part of the Energy Infrastructure and Mobility Business Division, will merge. The resulting Business Division will be named Energy Business Division. The rest of the activities not related to the Energy area, such as the Services businesses in Chile (Veltis), Waste Management in the United Kingdom (Thalia), other interests in Services businesses and Mobility activities will remain under the Mobility and Services unit.

* Non-IFRS financial measure. For the definition and reconciliation of the most directly comparable IFRS measure, refer to [xx] of the Integrated Annual Report, starting on page 262.

Consolidated P&L

(EUR million)	2023	2022
Revenues	**8,514**	**7,551**
Adjusted EBITDA*	**991**	**728**
Fixed asset depreciation	-401	-299
Adjusted EBIT*	**590**	**429**
Disposals & impairments	35	-6
Operating profit/(loss)	**625**	**423**
Financial Results	**-184**	**-320**
Financial Result from infrastructure projects	-372	-365
Financial Result from ex-infrastructure projects	188	45
Equity-accounted affiliates	215	165
Net profit/(loss) before tax from continuing operations	**656**	**268**
Income tax	-42	-30
Net profit/(loss) from continuing operations	**614**	**238**
Net profit/(loss) from discontinued operations	**16**	**64**
Net profit/(loss)	**630**	**302**
Net profit/(loss) attributed to non-controlling interests	-170	-117
Net/(loss) attributed to the parent company	**460**	**185**

Revenues at EUR 8,514 million (+13.2% LfL growth) on the back of higher Toll Roads revenues (+42.1% LfL growth) and higher Construction revenues (+9.9% LfL growth).

Adjusted EBITDA reached EUR 991 million (+40.6% LfL growth) supported by higher contribution from Toll Roads (+48.3% LfL growth), particularly US Toll Roads with adjusted EBITDA of EUR 741 million.

Depreciation: +34.3% due to the full opening of I-66 at the end of 2022 and the NTE 3C (NTE 35W) in June 2023 (+34.0% LfL growth) to EUR -401 million.

Impairments and fixed asset disposals at EUR 35 million, mostly related to the capital gain income from the sale of the Azores toll road for EUR 41 million.

Financial result: lower financial expense on the back of higher financial income from ex- infrastructure projects in 2023 vs 2022.

- **Infrastructure projects:** EUR -372 million expenses (EUR -365 million in 2022) driven by the opening of I-66 & NTE3C (NTE35W) as financial expenses are no longer capitalized due to the entry into operation since November 2022 and June 2023, respectively. This was partially offset by the positive variation compared to 2022 of the performance of Autema's ILS derivative (mark to market change ILS).
- **Ex-infrastructure projects:** EUR 188 million of financial income in 2023 (EUR 45 million in 2022), mainly due higher cash remuneration in PLN, USD and CAD, together with the positive impact from the favorable final judgment on the application of a tax deduction for export activities (DAEX) in 2023, resulting in interests provision reversal (EUR 46 million). These impacts were partially offset by higher interest rates on debt (ECPs and Corporate credit lines) and higher bond expenses from new issuance.

Equity-accounted affiliates reached EUR 215 million after tax (EUR 164 million in 2022). The change vs 2022 is mostly related to 407 ETR, due to the solid traffic recovery. The considerable losses posted in 2019 and 2020 in airports reduced the investments in Heathrow & AGS to zero, as prior-years losses exceeded the amount of investment, there being no commitments to inject additional funds (IAS 28). Therefore, there is no equity accounted contribution in 2023 and 2022.

(EUR million)	2023	2022	LfL growth*
Toll Roads	**198**	**157**	**26.0%**
407 ETR	154	124	24.6%
IRB	14	22	-34.9%
Others	30	11	159.9%
Airports	**11**	**7**	**51.8%**
HAH	0	0	n.s.
AGS	0	0	n.s.
Others	11	7	51.8%
Construction	**0**	**1**	**-104.5%**
Others	**6**	**-1**	**n.s.**
Total	**215**	**164**	**30.6%**

REVENUES

(EUR million)	2023	2022	VAR.	LfL growth*
Toll Roads	1,085	780	39.0%	42.1%
Airports	80	54	47.9%	9.7%
Construction	7,070	6,463	9.4%	9.9%
Energy Infrastructure & Mobility	334	296	12.8%	13.2%
Others	-55	-43	-30.3%	-28.8%
Revenues	**8,514**	**7,551**	**12.8%**	**13.2%**

ADJUSTED EBITDA

(EUR million)	2023	2022	VAR.	LfL growth*
Toll Roads	799	550	45.2%	48.3%
Airports	22	-2	n.s.	n.s.
Construction	218	176	23.5%	19.6%
Energy Infrastructure & Mobility	10	13	-23.7%	171.1%
Others	-57	-9	n.s.	n.s.
Adjusted EBITDA*	**991**	**728**	**36.1%**	**40.6%**

ADJUSTED EBIT

(EUR million)	2023	2022	VAR.	LfL growth*
Toll Roads	586	391	49.9%	49.9%
Airports	2	-9	127.5%	60.2%
Construction	77	63	22.8%	11.9%
Energy Infrastructure & Mobility	-10	0	n.s.	69.4%
Others	-66	-16	n.s.	n.s.
Adjusted EBIT*	**590**	**429**	**37.4%**	**45.4%**

Corporate income tax: the corporate tax expense for 2023 was EUR -42 million (vs EUR -30 million in 2022), made up of -EUR 146 million for 2023 current tax expense, EUR 65 million for deferred tax income and EUR 39 million income for the impact from previous years.

There are several effects that impact the 2023 corporate tax expense, among which the following stand out:

- Equity-accounted companies' profit must be excluded, as it is already net of tax (EUR 215 million).
- Consolidation tax adjustments without tax impact (EUR 94 million), mainly due to US concessional assets.
- Other impacts are further explained in note 2.7 of the Financial Statements.

The income from previous years (EUR 39 million) is mostly related to (i) the outcome of tax proceedings and the recognition of previous years tax credits based on actual tax projections (EUR 89 million income) and (ii) tax expense due to the withholding tax from dividend distributions (EUR -50 million).

Net income from continuing operations stood at EUR 614 million in 2023 (EUR 238 million in 2022).

Net income from discontinued operations stood at EUR 16 million related to the update of the indemnities and earn-outs following the divestment of the Services Business in Spain and Portugal and other adjustments related to Amey divestment in the UK. The main impact recognized in discontinued operations in 2022 relates to the divestment of the Amey business in the UK, completed in December 2022, generating a capital gain of EUR 58 million.

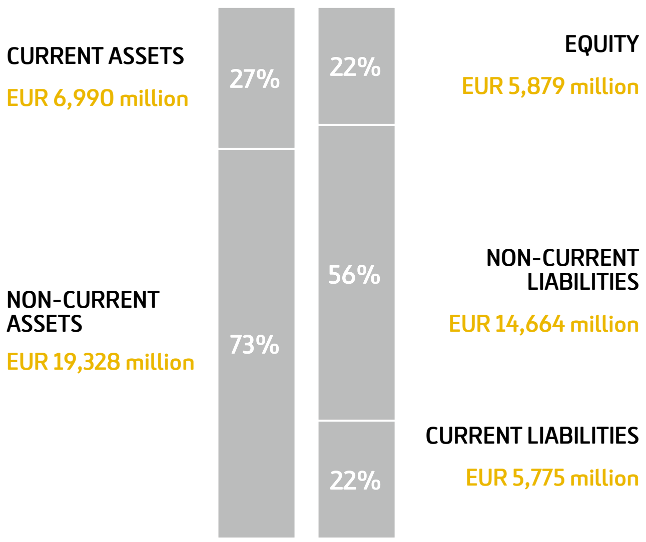
*Non-IFRS financial measure. For the definition and reconciliation of the most directly comparable IFRS measure, refer to Alternative Performance Measures of the Integrated Annual Report (page 262)

Consolidated Statements of Financial Position

(EUR million)	DEC-23	DEC-22
NON-CURRENT ASSETS	**19,328**	**18,925**
Goodwill	475	480
Intangible assets	122	138
Fixed assets in infrastructure projects	13,495	13,667
Intangible asset model	13,333	13,504
Financial asset model	162	163
Investment property	0	0
Property, plant and equipment	594	479
Right-of-use assets	196	183
Investments in associates	2,038	1,951
Non-current financial assets	1,148	1,095
Loans granted to associates	262	246
Non-current restricted cash	628	597
Other non-current receivables	258	252
Deferred tax assets	1,006	784
Long-term financial derivatives at fair value	254	148
CURRENT ASSETS	**6,990**	**7,419**
Inventories	458	476
Current income tax assets	35	19
Short-term trade and other receivables	1,677	1,608
Trade receivable for sales and services	1,353	1,300
Other short-term receivables	324	308
Other short term financial assets	0	0
Cash and cash equivalents	4,789	5,130
Infrastructure project companies	204	168
Restricted Cash	31	38
Other cash and equivalents	173	130
Ex-infrastructure project companies	4,585	4,962
Short-term financial derivatives at fair value	31	184
Assets held for sale	0	2
TOTAL ASSETS	**26,318**	**26,344**

(EUR million)	DEC-23	DEC-22
EQUITY	**5,879**	**6,353**
Equity attributable to shareholders	3,766	4,113
Equity attributable to non-controlling interests	2,113	2,240
NON-CURRENT LIABILITIES	**14,664**	**14,612**
Deferred Income	1,334	1,410
Employee benefit plans	3	2
Long-term provisions	268	416
Long-term lease liabilities	141	120
Borrowings	10,423	10,776
Debentures and borrowings of infrastructure project companies	7,852	7,893
Debentures and borrowings of ex-infrastructure project companies	2,571	2,883
Other payables	1,310	898
Deferred taxes	1,086	924
Long-term financial derivatives at fair value	99	66
CURRENT LIABILITIES	**5,775**	**5,379**
Short-term lease liabilities	59	64
Borrowings	942	877
Debentures and borrowings of infrastructure project companies	63	74
Debentures and borrowings of ex-infrastructure project companies	879	803
Financial derivatives at fair value	34	47
Current income tax liabilities	83	30
Short-term trade and other payables	3,646	3,431
Trade payables	1,698	1,663
Advance payments from customers and work certified in advance	1,529	1,364
Other short-term payables	419	404
Short-term provisions	1,011	930
Liabilities held for sale	0	0
TOTAL LIABILITIES & EQUITY	**26,318**	**26,344**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION



Consolidated Net Debt

CONSOLIDATED NET DEBT*

(EUR million)	DEC-23	DEC-22
Cash and cash equivalents from ex-infrastructure project companies	4,585	4,962
Short and long-term borrowings from ex-infrastructure project companies	3,449	3,686
Others from ex-infrastructure project companies**	15	-162
Consolidated Net Debt of ex-infrastructure project companies*	**-1,121**	**-1,439**
Cash and cash equivalents from infrastructure project companies	204	168
Short and long-term borrowings from infrastructure project companies	7,915	7,967
Others from infrastructure project companies***	-612	-581
Consolidated Net Debt of infrastructure project companies*	**7,099**	**7,219**
Consolidated Net Debt*	**5,980**	**5,781**

CONSOLIDATED BORROWINGS

DEC-23 (EUR million)	Ex-infrastructure project companies	Infrastructure project companies	Consolidated
Short and long-term borrowings	3,449	7,915	11,364
% fixed	92.5%	97.5%	96.0%
% variable	7.5%	2.5%	4.0%
Average rate	2.6%	4.3%	3.8%
Average maturity (years)	3	23	17

CHANGE IN CONSOLIDATED NET DEBT****

	As of December 31, 2023			
	Change in Consolidated Net Debt (1+2+3)	Ex-infrastructure project companies (1)	Infrastructure project companies (2)	Intercompany eliminations (3)
	(in million of euros)			
Cash flow from operating activities	**1,263**	**791**	**890**	**-417**
Cash flow from/ (used in) investing activities	**-426**	**-184**	**-347**	**104**
Activity Cash Flows	**837**	**607**	**543**	**-313**
Cash flow from/ (used in) financing activities	**-1,304**	**-1,146**	**-471**	**313**
Effect of exchange rate on cash and cash equivalents	160	161	-1	0
Change in cash and cash equivalents due to consolidation scope changes	-34	0	-34	0
Cash flows (change in cash and cash equivalents) (A)	**-341**	**-378**	**37**	**0**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (B)	**5,130**	**4,962**	**168**	**0**
CASH AND CASH EQUIVALENTS AT YEAR-END (C=A+B)	**4,789**	**4,585**	**204**	**0**
SHORT AND LONG-TERM BORROWINGS AND OTHER CONSOLIDATED NET DEBT COMPONENTS AT THE BEGINNING OF YEAR (D)	**10,909**	**3,523**	**7,386**	**0**
Change in short and long-term borrowings (E)	**-288**	**-236**	**-52**	**0**
Other changes in consolidated net debt (F)	**146**	**177**	**-31**	**0**
SHORT AND LONG-TERM BORROWINGS AND OTHER CONSOLIDATED NET DEBT COMPONENTS AT YEAR-END (G=D+E+F)	**10,767**	**3,464**	**7,303**	**0**
CONSOLIDATED NET DEBT AT BEGINNING OF YEAR (D-B)	**5,781**	**-1,439**	**7,219**	**0**
CONSOLIDATED NET DEBT AT YEAR-END (G-C)	**5,980**	**-1,121**	**7,099**	**0**

Consolidated Net Debt of ex-Infrastructure project companies

CONSOLIDATED NET DEBT* (EUR billion)

Cash and cash equivalents	EUR 4.6 billion
Borrowings and other	EUR 3.5 billion
Consolidated Net Debt of ex-infrastructure project companies*	EUR -1.1 billion

LIQUIDITY* (EUR million)

(EUR million)	DEC-23
Cash and cash equivalents	4,585
Undrawn credit lines	788
Others	14
Total Liquidity ex-infrastructure projects	**5,387**

DEBT MATURITIES (EUR million)

2024*	2025	2026	> 2027
820	755	794	1,068

(*) In 2024, ex-infrastructure debt includes outstanding ECP (Euro Commercial Paper), which at December 31st, 2023, had a carrying amount of EUR 500 million (4.09% average rate) and mature in 2024.

RATING

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

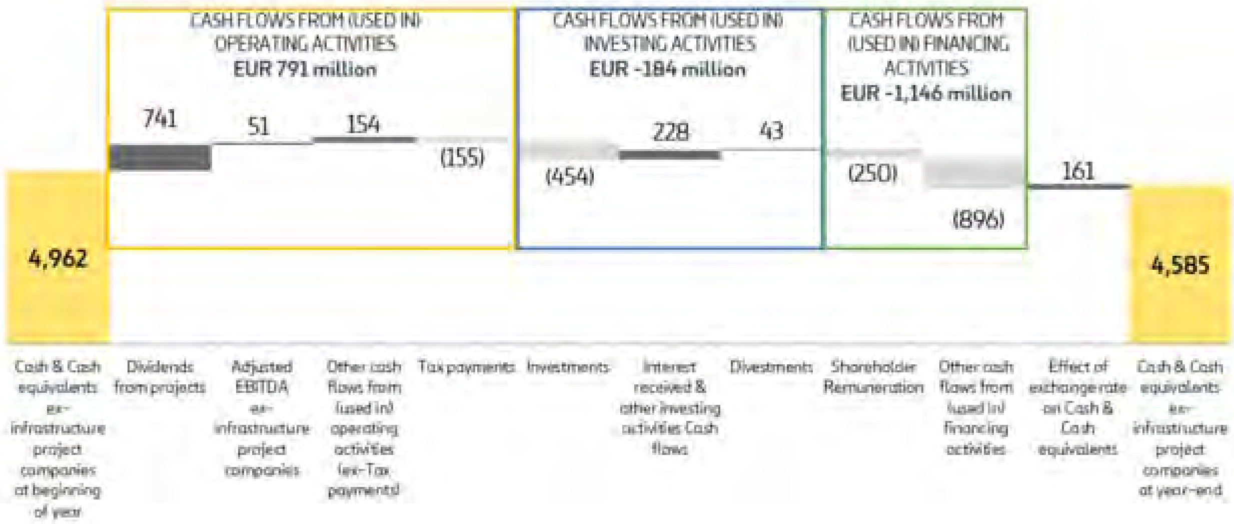
*Non-IFRS financial measure. For the definition and reconciliation of the most directly comparable IFRS measure, refer to Alternative Performance Measures of the Integrated Annual Report (page 262)

**Others ex-infrastructure project companies includes non-current restricted cash, forwards hedging and cross currency swaps balances, intragroup position balances and other short term financial assets, as explained under section 2.1 (Consolidated Net Debt) of the Alternative Performance Measures appendix to the Integrated Annual Report (page 262)

***Others infrastructure project companies includes short and long term borrowings, non-current restricted cash and intragroup position balances, as explained under section 2.1 (Consolidated Net Debt) of the Alternative Performance Measures appendix to the Integrated Annual Report (page 262)

****For further detail on the changes in Consolidated Net Debt, refer to page 277 of the Integrated Annual Report (Alternative Performance Measures appendix)

CHANGE IN CONSOLIDATE NET DEBT EX-INFRASTRUCTURE PROJECT COMPANIES (EUR million)



Short- and long-term borrowings and Others ex-infrastructure project companies	EUR 3,523 million	Change in short and long-term borrowings (EUR -236 million) Other Changes in Consolidated Net Debt (EUR 177 million)	**EUR 3,464 million**
Consolidated Net Debt of ex-infrastructure project companies	EUR -1,439 million		**EUR -1,121 million**

Ferrovial's consolidated net debt includes Budimex's consolidated net debt at 100% that reached EUR -667 million in December 2022 and EUR -864 million in December 2023.

The company has made some modifications in the reporting of "Change in cash and cash equivalents" to align it with the IAS 7 criteria, as explained in the APM of Consolidated Net Debt. The main changes are as follows:

- Financial Leases, previously included in cash flows from (used in) operating activities, are now reported on the cash flows from (used in) financing activities (EUR 87 million in 2023 and EUR 72 million in 2022)
- Interest received, previously included in the cash flows from (used in) financing activities, are now included in the cash flows from (used in) investing activities (EUR 228 million in 2023 and EUR 5 million in 2022)
- The changes in debt with no cash impact are reported as Other changes in Consolidated Net Debt, rather than as part of Ferrovial's Cash Flows.

Cash and cash equivalents at ex-infrastructure project companies stood at EUR 4,585 million in December 2023 vs EUR 4,962 million in December 2022. Main drivers of this change were:

- **Dividends from projects:** EUR 741 million, mainly from Toll Roads dividends, including EUR 281 million from 407 ETR and EUR 397 million from US Managed Lanes, particularly noteworthy was the first year of dividend distribution from NTE 35W (EUR 251 million), along with EUR 109 million from NTE and EUR 37 million from LBJ. Airports distributed EUR 6 million from Doha airport maintenance contract. Energy Infrastructure and Mobility reached EUR 30 million of dividends, including EUR 11 million from Serveo and EUR 18 million related to an intercompany loan repayment following the refinancing process with bank debt at Berrocal photovoltaic plant.
- **Adjusted EBITDA ex-infrastructure project companies:** EUR 51 million, including adjusted EBITDA ex-infrastructure projects from Construction and headquarters.
- **Tax payments** reached EUR -155 million, including EUR 50 million of withholding tax on dividends paid from Canada, along with the corporate income tax and the tax rates of subsidiaries operating in other jurisdictions.
- **Investments** stood at EUR -454 million, including EUR 214 million of equity invested in NTO, together with EUR 53 million invested in I-66 Managed Lanes project and EUR 35 million invested in NTE 3C.
- **Interest received and other investing activities Cash flows** reached EUR 228 million.
- **Divestments** reached EUR 43 million related to the sale of the Azores toll road.
- **Shareholder Remuneration:** EUR -250 million in 2023, EUR -136 million from the scrip dividend and EUR -114 million from the treasury share repurchase including the share buyback program (EUR 62 million) along with the discretionary shares purchased (EUR 52 million).
- **Other cash flows from (used in) financing activities** stood at EUR -896 million, including the hybrid bond repayment at EUR -511 million together with EUR 137 million from interest flows.
- **Effect of exchange rate on Cash & Cash equivalents** reached EUR 161 million.

Consolidated cash flow

2023 (EUR million)	CONSOLIDATED CASH FLOW	Cash flows of ex-infrastructure project companies	Cash flows of infrastructure project companies	Intercompany eliminations
Adjusted EBITDA	991	51	940	0
Dividends from projects	324	741	0	-417
Other cash flows from (used in) operating activities	119	154	-36	0
Cash flows from (used in) operating activities excluding tax payments	**1,433**	**946**	**904**	**-417**
Tax payments	-170	-155	-15	0
Cash flows from (used in) operating activities	**1,263**	**791**	**890**	**-417**
Investments	-654	-454	-310	111
Interest received and other investing activities Cash flows	185	228	-36	-6
Divestments	43	43	0	0
Cash flows from (used in) investing activities	**-426**	**-184**	**-347**	**104**
Activity cash flow	**837**	**607**	**543**	**-313**
Interest paid	-432	-83	-355	6
Ferrovial shareholder remuneration	-250	-250	0	0
Scrip dividend	-136	-136	0	0
Treasury share repurchase	-114	-114	0	0
Other shareholder remuneration for subsidiary minorities	-377	-51	-743	417
Other cash flows from (used in) financing activities	-246	-761	626	-111
Cash flows from (used in) financing activities	**-1,304**	**-1,146**	**-471**	**313**
Effect of exchange rate on cash and cash equivalents	**160**	**161**	**-1**	**0**
Change in cash and cash equivalents due to consolidation scope changes	**-34**	**0**	**-34**	**0**
Change in cash and cash equivalents	**-341**	**-378**	**37**	**0**
Cash and cash equivalents at beginning of year	**5,130**	**4,962**	**168**	**0**
Cash and cash equivalents at year-end	**4,789**	**4,585**	**204**	**0**

2022 (EUR million)	CONSOLIDATED CASH FLOW	Cash flows of ex-infrastructure project companies	Cash flows of infrastructure project companies	Intercompany eliminations
Adjusted EBITDA	883	228	655	0
Dividends from projects	284	475	0	-191
Other cash flows from (used in) operating activities	-82	-47	-35	0
Cash flows from (used in) operating activities excluding tax payments	**1,085**	**656**	**620**	**-191**
Tax payments	-82	-91	9	0
Cash flows from (used in) operating activities	**1,002**	**565**	**629**	**-191**
Investments	-1,226	-856	-784	414
Interest received and other investing activities Cash flows	65	5	64	-4
Divestments	429	429	0	0
Cash flows from (used in) investing activities	**-731**	**-421**	**-720**	**410**
Activity cash flow	**271**	**143**	**-92**	**219**
Interest paid	-329	-44	-289	4
Ferrovial shareholder remuneration	-578	-578	0	0
Scrip dividend	-132	-132	0	0
Treasury share repurchase	-445	-445	0	0
Other shareholder remuneration for subsidiary minorities	-161	-67	-285	191
Other cash flows from (used in) financing activities	750	549	616	-414
Cash flows from (used in) financing activities	**-317**	**-140**	**42**	**-219**
Effect of exchange rate on cash and cash equivalents	**-283**	**-289**	**7**	**0**
Change in cash and cash equivalents due to consolidation scope changes	**4**	**0**	**4**	**0**
Change in cash and cash equivalents from discontinued operations	**-81**	**-81**	**0**	**0**
Change in cash and cash equivalents	**-407**	**-367**	**-40**	**0**
Cash and cash equivalents at beginning of year	**5,536**	**5,329**	**207**	**0**
Cash and cash equivalents at year-end	**5,130**	**4,962**	**168**	**0**

EX-INFRASTRUCTURE PROJECT CASH FLOWS*

Cash flows from (used in) operating and investing activities

The ex-infrastructure cash flows from (used in) operating and investing activities are as follows:

2023 (EUR million)	Cash flows from (used in) operating activities	Cash flows from (used in) investing activities	Total
Toll Roads projects**	704	-66	638
Airports projects**	6	-245	-239
Construction	390	-71	319
Services	0	0	0
Energy Infrastructure & Mobility	-3	0	-3
Others***	-152	-29	-181
Interest received and other investing activities Cash flows	0	228	228
Total excluding tax payments	**946**	**-184**	**762**
Tax payments	-155	0	-155
Total	**791**	**-184**	**607**

2022 (EUR million)	Cash flows from (used in) operating activities	Cash flows from (used in) investing activities	Total
Toll Roads projects**	388	-339	50
Airports projects**	10	-186	-176
Construction	208	-92	116
Services	83	297	380
Energy Infrastructure & Mobility	28	-53	-25
Others***	-60	-55	-115
Interest received and other investing activities Cash flows	0	5	5
Total excluding tax payments	**656**	**-421**	**235**
Tax payments	-91	0	-91
Total	**565**	**-421**	**143**

**Cash flows from operating activities in Toll Roads and Airports refers to dividends

Cash flows from (used in) operating activities

At December 31st, 2023, ex-infrastructure cash flows from (used in) operating activities totaled EUR 946 million (before tax), compared to EUR 656 million in 2022, impacted by higher dividends from Toll Roads, including the first dividend distribution from NTE35W (EUR 251 million), as well as by a higher contribution from the Construction Business Division in Spain and Poland.

Cash flows from (used in) operating activities	2023	2022
Toll Roads projects**	704	388
Airports projects**	6	10
Construction	390	208
Services	0	83
Energy Infrastructure & Mobility	-3	28
Others***	-152	-60
Total excluding tax payments	**946**	**656**
Tax payments	-155	-91
Total	**791**	**565**

**Cash flows from operating activities in Toll Roads and Airports refers to dividends
***Other includes the operating cash flow from Corporate Business, Airports & Toll Roads headquarters, along with the Energy Infrastructure and Mobility business/Services.

Breakdown of cash flow from **Construction:**

Construction (EUR million)	2023	2022
Adjusted EBITDA*	218	176
Adj. EBITDA infrastructure projects	7	6
Adj. EBITDA ex-infrastructure projects	211	170
Dividends from projects	0	12
Other Cash Flows from (used in) operating activities (ex Tax payments ex infrastructure projects)	179	26
Construction Ex Infrastructure Cash Flows from (used in) operating activities Ex Tax payments	**390**	**208**

Dividends received from projects reached EUR 741 million in 2023 (EUR 475 million in 2022).

(EUR million)	2023	2022
Toll Roads	704	388
Airports	6	10
Services	0	5
Construction	0	12
Energy	30	60
Others	0	0
Total	**741**	**475**

Dividends from Energy Infrastructure and Mobility projects reached EUR 30 million in 2023 including EUR 11 million from Serveo and EUR 18 million related to an intercompany loan repayment following the refinancing process with bank debt at Berrocal photovoltaic plant. In 2022, the EUR 60 million dividend was mostly related to the extraordinary dividend from Transchile (EUR 51 million) upon the closing of its refinancing.

Dividends from Toll Roads projects amounted to EUR 704 million in 2023 (EUR 388 million in 2022), including the first dividend distribution from NTE 35W (EUR 251 million).

Toll Roads Dividends (EUR million)	2023	2022
407 ETR	281	237
LBJ	37	31
NTE	109	92
NTE 35W	251	0
IRB	1	2
Irish toll roads	2	3
Portuguese toll roads	1	2
Australian toll roads	9	4
Spanish toll roads	8	12
Others	6	5
Total	**704**	**388**

Dividends from Airports projects were EUR 6 million from Doha airport maintenance contract in 2023 (EUR 10 million in 2022).

Airports Dividends (EUR million)	2023	2022
HAH	0	0
AGS	0	0
FMM	6	8
Others	0	2
Total	**6**	**10**

*Non-IFRS financial measure. For the definition and reconciliation of the most directly comparable IFRS measure, refer to Alternative Performance Measures of the Integrated Annual Report (page 262)

Cash flows from (used in) investing activities

2023 (EUR million)	Investments	Divestments	Cash flows from (used in) investing activities
Toll Roads	-98	32	-66
Airports	-245	0	-245
Construction	-77	6	-71
Energy Infrastructure & Mobility	-21	20	0
Other	-14	-15	-29
Interest received and other investing activities Cash flows	228	0	228
Total	**-226**	**43**	**-184**

2022 (EUR million)	Investments	Divestments	Cash flows from (used in) investing activities
Toll Roads	-473	134	-339
Airports	-186	0	-186
Construction	-97	5	-92
Services	-19	316	297
Energy Infrastructure & Mobility	-53	0	-53
Other	-28	-27	-55
Interest received and other investing activities Cash flows	5	0	5
Total	**-850**	**429**	**-421**

The **cash flows from (used in) investing activities** in 2023 (EUR -184 million) include:

- **Investments** reached EUR -226 million in 2023 (EUR -850 million in 2022), most noteworthy higher equity invested in the I-66 project in 2022, partially offset by higher equity invested in NTO in 2023 and higher interest received.
- **Divestments** reached EUR 43 million in 2023 (EUR 429 million in 2022), largely linked Azores toll road sale. In 2022, mostly related with the finalization of the Services division sale (EUR 316 million) and the divestment of Ausol (EUR 111 million) and Algarve (EUR 23 million).

Cash flows from (used in) financing activities

- **Shareholder remuneration cash flow:** EUR -250 million in 2023, (EUR -578 million in 2022), including EUR -136 million from the scrip dividend and EUR -114 million from the treasury share repurchase including the share buyback program (EUR62 million) along with the discretionary shares purchased (EUR 52 million).
- **Interest paid** reached EUR -83 million in 2023 (EUR -44 million in 2022).
- **Other cash flows from (used in) financing activities** reached EUR -761 million in 2023, mostly as a result of the repurchase of the hybrid bond (EUR 511 million).

INFRASTRUCTURE PROJECT CASH FLOWS*

Cash flows from (used in) operating activities

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 flows from (used in) operating activities from infrastructure projects.

(EUR million)	2023	2022
Toll roads	854	583
Other	35	45
Cash flows from (used in) operating activities	**890**	**629**

This was primarily driven by the opening to traffic of I-66 in November 2022, partially offset by the positive evolution of the other of Managed Lanes and the higher contribution from Dalaman Airport, that is consolidated since June 2022.

Cash flows from (used in) investing activities

The following table shows a breakdown of the Cash flows from (used in) investing activities from infrastructure projects, mainly payments made in respect of capital expenditure investments over the year.

This change was primarily driven by the capital expenditures carried out in I-66 and NTE35W in 2022.

(EUR million)	2023	2022
LBJ	-4	-2
NTE	-51	-8
NTE 35W**	-75	-247
I-77	-2	-17
I-66	-95	-436
Portuguese toll roads	-2	-1
Spanish toll roads	-13	-4
Others	0	0
Total toll roads	**-242**	**-715**
Others	-77	-94
Total projects	**-319**	**-809**
Equity Subsidy	9	25
Interest received and other investing activities Cash flows	-36	64
Cash flows from (used in) investing activities	**-347**	**-720**

**NTE35W includes the NTE3C segment's construction that opened to traffic in June 2023.

Cash flows from (used in) financing activities

Cash flows from (used in) financing activities 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)	2023	2022
Spanish toll roads	-46	-44
US toll roads	-253	-217
Portuguese toll roads	-12	-11
Other toll roads	-28	0
Total toll roads	**-339**	**-272**
Other	-16	-16
Cash flows from (used in) financing activities	**-355**	**-289**

*Non-IFRS financial measure. For the definition and reconciliation of the most directly comparable IFRS measure, refer to Alternative Performance Measures of the Integrated Annual Report (page 262)

Appendix I – Toll Roads details by asset

TOLL ROADS – GLOBAL CONSOLIDATION

(EUR million)	TRAFFIC (ADT)			REVENUES			ADJ. EBITDA*			ADJ. EBITDA MARGIN*		NET DEBT 100%	
Global consolidation	**2023**	**2022**	**VAR.**	**2023**	**2022**	**VAR.**	**2023**	**2022**	**VAR.**	**2023**	**2022**	**2023**	**SHARE**
NTE**	40	36	9.0%	267	230	15.9%	236	203	16.4%	88.3%	87.9%	1,144	63.0%
LBJ**	43	40	9.2%	178	151	17.7%	146	121	20.3%	81.9%	80.1%	1,828	54.6%
NTE 35W**/***	42	35	20.1%	217	159	35.8%	180	132	36.6%	83.1%	82.6%	1,471	53.7%
I-77**	41	35	18.4%	84	57	46.6%	61	36	67.9%	72.0%	62.9%	183	72.2%
I-66*/***	29			155			119			76.9%		1,469	55.7%
TOTAL USA				**901**	**611**	**47.4%**	**741**	**498**	**48.8%**			**6,095**	
Autema	17,270	16,565	4.3%	69	63	9.6%	61	55	11.8%	88.0%	86.3%	588	76.3%
Aravia	38,441	37,810	1.7%	49	34	44.5%	43	28	53.5%	86.4%	81.4%	10	100.0%
TOTAL SPAIN				**119**	**97**	**21.9%**	**104**	**82**	**25.8%**			**599**	
Azores*****	12,140	11,484	5.7%	35	32	10.0%	30	28	9.5%	86.9%	87.2%	0	89.2%
Via Livre				14	17	-16.6%	2	5	-55.2%	15.1%	28.0%	-8	84.0%
TOTAL PORTUGAL				**49**	**49**	**0.6%**	**33**	**33**	**0.0%**			**-8**	
TOTAL HEADQUARTERS				**16**	**23**	**-32.0%**	**-73**	**-62**	**-18.2%**				
TOTAL TOLL ROADS				**1,085**	**780**	**39.0%**	**799**	**550**	**45.2%**	**73.6%**	**70.5%**	**6,686**	

** Traffic in million of transactions. *** NTE 35W includes contribution from NTE3C (opened to traffic at the end of June 2023). Net debt 100%: includes all 3 segments. ****I-66 Managed Lanes opened its first section to traffic in September 2022, and the full project opened to traffic at the end of November 2022.*****Divestment of Azores completed in December 2023.

*Non-IFRS financial measure. For the definition and reconciliation of the most directly comparable IFRS measure, refer to Alternative Performance Measures of the Integrated Annual Report (page 262)

TOLL ROADS – EQUITY-ACCOUNTED (FIGURES AT 100%)

(EUR million)	TRAFFIC (ADT)			REVENUES			EBITDA			EBITDA MARGIN		NET DEBT 100%	
Equity accounted	**2023**	**2022**	**VAR.**	**2023**	**2022**	**VAR.**	**2023**	**2022**	**VAR.**	**2023**	**2022**	**2023**	**SHARE**
407 ETR (VKT million)	2,535	2,213	14.6%	1,025	969	5.8%	880	831	5.8%	85.8%	85.8%	6,480	43.2%
M4	37,436	36,089	3.7%	37	33	12.1%	20	18	10.9%	53.7%	54.3%	43	20.0%
M3	43,789	41,075	6.6%	13	20	-34.7%	4	11	-62.7%	33.1%	58.0%	16	20.0%
A-66 Benavente Zamora				27	25	4.6%	23	22	4.4%	87.2%	87.3%	146	25.0%
Serrano Park				7	7	2.3%	11	4	160.7%	164.2%	64.5%	27	50.0%
EMESA				180	175	3.0%	98	99	-0.4%	54.4%	56.3%	192	10.0%
IRB				828	802	3.2%	406	427	-4.9%	49.1%	53.2%	1,230	24.9%
Toowoomba				26	27	-4.7%	6	6	-2.6%	22.2%	21.7%	211	40.0%
OSARs				25	21	18.3%	4	6	-29.0%	18.1%	30.1%	213	50.0%
Zero ByPass (Bratislava)				39	17	126.5%	25	3	n.s.	63.2%	18.8%	791	35.0%

Appendix II – P&L of Main Infrastructure Assets

TOLL ROADS

407 ETR

(CAD million)	2023	2022	VAR.
Revenues	1,495	1,327	12.7%
EBITDA	1,284	1,139	12.7%
EBITDA margin	85.9%	85.8%	
EBIT	1,187	1,039	14.2%
EBIT margin	79.4%	78.3%	
Financial results	-412	-447	7.8%
Profit before tax	775	592	30.9%
Corporate income tax	-208	-156	-32.6%
Net Income	567	435	30.3%
Contribution to Ferrovial equity accounted result (EUR million)	154	124	24.6%

LBJ

(USD million)	2023	2022	VAR.
Revenues	193	159	20.9%
Adjusted EBITDA*	158	128	23.5%
Adjusted EBITDA margin*	81.9 %	80.1%	
Adjusted EBIT*	130	101	28.2%
Adjusted EBIT margin*	67.2 %	63.4%	
Financial results	-80	-81	0.8%
Net Income	48	20	145.3%
Contribution to Ferrovial**	24	10	138.9%

**Globally consolidated asset, contribution to net profit (EUR million). 54.6% stake

NTE

(USD million)	2023	2022	VAR.
Revenues	289	243	19.0%
Adjusted EBITDA*	255	213	19.5%
Adjusted EBITDA margin*	88.3 %	87.9%	
Adjusted EBIT*	227	185	22.7%
Adjusted EBIT margin*	78.5 %	76.1%	
Financial results	-50	-52	4.1%
Net Income	176	133	32.7%
Contribution to Ferrovial**	102	79	29.2%

**Globally consolidated asset, contribution to net profit (EUR million). 62.97% stake.

NTE 35W

(USD million)	2023	2022	VAR.
Revenues	234	168	39.4%
Adjusted EBITDA*	195	139	40.3%
Adjusted EBITDA margin*	83.1 %	82.6%	
Adjusted EBIT*	156	115	35.0%
Adjusted EBIT margin*	66.4 %	68.6%	
Financial results	-59	-39	-49.4%
Net Income	96	76	26.8%
Contribution to Ferrovial**	48	38	23.5%

**Globally consolidated asset, contribution to net profit (EUR million). 53.67% stake.

I-77

(USD million)	2023	2022	VAR.
Revenues	91	61	50.5%
Adjusted EBITDA*	66	38	72.4%
Adjusted EBITDA margin*	72.0 %	62.9%	
Adjusted EBIT*	55	30	83.2%
Adjusted EBIT margin*	59.8 %	49.2%	
Financial results	-8	-11	24.2%
Net Income	46	19	147.2%
Contribution to Ferrovial**	31	12	n.s.

**Globally consolidated asset, contribution to net profit (EUR million). 72.24% stake.

I-66

(USD million)	2023
Revenues	167
Adjusted EBITDA*	129
Adjusted EBITDA margin*	76.9 %
Adjusted EBIT*	70
Adjusted EBIT margin*	41.9 %
Financial results	-110
Net Income	-40
Contribution to Ferrovial**	-20

**Globally consolidated asset, contribution to net profit (EUR million). 55.704% stake.

IRB

(EUR million)	2023	2022	VAR.
Revenues	828	802	3.2%
Adjusted EBITDA*	406	427	-4.9%
Adjusted EBITDA margin*	49.1%	53.2%	
Adjusted EBIT*	301	330	-9.0%
Adjusted EBIT margin*	36.3%	41.2%	
Financial results	-182	-186	2.5%
Profit before tax	95	135	-29.5%
Corporate income tax	-34	-42	20.3%
Net Income	61	92	-33.7%
Contribution to Ferrovial equity accounted result (EUR million)	14	22	-34.9%

*Non-IFRS financial measure. For the definition and reconciliation of the most directly comparable IFRS measure, refer to Alternative Performance Measures of the Integrated Annual Report (page 262)

AIRPORTS

Heathrow SP & HAH

(GBP million)	Revenues 2023	Revenues 2022	Revenues VAR.	Adjusted EBITDA 2023	Adjusted EBITDA 2022	Adjusted EBITDA VAR.	Adjusted EBITDA margin 2023	Adjusted EBITDA margin 2022	Adjusted EBITDA margin VAR. (bps)
Heathrow SP	**3,687**	**2,913**	**26.6%**	**2,228**	**1,684**	**32.3%**	**60.4%**	**57.8%**	**262**
Exceptionals & adjs	0	0	n.s.	4	20	-80.7%	n.s.	n.s.	-561245.3
Total HAH	**3,687**	**2,913**	**26.6%**	**2,232**	**1,704**	**31.0%**	**60.5%**	**58.5%**	**203**

HAH

(GBP million)	2023	2022	VAR.
Revenues	3,687	2,913	26.6%
Adjusted EBITDA	2,232	1,704	31.0%
Adjusted EBITDA margin	60.5%	58.5%	
Depreciation & impairments	-754	-795	5.1%
EBIT	1,478	909	62.5%
EBIT margin	40.1%	31.2%	
Financial results	-1,012	-687	-47.2%
Profit before tax	465	222	110.0%
Corporate income tax	-127	-54	-136.8%
Net income	338	168	101.4%
Contribution to Ferrovial equity accounted result (EUR million)	0	0	n.s.

AGS

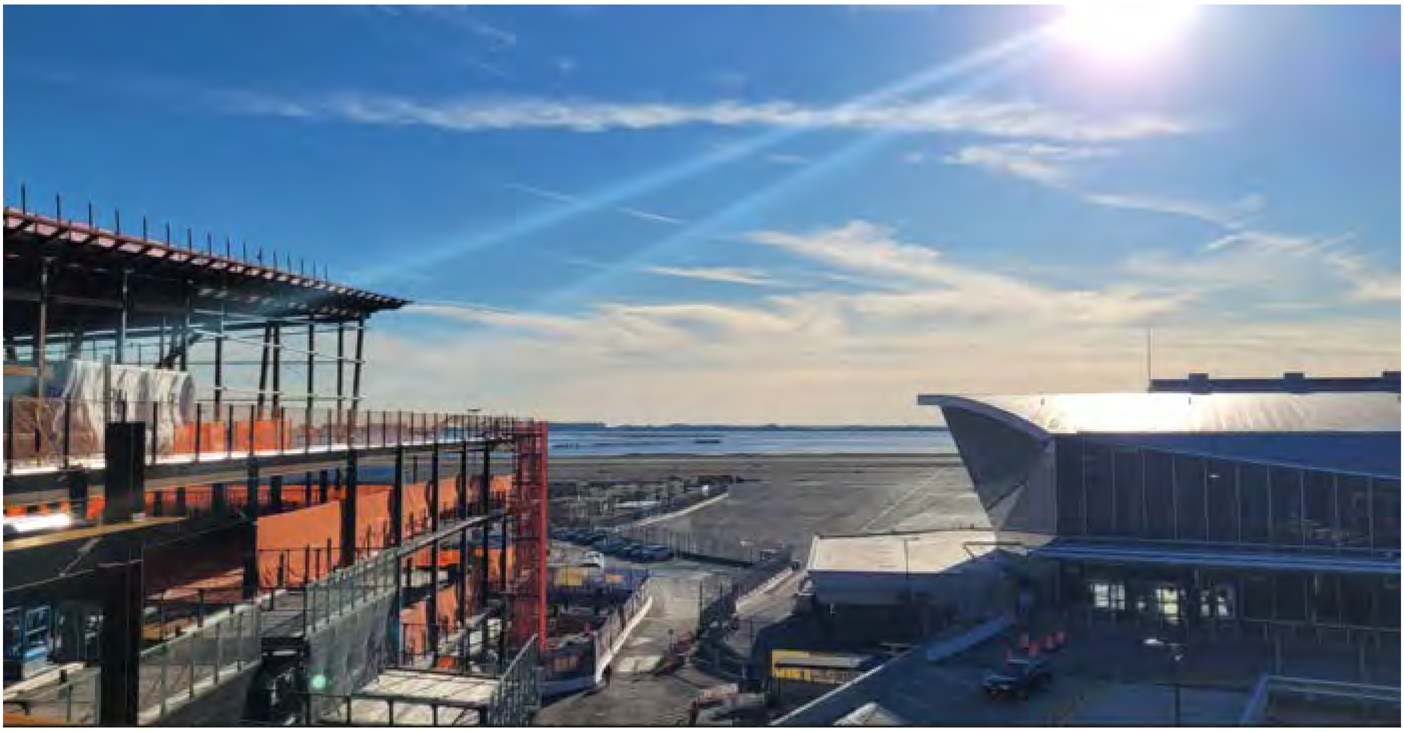
(GBP million)	2023	2022	VAR.
Revenues	198	167	18.9%
Adjusted EBITDA*	67	47	42.0%
Adjusted EBITDA margin*	33.8%	28.3%	
Depreciation & impairments	-37	-36	-3.4%
Adjusted EBIT*	30	11	166.6%
Adjusted EBIT margin*	15.0%	6.7%	
Financial results	-51	-42	-21.7%
Profit before tax	-21	-31	30.9%
Corporate income tax	-1	2	-178.8%
Net income	-22	-29	23.0%
Contribution to Ferrovial equity accounted result (EUR million)	0	0	n.s.

DALAMAN

(EUR million)	2023
Revenues	71
Adjusted EBITDA*	55
Adjusted EBITDA margin*	78.1%
Depreciation & impairments	-19
Adjusted EBIT*	36
Adjusted EBIT margin*	51.1%
Financial results	-34
Profit before tax	2
Corporate income tax	-19
Net income	-17
Contribution to Ferrovial**	-10

**Globally consolidated asset, contribution to net profit (EUR million). 60.0% stake

*Non-IFRS financial measure. For the definition and reconciliation of the most directly comparable IFRS measure, refer to Alternative Performance Measures of the Integrated Annual Report (page 262)



Appendix III – Exchange rate movements

Exchange rates expressed in units of currency per Euro, with negative variations representing euro depreciation and positive variations euro appreciation.

	LAST EXCHANGE RATE (BALANCE SHEET)	CHANGE 2023/2022	AVERAGE EXCHANGE RATE (P&L)	CHANGE 2023/2022
GBP	0.8669	-2.1%	0.8696	2.0%
US Dollar	1.1039	3.1%	1.0815	2.7%
Canadian Dollar	1.4606	0.7%	1.4592	6.5%
Polish Zloty	4.3430	-7.3%	4.5412	-3.1%
Australian Dollar	1.6206	3.1%	1.6288	7.4%
Indian Rupee	91.9427	4.3%	89.3135	8.0%

Appendix IV – Shareholder remuneration

SCRIP DIVIDEND

Following the approval of the cross-border merger between Ferrovial, S.A. (as the absorbed company) and Ferrovial International SE (as the absorbing company), the scrip dividends approved by Ferrovial, S.A.'s Annual General Meeting on April 13th, 2023 became null and void, without prejudice to the resolutions that the company resulting from the merger may adopt in due course to give continuity to the Ferrovial Group's shareholder remuneration policy.

Ferrovial General Meeting and Board of Directors resolved, prior to the merger, on the possibility of carrying out one or more scrip dividends on terms similar to those agreed by Ferrovial, S.A. and in a manner consistent with Dutch law and market practice.

On June 22th, 2023 Ferrovial S.E. announced an interim scrip dividend of EUR 0.2871 per Ferrovial share, payable in cash or shares at the election of the shareholders.

Additionally, on October 16th, 2023, Ferrovial S.E. declared a second interim scrip dividend of EUR 0.4276 per share. The distribution will be payable in cash or shares at the election of the shareholder, against Ferrovial's reserves. There will be no tradeable rights in respect of the scrip dividend.

AMORTIZATION OF SHARES

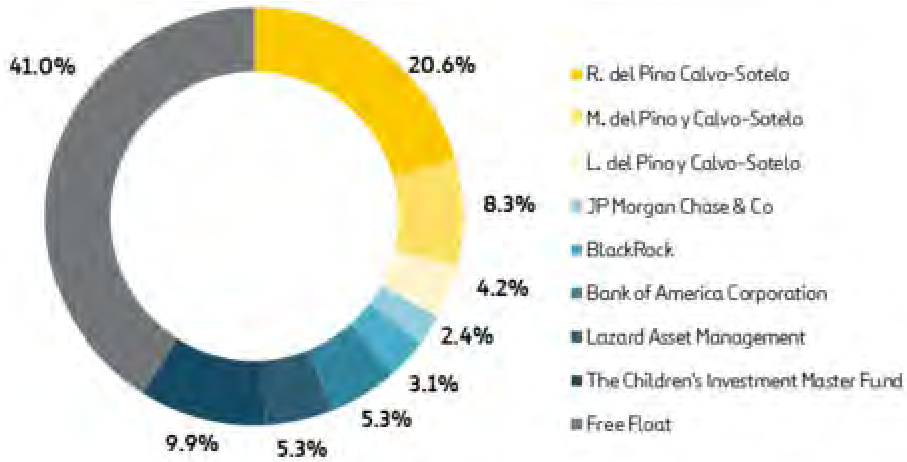
The Board meeting held on 28 February 2023 approved a treasury share buy-back program covering up to 34 million shares for a maximum amount of EUR500 million, which was ratified by Ferrovial, S.A.'s Annual General Meeting on 13 April 2023. The General Meeting also approved the reduction of Ferrovial, 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 program. These agreements became null and void following the cross-border merger between Ferrovial, S.A. and Ferrovial International SE, without prejudice to the resolutions that the company resulting from the merger may adopt in due course to give continuity to the Ferrovial Group's shareholder remuneration policy.

On November 30th, 2023, the Board of Directors of Ferrovial SE resolved to implement a buy-back program of up to 34 million shares for a maximum amount of EUR500 million. The Programme has been authorised for the period from 1 December 2023 to 1 May 2024 (both inclusive), without prejudice that the Company may extend the date of its duration in view of the prevailing circumstances and in the interest of the Company and its shareholders. In addition, Ferrovial reserves the right to terminate the Programme if, prior to its expiry date, it has acquired shares under the Programme for either a price that reaches the maximum investment amount or the maximum number of shares authorised, or if any other circumstance makes it advisable to do so.

Ferrovial held 4,579,310 own shares at end-December 2023. Ferrovial's share capital figure as of December 31st, 2023, was EUR7,406,883.65 all fully subscribed and paid up. The share capital comprises 740,688,365 ordinary shares of one single class, each with a par value of one-euro cent (EUR0.01).

Appendix V – Shareholder Structure

Ferrovial's SE substantial holdings filed with the public register of the Dutch Authority for the Financial Markets Authority (AFM - Autoriteit Financiële Markten) as of December 31st, 2023:



PEOPLE

DEVELOPING PEOPLE TO FACE FUTURE CHALLENGES

Ferrovial's talent management strategy aims to consolidate the company as a benchmark employer in its core markets. To this end, the company promotes opportunities for growth and commitment, health and wellbeing, as well as the development of diverse teams, with the capacity to generate significant and positive changes in the company and society.

The talent strategy is based on the following pillars: commitment, organizational agility, and innovation and digitalization in managing talent.

WORKFORCE

24,799

employees at 2023 year end

TRAINING HOURS

+390,000

INTEGRATED MANAGEMENT OF TALENT

Ferrovial's talent management strategy aims to consolidate the company as a benchmark employer in its core markets. To this end, the company promotes opportunities for growth and commitment, health and wellbeing, as well as the development of diverse teams, with the capacity to generate significant and positive changes in the company and society.

The talent strategy is based on the following pillars: commitment, organizational agility, and innovation and digitalization in people management.

The company's talent attraction strategy is aimed on attracting STEM talent, with a specific focus on engineering and technology. In this regard, the following initiatives have been carried out in key markets:

- Collaboration agreements with prestigious universities, business schools and other organizations.
- Development of strategies to strengthen talent attraction (scholarship and graduate programs, targeted campaigns to attract STEM talent, participation in specialized events or job fairs).
- Reinforcement as an employer brand.

During 2023, a total of 112,626 applications were received for the 3,003 job offers published in different channels, 29.77% of which were covered by internal candidates.

Regarding **talent development and training,** the priority is to strengthen key capabilities, promote corporate culture and values. Ferrovial conducts an annual talent identification and management process aimed at reinforcing meritocracy and skills development as key levers for growth within the company. This model helps professionals to identify the competencies required to continue advancing in their careers. It consists of three main axes:

- Revision and assessment of the individual objectives assigned to each employee as of the year's start.
- A review of the skills level and critical capabilities identified as essential for each job position.
- Implementation of individualized development plans.

TALENT REVIEW

9,724

professionals

In addition, the 'Develop your Talent' campaign has been launched, aimed at more than 350 team leaders with the objective of reinforcing and strengthening one of the most critical competencies for the company, such as the role of manager, by providing online training itineraries on communication, feedback, delegation, influence, motivation and team management, among others.

Complementing the digital training offer, Ferrovial University has been reinforced globally with the vision of contributing to business value creation and to promote the development and growth of professionals in those skills that contribute to the company's competitiveness. Following this vision, a wide range of global programs and initiatives have been defined and launched in virtual and face-to-face formats, aimed at supporting talent at key stages of their careers and connecting people, boosting their skills and encouraging global networking. Among these initiatives, the following stand out:

- Executive Forum: training event for the leadership team that aims to analyze and reflect on emerging global trends and their impact, create awareness of the challenges and opportunities that lie ahead, and foster a collaborative and innovative mindset among the company's leaders. The 2023 editions welcomed more than 330 professionals.
- Global Executive Program: a three-month hybrid program structured in four modules (two onsite and two virtual), with the aim of helping Ferrovial's leaders to better understand the environment in which the company'business operates and expand their knowledge of future trends, strategy and leadership skills. A total of 68 participants from different countries and business units attended the program in 2023.
- Advanced Management program: aimed at experienced managers to help them in their transition to leaders. In this first edition of the program we have had 26 participants.
- New Managers: aimed at Ferrovial professionals who are beginning their journey as people managers. Throughout 2023, a total of 74 professionals have gone through this program.

In addition to these initiatives, there have been other relevant programs such as GROW (Get Ready for Opportunities at Work) or GoFurther, aimed at Construction employees with one to three years of experience; STEP, for the professional development of foremen as a key part of the construction business; The Challenge, aimed at future managers of large projects; or the Continuing Education Program (CEP), a training event for the Toll Roads business that aims to take advantage of existing synergies between the company's business areas and share know-how.

At year-end, Ferrovial professionals received more than 390,000 hours of training (in both online and onsite format), amounting to an investment of 8.7 million euros (347.38 €/employee).

Finally, it should be noted that, in 2023, the use of Workday, a HR management platform, has been consolidated as a single tool at a global level, providing complete information in real time, promoting data-driven decision making, as well as the integration of talent management systems with the main sources of candidate attraction.

DIVERSITY AND INCLUSION

The development of a more diverse and representative workforce is one of the commitments set out in the Horizon 24 Strategic Plan, along with the promotion of an inclusive environment, where collective intelligence is enhanced to increase competitiveness and sustainability. Therefore, Ferrovial has a Diversity and Inclusion Policy, which establishes the main objectives and major lines of action in these areas. This policy, coordinated by the Global Head of Diversity and Inclusion, is materialized through the diversity and inclusion strategy with the following priorities:

- In the area of **gender diversity**, Ferrovial continues to work towards equality and the promotion of female talent. Since 2020, the presence of women in leadership positions has increased **from 20% to 24%**, aligned with the goal of having 30% of women in this group by the end of 2025. This target is higher than the percentage of women in the group's entire workforce, which stood at 17% in 2023. In this regard, the company commemorates key dates related to gender diversity, such as International Women's Day and International Women in Engineering Day and has created women's communities in the main geographies as a lever for promoting gender equality through empowerment, networking and the visibility of female talent. Additionally, the company ensures compliance with equal pay for men and women, developing different actions to rectify possible deviations. The global gender pay gap, calculated as an average, is -0.65%*. It should be noted that the company has renewed the Bloomberg Gender Equality Index for the fourth consecutive year and has obtained the "Equality Distinction" awarded by the Spanish Ministry of Equality, which accredits Ferrovial's good practices in this area.

*The workforce included in the analysis represents 92.96% of the total workforce at the end of the year.

- In relation to **cultural diversity**, the company has promoted various initiatives to increase collaboration between multicultural teams and foster cultural intelligence. In this regard, the commemoration of key dates such as Black History Month, International Day for Cultural Diversity, Juneteenth, or the South Asian Heritage Month, among others, stand out. The progress made in this area of diversity has been recognized with the first prize in the Top intercultural diversity company category, awarded by Intrama.
- In terms of **LGTBIQ+ diversity**, awareness-raising actions are carried out to create an space for the LGBTIQ+ community in which everyone feels free and safe to be themselves. Thus, the collaboration with REDI (Business Network for LGBTI Diversity and Inclusion in Spain) to create an inclusive and respectful environment, where the talent of each person is valued regardless of identity, gender expression and sexual orientation, stands out.
- In the area of **functional diversity**, Ferrovial collaborates with different entities to support the incorporation of people with disabilities in the workplace, in addition to raising awareness actions on this issue to mitigate possible biases associated with this group.

In addition to the actions described above, the "Diversity and Inclusion Month" was celebrated during the previous year, in which multiple initiatives were developed around this issue at a global level. The Employee Resource Groups act as ambassadors of diversity and inclusion, promoting the aforementioned initiatives.

It should also be highlighted that Ferrovial implements a global Anti-Discrimination and Anti-Harassment Policy to ensure dignified and respectful treatment throughout the organization and a work environment free of harassment, discrimination and intimidation. The policy also provides a protocol for action in the event of possible complaints.

Finally, the company uses training as a key lever for fostering an inclusive environment. To this end, it has an online training itinerary with more than 130 resources available, including content on unconscious biases, inclusive leadership, as well as other relevant aspects of diversity.

Composition of women in the workforce	
	2023
Women as % of total workforce	17.2
% of women in management positions (out of the total number of management positions)	
• Executives	15.5
• Managers	20.7
% of female junior managers over total number of junior managers	31.7
% of women in non-management positions, out of total non-management positions	14.9
% of female directors and managers in business-generating positions	8.6
% of STEM women out of total STEM persons	12.0

SATISFACTION AND COMMITMENT

Ferrovial launches annual employee satisfaction surveys that include aspects related to diversity and inclusion and corporate culture, among others. Ferrovial continues to strengthen the role of managers as responsible for the working climate and the commitment of their teams, providing them with tools to analyze and improve them. The last survey carried out in December 2023, achieved a participation rate of 72.7% and an overall satisfaction level of 7.75/10.

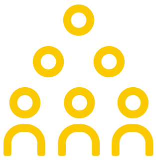
It is worth mentioning that Ferrovial has flexibility measures that facilitate work-life balance, included in its corporate policies, with measures adapted to each country. These include the following: flexible reduced working hours, flexible working hours, paid maternity leave extension before the date of birth, paid parental leave, sabbatical periods, leave of absence to care for family members, recoverable leave and vacation buyouts.

Ferrovial was named Top Employer in 2023 by the Top Employers Institute, in recognition of its people management policies. This award has been revalidated in 2024.

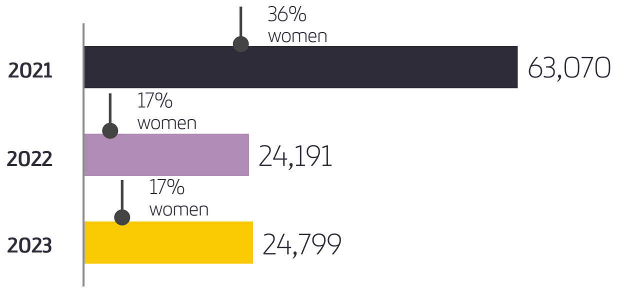
Campaign to promote corporate culture

Ferrovial's corporate values (respect, excellence, integrity, collaboration and innovation) are the essence of the corporate culture and the company's identity. To this end, a campaign to promote corporate culture and values was carried out in 2023 with the aim of increasing the commitment of the teams, reinforcing their sense of belonging and homogenizing the way of working.

Among other initiatives, a culture and values communication campaign was launched through different channels, with the participation of the company's senior management.

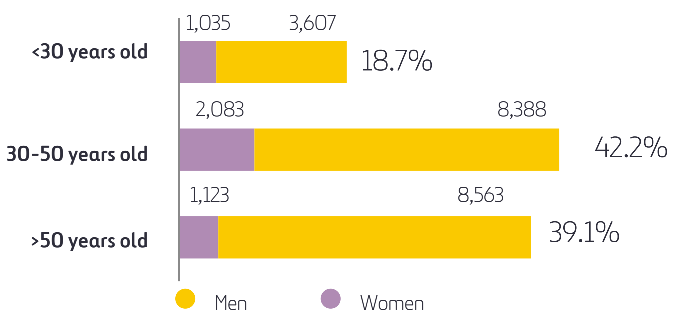


WORKFORCE AT YEAR-END EVOLUTION

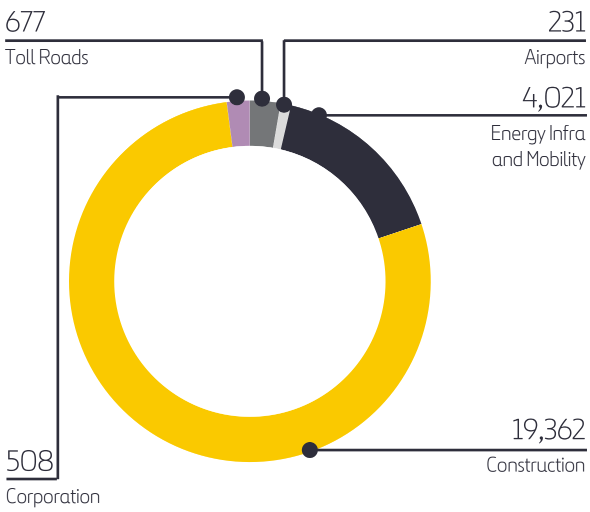


NOTE: The decrease in the number of employees and percentage of women as of 2021 is related to the divestment of Services, whose workforce had a high proportion of women.

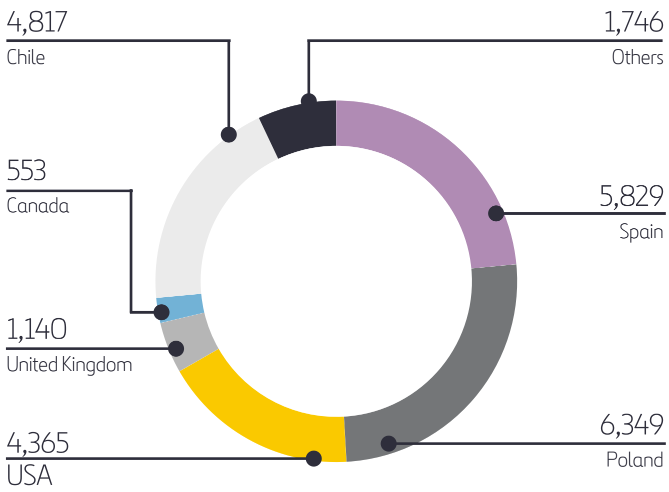
WORKFORCE AT YEAR-END BY AGE



WORKFORCE AT YEAR-END BY BUSINESS



WORKFORCE AT YEAR-END BY COUNTRY



RISK-FREE ENVIRONMENTS

Internalizing health, safety and wellbeing as core values in daily work is crucial to ensure healthy and safe work environments and to accomplish the goals set in this area.

Health, Safety and Wellbeing are fundamental values of Ferrovial, and therefore are supervised by the Board of Directors which monitors them at each meeting held during the year. The Health and Safety Policy, approved by the Board, establishes the principles and values that guide the behavior of employees and collaborators, and is implemented through the Health, Safety and Wellbeing Strategy, which was extended and approved by the Board through 2026, establishing the path to achieve the company's objectives, with special emphasis on reducing the number of serious and fatal accidents.

SIF - FREQUENCY RATE*

-20.3%

with respect to 2022
(on a comparable basis)

TRAINING HOURS
IN HEALTH AND SAFETY

258,908

LEADERSHIP ACTIVITIES

2,614

INSPECTIONS AND AUDITS

63,431

*SIF Frequency rat (Serious Injury Fatality)e= no. (serious accidents + fatalities)*1,000,000/no. hours worked. Includes employees and contractors.

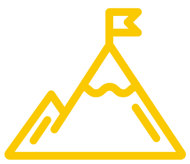
The strategy, an **Organizational approach** with the pillars of Leadership, Competence, Resilience and Engagement, has been extended following an assessment and adjustment to adapt it to the changes that have arisen in the company since its approval, adding an **Operational approach** based on three layers of protection:

i. Planning and preparation.

ii. Control and verification.

iii. Competence and awareness.

In addition to the two-pronged plan with an Organizational Approach and Operational Approach, within the framework of the 2023 Health, Safety and Wellbeing Strategy, various activities have been implemented in each pillar of this strategic plan:



LEADERSHIP

The objective of this pillar is that every employee inspires, cares for and complies rigorously with health, safety and wellbeing measures. The aim is to make every employee a leader who makes a difference and inspires people to guide their leadership, their approach and their application. In this sense, different initiatives have been carried out in 2023:

- The Chairman Health, Safety and Wellbeing Awards: the strategy emphasizes the importance of rewarding and recognizing exceptional performance. Therefore, changing the name of the award to "The Chairman Health, Safety and Wellbeing Awards", and under the patronage of the Chairman, the third edition was held. A total of 184 nominations were submitted in the following categories: 89 for the best leader in health, safety and wellbeing; 55 for the high-performance team; and 40 for the best innovative technical solution implemented. The awards ceremony, led by the Chairman and CEO, was held in person and included a round table discussion emphasizing the importance of health, safety and wellbeing in the company.
- The company's "leaders", directors and managers, have carried out 2,614 leadership initiatives, reaching 170% of the target. In this regard, all members of the Management Committee and leadership team have made an individual commitment to health, safety and wellbeing in 2023.
- Finally, executive incidents reviews have continued, involving directors and managers from different levels of the company. These reviews facilitate the analysis of the root causes of high-potential events to learn from them and take the necessary measures to prevent their recurrence.

COMPETENCY

Under this pillar, which ensures that teams are competent, trained and empowered to perform their duties of health and safety. The "License to Operate" program, launched in 2020, has been maintained, which aims to identify critical positions in health, safety and wellbeing, defining for them a series of specific competencies. To reinforce this initiative, the Safety Leadership for Supervisors and Managers program has continued, whose purpose is to train leaders to supervise safety, influence, advise, mentor, guide, direct and manage, as well as to develop basic leadership and safety management skills. In this way, frontline leaders are empowered to understand, communicate and drive health, safety and wellbeing.

A total of 258,908 hours of training have been carried out to ensure that the teams are properly trained.

RESILIENCE

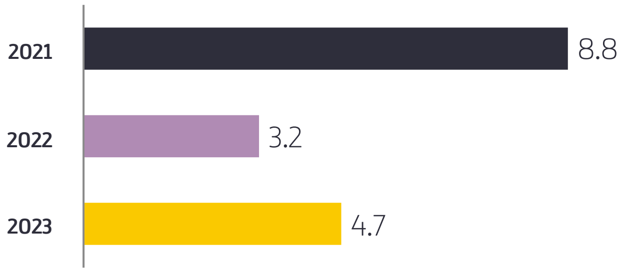
Ferrovial seeks to be prepared to protect its employees, stakeholders and divisions in adverse situations. For this reason, work continues on identifying High Potential Events, which could have potentially caused severe or fatal accidents, although these have been avoided in the end. All of them are reported and analyzed weekly by the Management Committee, both at the level of the different business units and at the corporate level, carrying out an executive review of each one of them, extracting and sharing the lessons learned.

Along with this process, already well established and consolidated within the organization, the following improvements have been made:

- Broadening the scope to High Potential Observations to preventively identify unsafe situations or actions that could trigger an event with the potential to be a severe or fatal accident.
- Conducting awareness campaigns.
- Development of a symposium, where the best health and safety practices of each of the concessions were shared, with the aim of limiting exposure to critical risks derived from road traffic.

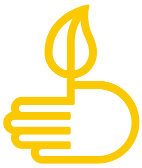
In addition to the indicators previously mentioned, the company continues to monitor traditional metrics. In 2023, 63,431 inspections and audits were carried out and 258,908 hours of health and safety training were provided. The frequency rate increased to 4.7 (3.2 in 2022).

FREQUENCY RATE*



*Frequency rate = number of accidents with lost time*1,000,000/No. hours worked
NOTE: the significant variations in the frequency rate are mainly due to the divestment processes undertaken by the company in the last two years.

COMMITMENTT



This pillar has been defined to foster a learning environment encouraging knowledge sharing, innovation and effective communication.

To effectively implement the strategy, every employee must play a relevant role. In this way, each team member is inspired, motivated and empowered to make a difference and create safer workplaces.

In 2023, several initiatives have been implemented within the framework of this pillar:

- III Ferrovial Health, Safety and Wellbeing Week, sponsored by the CEO. Under the motto "Always safe, Always ready" launched in 2021 and keeping the focus on the commitment of leaders, middle managers and supervisors to frontline workers, the 2023 edition has focused on the meaning of "Always ready".
- Promoting employee health and wellbeing through the following actions:
  - Expansion of the employee psychological support programs that already existed in the United States and the United Kingdom to other geographies such as Spain, France and Portugal.
  - Increase the impact of the HASAVI wellbeing project in all geographies where the company operates, both in terms of number of participants and initiatives launched in relation to physical, mental and social health and wellbeing.
  - In this regard, Ferrovial has obtained the following awards:
    - Top Wellbeing Company Certification, awarded by INTRAMA, a global human resources consulting firm, which places Ferrovial among the 30 companies with best practices in the implementation of Health and Wellbeing policies. Ferrovial has also received the Top Wellbeing Award from INTRAMA for its commitment to improving the quality of life of its employees.
    - European Sport and Healthy Company Certification, awarded by ACES Europe and DCH (International Organization of Human Capital Managers). This recognition highlights the company's policies in health, with the aim of promoting physical activity and the wellbeing of employees and their families. This distinction recognizes Ferrovial in the European Parliament, consolidating the company as a healthy international company.

COMMITMENT TO INNOVATION

For Ferrovial, innovation is a lever for change to improve Health, Safety and Wellbeing performance. For this reason, the company encourages employee participation in the search for innovative solutions to circumstances that occur in their daily lives through the Innovate Construction Awards and the Chairman Awards, which include a category called innovative technical solution.

In addition, the work continues which started in 2018 on the Safety Lab, to turn it into a tool that provides solutions to workers' challenges on a day-to-day basis and in all work centers.

III Health, Safety and Wellbeing Week

The Health, Safety and Wellbeing Week initiative, now in its third edition, has been continued during 2023. Its objective is to promote a corporate culture that integrates these matters as a fundamental part of the way we work.

In 2021, during the first Health, Safety and Wellbeing Week, Ferrovial teams were asked what health, safety and wellbeing meant to them, kicking off the "Always safe, Always ready" project.

In 2022, a commitment to be "Always safe, Always ready" was signed.

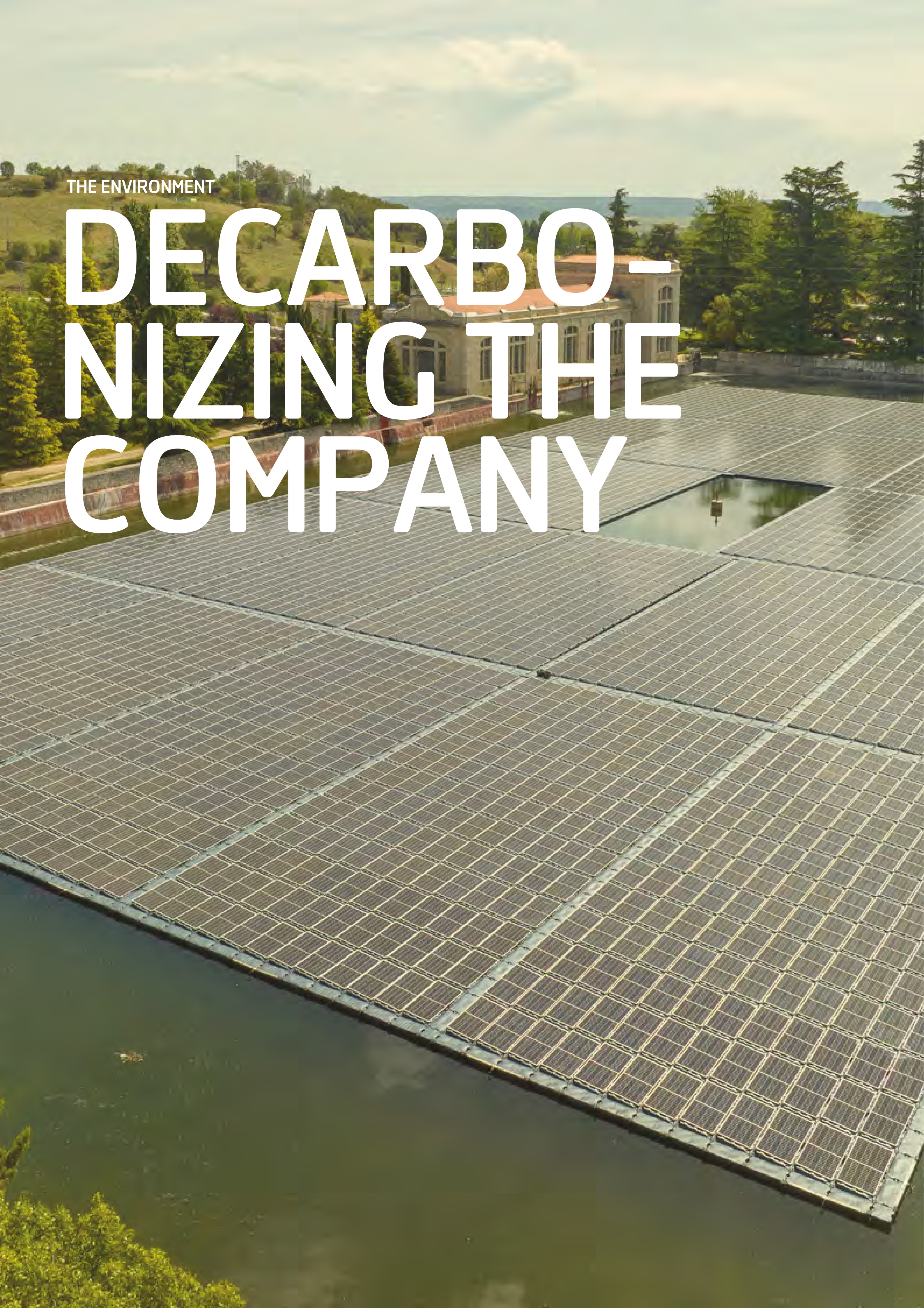
In 2023, as part of the III Health, Safety and Wellbeing Week, this commitment was reinforced, making it more inclusive, adding all the languages of the locations where the company operates, with the aim of better reaching everyone and ensuring that the motto of being "Always safe, Always ready" is fulfilled. In this edition, the meaning of the message "always ready" has been reinforced, and with an invitation to reflect and share its meaning.

Other initiatives were also carried out, such as a round table with the Chairman, the CEO and the Director of Health, Safety and Wellbeing, followed by the presentation of the Chairman's Awards, an interview with Cintra's operational leaders on health and safety, and a wellbeing toolbox talk.

In total, around 138 posts were shared, with more than 65,000 views and more than 2,000 interactions on the internal channel, and 26 posts were shared on Ferrovial's social media channels, with around 32,400 views and 5% engagement.

THE ENVIRONMENT

DECARBO-NIZING THE COMPANY



Ferrovial's Climate Strategy is integrated into the corporate strategy Horizon 24 and is aligned with the Sustainable Development Goals of the United Nations. The objective is to decarbonize the company's activities.

Ferrovial's Climate Strategy is part of the company's corporate strategy and, therefore, it is regularly reviewed and decisions are taken at meetings of the Management Committee and the Board of Directors. In addition, it is submitted annually to a consultative vote at the General Shareholders' Meeting. The strategy is implemented through the Sustainability Committee and, more technically, through the Quality and Environment (Q&E) Steering Committee.

The Sustainability Committee, chaired by the Sustainability Director, is composed of representatives from all business units and corporate areas. The committee chairman reports regularly to the Board of Directors, the Management Committee and the CEO, and is the link between the business units and senior management.

The Q&E Steering Committee, also chaired by the Sustainability Director and composed of the most senior representatives of the business in this area, is the body that articulates the corporate strategy on climate change and other environmental issues (water, biodiversity, circular economy, etc.) in the company. It discusses and adopts decisions, sets initiatives and revises the results of projects, along with the implementation of the Quality and Environment Policy, approved by the Board of Directors. In addition, a comprehensive analysis of new regulatory challenges, market trends and recommendations from government agencies and other relevant organizations is carried out. It holds meetings at least quarterly.

REDUCTION OF GHG EMISSIONS (SCOPE 1&2)

-45.58%

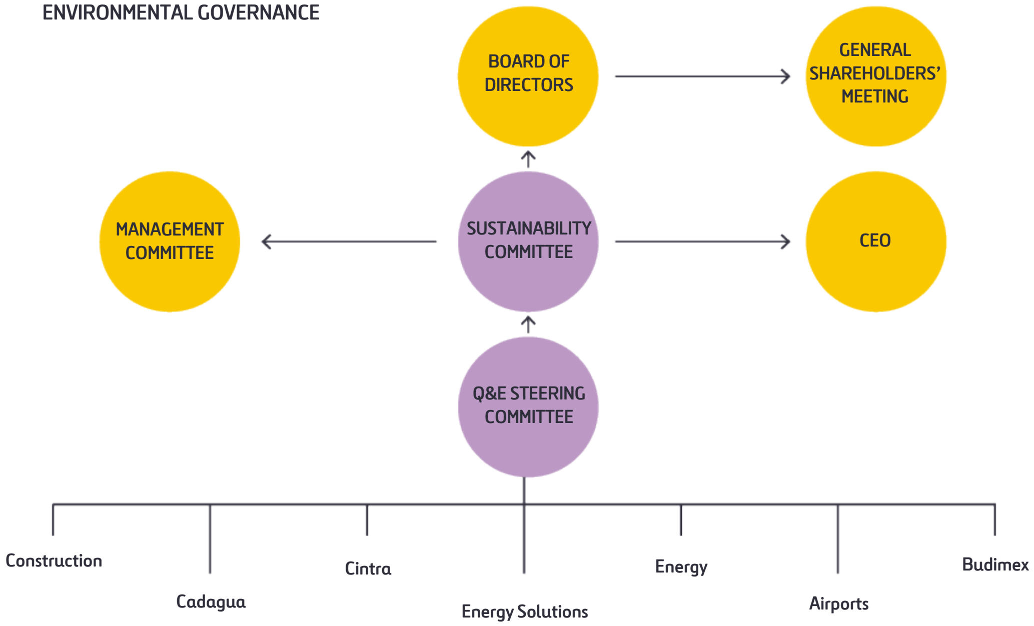
in absolute terms compared to 2009

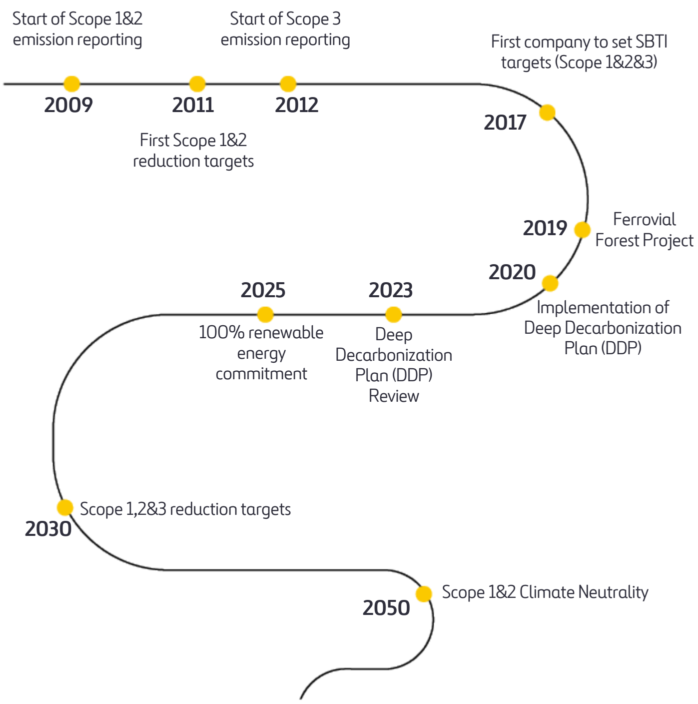
ELECTRICITY CONSUMED FROM RENEWABLE SOURCES

68.53%

target of 100% by 2025

ENVIRONMENTAL GOVERNANCE





CLIMATE STRATEGY

Ferrovial's Climate Strategy has ambitious emissions reduction targets approved by the Science Based Target Initiative (SBTi), aligned to the 2° trajectory, aimed at contributing to with the Paris Agreement and the 2030 Agenda. It also establishes the roadmap for decarbonizing corporate activities by using renewable energies to the detriment of fossil fuels, while developing new lines of business aimed at achieving the decarbonization of the economy and counter the effects of climate change. The established are as follows:

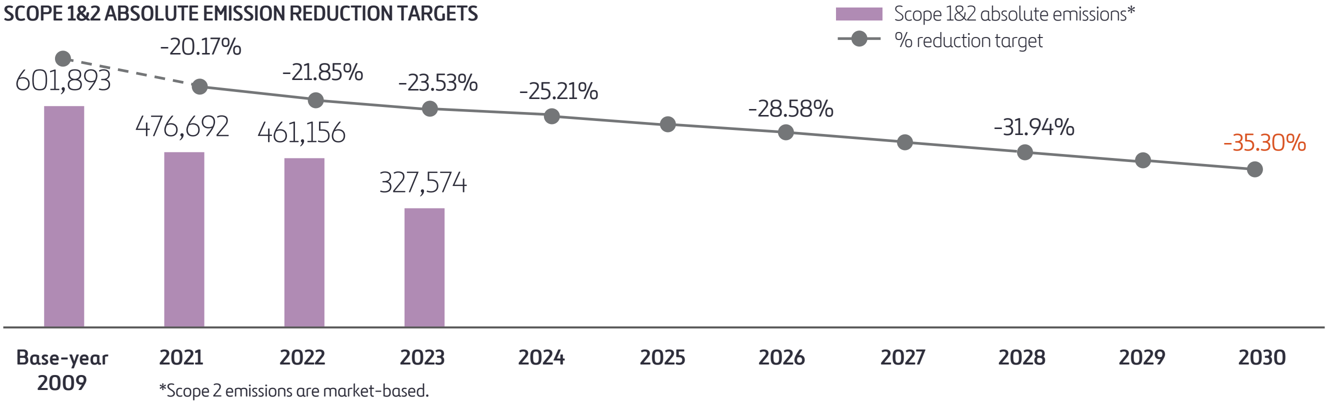
- Reduce Scope 1&2 emissions in absolute terms by 35.3%* in 2030 (base year 2009).
- Reduce Scope 1&2 emissions in relative terms (tCO2 eq/M€) by 42.9% in 2030 (base year 2009).
- Reduce Scope 3 emissions in absolute terms by 20% in 2030 (base year 2012)**.

One of the pillars of the strategy is the decarbonization plan titled, Deep Decarbonization Path (DDP), which establishes the guidelines for mitigation on which to work to achieve the 2030 emission reduction targets:

- Achieve 100% consumption of electricity from renewable sources by 2025.
- Achieve a 33% reduction in vehicle fleet emissions by 2030.
- Reduce asphalt plant emissions by 20% through energy efficiency by 2030.
- Reduce emissions associated with construction machinery by 10% through the implementation of energy efficiency measures by 2030.

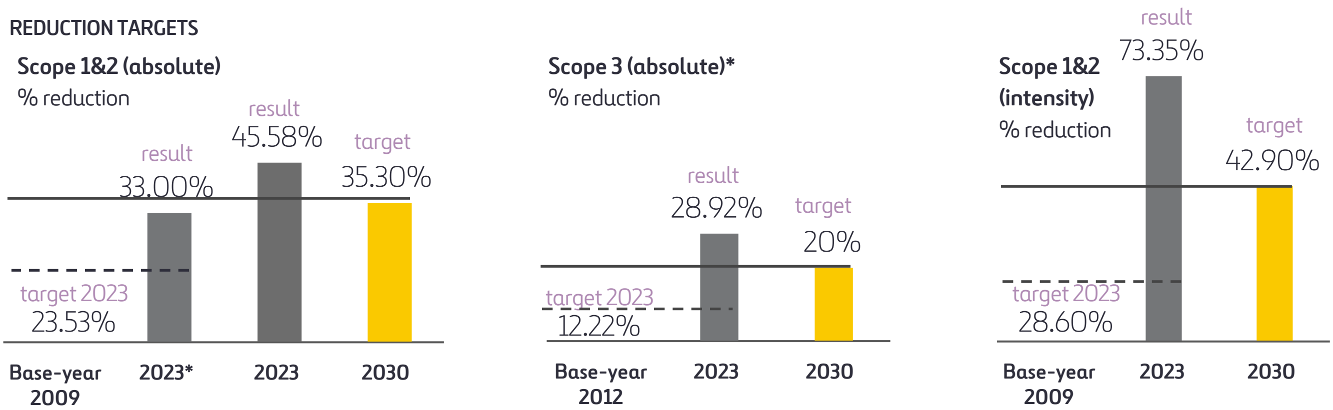
*The Deep Decarbonization Path, Ferrovial's strategic plan sets a target of 35.3% Scope 1&2 emissions reduction in absolute terms, more ambitious than the 32% that the SBTi initiative had approved.
**Scope3 emission categories excluded from SBTi target: capital goods and purchased goods & services.

SCOPE 1&2 ABSOLUTE EMISSION REDUCTION TARGETS



*Scope 2 emissions are market-based.

REDUCTION TARGETS

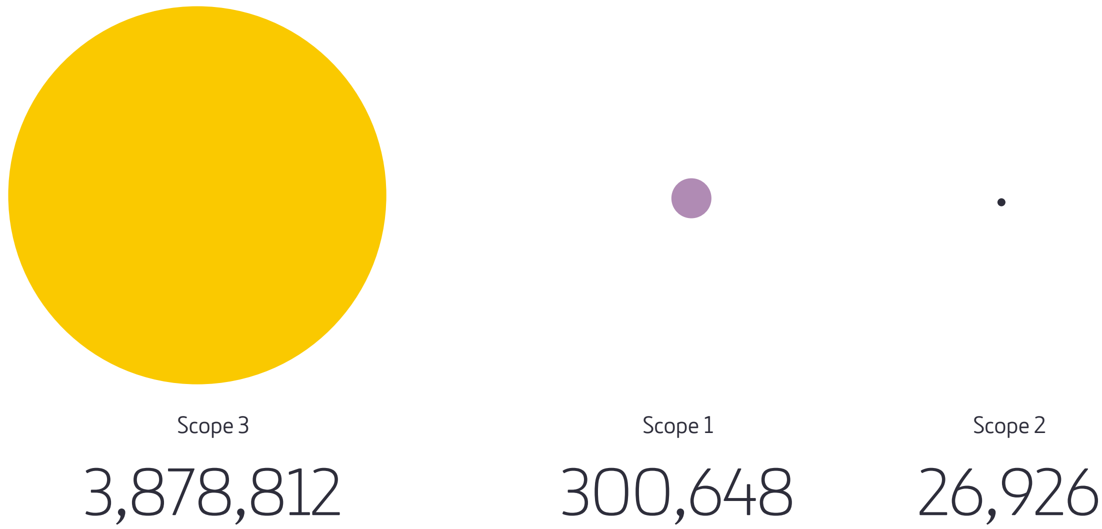


*Includes emissions reduction without considering change in ownership of one carbon intensive asset in the UK (Allerton; please see detailed information in paragraph "carbon footprint").

*Capital goods and Purchased goods and services Scope 3 categories are not included.

Carbon footprint

Since 2009, the carbon footprint (scope1&2) has been calculated and reported for 100% of the activities under the operational control approach as organizational limit. The calculation methodology is based on the GHG Protocol (WRI&WBCSD), while maintaining compliance with ISO 14064-1. Scope 1, Scope 2 (market-based) and Scope 3 emissions[1] are calculated. Emissions recorded in 2023 (tCO_2eq) were as follows:



Note: The emissions shown in the graph correspond to the company's carbon footprint, not including offsets but including renewable energy. Scope 2 location-based emissions amounted to 74,579 tCO2eq. The Scope3 emissions shown correspond to the total perimeter. If the SBTi perimeter is considered, they would amount to 2,698,026 tCO2eq.

In 2023, Scope 1&2 emissions were reduced by 45.58% in absolute terms and by 28.97% compared to the previous year. This significant decrease is largely due to Ferrovial transferring ownership of one of its most emissions-intensive assets (the Allerton industrial facility in the UK) during the last fiscal year. Excluding this divestment, the reduction compared to the previous year is 33%, and compared to the base year, it is 13%, both of which are reductions exceeding those anticipated in the roadmap. In terms of intensity, Scope 1&2 emissions were reduced by 73.35% compared to the base year. The reductions achieved were significantly higher than the targets set for the year, reflecting the company's compliance with the roadmap established. During the year, 68.53% of electricity was consumed from renewable sources. Related to Scope 3 emissions, 28.92% were reduced by 2023 compared to 2012 (SBTi scope) and 36.64% in all categories[2].

Ferrovial is not part of the emission rights market (EU ETS).

[1] More information can be found in the Glossary of Terms, page 296
[2] More information about emissions by category can be found in the GRI tables annexes, page 323

Offsetting

Ferrovial has set the goal of achieving climate neutrality in 2050 for direct emissions by reducing them and voluntarily offsetting any that cannot be reduced. Offsetting is done through neutralization and mitigation beyond the value chain, relying on nature-based solutions.

The company has a pilot project called Compensa Project, which involves the reforestation of burned or agricultural areas in Madrid. This project generates a double environmental and social positive impact, since it consists of the restoration of degraded land by employing local people. It has been developed in Torremocha del Jarama, where 7.7 hectares have been reforested with a total of 4,000 trees, which will absorb around 2,000 tons of CO_2 .

It should be noted that the Spanish Ministry for Ecological Transition and the Demographic Challenge has given Ferrovial the highest recognition achieved for its work in "Calculate", "Reduce" and "Compensate" through the Compensa reforestation project.

There are also two renewable wind energy projects and a nature-based project that enhances and strengthens sustainable forest management.

Shadow Carbon Pricing

The company applies a methodology to economically quantify the potential climate risk of its most relevant investments in the Shadow Carbon Pricing modality to consider this impact in future investments. The tool includes the direct and indirect emissions of the project as a whole and applies variable prices per ton of carbon for different time horizons, geographies and types of infrastructure.

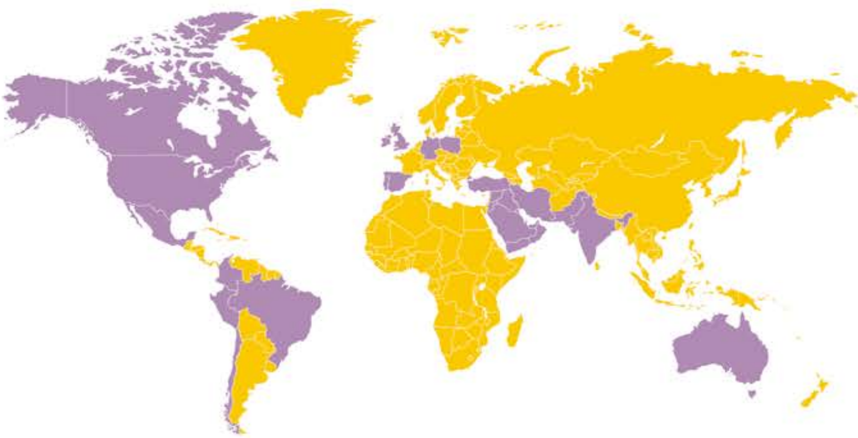
TIME HORIZONS

2030 - 2040 - 2050

TYPE OF PROJECT

Airports
Toll Roads
Waste management
Water management
Energy assets (natural gas)

GEOGRAPHIES*



Australia, Brazil, Canada, Chile, Germany, Ireland, Mexico, Middle East, Peru, Poland, Portugal, Spain, United Kingdom, USA, India, Colombia

FERROVIAL'S AVERAGE PRICE OF EMISSIONS:

2030	2040	2050
60€	114€	173€

Risks and opportunities associated with climate change

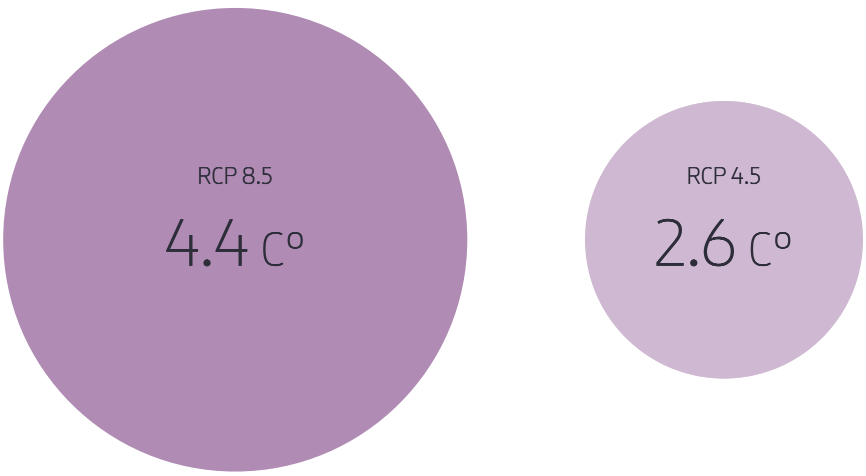
Ferrovial applies the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) in the process of identifying, analyzing and managing risks and opportunities related to climate change. Ferrovial periodically carries out an assessment and quantification of risks and opportunities in all its business units and geographies in different time horizons: short (2025), medium (2030) and long term (2050) and several climate scenarios.

The methodology for climate risks is based on Ferrovial's Risk Management methodology (as described in page 230). This approach evaluates the likelihood of occurrence of the risk, the impact on the business and its frequency.

This methodology considers transition scenarios, based on the degree of implementation of climate change policies, presented annually by the International Energy Agency in the World Energy Outlook, together with physical scenarios that include various cases of greenhouse gas emission concentrations and their physical impacts on the climate, analyzed by experts from the Intergovernmental Panel on Climate Change (IPCC).

TRANSITION RISK SCENARIOS[2]

PHYSICAL RISK SCENARIOS[6]



An internal tool called ADAPTARE has been developed to assess physical climate risks, which allows a preliminary assessment of climate risks associated with different scenarios, time horizons and a variety of infrastructures. ADAPTARE follows the methodology of the framework proposed by the IPCC, taking into account three variables: climate hazards, vulnerability (sensitivity and adaptive capacity of the asset) and exposure (characterization and valuation of assets) of human and natural systems.

In the risk analysis performed, the magnitude and impact of the risks differ according to the duration of the contract (due to the climatic time horizons) and the role of the company (promoter and/or operator). The climate risks identified are shown below:

[2] *The definition of climate scenarios can be found in the Glossary of Terms, page 296.*

Transition risks: The transition to a low-carbon economy may give rise to potential policy, legal, technological and market changes to address climate change-related mitigation and adaptation requirements. Depending on the nature, speed and focus of these changes, transition risks may involve financial and/or reputational risks of different levels.

Climate transition scenarios	Main climate risks	Mitigation and/or adaptation measures
Stated Policies Scenario (STEPS). *Announced Pledges Scenario (APS).* *NetZero by 2050 Scenario (NZE).*	• Increase in the cost of energy, both fossil fuels and electricity, and other raw materials specific to the activities. • Change in the behavior of customers and/or users in the utilization of transportation. • New regulations limiting or modifying the use of certain modes of transportation. • Increased reporting of emissions and other environmental aspects. • Lack of availability of new technologies. • Penalty or additional cost due to non-compliance with objectives associated with the Sustainable-Linked Bond (SLB). • Potential donations in the Euro Commercial Paper (ECP) program for non-compliance with each sustainability objective. • Premium payment on the debt margin of credit line debt due to non-compliance with the ESG score in DJSI. • Impact on Ferrovial's share price derived from the failure to meet SBTi targets and its potential financial effect on the share value due to the negative market reaction.	• Review and controls with the governance systems implemented in the company (risk management, compensation, etc.). • Monitoring and tracking of energy consumption to ensure compliance with emission reduction targets. • Verification of greenhouse gas emissions in accordance with the international standard ISAE 3410 of the Assurance Engagements on Greenhouse Gas Statements, which guarantees the reliability of the data. • Development and implementation of the Deep Decarbonization Path, a plan to reduce internal emissions through the use of renewable energies, self-generation of electricity, energy efficiency or replacement of machinery and vehicles. • Design and application of Shadow Carbon Price mechanisms for new investments. • Forecast of increased operational costs associated with climate change in bid tenders. • Search for innovative technological solutions to reduce energy consumption and emissions. • Study and collaboration with key stakeholders for the development of projects that favor the transition to a low-carbon economy.

Physical risks: Physical risks from climate change can lead to potential (acute) events or long-term (chronic) changes in weather patterns. There may be financial implications for organizations, e.g. direct damage to assets or indirect impacts caused by interruptions in the production chain.

Physical climate scenarios	Main climate risks	Mitigation and/or adaptation measures
Representative Concentration Pathways (RCP) 4.5 Representative Concentration Pathways (RCP) 8.5	• Initial exercise that identified the first significant risks and a range of magnitude in financial terms on certain toll road assets, increasing maintenance and extraordinary maintenance and repair work, with heat waves and drought being the main climatic hazards detected.	• ADAPTARE: implementation of a methodology and tool for the identification and analysis of physical climate risks that considers IPCC climate projections in the short, medium and long term in the projects. • Numerous measures are in place to ensure the resilience of infrastructures to climate change, defined over decades of experience in designing them, considering variations in climatic conditions, developing business continuity plans, winter maintenance plans and transferring risks through a high level of insurance policy coverage.

Opportunities related to climate change			
Mobility	Water	Energy	Infrastructure
Innovative solutions to mitigate emissions associated with mobility that include connectivity between infrastructures, vehicles and users, vehicle sharing and the electrification of transportation, reducing congestion and pollution in cities. • ***Managed Lanes:*** mobility service offered in congested urban corridors. The dynamic fare structure alleviates traffic and driving at moderate and constant speeds, resulting in relative emission reductions. • **AIVIA:** consortium led by Ferrovial whose objective is to develop, test and implement technological solutions for safer, more comfortable and interconnected sustainable digital corridors through technologies such as 5G or Artificial Intelligence, improving traffic congestion and reducing relative emissions. • **Vertiports:** design, construction and operation of the infrastructures required by eVTOL vehicles. • **Vehicle charging points:** service offered to local governments and public institutions, companies, homeowners, etc., promoting the use of low-emission vehicles.	Cadagua helps to solve the effects of climate change on water resources, orienting its business to the design, construction, operation and maintenance of water treatment facilities, favoring the availability of the resource in the natural environment and for human consumption. • **Wastewater treatment plants (WWTP):** treatment in both industrial and urban facilities to ensure the supply of drinking water, protect the environment and prevent pollution. • **Drinking water treatment plants (DWTP):** water purification through various processes that treat surface water or groundwater to obtain water. • **Seawater desalination plants:** desalination is a solution to supply challenges, especially in water-stressed areas.	Integral solutions for the development, construction, management and operation of energy infrastructures, as well as energy management services. • **Energy efficiency services:** for constant savings and continuous improvement of facilities, reducing energy consumption and emissions. • **Construction and maintenance of renewable energy infrastructures:** high-tech engineering, construction, installation and technical electrical maintenance services for the renewable energy sectors. • **Renewable energy generation:** development of solar photovoltaic power plants, wind farms and cogeneration in waste treatment plants, as well as PPA (Power Purchase Agreement) projects. The company is committed to the generation of clean energy to speed up the energy transition. • **Power transmission lines:** integrated solutions for the development and management of power transmission networks. • **Building renovation:** transformation of buildings incorporating constructive solutions to reduce energy demand and facilitate the use of renewable energies.	New opportunities for the development of sustainable and resilient infrastructures that offer solutions for adaptation to climate change, which can provide competitive advantages by providing differential solutions. **ADAPTARE** The company, in collaboration with an expert from the IPCC (Intergovernmental Panel on Climate Change), has developed a unique methodology to identify, analyze and assess the physical risks related to climate change and propose adaptation measures to mitigate the impacts they may cause on infrastructures. This methodology is applied to the different types of projects that the company develops and operates around the world. The analysis is carried out in the short, medium and long term under different climate scenarios. It takes into account the risk framework defined by the IPCC, as well as the adaptation criteria set out in the EU Taxonomy Regulation. ADAPTARE automates this methodology and facilitates the analysis and interpretation for project managers and developers.

BIODIVERSITY AND NATURAL CAPITAL

Policy

Ferrovial recognizes the key role performed by natural capital and biodiversity in the supply of services that support the economy and social wellbeing. Therefore, the company has a Biodiversity Policy, approved by the Q&E Steering Committee and integrated into the management system, which governs the organizational and operational processes for all contracts and articulates the organization's principles on:

- Conservation and protection of species and natural ecosystems.
- Application of mitigation hierarchy criteria for negative impacts.
- Responsible use of natural resources.
- Fight against deforestation.
- Application of nature-based solutions.
- Integration of natural capital in risk management.

The policy applies to all the company's activities and transfers its principles to its supply chain through the Supplier Code of Ethics. Based on its guidelines, natural capital and biodiversity are integrated into decision making, with a focus on identifying and analyzing dependencies, impacts, risks and opportunities.

The company is aligning itself with the Taskforce on Nature-related Financial Disclosures (TNFD), a global initiative that seeks to address the crisis of biodiversity loss and ecosystem deterioration. Ferrovial has committed as an adopter of TNFD by registering the intention to publish the first disclosures aligned with this standard.

For the application of these recommendations, the methodology developed is guided by the LEAP approach (Locate, Evaluate, Assess, Prepare) approach, in addition to different international standards and guidelines of recognized organizations such as the UN Environment Programme (UNEP), WWF or the European Environmental Agency, among others. This methodology is characterized by:

- A broad scope, considering direct and value chain operations.
- Focus on business line activities and specific assets.
- Consider infrastructure locations, as well as priority areas for biodiversity and ecosystem conservation.

Risk management and impact prevention

The company incorporates the criteria of the mitigation hierarchy in environmental management under the principle of "no net loss" of biodiversity as a guideline to minimize and compensate for the negative impacts of its activities.

From this perspective, and with the aim of minimizing the impact, the methodology INCA (Integrated Natural Capital Assessment) has been developed to measure the impact of projects and assess the different alternatives to achieve a lower impact on biodiversity and ecosystems, anticipating possible risks of impact on biodiversity.

The environmental risk assessment follows Ferrovial's risk identification and assessment process, Ferrovial Risk Management (FRM), which has led to identify biodiversity as an emerging risk. More information in the risk section of this report.

CIRCULAR ECONOMY

The principle of the circular economy aims to optimize the consumption of materials and minimize waste generation. It is a solution to problems that have a direct impact on the deterioration of the environment and makes it possible to identify new business opportunities.

The Sustainability Strategy includes among its lines of action a Circular Economy Plan that aims to establish the principles of the circular economy in the company's operating processes by promoting the reuse and recycling of waste, the efficient use of resources by applying circularity criteria, either through the reuse or recycling of materials in activities or by managing the supply chain to acquire materials with recycled content, and the reduction of environmental impact.

Therefore, in line with the requirements of the European taxonomy, the target of recovering 70% of the non-hazardous construction and demolition waste generated in construction activities has been established, with 95% of this waste having been recovered in 2023 (76% in 2022), meeting the established target.

In addition, the Circular Economy Plan determines for the Construction division an annual target of 80% reuse of soils, while for water treatment plants it is committed to the valorization of 80% of sewage sludge generated for agricultural use, composting or thermal drying. In 2023, 88% of soil was reused (90% in 2022) and 80% of sludge generated was recovered (77% in 2022).

More information in the GRI Indicators Appendix.

The circular economy guidelines are also included in the Quality and Environment Policy, which establishes the efficient use of natural resources and raw materials, using recycled materials whenever possible, as well as the reduction of waste generation in the activities carried out.

The company has carried out various actions related to waste management and the circular economy to help achieve the targets set out in the Circular Economy Plan, which contribute to reducing waste generation and, consequently, to reducing greenhouse gas emissions by avoiding the transport of materials:

- Prioritization of the reuse of materials onsite, such as construction and demolition waste (CDW) or excavated soils, either for the replacement of materials or for use as backfill.
- Utilization of reused concrete in construction sites by crushing in situ and manufacturing new concrete with the materials generated.
- Usage of reused precast concrete blocks.
- Reuse of steel structures.
- Discarding all recovery or reuse options, the segregation of waste on site is promoted to recycle as much as possible, being the last option to send it to a landfill.

WATER FOOTPRINT

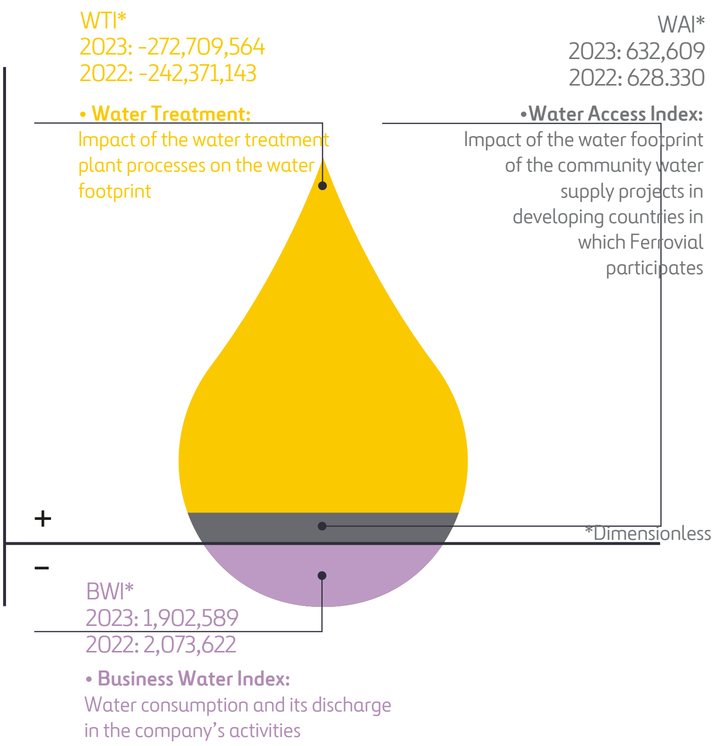
Water is one of the environmental resources that is suffering the most impacts in recent years, with conditions derived from climate change such as water stress, deterioration of water quality due to pollution, as well as a growing demand for drinking water.

The Water Policy, approved by the Q&E Steering Committee, recognizes water as a limited and irreplaceable natural resource and access to it as a fundamental human right. The water management strategy takes into consideration its availability, quality and the balance of the ecosystems on which it impacts.

In its role as a consumer of water and supplier of services associated with water resources, the company manages the resource responsibly and efficiently, addressing the entire water cycle, from groundwater and surface water to wastewater, favoring social development and the conservation of ecosystems.

Thanks to its subsidiary Cadagua, it plays a key role in water management, contributing to solving the main challenges of supply, quality, sanitation and pollution, especially in areas with water shortages. For this reason, it is working, among other lines, on the implementation of more appropriate treatments that allow the elimination of contaminants of emerging concern, as well as bacteria resistant to antibiotics.

WATER FOOTPRINT PERFORMANCE



POSITIVE CONTRIBUTION

The water treatment activity together with the social action projects help to offset the impact of water consumption and discharges needed and generated by the business units.

To measure the impact of its activities on water resources, the company has developed its own methodology based on the principles of The Water Footprint Assessment Manual (WFM) and the Global Water Tool (GWT), two internationally recognized references for calculating the water footprint, and takes into account the source of water collection, assigning different weights depending on its origin, the country's water stress, and the destination of discharges and their quality depending on the treatment they have received.

With the methodology established for the calculation of the water footprint, we have the possibility of carrying out water management by each geography, since the water stress of each country is taken into consideration. Locally, the source of water collection and the destination of the discharge are evaluated to minimize the impact on the environment. In addition, the projects manage locally measures to reduce water consumption throughout the life cycle of the infrastructures and to increase their reuse. This includes implementing measures to prevent water contamination during the construction or use phase of a building/infrastructure. For example, all the necessary devices and measures are installed and fixed to guarantee the quality of the water that may be affected by the actions (by means of pollutant retention ponds, sediment retention barriers, etc.).

The methodology is composed of three indexes:

- Business Water Index (BWI): measures the negative impact that activities produce as a result of water consumption and discharges generated.
- Water Treatment Index (WTI): measures the positive impact of the water treatment processes carried out at Cadagua's treatment plants.
- Water Access Index (WAI): determines the positive impact of social action projects aimed at improving access to water and sanitation in vulnerable communities.

The company has established the following targets in relation to its water footprint:

- Reduce BWI by 20% in 2030 (base year 2017). In 2023, a reduction of 31% has been achieved compared to 2017 (-8% compared to 2022).
- Annually offset 70 times the BWI (WTI + WAI > 70 BWI). In 2023, 144 times the BWI has been offset (117 in 2022).

Sustainability Linked Bond

Ferrovial, recognizing the crucial role of sustainable finance in supporting the transition to a low-carbon and more resource-efficient economy, has decided to implement a sustainability-linked financing framework to connect its future financings with its sustainability targets, to achieve sustainable performance and contribute to the future of the planet and generations to come.

The transaction was closed by issuing seven-year sustainability-linked bonds with a total value of 500 million euros. With this bond issue, the company commits to investors to achieve the sustainability-related targets it has linked to this bond, having determined the following KPIs:

- Reduction of GHG Scope 1&2 emissions (in absolute terms).
- Reduction of GHG Scope 3 partial emissions (in absolute terms).

More information can be found in https://www.ferrovial.com/en/ir-shareholders/share-information/debt-issuances-rating/documents/sustainability-linked-financing-framework/

Progress in decarbonization of the company's activities

In 2023, in line with the company's commitment to the decarbonization of its activities, a collaborative project has been launched for the use of alternative fuels (HVO), which will result in a reduction of emissions from Ferrovial's activities. The advanced biofuel has the advantage of allowing it to be used in various types of machinery, both mobile and stationary, and can replace fossil fuels as it is produced from renewable raw materials.

Ferrovial has also set a target of 100% renewable electricity consumption by 2025 as part of its decarbonization plan. In this regard, Budimex has invested in the construction of renewable electricity generation projects for self-consumption. Among its most relevant projects is the generation of 120 MW of photovoltaic energy and 110 MW of wind energy.

DIGITAL TRANSFORMA-TION AND COMPETITIVE ADVANTAGES

Digitalization and innovation promote efficiency and competitiveness, transforming and diversifying the company's activities, as well as paving the way for a more sustainable future.

Ferrovial continues to consolidate the digitalization of the company as part of its strategic transformation process, based on the pillars of innovation, sustainability and future growth through Digital Horizon 24.

During 2023 Ferrovial invested 73.97 million euros, to boosting digitalization in the businesses and for the development of innovative solutions in its infrastructures.

INVESTMENT IN DIGITALIZATION AND R+D+I (M€)	PROJECTS DEVELOPED IN R+D+I	DIGITAL PRODUCTS
73.97	158	+18

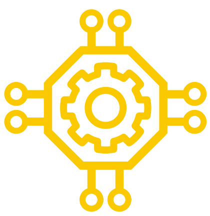
DIGITALIZATION

The digitalization pillar of Digital Horizon 24 is articulated through a series of specific programs aimed at addressing the needs of business units in this area: Digital Construction (digitalization of construction management and administration processes), Digital Concession (smart toll roads and new businesses such as energy or water) and Digital Corporation (finance, human resources, etc.). They are all supported by transversal drivers upon which digitalization projects are developed.

The first of these enablers is **data**, reinforced in PANGEA, a digital platform for the standardization of data that allows its exploitation to create value and apply artificial intelligence algorithms, which contribute to better decision making. For example, Ferrovial Construction standardizes and reuses works data and automatically integrates all technical and financial developments. Use cases continue to expand to other departments and business units.

Another driver is **cybersecurity** that, in 2023, has focused on reducing exposure to cyber threats by improving protection and detection and response times. Ferrovial has implanted a basic cybersecurity program for all assets managed by the concessions business unit to comply with the European Directive on Essential Services Operators (NIS). Cyberculture was also deployed, an individualized awareness program for each employee according to their level of exposure to cyber risks.

ENABLING VALUE IN THE BUSINESS



Likewise, in the case of digital platforms, **observability services** have been implemented to monitor the use and operation of applications and infrastructures in real time, also contributing to improve maintenance and evolution in a more proactive and efficient way. The latest digital assets provided by Ferrovial, such as AIVIA or NextPass, already feature this service.

Ferrovial has also progressed in its **process transformation program**, with new automation tools such as UIPath, PowerAutomate and PowerApps. This program, based on the opportunities detected, allows to improve the efficiency of certain procedures and reduce repetitive tasks, increasing employee productivity, for example, by issuing automated reports on control, auditing or management of financial or IT service requests. Process mining is being tested in some departments, such as accounting, to automate the identification of improvement opportunities through AI and facilitate their implementation.

The value of technological transformation is only possible through people. Ferrovial encourages this cultural change by implementing **change management and training** programs such as Digital Skilling, aimed at complementing and extending the skills of work teams through continuous training. In 2023, one of the most relevant initiatives was the Learning Days, a periodic event focused on the development of digital skills and the exchange of knowledge between employees and other external stakeholders.

Finally, it is fundamental for Ferrovial to leverage the capabilities of external partners through solid **strategic alliances.** In 2023, in addition to strengthening the alliance with Microsoft, other strategic agreements were reached with NTT Data and Salesforce for the digitalization of infrastructures, development of digital solutions for industry and the promotion of the launch of a Center of Excellence by NTT Data in Spain. Another of its main strategic alliances has been formalized with the Spanish technology company Sngular for the joint deployment of solutions through digital products based on artificial intelligence and IoT.

INNOVATION

Innovation in Ferrovial begins with priorities defined by the business units. Competitive advantages are generated through exploration and experimentation with new technologies and methodologies, and a sustainable impact is ensured thanks to the transformation of the business and the development of new products and services. Ferrovial therefore pursues an Innovation Strategy, framed within Digital Horizon 24 and aimed at creating impact in the following areas:

PROJECTS WITH STARTUPS

47

NEW APPLIED TECHNOLOGIES

27

Generate efficiencies and competitive advantages

The search for competitive advantages by improving productivity through automation and robotization is one of the main strategic focuses. Ferrovial was the first infrastructure company in the world to provide its employees with MAIA (My Artificial Intelligence Assistant), a generative artificial intelligence tool that simplifies daily tasks, boosting productivity through solutions that incorporate the latest technological advances.

In addition, it has managed to add value by automating operations in infrastructure construction. One example is the stakeout robots, capable of autonomous and accurate measurements and stakeouts, saving time, increasing people's safety and reducing costs in construction projects.

Sustainable infrastructure development is also a major priority for Ferrovial, and therefore solutions have been implemented to measure and reduce the carbon footprint of construction projects.

The company also continues to deploy parametric and generative design techniques that use algorithms and specialized software to create complex and customized 3D models, optimizing infrastructure design and improving its efficiency and competitiveness.

Transforming the business

Innovation is a backbone of the transformation process of Ferrovial's different business units. This process affects every stage of the infrastructure management value chain, from the bidding phase, infrastructure design, construction, asset operation and maintenance.

Ferrovial operates an open innovation model. The Centers of Excellence (CoE) for Mobility, Asset Management and Energy and Sustainability, specialized units that lead the implementation of strategic innovation projects that are transversal to the different lines of business and generate added value with a range of projects.

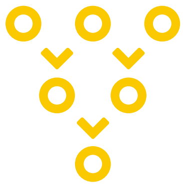
AIVIA is one of the main Mobility CoE initiative, which consists of developing and implementing the physical and digital infrastructure needed for the toll roads of the future. Thanks to capabilities such as teleoperation, predictive maintenance or automation, it will be possible to ensure a correct transition where conventional, connected and autonomous vehicles can coexist in harmony, maximizing safety and traffic flow on Ferrovial's toll roads.

In the Asset Management CoE, Ferrovial has designed Transversal Asset Management, an innovative and flexible platform that digitizes asset management activities and processes in Ferrovial's business units and its core assets.

Finally, Ferrovial's Sustainability and Energy CoE implements projects and carries out decarbonization solutions aligned with the company's sustainability strategy. The use of renewable and alternative fuels to diesel, experimentation with new technologies for renewable and low-carbon generation, storage and smart grids are some of the lines of work.

Diversification and growth

Thanks to the creation of the Innovation Growth area, Ferrovial has promoted the design and implementation of new business models in unconventional markets, always linked to infrastructure.



In 2023, Ferrovial collaborated with startups on 47 projects and signed business agreements and invested in several Venture Capital funds, accelerating its innovation process, improving its competitiveness and offering more advanced solutions to its customers.

Finally, Ferrovial continues to strengthen the open innovation ecosystem, initiating new collaborations with universities and research centers, such as the Georgia Institute of Technology, which joins MIT as one of the leading partners in the innovation ecosystem in the USA.

BATTERY ENERGY STORAGE

Development and integration of battery energy storage systems (BESS), which help balance electricity supply and demand, ensuring a stable and reliable energy supply.

PARAMETRIC AND GENERATIVE DESIGN

Optimized designs based on the input of parameters, such as materials, site constraints, and environmental issues, as well as on the use of algorithms to explore many options before deciding on the final design, ensuring fast and reliable results.

5D AEROSAFE

The 5D-AeroSafe project offers a digital technology that provides a set of drone-based services to increase the safety and security of airports and waterways while reducing operational costs.

NEXTPASS BY NEXTMOVE

It is a mobile app available for iPhone and Android, facilitating toll payments on roads, bridges, tunnels, or express lanes without the need for a physical transponder or toll tag.

H&S PLATFORM

Ferrovial's Health and Safety platform for the management of processes that covers incident reporting, observations, inspections and audits, as well as the subsequent analysis, investigation and management of corrective and preventive activities. It has a mobile application that allows information to be captured on site in real time.

TRANSVERSAL ASSET MANAGEMENT SOLUTION

TAM is Ferrovial's Asset Management solution aligned to whole-life asset data standards supporting efficiencies during handover and O&M phases of infrastructure.

CARBON TOOL

The infrastructure carbon tool is conceived to be a whole-life carbon management tool to support project teams throughout the different stages of a project lifecycle. The accuracy of carbon data and calculations will increase throughout the different stages of an infrastructure lifecycle.

ROADMAP TO ANIMATION

This program aims to add scalable value to Ferrovial's businesses through the application of automation technologies.

AIVIA SMART ROADS

Projects which aims is to define the model for the sustainable infrastructure of the future for mixed traffic through the development of 5G smart roads and advanced monitoring, sensing and simulation technology.

CONNECTED SITES

Connected Sites is one of Ferrovial Construction's most emblematic project providing productivity, efficiency and operational improvements thanks to monitoring the situation and status of the equipment deployed on a construction site in real time.

- Competitiveness
- Risk Management
- Efficiency
- Diversification
- Transformation

CYBERSECURITY

PROTECTED ASSETS

The strategic importance of digital products and services (IT), industrial systems (OT), Internet-connected assets (IoT) and the information generated and used in all processes and operations that support business activities are decisive for the creation of value for stakeholders.

Ferrovial has consolidated an adequate organizational structure, a robust security model and has allocated the necessary resources to guarantee the confidentiality, integrity and availability required by its digital assets

100%
Successfully managed security incidents

127,565
Phishing scam emails received by employees

7,858
Unique users included in phishing simulations

6,083
Suspicious phishing emails reported monthly by users

24,454
Training actions completed by users

13,375
Accesses blocked monthly to malicious domains

80,195
Phishing and malicious emails, blocked on a monthly basis

7,294
Monthly blocked access attempts to corporate resources with malicious or untrusted origin (November and December average).

GOVERNANCE

Ferrovial has a Cybersecurity Governance model aligned with the business that supports the fulfillment of the company's objectives. The model considers it key to have an adequate Cybersecurity risk management program, as well as Cybersecurity capabilities (controls) to manage it.

A Cybersecurity risk assessment is performed annually in all Ferrovial's business units and subsidiaries, evaluating the exposure of the company's assets to cyber threats and the impact they may have on them. The level of compliance with Cybersecurity capabilities is also assessed and a roadmap is required to be drawn up to ensure that the level of risk remains within the acceptance thresholds in accordance with the risk appetite defined by the company.

Ferrovial's Governing Bodies supervise the level of cybersecurity risk on a regular basis and monitor the achievement of the roadmap and ensure the provision of resources should they be necessary.

The company has a Global Chief Information Security Officer (CISO) and Local CISOs, designated for their respective divisions and subsidiaries. Their roles and responsibilities in cybersecurity matters have been defined, as well as the relationship model between the different business units.

The Global CISO reports periodically to Ferrovial's Management Committee and to the Management Committees of the divisions, generally reporting on the security strategy and program, as well as on the main security risks and threats.

The Global CISO at the request of the Audit and Control Committee, provides information on the security strategy and program, on the level of internal control, on the main security risks and threats and how they are being managed. It also reports periodically to the Board of Directors, providing information about the strategy, the security program and the main security risks and threats, as well as their management.

Throughout 2023, advanced threat protection capabilities were strengthened and training and awareness-raising actions were promoted to maintain an adequate cybersecurity culture. Improvements were implemented in security in the life cycle of digital products and services, as well as in the management of risks associated with the supply chain and detection and response capabilities in industrial environments.

Artificial Intelligence (AI) has been a protagonist throughout 2023 and will continue to be so during 2024 in the different perspectives in which Ferrovial is working: as a transformer of business operations, analyzing how to protect against the new capabilities it offers to threat agents and as a potential tool to support Cybersecurity.

During 2024, in preparation for Ferrovial's planned listing on the Nasdaq, the strategic programs aimed at adapting to the technical and organizational requirements required by Sarbanes-Oxley (SOX) that began in mid-2023, as well as the SEC Final Rules on Cybersecurity, will continue to be carried out.

MODEL

The Corporate Cybersecurity Policy, approved by the CEO, applies to all divisions and subsidiaries. It is structured around a set of principles and objectives that reinforce the business strategy. It is implemented from the Security Model based on organization, people, processes and technologies, formalized in a Security Regulatory Body that takes as a reference the best practices in the market, highlighting the NIST CSF and the ISO 27001 standard (Ferrovial has been certified since 2012).

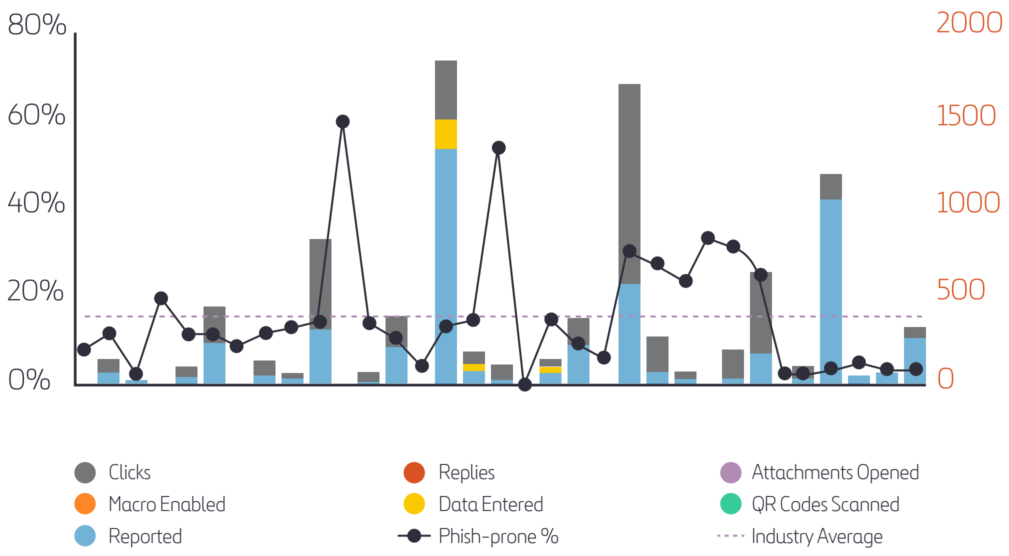
The Cybersecurity Model follows the ISO 27001 continuous improvement principle (Plan, Do, Check, Act). The strategy is implemented through a program comprising initiatives that enable new capabilities or improve existing ones. It is monitored periodically by Ferrovial's governance bodies and is benchmarked against the results of audits and reviews, compliance with KGIs and security KPIs or new cybersecurity threats.

The company continuously evolves and adapts is updating its cybersecurity strategy, through its protection, detection and response capabilities to address the evolving cyber threat horizon, with a special focus on the increased sophistication and media impact of ransomware attacks, email compromise (BEC) or supply chain compromise and the instrumentalization of AI in targeted phishing, smishing, vishing or QRishing attacks.

CULTURE

During 2023, Ferrovial has committed to evolving the cybersecurity culture, systematizing and increasing the vision of cybersecurity within the company. To this end, a user-centric approach has been adopted, in accordance with the needs of its function and with the active participation of users, identifying and reporting suspicious emails received.

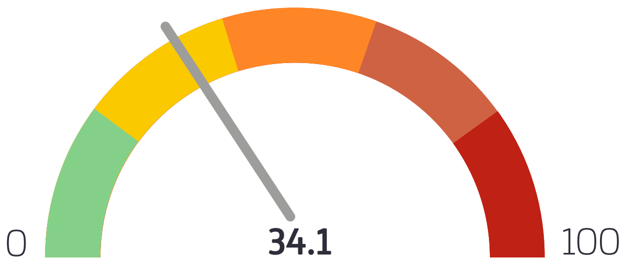
PHISHING SECURITY TESTS



The frequency of phishing drills has been increased, including its different variants: vishing, smishing and QRishing, which are now carried out every two weeks. After the drills, the level of risk of suffering this type of attack is measured and the following cycles of education, awareness and training are adapted to the specific needs identified.

Users are provided with a view of their own risk rating and the risk rating of the people in their team. This risk is nourished by their role in the company and by the information on cybersecurity culture, including their performance in drills and their participation in the training actions carried out.

PERSONAL RISK SCORE



Their risk score is based on a number of factors, such as job title, phishing test results and training completed.

It is worth noting that the company has the ability to measure and analyze the level of cybersecurity culture in real time, facilitating targeted awareness actions with a high level of granularity.

Regarding training, users have completed different training actions, both general and specific according to the requirements derived from the role in the company, risk level, specific cyber-attacks, etc.

The management of the security culture is carried out with a specific platform, which combines simulation management, training management (LMS) and cybersecurity culture measurement.

The company uses e-mail, the intranet and Yammer as its preferred means of publishing relevant security news and pills. These media include information and guidelines on the most common threats faced by employees, both in their professional and private lives.

LEGAL, REGULATORY AND CONTRACTUAL COMPLIANCE

The Security Compliance area, integrated in the Cybersecurity Department, is responsible for identifying the applicable legislation and the security requirements necessary to ensure compliance in this area.

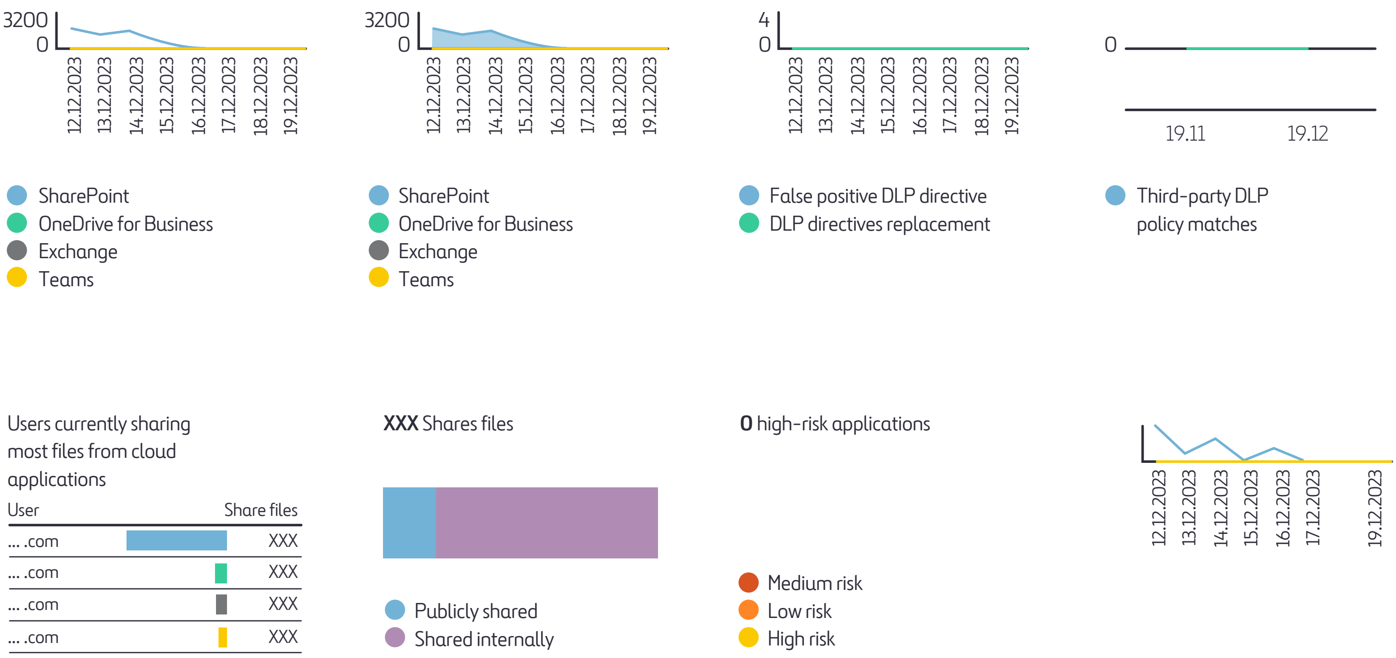
The most relevant regulations covered by the Security Model are, but not limited to, the following: The General Data Protection Regulation (RGPD and LOPDGDD), the Internal Control System for Financial Information (SCIIF), the SWIFT (Society for Worldwide Interbank Financial Telecommunication) regulations, the NIS Directive, the Crime Prevention Model typified in the Criminal Code, the National Security Scheme (ENS), ISO 27001 and the different local regulations of the geographies in which Ferrovial operates relating to the protection of essential services and critical infrastructures.

When new regulations are identified or modifications are made to the requirements of those already identified, the Security Model is updated. In addition, specific programs have been implemented for compliance with data protection, Criminal Code, SCIIF, SWIFT and ISO 27001, and the process of adapting to SOX and the SEC Final Rules on Cybersecurity has begun.

Likewise, the Cybersecurity Department ensures compliance with the security requirements defined in the bidding documents, tenders and contracts in the different businesses.

THREAT DETECTION, CORRELATION AND CYBERINTELLIGENCE

To protect its data centers, perimeters, workstations, mobile devices and cloud environments, the company has two SOCs (Security Operations Centers). These services act when they receive alerts generated by SIEM (Security Information and Event Management) tools and when they detect use cases defined by Cybersecurity Department that imply their activation.



Ferrovial has cyberintelligence capabilities that provide information on threat actors and their techniques and tools, enabling the deployment of controls to prevent successful attacks.

In addition, detection and response capabilities have been increased. Retroactive investigation, real-time vulnerability detection and information protection capabilities have been incorporated. Security processes have also been enhanced by taking advantage of advances in artificial intelligence.

Finally, the company maintains formal collaboration agreements with national and international cybersecurity agencies, allowing it to share and receive information related to cybersecurity threats and incidents.

CYBERATTACK RESPONSE

The company has a CSIRT (Computer Security Incident Response Team) that intervenes when events detected by the SOC may become security incidents. This team integrates DFIR (Digital Forensics and Incident Response) capabilities to analyze events in order to contain them, mitigate them and prevent their recurrence. The identification of IoCs (Indicators of Compromise) and TTPs (Tactics, Techniques and Procedures) are key to improving protection and detection mechanisms.

Ferrovial has a cyber-incident management protocol based on best market practices (INCIBE-CERT National Guide for Notification and Management of Cyber-Incidents, the ISO/IEC 27035 standard, and the NIST Computer Security Incident Handling Guide. One of the key elements within the protocol is communication to stakeholders (regulators, authorities, customers, etc.) and communication mechanisms have been established considering the deadlines and agreements established for this purpose.

Detection and response capabilities are systematically tested with Breach & Attack simulations supported by technologies already available on the market. It should be noted that there were no material breaches of Ferrovial's information systems during 2023.

RESILIENCE AND CYBER RESILIENCE

The company has established Contingency Plans and Recovery Plans to respond to and recover from disruptive events. The Crisis Management Protocol involves different divisions and divisions of Ferrovial, in accordance with the protocols established for each of them. Response and recovery plans for incidents and disruptive events are tested at least once a year.

Similarly, within the activities of the Vendor Risk Management (VRM) process, critical suppliers must provide evidence of periodic testing to ensure compliance with established service level agreements.

Over the course of 2023, Ferrovial has carried out various initiatives and table-top simulations, testing in a crisis situation the organizational structure, procedures and capabilities required in the coordination of detection, response and recovery actions in the event of cyber-incidents.

In addition, the company has a cyber insurance policy that offers different coverage for disruptive events and cyber incidents that may occur in the context of the activity carried out by Ferrovial, its business units and subsidiaries. These coverages include financial, incident response and legal.

THIRD PARTY RISK MANAGEMENT

Ferrovial has a third-party risk management (VRM) program that establishes the security requirements that third parties must comply depending on the service to be provided for the company, considering, among other things, the level of access to its resources and information.

The program establishes formal evaluations of third parties throughout the life cycle of their relationship with Ferrovial. These evaluations are based on reports issued by third parties, certifications, ratings or other audit and review techniques that provide the necessary information to determine the level of control and security of third parties.

EXTERNAL VERIFICATION AND VULNERABILITY ANALYSIS

The company continuously reviews its Security Model to identify areas for improvement and vulnerabilities. Security audits and reviews are carried out annually, among which the following stand out:

- Internal and third party audits associated with the renewal of ISO 27001 certification.
- Security audits within the framework of the consolidated financial statements audit (ITGC and ITCC).
- Self-assessment of ITGC/ICFR controls.
- External audit SWIFT (Society for Worldwide Interbank Financial Telecommunication).
- Audits performed by Internal Audit (Third Line of Defense).
- SOX IT readiness assessment.
- Ad hoc security reviews according to annual planning (Red Team, Pentesting, etc.)
- Recurrent breach & attack exercises combined with threat hunting.
- Vulnerability reviews in data centers, workstations, perimeters and cloud environments.
- Vulnerability reviews in the source code.
- Review of Ferrovial's cybersecurity rating.
- Supplier security risk reviews (Vendor Risk Management).
- Crisis simulations (table-top exercises).
- Security Model assessment campaigns.
- Review of the company's Cybersecurity culture level.

The Cybersecurity Management groups, assigns, plans and monitors the implementation of the different action plans derived from the assessments, reviews and audits performed.

VALUE CHAIN

EFFICIENCY AND EXCELLENCE

Efficient management of the supply chain is essential to guarantee quality, reduce costs and improve lead times, resulting in greater customer satisfaction. The company has mechanisms in place to understand the expectations of the users of its infrastructures, which, together with the implementation of new technologies, enables a unique experience.

SUPPLY CHAIN

Ferrovial's supply chain management is regulated through the Global Purchasing Policy and the Purchasing Procedure, fundamental tools to ensure efficient and sustainable purchasing management and to maintain an ethical and responsible relationship with suppliers. These procedures provide global guidelines that are adapted locally. It is therefore guaranteed that the products and services purchased comply with the requirements specified in the contract with the customer and those of the company, acquiring them under the best possible conditions and from suppliers capable of meeting these requirements, Also incorporating responsible and sustainable purchasing criteria in the decision making process.

Ferrovial's supply chain varies depending on its different business units, although it is mainly concentrated in the Construction activity, which represents more than 93% of suppliers and orders. It is mainly made up of manufacturers, distributors and subcontractors, and is characterized by a high number of suppliers, a significant degree of subcontracting, a high percentage of local suppliers, a very diverse supplier typology and the need to adapt to the requirements of each local market.

The company focuses on maintaining an ethical and responsible relationship with its suppliers, applying a strict Ethical Integrity Due Diligence Procedure and sharing with them the Supplier Code of Ethics, ensuring a relationship with suppliers that share its values and principles. It is essential to build lasting relationships with strategic partners to achieve a comprehensive approach in line with corporate objectives and find synergies in its supply chain. Ferrovial is committed to the continuous improvement of its processes, as well as to achieving environmental, social and ethical objectives through its purchases, which involves considering not only economic aspects but also ESG impacts.

NUMBER OF SUPPLIERS	NUMBER OF SUPPLIERS ASSESSED	PURCHASES FROM LOCAL SUPPLIERS
44,386	7,562	96.9%

In this regard, effective risk management is essential and includes the evaluation of suppliers and the implementation of appropriate measures to ensure the quality and safety of supplies. To this end, the main risks and opportunities that could affect the creation of value in the supply chain are monitored, as well as the economic, social and environmental impacts associated with the activity. For example, to mitigate the risk of disruptions in the supply chain, the ecosystem of critical suppliers is monitored, and viable alternatives are identified to guarantee supply continuity and minimize possible negative effects.

Overall, the degree of criticality of all suppliers is analyzed, defining a critical supplier as one whose purchasing volume is significant from an economic perspective, or one whose supplies or services could imply a negative impact on business continuity in the event of an incident, either by manufacturing critical materials or equipment or by being difficult to replace. Based on these criteria, at the end of 2023, there were 216 critical suppliers identified in the Construction division, of which 214 were Tier-1 and 2 Tier-2. Of these suppliers, 130 were evaluated, of which seven were detected with potential negative impacts. Among the latter, three have an improvement plan implemented while one supplier is involved in a corrective action plan.

During 2023, 7,562 suppliers were assessed (12,189 en 2022), of which less than 1% were rejected (similar figure in 2022). Regarding supplier turnover, a total of 31.9% corresponded to critical suppliers (24.27 in 2022), while 96.9% were local suppliers (97.03% in 2022).

COMMITMENT TO INTEGRATE
ESG
CRITERIA

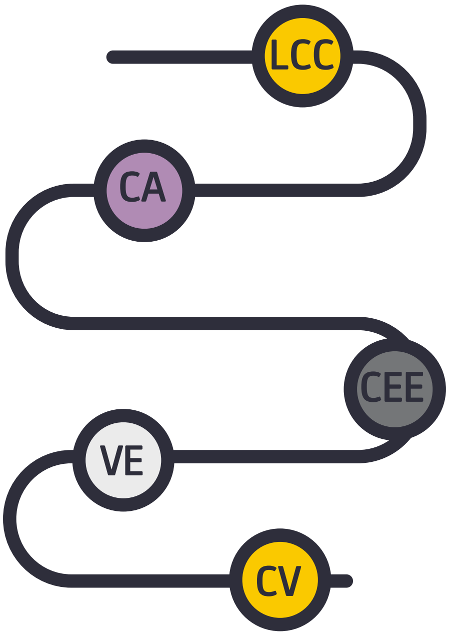
INTEGRATING ESG PRINCIPLES

Ferrovial has a Suppliers Code of Ethics, integrated into the Suppliers Ethical Integrity Due Diligence Procedure, which all suppliers are required to be aware of and accept before establishing contractual relations with the company. It sets out the basic principles that should govern their behavior in their business relationship with Ferrovial. In addition, model orders and contracts include clauses that address environmental, social and labor, health and safety, compliance with the Global Compact guidelines, along with ethics and anticorruption issues.

ESG affairs are also considered in the analysis of suppliers. In this line, high-risk suppliers are classified as those that supply products with high-risk or belong to sectors identified as high-risk, and/or manufacture the products supplied in high-risk countries.

The assessment and tracking of supplier performance also takes ESG criteria into account. The Construction division uses a computer application for the evaluation and follow-up of suppliers on the basis of the appraisals carried out at each construction site or work center. The valuations make it possible to qualify suppliers on an ongoing basis, and the result can lead to a warning for the supplier, the implementation of an action plan for improvement, or even suspension from working with Ferrovial, depending on the severity of the case.

Finally, the Ethics Channel is available to all stakeholders on Ferrovial's website, guaranteeing transparency in relations and allowing the notification of any conduct that is not in line with the company's standards.



SUSTAINABLE PURCHASING

The implementation of new technologies and innovative projects in the supply chain is essential to achieve more efficient, transparent and sustainable management. In this regard, various initiatives continue to be carried out in the company, highlighting:

- Low Carbon Concrete Project: seeks to develop sustainable concretes with low levels of CO2 emissions, facilitating the achievement of environmental objectives, especially related to the reduction of the carbon footprint.
- Guide to Procurement Aligned with the European Union Taxonomy: its objective is to advise those responsible for purchasing on the selection of suppliers that comply with the taxonomic requirements.
- Purchase of electricity from renewable sources: the company promotes the acquisition of electricity with a guarantee of origin and is progressively moving towards the 100% target for 2025 established in the Horizon 24 Strategic Plan. In 2023, 68.5% of the electricity purchased was produced from renewable sources.
- Efficient vehicle fleet: the company has also established in Horizon 24 the decarbonization of its vehicle fleet. The goal is to reduce emissions from the fleet to 33% by 2030.
- Green Purchasing Catalog: it aims to promote the purchase of sustainable products, thus contributing to the reduction of environmental impact in the construction sector. In 2023 it has been updated and expanded, adding new alternatives for the supply of green products that have Environmental Product Declarations and additional information accrediting improvements in sustainability. These products will be available at both the contracting and execution stages, allowing project managers to access detailed information on their environmental impact.

These initiatives reflect the company's commitment to sustainability and the fight against climate change, promoting a more responsible and conscious management of natural resources.

Reducing emissions in the supply chain

Ferrovial has launched the Supplier Collaboration Program to address the reduction of Scope 3 greenhouse gas emissions.

As part of this initiative, we have begun to work with suppliers to learn about their performance in terms of emissions, product recyclability and other aspects of environmental management. In this way, a communication channel is established that enables deepening the sustainable management of the supply chain, promoting the decarbonization of the business.

In 2023, a survey was conducted with the main suppliers of significant materials (steel, aggregates, cement, concrete, bitumen and agglomerate) with a scope of 84% of the turnover of these suppliers, based on 2022 revenue data. The information requested focused on carbon footprint data, the percentage of recycled material contained in the products sold to Ferrovial, and whether they have Environmental Product Declarations (EPD).

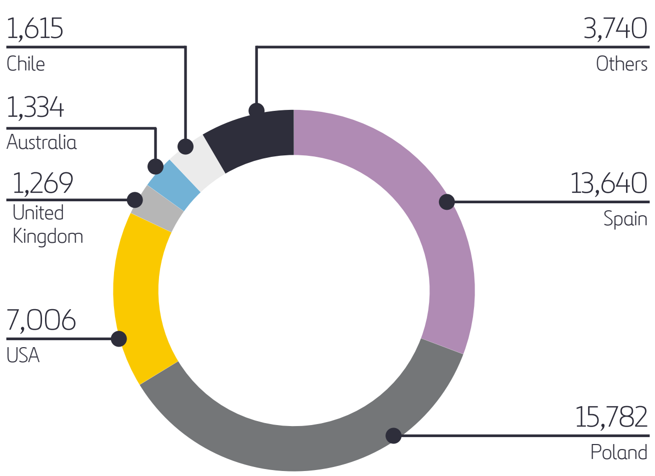
The information obtained is currently being analyzed to identify possible avenues for collaboration with suppliers in order to achieve progress in reducing the carbon footprint for both parties.

Supplier360, a supply chain management support tool

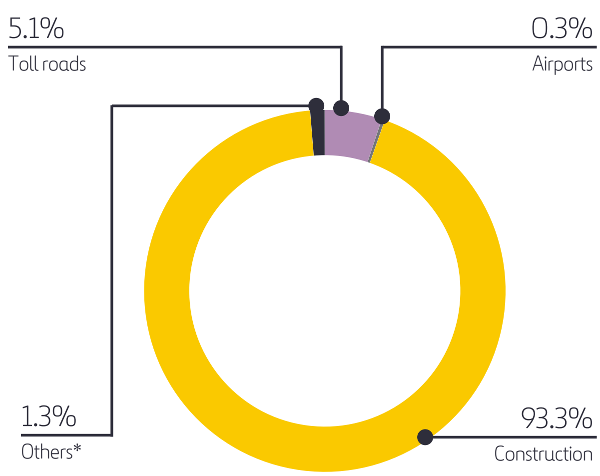
Ferrovial uses Supplier360, an IT tool that monitors suppliers through advanced data analytics techniques, language processing and internet searches. This makes it possible to detect potential risks, whether financial, environmental, legal, labor, human rights or reputational. The platform provides additional information to that already available in the supplier databases, both for the selection, contracting and follow-up phases.

In 2023, 1,130 suppliers of Ferrovial Construction have been monitored, representing more than 60% of supplier turnover in Spain, USA and UK. A total of 588,872 data have been collected through this tool. Likewise, the data sources have been expanded, incorporating mainly those related to compliance and ESG behavior. The information obtained from Supplier360 has also been integrated into the corporate purchasing tool, which has allowed greater visibility of the information throughout the company.

SUPPLIERS BY COUNTRY



SUPPLIERS BY BUSINESS



*Corporation and Energy Infrastructures and Mobility

CERTIFIED ACTIVITY

86%

ISO 9001
ISO 14001

CERTIFIED ACTIVITY

69%

ISO 50001

CUSTOMER SATISFACTION

4.2

OUT OF 5

QUALITY

The Quality and Environment Policy provides a key lever to drive continuous improvement, technical capabilities and process efficiency. In order to achieve these objectives, Ferrovial implements an efficient management based on innovation and the use of new technologies, offering a unique and high-quality experience to its customers and users, managing all the aspects that influence it in an excellent performance.

For this purpose, a unified work method is established, implementing an operating procedure in all contracts to offer products and services that meet quality requirements and consider environmental criteria.

To ensure compliance, the company has implemented an integrated management system in accordance with quality, environmental and energy criteria in all its contracts, which serves as a tool for complying with the principles defined in its policy.

INTEGRATED MANAGEMENT SYSTEM

In 2023, the certified activity reached 86% according to ISO 9001 standard, 86% according to ISO 14001 and 69% according to ISO 50001. The calculation is based on the number of contracts that have implemented these systems coinciding with the taxonomy perimeter. In some cases, services are also certified under other standards due to local requirements. It should be noted that in 2023 three new subsidiaries in the Construction division in the multisite were included under the scope of ISO 9001 and ISO 14001 certifications in Peru, Colombia and France .

In addition, Dalaman Airport continues to make progress in obtaining certificates since its acquisition in 2022, having implemented several formalized management systems to ensure the standardization and quality of its activities: ISO 9001 for quality, ISO 14001 for environmental management, ISO 50001 for energy efficiency, ISO 45001 for occupational health and safety, ISO 27001 for information security and ISO 10002 for customer complaints and claims.

As part of the system management, internal audits are conducted and complaints are recorded in 100% of the contracts. In 2023, 495 external complaints/communications were received, of which 94% were successfully closed. Dalaman Airport in this field has carried out a process of digitalization of the management and collection of complaints to improve the monitoring and resolution of complaints.

OTHER CERTIFICATIONS

In 2023, the certification that AENOR awarded in 2020 to Ferrovial on sustainability and business contribution to the Sustainable Development Goals was renewed. This certification highlights the value of the company's Sustainability Strategy and the actions carried out by the company in ESG matters, reinforcing its commitment to the SDGs.

Since 2010, the company has been awarded the Madrid Excelente guarantee mark, which recognizes and certifies quality and excellence in business management, highlighting innovation, environmental and social sustainability and customer satisfaction.

In addition, in 2023 Ferrovial Construction and Cadagua obtained the SGE21 certification from Foretica, a standard that enables the implementation, auditing and certification of an Ethical and Socially Responsible Management System, which provides the company a competitive advantage in the short term with respect to clients and stakeholders.

Ferrovial is also collaborating with the International Organization for Standardization (ISO) and the Spanish Association for Standardization (UNE) in the definition of the ISO 53001 standard on the Management System for the United Nations Sustainable Development Goals.

There are also other certified systems that comply with regulations related to health and safety, the environment, governance or collaborative business, among them:

Certification	Name	Certification	Name
UNE 19601	Criminal compliance management systems	ISO 45001	Occupational health and safety management systems
UNE-ISO 37001	Anti-bribery management systems	ISO 27001	Information security management systems
UNE 19602	Tax compliance management system	PAS 2080:2016	Carbon Management in infrastructures
UNE 166002	R&D&I management system	EMAS III	Voluntary participation of organizations in a community-based management system and environmental auditing
BIM ISO 19650	Managing information throughout the life cycle of a built asset by utilizing BIM		

LEGAL REQUIREMENTS AND TECHNICAL STANDARDS

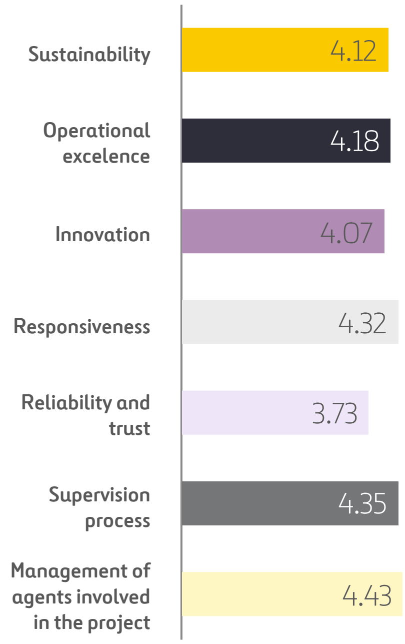
Ferrovial's activity requires strict regulatory compliance in relation to legal provisions on quality, environment and energy, both at regional and sector level. Therefore, the company has implemented external (i2i and WorldLex) and internal (DocSite) digital solutions to guarantee and facilitate the monitoring of applicable legislation and technical regulations (among others, those related to air, noise and light pollution). These tools are accessible to any employee. All this contributes to achieving quality assurance, as well as efficient management focused on legislative compliance, mitigation of negative impacts and business risk control.

CUSTOMER AND USER SATISFACTION

Under the premise of continuous improvement, Ferrovial seeks to meet the expectations of customers and users, as well as to increase their degree of satisfaction with the services provided and products offered. To this end, all Ferrovial's business units implement an annual survey program to identify the strengths and weaknesses of the quality offered and establish improvement actions through associated plans aimed at increasing the quality of the service provided.

- **Customers**, including public administrations and private developers, value the performance of the business in terms of reliability, trust, operational excellence, responsiveness, innovation and sustainability.
- The **users** of the infrastructures and services evaluate the quality of the service offered. Users are understood as those individuals who interact directly or indirectly with the services and infrastructures offered by the company, but with whom they are not bound by a contractual agreement.

CUSTOMER SATISFACTION
(OUT OF 5)



OVERALL CUSTOMER SATISFACTION SCORE	OVERALL USER SATISFACTION SCORE
2021 · 4.3 ★	2021 · 4.0 ★
2022 · 4.2 ★	2022 · 4.0 ★
2023 · 4.2 ★	2023 · 3.9 ★

QUALITY, ENVIRONMENT AND ENERGY TRAINING

Ferrovial promotes awareness and training in quality, environment and energy among its employees and collaborators, with the aim of improving their performance and capabilities. Training actions have focused on waste management, climate change, water footprint, pollution and biodiversity.

It is worth mentioning the training in Ferrovial Construction, more than 14,000 workers have received specific training on these topics. One of the most significant areas of learning is waste management, so during this year more than 82% of internal employees have received training in this area; likewise, around 745 hours have been dedicated to external personnel.

Ferrovial Construction and Cadagua obtain Foretica's SGE 21 certification

Ferrovial Construction and Cadagua have obtained the SGE 21 certification after successfully completing the audit performed by the independent certification organization SGS.

SGE21, Foretica's Ethical and Socially Responsible Management System, is the first European standard that allows the implementation, auditing and certification of an ethical and socially responsible management framework, constituting a key tool for the integration of environmental, social and good governance aspects in the management of companies.

This certification reinforces Ferrovial's commitment to the sustainability which is one of the foundations on which the company's strategy is based.

SOCIAL VALUE

POSITIVE IMPACT ON COMMUNITIES

Ferrovial maintains a strong commitment to society, especially to local communities. Its aim is not only to respect, but also to support and promote human rights in order to prevent and mitigate any potential negative impact, but also to achieve a positive impact on society. To reinforce this impact, it has an intense community investment activity that also drives its contribution to achieving the Sustainable Development Goals.

SAFEGUARDING HUMAN RIGHTS, A FIRST STEP

Human rights are a fundamental part of the global sustainability strategy. One year after the renewal of the Human Rights Policy in 2022, Ferrovial has continued to expand its approach to human rights by updating its internal regulations on Personal Data Protection and approving a new Diversity and Inclusion Policy to guarantee equal treatment and ensure fair conditions free of any discrimination in the company and in all its stakeholders. In this way, Ferrovial continues to update its firm commitment to the protection and respect for human rights throughout the company's value chain.

Ferrovial's human rights objective is not only to identify, prevent and mitigate any potential negative impact, but also to support and promote human rights. To this end, Ferrovial has a Human Rights Policy, revised in 2023, aligned with the main international standards such as the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, the OECD guidelines for multinational enterprises and the regulations of the International Labor Organization. As it is expected, it is also aligned with the internal regulations linked to the Ferrovial's Code of Ethics.

COMMUNITY SUPPORT PROJECTS	INVESTMENT IN THE COMMUNITY (M€)	NUMBER OF BENEFICIARIES
334	4.7	212,627

Human rights governance and management model

One of the pillars of Ferrovial's strategy is to guarantee equal treatment and avoid any type of discrimination, as evidenced by the approval of the new Diversity and Inclusion Policy. In addition, the III Equality Plan is in force, which was approved in 2022 for a period of four years and consists of 84 measures aimed at promoting equal opportunities between women and men.

In line with the plan and the policy, Ferrovial has an internal Protocol for the Prevention of Workplace and Sexual Harassment. In addition, since 2013 Ferrovial, in line with SDG 5, has joined the project "Companies for a society free of gender-based violence", promoted by the Government of Spain. To reinforce this commitment and raise awareness and train both employees and society, several initiatives against this social scourge are carried out throughout the year. On November 25, on the International Day for the Elimination of Violence against Women, an internal campaign was launched to remind employees of the protocol for action against gender-based violence, and banners were displayed in different emblematic works with the slogan "Let's build a world free of gender-based violence".

As part of the promotion of diversity, Ferrovial has established agreements with organizations specialized in promoting the inclusion of people with disabilities in the different countries in which it operates.

	Governing body	Regulations	Tools
Human rights	Audit and Control Committee Sustainability Committee Compliance and Risk Department	• Human Rights Policy • Code of Business Ethics • Purchasing Policy • Third Party Ethical Integrity Due Diligence Policy • Supplier Code of Ethics • Anti-Corruption Policy • Sustainability Policy • Information Security Policy • Stakeholder Engagement Policy	• Ethics Channel • Risk identification and assessment process Ferrovial Risk Management (FRM) • Online third-party analysis tool • Supplier Ethical Integrity Due Diligence Procedure • Due Diligence Procedure for Selection and Hiring of Candidates • Personal Data Protection Regulation • Harassment Prevention Protocol
Labor rights	Audit and Control Committee Compliance and Risk Department	• Health and Safety Policy • Flexibility and Conciliation Policy • Diversity and Inclusion Policy • Supplier Code of Ethics	• Equality Plan • Supplier Ethical Integrity Due Diligence Procedure • Supplier 360° tool • Ethics Channel

III EQUALITY PLAN

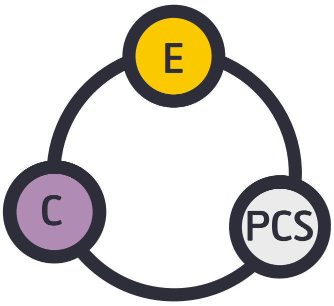
84

measures to promote equal opportunities

The company's Human Rights Policy makes visible the commitment to transparency in all matters relating to the protection of human rights, and makes explicit Ferrovial's commitment to the right to digital disconnection, respect for confidentiality and the right to intimacy and privacy, and analyzes the implications for the company in its relations with all its stakeholders:

- Employees: child labor, forced labor, modern slavery, human trafficking, sexual harassment, work-life balance, digital disconnection, right of association, etc.
- Customers: quality, safety and health standards.
- Communities: rights of indigenous and local communities, minorities and vulnerable populations and environmental protection.
- Suppliers, contractors and partners: due diligence procedures in selection processes and repair and remediation of negative impacts.

The policy is available to all stakeholders. However, employees and executives in particular are responsible for ensuring compliance in all Ferrovial activities. Periodic training is organized to reinforce knowledge of some of the policy's commitments. In 2023, an internal campaign was relaunched to raise awareness of the Human Rights Policy, identifying it with one of Ferrovial's five values: integrity. These communication actions are reinforced with periodic courses on the Code of Ethics and anti-corruption, which include specific modules to understand the possible human rights implications of the employee's activity.



Human and labor rights throughout the value chain

One of the pillars of Ferrovial's commitment to human rights is safety throughout its value chain, which is why the company strives to create a safe and healthy working environment for its employees and contractors, and promotes the safety of its infrastructure users.

In addition to ensuring safety, Ferrovial pays special attention to its commitment to the preservation of labor rights. The company rejects any type of child or forced labor in any form, guarantees equal opportunities and non-discrimination, protection against harassment, the right to strike, freedom of association and the right to collective bargaining in all countries in which it operates. There is a reinforced commitment to work-life balance with specific measures detailed in the equality plan. Its employees are protected by the labor regulations of the different territories. In addition, 62.5% of Ferrovial's workforce is covered by collective bargaining agreements.

Furthermore, Ferrovial annually verifies that the remuneration of its employees is above the Living Wage in countries with the highest activity (Spain, United Kingdom, Chile, USA and Poland). For this purpose, the company uses Living Wage data established by the renowned “Living Wage Foundation”, which considers as a reference the following factors associated with the basic needs of any household: food, water supply, housing, transport, clothing, health, education and payment of taxes, among others. The analysis carried out by the company confirms that all its employees have a Living Wage in accordance with the situation of the country in which they work.

One of the human rights key issues is the prevention of new forms of slavery. The policy approved in 2022 specifically addresses this issue. In addition, the company's commitment is developed in the Modern Slavery Statement of each of Ferrovial's subsidiaries in the United Kingdom and Australia. These statements formalize the commitment to prevent any type of human rights violation, with special attention to the different forms of exploitation that may occur, including prevention mechanisms and channels for reporting if necessary.

WORKFORCE

62.5%

covered by collective bargaining agreements

To extend this commitment throughout the value chain and prevent possible violations of the Code of Business Ethics, the company has due diligence procedures for the ethical integrity of third parties, suppliers and candidates. In 2023, the Supplier Code of Ethics was revised and renewed to align it with the latest policies approved by the company. The Supplier Code of Ethics includes, among its principles, respect for human rights and the abolition of child labor. The procedure establishes the general criteria for the ethical integrity due diligence process in the selection of a supplier and its follow-up.

In addition to these preventive mechanisms, Ferrovial has other tools for continuous monitoring once an agreement is formalized with a third party or supplier. In the case of suppliers, the company has the Supplier 360 tool, which automatically scans for controversies about suppliers with whom it has a commercial relationship. For other types of agreements, periodic monitoring is carried out through an automatic search for adverse news in the national and international media, as well as in public sanctions lists.

In relation to the due diligence procedure for ethical integrity of third parties, it must be applied before reaching a collaboration, partnership or any other type of agreement with a third party (non-supplier). It aims to prevent attitudes and actions contrary to human rights in relations with third parties. To facilitate compliance with it, an online tool was implemented in 2021 to ease the process. In 2023, 506 third parties have been analyzed, and 5.3% have had a high final risk assessment.

Dialogue and communication, key aspects

Ferrovial has an Ethics Channel available to employees and other stakeholders that incorporates and makes visible several points related to human rights to facilitate the identification of people who are suffering a situation of violation of rights.

In addition, to facilitate dialogue with local stakeholders, the works and concessions establish specific dialogue channels to bring them closer and make them more accessible to local communities. The communications received are classified according to their nature and all of them are managed.

Ferrovial has internal communication channels to facilitate a collaborative and dynamic work environment that responds to the company's needs. In 2023, the intranet was renewed, creating a new platform common to the entire company, which in turn allows specific messages to be launched in each geography, favoring communication and interaction with employees, adapting messages to their needs. An example of the application of this segmentation is the different campaigns and training on healthy work habits and environments in the different geographies. In total, Ferrovial's intranet registered more than 615,000 sessions and 846,000 page views in 2023.

Dialogue with stakeholders to advance in the preservation of human rights is continuous. The company participates in several forums and working groups on human rights and due diligence with other companies, universities and third sector organizations such as the Forética Business Council for Sustainable Development, the Human Rights Lab of the Seres Foundation, the Human Rights Workshop of the Business Observatory for Inclusive Growth, the Executive Committee of the Global Compact Network, the CEO Alliance for Diversity initiative or the Diversity Charter, a European initiative within the framework of the European Union's anti-discrimination directives. As part of this ongoing dialogue, since 2021 Ferrovial has been involved in a program to analyze and identify modern forms of slavery in the construction sector led by Sustainalytics.

Diligent in the protection of human rights

The company operates in countries with stable legislation and low risk of human rights violations. Around 99% of its turnover is obtained in Spain, USA, Canada, Poland, the UK, Chile and Australia, all OECD member countries. Despite this, the company remains vigilant and has the appropriate mechanisms in place to prevent possible risks related to human rights.

Ferrovial has a set of tools that promote the protection and respect for human rights to ensure due diligence on human rights in the company's activities. In this regard, Ferrovial periodically evaluates potential risks to human rights within the framework of the global risk identification and assessment process, called Ferrovial Risk Management (FRM). FRM makes it possible to identify and prioritize risk events according to their probability and impact. The list of risks defines 8 categories related to human rights, which in 2023 have registered 46 potential risks in all the company's projects, most of them related to data protection or safety (93%). Most of the risks identified are slight or moderate (98%). All of them are monitored with controls in place to mitigate or eliminate the risk, either its impact or its probability of occurrence. Apart from the risks identified, no relevant human rights violations have been reported in the company in the last two years.

Similarly, the company has a procedure for the approval of capital allocation operations, so that the analysis of all corporate operations carried out considers whether they may undermine Ferrovial's ethical principles, with special attention to human rights, social, good governance and environmental aspects.

Ferrovial, a responsible neighbor

The company aims to be a responsible neighbor. In the United Kingdom, construction projects are registered with the Considerate Constructors Scheme (CCS), a non-profit organization that promotes responsible and respectful ways of working in the construction industry while caring for the environment and local communities.

In this regard, the Silvertown Tunnel project was audited in accordance with CCS standards, obtaining the highest score in all areas of its 2023 audit, with an overall score of 45 out of 45. These audits evaluate three areas, and an excellent rating was obtained in all of them:

- Respect for the community: values that all stakeholders have been identified and are kept informed in a respectful manner, minimizing disruption and encouraging actions to support local employment and businesses. For example, more than 8,000 residents of Greenwich and Silvertown receive a fact sheet with updated information before the start or significant change of each phase of the project. In addition, all traffic disruptions are communicated on social media, and work schedules are adjusted to minimize noise disturbance.
- Environmental care: analyzes whether environmental care aspects are adequately promoted, managed and communicated. This includes responsible resource management (including water) and energy consumption, minimization of noise, light and vibration pollution, protection of nearby ecosystems and actions to reduce the carbon footprint.
- Support and care for the workforce: on the one hand, it values all aspects that guarantee the highest safety standards on site and, on the other hand, the commitment to take care of employees through training, promoting their well-being and ensuring the promotion of equality and diversity with fair treatment, avoiding any situation of harassment, inappropriate language and respectful management.

COMMUNITY INVESTMENT, ONE MORE STEP IN CREATING POSITIVE IMPACT

Ferrovial considers community investment a strategic instrument to boost its contribution to achieving the Sustainable Development Goals (SDGs) and also its mission established in the Horizon 24 Plan. To achieve sustainable infrastructure management, society and the communities in which they are located must be fair and inclusive. This is therefore the goal of Ferrovial's social programs: to promote a more equitable development of society by supporting people in vulnerable situations.

Ferrovial has established three pillars on which its programs revolve: the development of local communities, responding to the needs identified through dialogue with the communities, thus reinforcing the positive impact of its business activities; supporting the development of sustainable infrastructure to serve the most disadvantaged; and involving its employees, with the aim of turning them into active players in Ferrovial's commitment to the community.

In total, 4.7 million euros have been invested in 2023 (4.8 million euros in 2022), of which 3.8 million euros (3.94 millions euros in 2022) correspond to monetary contributions while 0.75 million euros (0.71 million euros in 2022) are the result of 24,052 hours of volunteering contributed by 1,506 employees. This involvement multiplies the impact on the community while enhancing the skills and the feeling of being part of a common project.

The focus on being a stakeholder in the local community means that throughout the year the company collaborates on multiple initiatives, all of which are grouped primarily into three main programs:

Basic infrastructures for disadvantaged communities

In line with the global strategy of promoting sustainable infrastructures, Ferrovial supports the development of infrastructures that provide disadvantaged people with access to basic rights such as water, health and food.

Since 2011, Ferrovial has been committed to SDG 6, access to water and sanitation for vulnerable communities in Latin America, Africa and Asia, through its Social Infrastructure Program. In total, it has already promoted 37 projects that have improved access to water in decent conditions for 336,255 people in 12 countries. Employees are involved in this program through high added value volunteering. Since the start of the program, 144 professionals have dedicated at least two weeks of work traveling to the projects.

In 2023, the program has developed three projects in Rwanda, Colombia and India, in collaboration with ICLI, Action Against Hunger and Fundación Esperanza y Alegría, improving access to water for 50,042 people.

For more than 10 years, Ferrovial has also been supporting the improvement of infrastructures of soup kitchens and food banks in Spain to guarantee access to food for the most vulnerable in Spain, contributing to SDG 2, zero hunger. Ferrovial has invested more than 1,097,000 euros in the 53 interventions carried out. In 2023, it collaborated with CESAL in the complete refurbishment of the San Cristóbal market in Madrid.

In Poland, the company supports the improvement of hospital infrastructures, in particular pediatric wards with the Strefa Rodzika (parent zone) program. In the 10 years of its existence, 42 parent zones have been created, more than 300 employees have been involved as volunteers, and 52,500 people use the new zones every year, facilitating faster recovery of hospitalized children and creating more comfortable conditions for them and their families.

Access to education

Education is the key to building a strong society. Ferrovial contributes to the achievement of SDG 4, with a special focus on promoting STEM vocations in a balanced way, placing special emphasis on working with girls, who have less presence in this area. This commitment is reflected in several actions in the main countries in which it operates.

In Spain, Ferrovial has been collaborating with the Princess of Girona Foundation since 2016 in the Generación Talento initiative, a mentoring program in which company professionals accept the challenge of accompanying young people between the ages of 18 and 30 for a year to help improve their employability. So far 86 professionals have been volunteer mentors. Also in Spain, the company has been collaborating since 2017 with the Junior Achievement Foundation's OrientaT program, in which volunteers from the company give workshops in educational centers to awaken STEM vocations among students.

In 2023, Ferrovial has joined the Women and Engineering Excellence mentoring program of the Royal Academy of Engineering (RAI), as one of the initiatives included in its Diversity and Inclusion plan. The aim of this program is for professionals with a technical profile to share their experience and points of view with outstanding female students in STEM careers who are about to finish their studies, to facilitate their incorporation into the labor market.

In the United Kingdom, the company supports several actions focused on schools in the communities near the company's activities, with employee volunteering as a common denominator. In 2023, 271 employees took part in educational activities to bring children and young people into contact with engineering leaders. Support is also provided to university students to help them make the transition to the labor market.

In line with this strategy, in the United States the company collaborates with schools with educational programs focused on fostering STEM vocations through programs such as the TEXpress STEM Scholarship and Teacher Grant, which in 2023 benefited five educational districts. In addition, for the second consecutive year, LBJ and NTE partnered with the Tackle Tomorrow Foundation and Dallas ISD to hold a camp with interactive STEM training for 20 students in which 16 Ferrovial professionals participated.

Since 2009, the Domofon ICE program in Poland has been promoting the safety of children in schools, also involving employees.

Responding to social emergencies with the help of employees

Ferrovial's commitment to responding to humanitarian crises dates back to the earthquake in Haiti in 2010. Unfortunately, its response and mobilization capacity has been put to the test in recent years with the social and health crisis generated by COVID-19 and the one caused by the war in Ukraine. But the company is also alert to the day-to-day social crises taking place in local communities to help achieve a socially integrated society. Most of the initiatives are carried out by employees who get involved on a voluntary basis.

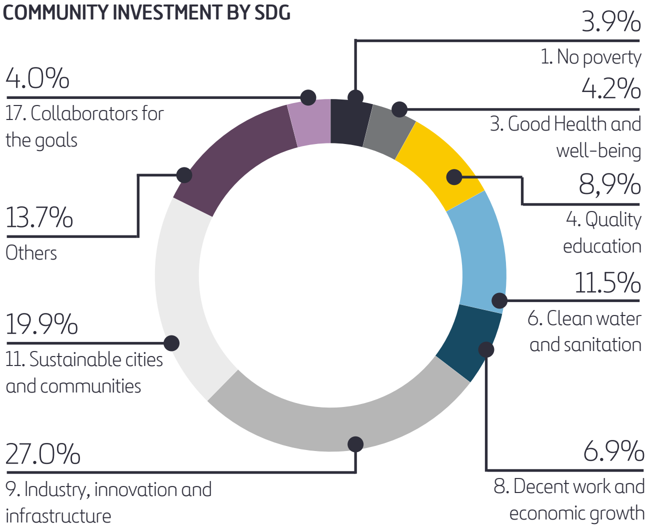
One of the actions in which this commitment is embodied is the support to food banks in the United States, with initiatives such as San Antonio Food Bank Drive, food collections for various food banks in Georgia, Food Drive and Food for Others in Virginia, Fighting Hunger in North Carolina or TEXpress Drive Away Hunger Campaign in Texas, which in 2023 has supported the Tarrant Areas Food Bank and the North Texas Food Bank.

In Spain, the Stronger Together Program, in place since 2005, allows employees to contribute and also choose which projects are supported each year, responding to needs both in Spain and in developing countries. Since its launch, funding has been provided to 47 projects with a joint investment by employees and the company (matching the employees' contribution) of more than 2 million euros. In 2023, employees decided to allocate their contributions to the projects "A matter of urgency: the welfare of our elderly" with the Gil Gayarre Foundation in Madrid, another project to incorporate technology for sclerosis patients in Murcia, and a program for the prevention and treatment of child malnutrition in Cameroon with the Recover Foundation.

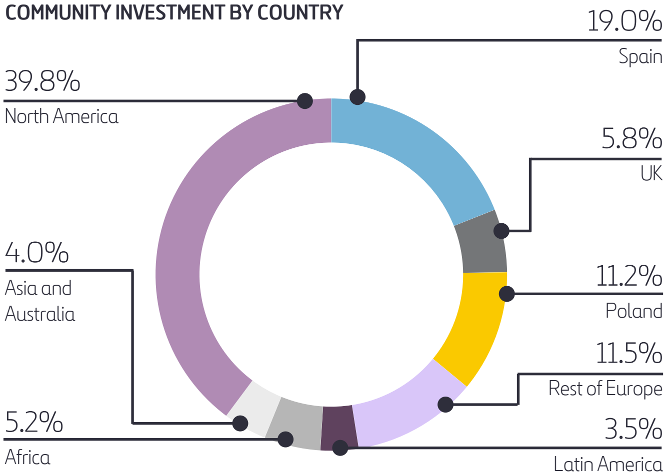
Juntos Sumamos
ferrovial

Finally, employees in the United Kingdom and the United States did not want to forget the children who are going through very difficult times because they are sick with cancer. In the United States, they chose to support Saint Jude's Hospital in Memphis for children and cancer patients, which treats everyone regardless of their resources, and in the United Kingdom, the Lennox Children's Cancer Fund, which works directly with the families of sick children, providing services tailored to their needs with emotional, financial and logistical support.

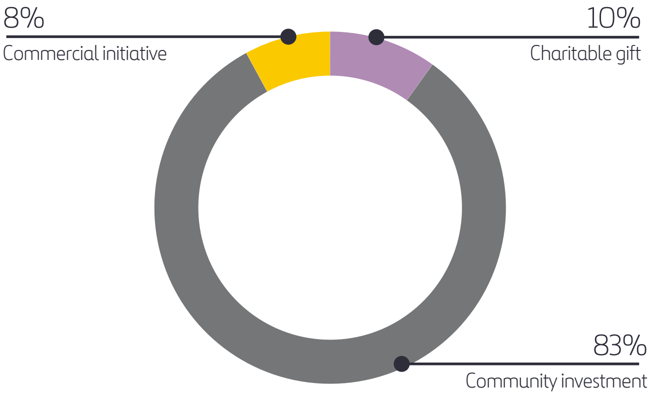
COMMUNITY INVESTMENT BY SDG



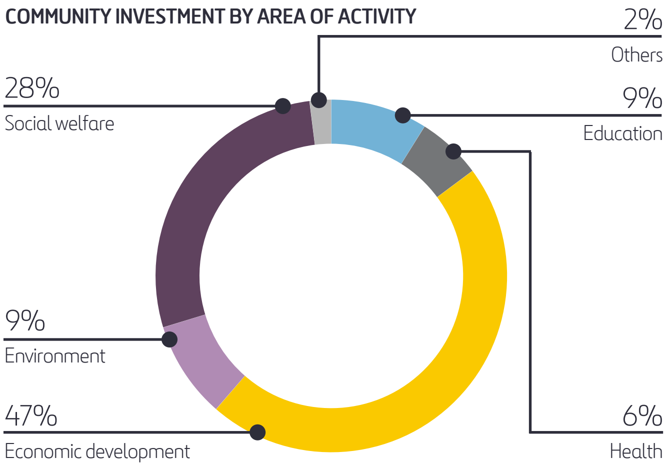
COMMUNITY INVESTMENT BY COUNTRY



MOTIVATION FOR CONTRIBUTION



COMMUNITY INVESTMENT BY AREA OF ACTIVITY



Advancing in the quantification of impact and generated value

Since 2018 Ferrovial has been applying a specific social impact measurement methodology for water and sanitation projects based on the SROI (Social Return on Investment) methodology to verify the real impact of the projects in its Social Infrastructure Program. The measurement is carried out nine months after the start-up of the facilities to be able to see the real transformation of the communities. The methodology makes it possible to identify the impacts generated by the project, assign measurement indicators and estimate a monetary value for the impacts generated. Ferrovial has shared the tool with the social entities with which it works, to help them identify impacts and indicators.

The evaluations carried out so far in 14 of the projects show that 100% of the projects achieve a positive impact, generating a social value of 10.8 euros for every euro invested, more than 500 euros per beneficiary.

The impact is produced thanks to improved health conditions, reduced school absenteeism, as well as the improvement of the material situation of families, which increase their income or reduce costs.

Not all impacts are generated at the same time in all projects. Where the greatest recurrence has been observed is in improving the well-being of families. For example, in Africa, saving time in obtaining water is one of the key factors. In some of the projects, the time spent fetching water has been reduced by 90%, saving more than 1 million hours a year in that community. Another of the most recurrent impacts is the reduction of water-related diseases by up to 62%.

Not only is a positive impact generated in the communities, but also the Ferrovial employees who participate improve their skills. Between 2022 and 2023, a total of 19 employees have participated in the program and have rated the learning acquired through volunteering at 4.8 out of 5.


CONSTRUYAMOS UN MUN
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25 DE NOVIEMBRE DÍA INTERNACIONAL CONTRA LA VIOLENCI
ferrovial

4. CORPORATE GOVERNANCE

Corporate Governance Report

Ethical and Responsible Management

Remuneration Report

Risks

CORPORATE GOVERNANCE

INDEPENDENCE AND DIVERSITY

Corporate governance aligned with national and international best practices is a priority for Ferrovial. This leads to integrity, which is key to create long-term sustainable value, reinforcing the trust that shareholders and other stakeholders have in the company.

Ferrovial SE ("Ferrovial" or the "Company") is a company existing under the laws of the Netherlands. Its legal form is a European public liability company (*Societas Europaea*). The corporate seat of the Company is in Amsterdam, the Netherlands. The Company is registered in the Dutch Commercial Register of the Chamber of Commerce (*Handelsregister van de Kamer van Koophandel*) under number 73422134.

The Company was originally incorporated as a public limited company under the laws of England and Wales and converted to a European public limited liability company under the laws of England and Wales on 13 December 2018. On 26 March 2019, the Company transferred its registered office to the Netherlands. Ferrovial became the parent company of the Ferrovial group as a result of the reverse cross-border merger between the former parent company of the Ferrovial group, Ferrovial, S.A. (as absorbed company) and Ferrovial International SE (as absorbing company, renamed Ferrovial SE when the merger was effective) (the "Merger"). By means of the Merger, which became effective on 16 June 2023 (the "Merger Effective Time"), the Company acquired all Ferrovial, S.A.'s assets and liabilities under universal title.

As the parent company of a group of entities operating in different jurisdictions, Ferrovial is subject to, and operates under, the laws of each country in which it conducts business.

The shares of Ferrovial are listed and traded on Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V., and on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, regulated markets of Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A. Ferrovial is in the process of applying for admission to list and trade its shares on the National Association of Securities Dealers Automated Quotations (NASDAQ) stock exchange in the United States.

This chapter of the Annual Report addresses Ferrovial's overall corporate governance structure and states to what extent Ferrovial adheres to the best practice provisions of the Dutch Corporate Governance Code (the "Dutch Governance Code") and where it deviates. Information the Company is required to disclose pursuant to the Decree on the content of the management report (*Besluit inhoud bestuursverslag*) (the "Decree Management Report") is included in this Annual Report, including Ferrovial's corporate governance statement in Section 9.

This chapter takes into account matters and facts of Ferrovial, S.A. (former parent company of Ferrovial group) before the Merger Effective Time and of the Company as from the Merger Effective Time.

EXTERNAL BOARD ASSESSMENT
9
consecutive years

VOTING RIGHTS HELD BY THE BOARD OF DIRECTORS
28.86%

LEAD DIRECTOR
1

INDEPENDENT DIRECTORS
75%

AUDIT AND CONTROL COMMITTEE
100%
Independent

NOMINATION AND REMUNERATION COMMITTEE
100%
Independent

FEMALE REPRESENTATION
33.33%

1. GOVERNANCE STRUCTURE

Pursuant to the Company's articles of association (*statuten*) (the "Articles of Association"), the Company has a one-tier board (*bestuur*) structure consisting of executive directors (*uitvoerend bestuurders*) (the "Executive Directors") and non-executive directors (*niet-uitvoerend bestuurders*) (the "Non-Executive Directors"), who together constitute the Board of Directors (the "Board" and each member of the Board a "Director").

The Board has constituted, from among its members, an Executive Committee, an Audit and Control Committee and a Nomination and Remuneration Committee (the "Committees").

The Executive Committee consists of Directors who are appointed to such committee by the Board. The Executive Committee is authorized to adopt any resolution the Board may adopt, subject to such restrictions as set out by applicable law, our Articles of Association and the written rules of procedure of the Board (the "Board Rules").

The Audit and Control Committee and the Nomination and Remuneration Committee have a preparatory and advisory role to the Board. Each of these committees has a charter on its role, responsibilities and functioning. They consist of Non-Executive Directors who are appointed to such committees by the Board. Both committees report their findings to the Board, which is ultimately responsible for all decision-making.

2. BOARD

2.1 Introduction

The Company is managed by the Board. The Board responsibilities include, among other things, setting the Company's strategy, developing a view on its sustainable long-term value creation, enhancing its performance, developing a strategy, identifying, analyzing and managing the risks associated with its strategy and activities, and establishing and implementing internal procedures to ensure that all relevant information is known to the Board in a timely manner.

The Board may allocate its duties among the Directors by means of the Board Rules or otherwise in writing, with due observance of any limitations provided for by law or in the Articles of Association. Directors may validly adopt resolutions on matters that fall within the scope of such Directors' duties. In fulfilling their responsibilities, the Directors are required to be guided by the interests of the Company and its affiliated enterprise, taking into consideration the interests of the Company's stakeholders (which include but are not limited to, the shareholders, its creditors and its employees).

The Board has adopted Board Rules, regulating internal matters concerning its organization, decision-making, the duties and organization of committees and other internal matters concerning the Board, the Executive Directors, the Non-Executive Directors, and the Committees.

The Board as a whole, as well as each Executive Director acting individually, may represent the Company. In addition, the Board may authorize persons, whether or not employed by the Company, to represent the Company on a continuing or ad hoc basis.

2.2 Composition of the Board

Pursuant to the Articles of Association, the Board consists of one or more Executive Directors and two or more Non-Executive Directors. The Board must consist for a majority of Non-Executive Directors. The Board itself determines the exact number of Directors, as well as the number of Executive and Non-Executive Directors, provided that the number of Directors must be at least three and cannot exceed twelve.

The Board is currently composed of twelve members, which facilitates an efficient and participatory operation. There are two Executive Directors (the Chairman and the CEO) and ten Non-Executive Directors.

The Executive Directors are primarily responsible for the day-to-day management of the Company. The Executive Directors must timely provide the Non-Executive Directors with the information they need to carry out their duties.

The Non-Executive Directors supervise the Executive Directors' management and performance of duties and the Company's general affairs and its business. The Non-Executive Directors also render advice to the Executive Directors. The Non-Executive Directors also perform any duties allocated to them under, or pursuant to, applicable law, the Articles of Association or the Board Rules.

The Board has designated one of the Executive Directors as Chairman, one of its Non-Executive Directors as Vice-Chairman, one CEO, and one of the Independent Directors as Lead Director.

The Chairman has the ultimate responsibility for the effective operation of the Board. Thus, the Chairman's duties include preparing and submitting to the Board a schedule of meeting dates and agendas, the ordinary power to call the Board, setting the agenda for the meetings, leading the discussions and deliberations while ensuring that sufficient time is given to discussion of strategic questions, organizing and coordinating the periodic evaluation of the Board, and approving and reviewing refresh courses for each Director, when circumstances so advise. He also acts as the main contact for the Executive Directors, Non-Executive Directors and shareholders regarding the functioning of the Board.

The Vice-Chairman stands in for the Chairman in the latter´s unavoidable absence or inability to act, and acts as a contact for individual Directors regarding the functioning of the Chairman or the Lead Director.

The Lead Director, amongst other duties, is specifically empowered to request the convening of the Board or include new items on the agenda of a Board meeting already convened, coordinate and convene the Non-Executive Directors and direct, if applicable, the periodic evaluation of the Chairman. Similarly, the Lead Director chairs meetings of the Board in the absence of the Chairman and Vice-Chairmen and gives voice to the concerns of the Non-Executive Directors. Alongside the Chairman, he acts as the main contact for the Executive Directors, Non-Executive Directors and shareholders regarding the functioning of the Board. The Lead Director also has, together with the Chairman, the duties mentioned in article 17.3 of Board Rules.

2.3 Biographies of the Directors

Rafael del Pino

Chairman
Executive Director

- Civil Engineer (Polytechnic University of Madrid, 1981); MBA (Sloan School of Management, MIT, 1986).
- Chairman of Ferrovial SE since 2023 (and of Ferrovial, S.A. since 2000) and CEO since 1992. Chairman of Cintra from 1998 to 2009.
- Member of the MIT Energy Initiative's External Advisory Board and the MIT Sloan European Advisory Board. He also is a member of the IESE's International Advisory Board and the Royal Academy of Engineering of Spain.
- He has been Director of Zurich Insurance Group, Banesto and Uralita. Also, he was a member of the MIT Corporation and the Harvard Business School European Advisory Board.

Other information:
Mr. Rafael del Pino has a controlling interest in the shareholder Rijn Capital B.V.

Óscar Fanjul

Vice-chairman
Independent Non-Executive Director

- Degree in Economics (Universidad Complutense de Madrid).
- Director of Ferrovial since SE since 2023 (and of Ferrovial, S.A. since 2015).
- Director of Marsh & McLennan Companies and Cellnex Telecom. Trustee of the Center for Monetary and Financial Studies (Bank of Spain), of the Aspen Institute (Spain) and of the Norman Foster Foundation.
- Former founding Chairman and CEO of Repsol; Chairman of Hidroeléctrica del Cantábrico; Non-Executive Chairman of NH Hoteles and Deoleo; Non-Executive Vice-Chairman of Holcim; Director of Acerinox, Unilever, BBVA, London Stock Exchange and Areva.

Ignacio Madridejos

CEO
Executive Director

- Civil Engineer (Polytechnic University of Madrid); MBA (Stanford University).
- CEO of Ferrovial SE since 2023 (and of Ferrovial, S.A. since 2019).
- Former Regional President of CEMEX USA; Regional President of CEMEX Northern Europe; global responsible of CEMEX Energy, Security and Sustainability areas; President of CEMEX Spain; and CEO of CEMEX Egypt. He previously worked at McKinsey and Agroman. He was also President of OFICEMEN (Spanish Association of Cement Manufacturers), IECA (Spanish Institute of Cement and its Applications), and CEMBUREAU (European Cement Association).

María del Pino

Non-Executive Director

- Degree in Economics and Business Administration (Universidad Complutense de Madrid); Management Development Program (IESE).
- Director of Ferrovial SE since 2023 (and of Ferrovial, S.A. since 2006).
- Chairperson of the *Fundación Rafael del Pino*. Legal representative of Menosmares, S.L. that holds the positions of rotating Chairperson / Vice-Chairperson of the Board of Casa Grande de Cartagena, S.A.U. and Vice-Chairperson of the Board of Pactio Gestión, SGIIC, S.A.U. Member of the Board of Trustees of the Princess of Asturias.

Other information:
Ms. María del Pino is majority shareholder, as well as Director and CEO, of the shareholder Menosmares, S.L.

José Fernando Sánchez-Junco

Independent Non-Executive Director

- Degree in Industrial Engineering (Polytechnic University of Barcelona); ISMP Graduate (Harvard Business School) and member of the State Corps of Industrial Engineers (on leave since 1990).
- Director of Ferrovial SE since 2023 (and of Ferrovial, S.A. since 2009). Director of Cintra from 2004 to 2009.
- Honorary Chairman of MaxamCorp Holding and member of the Board of Trustees of the *Museo de la Minería y la Industria*.
- Former Executive Chairman of Maxam Group; Managing Director of Iron and Steel and Naval Industries and Managing Director of Industry at the Ministry of Industry and Energy; Director of Dinamia and Uralita.

Philip Bowman

Independent Non-Executive Director

- Degree with honors in Natural Science (University of Cambridge); Master in Natural Science (University of Cambridge).
- Director of Ferrovial SE since 2023 (and of Ferrovial, S.A. since 2016).
- Non-Executive Chairman of Tegel Group Holdings Limited, Sky Network Television Limited and Majid Al Futtaim Properties LLC; Non-Executive Director of the affiliates Majid Al Futtaim Holding LLC and Majid al Futtaim Capital LLC; and Non-Executive Director of Kathmandu Holdings Limited and of Better Capital PCC.
- Former Chairman of Potrero Distilling Holdings, Coral Eurobet Limited and Liberty plc; Non-Executive Chairman of The Munroe Group (UK) Limited; CEO of Smiths Group plc, Scottish Power plc and Allied Domecq plc; and Director of Burberry Group plc, Berry Bros. & Rudd Limited, Scottish & Newcastle Group plc, Bass plc, British Sky Broadcasting Group plc and Coles Myer Limited.

Hanne Sørensen

Independent Non-Executive Director

- MsC. in Economics and Management from the University of Aarhus (Denmark).
- Director of Ferrovial SE since 2023 (and of Ferrovial, S.A. since 2017).
- Vice-Chairperson of Holcim; Non-Executive Director of Tata Motors, Tata Consulting Services, Jaguar Land Rover Automotive Plc and its affiliates Jaguar Land Rover Ltd and Jaguar Land Rover Holdings Ltd.
- Former CEO of Damco and Maersk Tankers; Chief Commercial Officer at Maersk Line; and CFO for the Asia Region at Maersk Line (A.P. Moller-Maersk Group). She has also been Chairperson of ITOPF, Vice-Chairperson of Hoegh Autoliners and Director of Delhivery, Axcel and INTTRA.

Bruno Di Leo

Independent Non-Executive Director

- Degree in Business Administration from Ricardo Palma University and postgraduate degree from *Escuela Superior de Administracion de Negocios*, both in Lima (Perú).
- Director of Ferrovial SE since 2023 (and of Ferrovial, S.A. since 2018).
- Non-Executive Director of Cummins; member of the IESE's International Advisory Board in Spain and of the Deming Center Advisory Board of Columbia Business School.
- Former Non-Executive Director of Taiger. He has developed his professional career at the multinational group IBM. He served as Senior Vice-President of IBM Corporation; Senior Vice-President of Global Markets; General Manager of the Growth Markets Unit; General Manager for Global Technology Services in Southwest Europe and General Manager for Northeast Europe; General Manager for IBM Latin America and General Manager of IBM Brazil.

Juan Hoyos

Independent Non-Executive Director / Lead Director

- Degree in Economics (Universidad Complutense de Madrid); Master in Business Administration in Finance and Accounting (Columbia Business School).
- Director of Ferrovial SE since 2023 (and of Ferrovial, S.A. since 2019).
- Director of Inmoglaciar and Gescobro.
- Former Chairman, Senior Partner of McKinsey & Company Iberia and member of the McKinsey & Company Shareholder Council worldwide; Strategy, Brand & Marketing Executive Vice-President of Banco Santander Brazil; Executive Chairman of Haya Real Estate and Director of Banco Santander Chile and Banco Santander Mexico.

Gonzalo Urquijo

Independent Non-Executive Director

- Degree in Economic and Political Sciences (Yale University). MBA (Instituto de Empresa, Madrid).
- Director of Ferrovial SE since 2023 (and of Ferrovial, S.A. since 2019).
- CEO of Talgo; Non-Executive Director of Gestamp Automoción; Chairman of the Hesperia Foundation; member of the Board of Trustees of the Princess of Asturias Foundation.
- Former Chairman of Abengoa and ArcelorMittal Spain; member of the General Management of ArcelorMittal and head of the sectors of Long Products, Stainless Steel, Tubes, Emerging Markets; CFO and head of the Distribution sector of Arcelor; CFO of Aceralia Corporación Siderúrgica. He previously worked at Citibank and Crédit Agricole. He was also Chairman of the ArcelorMittal Foundation and of UNESID (the Spanish union of steel companies); Director of Aceralia, Atlantica Yield, Aperam, Vocento and other companies.

Hildegard Wortmann

Independent Non-Executive Director

- Degree in Business Administration (University of Münster, Germany); MBA from the University of London.
- Director of Ferrovial SE since 2023 (and of Ferrovial, S.A. since 2021).
- Member of the Extended Executive Committee of Volkswagen Group; member of the Board of Management of Audi AG as Head of Sales and Marketing; Non-Executive Director of Volkswagen Financial Services AG and of the Supervisory Board of Porsche Holding, Porsche Austria and Porsche Retail.
- Former member of the Board of Management of the Volkswagen Group, Senior Vice-President for Product Management, Senior Vice-President for the Brand and CEO for the Asia-Pacific region of the BMW automotive group; Non-Executive Director of the Supervisory Board of Cariad and several executive posts at Unilever for Germany and United Kingdom.

Alicia Reyes

Independent Non-Executive Director

- Degree in Law, Economics and Business Administration (Madrid Universidad Pontificia de Comillas, ICADE); PhD (*summa cum laude*) in quantitative methods and financial markets from the same university.
- Director of Ferrovial SE since 2023 (and of Ferrovial, S.A. since 2021).
- Independent Director of Banco Sabadell; Independent Director of KBC Group and Director of its affiliate KBC Bank; Guest Professor at the Institute of Finance and Technology in the School of Engineering at University College London (UCL).
- Former CEO of Momentus Securities and CEO for the EMEA region of Wells Fargo Securities; Director of TSB Bank; Global Head of structuring in the investment banking division and Global Head of insurance solutions and strategic equity derivatives of Barclays Capital; Country Manager for Spain and Portugal of Bearn Stearns; Chief Investment Officer of the Abengoa group's venture capital fund specialized in technology (Telecom Ventures). She previously worked for Deutsche Bank.

Santiago Ortiz Vaamonde

Secretary

- Spanish State Attorney (on voluntary leave); PhD in Law (Universidad Complutense de Madrid).
- General Counsel and Secretary of the Board of Ferrovial SE since 2023 (and of Ferrovial, S.A. since 2009).
- He has been a partner in the litigation and regulatory departments of two well-known law firms; Agent of the Kingdom of Spain before the Court of Justice of the European Union; professor at the Diplomatic School and the Carlos III University.

Independence Statement

The following Non-Executive Directors are considered independent within the meaning of the Dutch Governance Code:

- Mr. Óscar Fanjul.
- Mr. José Fernando Sánchez-Junco.
- Mr. Philip Bowman.
- Ms. Hanne Sorensen.
- Mr. Bruno Di Leo.
- Mr. Juan Manuel Hoyos.
- Mr. Gonzalo Urquijo.
- Ms. Hildegard Wortmann.
- Ms. Alicia Reyes.

Non-Executive Director Ms. María del Pino is not considered independent within the meaning of the Dutch Governance Code, since she is the sister of the Executive Director Mr. Rafael del Pino.

Additionally, the independence requirements under the Dutch Governance Code do not apply to Mr. Rafael del Pino and Mr. Ignacio Madridejos, since they are Executive Directors of the Company.

2.4 Appointment and Dismissal of Directors

The General Meeting appoints the Directors, pursuant to a nomination thereto by the Board in the notice of the General Meeting at which the nomination is to be considered.

The Articles of Association provide that a Director shall be appointed for a term as set out in the nomination for appointment and the term of appointment of a Director lapses (at the latest) at the end of the first General Meeting held in the third calendar year following the year of appointment. A Director may be re-appointed with due observance of the Articles of Association and applicable law. The Board has drawn up a rotation schedule for the Non-Executive Directors which is published on Ferrovial's website.

Each current Director of Ferrovial has been appointed for a term ending at the end of the Annual General Meeting of the Company held in the year in which his or her term as Ferrovial, S.A. Director, as before the Merger Effective Time, would have ended.

The General Meeting may suspend or dismiss a Director. A suspension by the General Meeting may, at any time, be discontinued by the General Meeting. The Board may, at any time, suspend an Executive Director. A suspension by the Board may, at any time, be discontinued by the Board or by the General Meeting. A suspension may be extended one or more times, but the total duration of the suspension may not exceed three months. If at the end of that period, no decision has been taken on termination of the suspension or on dismissal, the suspension ends.

2.5 Board rules, decision making, meetings and attendance

2.5.1 Board rules and decision making

The Articles of Association and the Board Rules regulate internal matters of the Board. The Board Rules are available on Ferrovial's website.

Unless applicable law, the Articles of Association or the Board Rules provide otherwise, resolutions of the Board are adopted both at and outside a meeting by a majority of the votes cast. In the event of a tied vote, the Chairman has a casting vote, provided at least two other Directors entitled to vote are in office.

At a Board meeting, resolutions can only be validly adopted if the majority of the Directors entitled to vote attends the meeting, in person or represented.

A Director may only be represented at a meeting of the Board by another Director who is entitled to vote and has been authorized to do so in writing. Non-Executive Directors may only grant a proxy to another Non-Executive Director.

The approval of the General Meeting is required for resolutions of the Board regarding an important change in the identity or character of the Company or its business. The absence of approval of the General Meeting does not affect the authority of the Board or the Executive Directors to represent the Company. The approval of the General Meeting is in any event required for Board resolutions relating to:

- the transfer of the business enterprise, or practically the entire business enterprise, to a third party;
- concluding or cancelling a long-lasting cooperation of the Company or a Group Company with another legal person or company, or as a fully liable general partner in a partnership, provided that the cooperation or cancellation is of material significance to the Company; and
- acquiring or disposing of a participating interest in the share capital of a company with a value of at least one third of the Company's assets, as shown in the consolidated balance sheet with explanatory notes according to the last adopted annual accounts, by the Company or a Group Company.

2.5.2 Meetings

Pursuant to the Board Rules, the Board meets at least once every three months. Additionally, the Board meets whenever the Chairman, the Lead Director or at least three Directors requested a meeting. Meetings of the Board are typically attended by the Directors in person.

Directors are expected, as much as possible, to attend the meetings of the Board, the Committees of which they are a member and the General Meeting, in person. In Financial year 2023, seven Board meetings were held.

2.5.3 Business dealt with by the Board

Annually, at the proposal of the Chairman, the Boar draws up a calendar and matters to be discussed at each of the meetings scheduled for the following year, without prejudice to other matters that may arise during the year. The main matters discussed in 2023 include the below.

- Approval of the Merger and follow-up of the progress of the Merger process, including the listing and trading of Ferrovial shares on Euronext Amsterdam and Spanish Stock Exchanges, and the application for listing in the US.
- Strategy of Ferrovial group. Specifically, as is customary each year, the Board received comprehensive presentations detailing the strategies of the Ferrovial group's business divisions, Human Resources, and IT department. The Board discusses the reported strategies and results extensively.
- Report on matters discussed at Committee meetings.
- Periodic financial information.
- Cash availability, which is reviewed at each Board meeting.
- Internal control system for financial information
- Risk management and control system. Main risks of Ferrovial group.
- Preparation of the General Meeting (scheduling of the meeting, proposed resolutions, mandatory reports).
- Reports from business divisions and corporate areas.
- Annual budget and forecasts of the current year's budget.
- Health, Safety and Wellbeing, which is reviewed at each Board meeting.
- Tax policies followed during the previous year.
- General operations of the Ferrovial group.
- Guarantees provided by the Group's parent companies.
- Effectiveness of the compliance program.
- Technology and cybersecurity.
- Innovation and digitalization.
- Sustainability (submitting to the General Meeting the approval of the Climate Strategy report for the financial year to a consultative vote).
- Social action.
- Shareholder analysis and market perception.
- Composition of the Board.
- Ferrovial Flexible Dividend Program.
- Annual evaluation.
- Remuneration of Directors (including the submission of a Directors' Remuneration Policy to the General Meeting).

2.5.4 Individual attendance

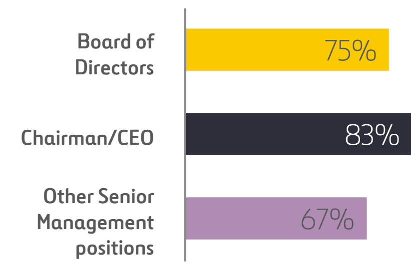
In the table below, the individual attendance of Directors to the meetings of the Board and Committees is described.

The table below shows, for each of the Directors, the name, position held in the Board, Committees' membership, attendance to the meetings of the Board and its Committees, shareholding (information on the number of shares held by the Directors is included in Section 2.8.2), appointment date, current term in office, age, nationality, and other listed companies in which they are Directors.

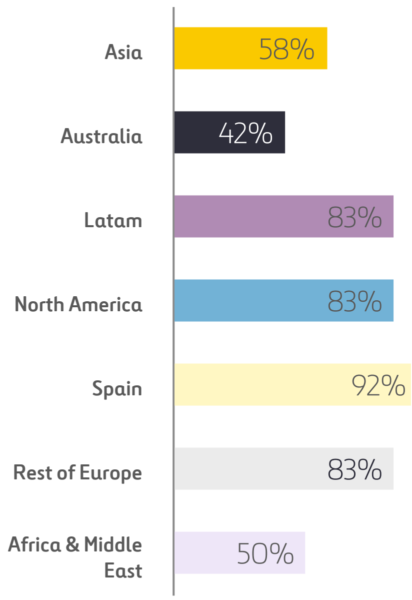
		RAFAEL DEL PINO	ÓSCAR FANJUL	IGNACIO MADRIDEJOS	MARÍA DEL PINO	JOSÉ FERNANDO SÁNCHEZ-JUNCO	PHILIP BOWMAN	HANNE SØRENSEN	BRUNO DI LEO	JUAN HOYOS	GONZALO URQUIJO	HILDEGARD WORTMANN	ALICIA REYES
Position		Chair-man	Vice-Chair-man	CEO	Member	Member	Member	Member	Member	Lead Director	Member	Member	Member
Category	Executive Director	✓		✓									
	Non-Executive Director		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
	Independent		✓			✓	✓	✓	✓	✓	✓	✓	✓
Board	Board	(7/7)	(7/7)	(7/7)	(7/7)	(7/7)	(7/7)	(7/7)	(7/7)	(7/7)	(7/7)	(7/7)	(7/7)
	Executive Committee	**C** (8/8)	(8/8)	(8/8)	(7/8)	(8/8)				(8/8)			
	Audit and Control Committee		**C** (6/6)				(6/6)				(6/6)		(6/6)
	Appointments and Remuneration Committee					(4/4)		(3/4)	**C** (4/4)		(4/4)		
Shareholding	% direct and Indirect capital	20.56	0.01	0.01	8.26	0.02	0.00	0.00	-	-	0.00	-	-
Other data	Date of first appointment*	09/01/1992	31/07/2015	30/09/2019	29/09/2006	03/12/2009	29/07/2016	05/04/2017	25/09/2018	02/10/2019	19/12/2019	06/05/2021	06/05/2021
	Term**	2025	2025	2026	2025	2025	2026	2026	2025	2026	2026	2025	2025
	Nationality	Spanish	Spanish	Spanish	Spanish	Spanish	Australian	Danish	US&Ita-lian	Spanish	Spanish	German	Spanish
	Positions as directors at other listed companies	0	2	0	0	0	2	3	1	0	2	0	2
	Age	65	74	58	67	76	71	58	66	71	62	57	52
	Gender	Male	Male	Male	Female	Male	Male	Female	Male	Male	Male	Female	Female

Information updated as of February 2024
C: Chairperson of the respective Committee.
** The date of first appointment reflects the respective Director's date of first appointment for the similar role in the Ferrovial, S.A. Board prior to the Merger Effective Time.*
*** The term of office will be a period ending at the end of the Annual General Meeting to be held in the year indicated in the chart, with possibility of reelection for one or more additional periods of maximum duration of three years each.*
***Figures in parentheses reflect the attendance of each Director at meetings of the Board and its Committees.*

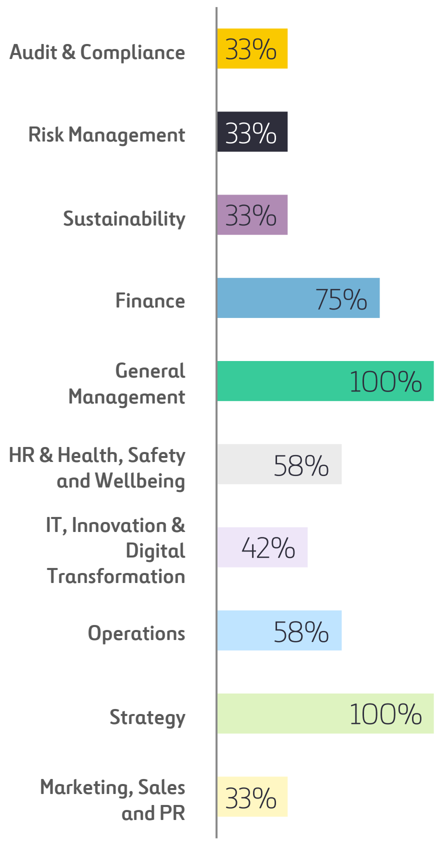
BOARD EXPERIENCE
PROFESSIONAL BACKGROUND



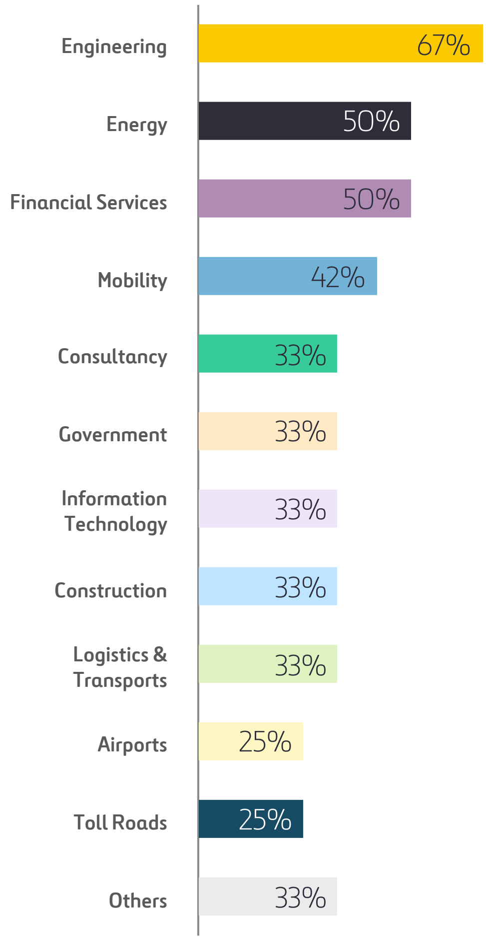
INTERNATIONAL EXPERIENCE



FUNCTIONAL AREAS



INDUSTRY EXPERIENCE



2.6 Amount and Composition of the Remuneration of the Directors

Details of the remuneration of the Directors set forth within the Remuneration Report included in this Integrated Annuall Report.

2.7 Committees

2.7.1 Executive Committee

2.7.1.1 Duties

Pursuant to Dutch law and the Articles of Association, the Board may allocate its duties among its Directors. Directors may validly adopt resolutions on behalf of the Board on matters allocated to them. The Board has allocated all its duties to the Chairman and the CEO (acting individually) and also to the Executive Committee (consisting of Directors only), subject to applicable law, the Articles of Association and the Board Rules.

Among its duties, the Executive Committee monitors the Group's financial information, the evolution of the main business indicators, as well as the status of the most relevant matters of the year. It also approves the operations within its competence as a delegated body of the Board.

2.7.1.2 Composition

Pursuant to the Board Rules, the Executive Committee shall be composed of no less than three and no more than eight Directors. It should have, at least, two Non-Executive Directors, at least one of whom should be an Independent Director.

The Executive Committee is currently composed of six members: (i) Mr. Rafael del Pino (Chairman; (ii) Mr. Óscar Fanjul; (iii) Mr. Ignacio Madridejos; (iv) Ms. María del Pino; (v) Mr. José Fernando Sánchez-Junco; and (vi) Mr. Juan Hoyos.

For the relevant experience of each Committee Member, please see the curriculum vitae of the Committee members in section 2.3 of this chapter.

The secretary of the Executive Committee is Mr. Santiago Ortiz, who is also the Secretary of the Board.

2.7.1.3 Meetings and activities undertaken

During Financial Year 2023, the Executive Committee held eight meetings.

The CFO attended to all the meetings of the Committee, presenting the items of his competence. Furthermore, persons responsible for the Finance and the Health, Safety and Well-being Departments were present at the Committee sessions to report on relevant matters within their respective responsibilities. The CEOs of the business divisions also appeared for the operations under their competence that were submitted for approval of the Committee. Furthermore, the Secretary of the Committee reported on matters falling within the scope of his designated functions.

In its meetings, the Executive Committee monitored the Group's cash availability and other financial information, the evolution of the main business indicators (traffic and tariffs of toll roads, traffic of airports, orderbook and main awards of Construction), the health, safety and wellbeing indicators, as well as the status of the most relevant projects and matters of the year (including the progress of the Merger process). It has drawn up the report for its evaluation by the Board. As a delegated body of the Board, the Committee has also approved (i) the operations within its competence and (ii) the implementation of the second scrip dividend of Financial Year 2023.

The minutes of the meetings of the Executive Committee have been made available to all members of the Board so that they are aware of the matters discussed and the decisions adopted. They were previously informed of the call for the meetings, and the agenda and the documentation distributed for each meeting have been made available to them on the digital platform set up for this purpose.

2.7.2 Audit and Control Committee

2.7.2.1 Duties

Generally, the Audit and Control Committee assists the Board in its decision-making in relation to the supervision of the integrity and quality of the Company's financial and sustainability reporting and the effectiveness of the Company's internal risk management and control systems. Among its duties, the Audit and Control Committee monitors the financial reporting process, ensures that the Company's annual accounts are drawn up in accordance with the applicable accounting regulations, proposes the selection process of the external auditor, advises the Board on the external auditor's nomination and engagement and proposes the selection, appointment or release of the internal audit director.

The charter for the Audit and Control Committee forms part of the Board Rules as an annex. It sets out its duties and responsibilities and is published on Ferrovial's website.

2.7.2.2 Composition

The number of members of the Audit and Control Committee is determined by the Board. The entirety of the members of the Audit and Control Committee must consist of Non-Executive Directors, the majority of which qualify as independent under the Dutch Corporate Governance Code. Pursuant to the Dutch Corporate Governance Code, the chairperson of the Audit and Control Committee shall always be an independent Non-Executive Director. The chairperson of the Audit and Control Committee cannot be the Chairman or the Lead Director or any Director that previously has been an Executive Director.

The Audit and Control Committee is currently composed of four members, all of them independent under the Dutch Governance Code: (i) Mr. Óscar Fanjul (Chairman); (ii) Mr. Philip Bowman; (iii) Mr. Gonzalo Urquijo; and (iv) Ms. Alicia Reyes. They have been appointed taking into account their knowledge and experience in accounting, auditing and financial and non-financial risk management. They also have extensive experience in managing international business groups similar to Ferrovial.

For the relevant experience of each Committee Member, please see the curriculum vitae of the Committee members in section 2.3 of this chapter.

The Secretary of the Committee is Mr. Santiago Ortiz Vaamonde, who is also the Secretary of the Board.

2.7.2.3 Meetings and activities undertaken

The Audit and Control Committee meets when convened by its chairperson, who must do so whenever requested to do so by the Board, the Chairman of the Board, or two of the Committee members, and in any case, at least once per quarter and whenever appropriate for the proper exercise of its duties.

During Financial Year 2023 the Committee held six meetings. The representatives of the external auditor have appeared in all the Committee meetings and, where appropriate, have briefed the Committee and answered its questions in the absence of group employees.

The Chairman of the Committee has invited the CEO, the CEO of Construction business division, the CFO, the Internal Audit Director and other managers from the Economic-Financial Department, Compliance and Risks Department, and Communication and Corporate Responsibility Department, who have explained specific matters or the agenda items falling under their competence.

The Secretary of the Committee has also intervened at meetings to discuss matters within his area of responsibility. Where appropriate, the Company's Internal Audit Director has met with the Committee in the absence of group employees.

The Committee also maintains regular communication with Company executives and employees, from whom it receives information on matters within its competence. In particular, the Chairman of the Committee holds (i) meetings with the Internal Audit Director prior to each meeting of the Committee, with whom he also has regular contact; (ii) periodic meetings with the Compliance and Risks Director, with whom he also meets before each Committee meeting.

The Committee also receives all the reports prepared by the Internal Audit Department in execution of its annual work plan. These reports contain the audit findings and recommendations addressed to the audited areas.

The minutes of the meetings of the Audit and Control Committee have been made available to all members of the Board so that they are aware of the matters discussed and the decisions adopted. They were previously informed of the call for the meetings, and the agenda and the documentation distributed for each meeting have been made available to them on the digital platform set up for this purpose.

A description of the main activities undertaken by the Audit and Control Committee is set out below:

Economic-financial and non-financial information

The Committee reviewed and analyzed this information prior to its knowledge by the Board and its submission to the authorities or markets and reported favorably on it. In this analysis, special attention has been paid to the main judgements and estimates made in those areas that are more complex or where the accounting impact is more relevant. It has had the collaboration of the DGEF and Ferrovial's external auditor for this review.

The Committee also reviewed the statement of non-financial information contained in the management report (which forms part of the Integrated Annual Report) and was informed by the Company's management of the most relevant social, environmental and good governance issues and their evolution in the Ferrovial group in recent years.

The auditor in charge of the audit for the financial year 2022 (Ernst & Young, S.L.) appeared before the Committee at the time of the presentation of the annual accounts for that year, outlining the main audit and accounting issues identified in the course of its work. It also reported on its independent verification of the consolidated statement of non-financial information and its adaptation to international standards for reporting non-financial information (Global Reporting Initiative -GRI- standards) and to the contents laid down in the applicable mercantile regulations.

Ernst & Young, S.L also appeared before the Committee to report on its limited review work on the semi-annual financial information (first six months of the 2023 financial year).

The statutory auditor, appointed following the Merger (Ernst & Young Accountants LLP), informed on its strategy and work plan for the audit of 2023, including the determination of the scope of this audit.

They also reported to the Committee on the key matters for the 2023 audit and the audit work based on the September figures (hard close).

Relationship with the external auditor

In compliance with the Board Rules, the Committee ensured that the external auditor appeared before the full Board of Directors to report on the audit work performed, the development of the accounting situation and the risks of the Company.

Independence of the statutory auditor

The Committee has prepared the mandatory report on this point.

In accordance with the internal procedure, and following the appropriate analysis, it has authorised/ratified the hiring of the statutory auditor to provide non-audit services. It has also authorised the hiring of other audit firms to provide these services. In its analysis, the Committee has considered: (i) the nature and circumstances of the service; (ii) in the case of the statutory auditor, the issues that the services may raise in relation to the regulations on independence; and (iii) the reasons for engaging a particular audit firm. The Committee's assessment has taken into account the DGEF's criteria.

The Committee has received information in every meeting on the purpose and amount of such services authorised in each business division to various audit firms.

It has also been informed about the audit fees received by Ferrovial's external auditor in 2022, and their variation compared to the previous year.

Internal control procedures

At its May meeting, the Committee was informed by the external auditor of the main internal control recommendations arising from the audit of the 2022 accounts, as well as the most relevant internal control improvement projects implemented by the managers of the group companies.

The Financial Department reported to the Committee on: (i) the work carried out within the group in relation to the internal control over financial reporting; (ii) the most significant risks relating to the main judgments and estimates considered in the financial information disclosed to the market, and the controls in place for each of those risks; (iii) the outcome of the self-assessment by the business divisions and corporate areas of the controls included in the ICFR and the proposed improvement actions. The improvement actions resulting from the annual self-assessment process are embedded within the process of implementation of the requirements of internal control included in the Sarbanes Oxley Act (“SOX”) indicated below.

Internal Audit

The Committee has supervised the activities carried out by the Internal Audit Department of the Company. Specifically, it has been informed of the following:

- The Internal Audit activity report for the financial year 2022, which includes the conclusions of the work carried out, the variations on the approved plan (giving reasons), the work carried out in collaboration with other areas, details of the main areas for improvement detected, the recommendations issued, the status of implementation of all those made during 2022 and previous financial years, and the evolution of the most significant audited matters.
- The quarterly reports on Internal Audit activities, which contain the degree of progress of the work programmed, compliance with the approved planning and its variations, collaboration with other areas, monitoring of the most significant audit issues, and the new recommendations issued and the status of implementation of those made in the last four financial years, and the evolution of the Internal Audit Department’s scorecard and other organizational aspects of the unit.

- The result of (i) the review of the internal control over financial reporting process and the specific work to ensure compliance; and (ii) the review of the deployment of the compliance program, the audits carried out indicating the areas where progress needs to be made, and the follow-up and implementation of the recommendations issued.
- The internal audit work plan for 2024, including: (i) the purpose of the works and the extent to which they cover the main risks of the group and the countries considered strategic; (ii) the recurring tasks (including the follow-up of the external auditor's recommendations and conclusions); (iii) the internal organisation and the Internal Audit Department's scorecard; and (iv) the expenditure budget.

Risk analysis and systems for their control

Ferrovial's Compliance and Risk Department has reported twice to the Committee on the main risks of the Company and its group, both financial and non-financial, as well as on the functioning of the systems set up for their management and control.

In particular, the Committee has been informed about the process of drawing up the risk map, which includes the most relevant risks of the group, the measures taken to mitigate them and their evolution compared to the previous reporting to the Committee.

The Committee has also instructed the Chief Compliance and Risk Officer to conduct a diagnostic of the existing risk management systems in the group, including the projects risk management in Construction, and to purpose improvements thereto, with the aim of enhancing their integration among them and with the strategic and forecasting processes.

Reverse merger between Ferrovial, S.A. (as absorbed company) and Ferrovial International SE (as absorbing company, renamed Ferrovial SE). Subsequent process to request US listing

The Committee issued the report that was required by the former Board Rules of Ferrovial, S.A. in case of structural corporate modifications. The report covered the economic conditions and the accounting impact, and in particular, if applicable, the proposed exchange ratio.

Furthermore, the Committee has been periodically informed on (i) the degree of progress of the project, including the steps for Dutch and US listings; (ii) its impact to the external audit processes; (iii) its impact in the internal control over financial reporting.

In this regard, the Committee has reviewed and discussed the European Union prospectus prepared for the admission to listing and trading of the shares of the Company on Euronext Amsterdam and on the Spanish Stock Exchanges, and the draft registration statement (Form 20-F) for requesting the listing of the shares of the Company on the US.

The DGEF periodically reported to the Committee on the works carried out to: (i) analyze the status of the internal control of financial reporting of the Company compared to the requirements of SOX (gap analysis); and (ii) implement these SOX requirements and, as part of it, the status of the material weaknesses identified in the draft registration statement.

Finally, the Committee favorably reported the approval or amendment of several internal policies regarding compliance and corporate governance, adapted to legal requirements and best practices both in The Netherlands and the US.

Corporate governance and compliance actions

The Committee has carried out the following actions in these areas:

- It has reported to the Ordinary General Shareholders' Meeting, through its Chairman, on the activities carried out during the financial year 2022.
- It has reported favorably, prior to its approval by the Board of Directors, on the Spanish Annual Report on Corporate Governance for the financial year 2022.
- It has prepared a report on related-party transactions, which was published on the Company's website at the same time as the call for the General Shareholders' Meeting.

- It has reported on the related-party transactions submitted for approval by the Board of Directors.
- It has supervised the effectiveness of Ferrovial's compliance program at two meetings. To this end, the Compliance and Risk Department has reported to the Committee on the annual objectives of the program, the work plan and the level of progress of the actions included in it.
- During those meetings, it has also received information on the compliance program, including (i) the identification and prevention of compliance risks; (ii) the actions carried out to update the crime prevention model of the Company and its group; and (iii) the result of the self-assessment of the controls and the action plans for those assessed as not effective.
- On every meeting the Committee has been informed by the Compliance and Risk Department of the activity of the group's internal concerns management system (which includes the group’s ethics channel). Information has been provided on the number of queries, reports or complaints received, their origin and typology and the treatment given to them, including corrective actions for irregularities detected.
- It has approved its work plan for 2024 (matters to be discussed at each of its meetings in that year).

Profitability/risk in the main projects

The Committee has reviewed Construction projects in the United Kingdom and Ireland and the I-77 toll road project.

2.7.3 Nomination and Remuneration Committee

2.7.3.1 Duties

Among its duties, the Nomination and Remuneration Committee draws up selection criteria and appointment procedures for Directors, periodically assesses the size and composition of the Board and reports on the candidates for appointment and reappointment as Directors to be submitted by the Board to the consideration of the General Meeting.

Furthermore, the Nomination and Remuneration Committee prepares the Remuneration Policy, submits proposals to the Board concerning the remuneration of each Executive Director in accordance with the Remuneration Policy, monitors compliance with the Remuneration Policy and periodically reviews the Remuneration Policy.

The charter for the Nomination and Remuneration Committee forms part of the Board Rules as an annex. It sets out its duties and responsibilities and is published on Ferrovial's website.

2.7.3.2 Composition

The number of members of the Nomination and Remuneration Committee is determined by the Board. The entirety of the members of the Nomination and Remuneration Committee must consist of Non-Executive Directors, the majority of which qualify as independent under the Dutch Corporate Governance Code. Pursuant to the Dutch Corporate Governance, the chairperson of the Nomination and Remuneration Committee shall always be an independent Non-Executive Director. The chairperson of the Nomination and Remuneration Committee cannot be the Chairman or the Lead Director or any Director that previously has been an Executive Director.

The Committee is currently composed of four members, all of them independent under the Dutch Governance Code: (i) Mr. Bruno Di Leo (Chairman); (ii) Mr. José Fernando Sánchez-Junco; (iii) Ms. Hanne Sorensen and (iv) Mr. Gonzalo Urquijo.

They have been appointed based on their expertise, ensuring that they possess the requisite knowledge, skills, and experience necessary to fulfill the duties assigned to them.

For the relevant experience of each Committee member, please see the curriculum vitae of the Committee members in section 2.3 of this chapter.

The Secretary of the Committee is Mr. Carlos Cerezo, who is the Chief Human Resources Officer of Ferrovial group.

2.7.3.3 Meetings and activities undertaken

The Nomination and Remuneration Committee meets when convened by its chairperson, who must do so whenever requested by the Board, the Chairman, or two of its members, and in any case, whenever appropriate for the proper exercise of its duties.

During Financial Year 2023, the Committee held four meetings. The Chairman of the Committee has invited the Chairman of the Board, the CEO and the Secretary of the Board to attend when necessary. The Secretary of the Committee has also intervened at meetings to discuss matters within his area of responsibility.

The Committee's Chairman holds meetings with the Secretary of the Committee prior to each Committee meeting, with whom he also has regular contact. The Committee also receives all reports prepared by the Human Resources Department as part of the implementation of the annual work plan approved by the Committee.

The minutes of the meetings of the Nomination and Remuneration Committee have been made available to all members of the Board so that they are aware of the matters discussed and the decisions adopted. They were previously informed of the call for the meetings, and the agenda and the documentation distributed for each meeting have been made available to them on the digital platform set up for this purpose.

A description of the main activities undertaken by the Nomination and Remuneration is set out below:

The Nomination and Remuneration Committee prepares the Board's decision-making regarding:

The Committee carried out an analysis of the competencies required by the Board of Directors in connection with the proposals for re-election of Board members submitted for approval by the Ordinary General Shareholders' Meeting of the Company (the "General Shareholders' Meeting"). The result of this preliminary analysis was set out in a report which was published on the Company's website at the time of the General Shareholders' Meeting.

It reported favorably on the proposal for re-election as Executive Director of Mr. Ignacio Madridejos; and proposed the re-election as Independent Directors of Mr. Philip Bowman, Ms. Hanne B. Sørensen, Mr. Juan Hoyos and Mr. Gonzalo Urquijo. All of them were submitted to the General Shareholders' Meeting for approval.

It examined the composition of the Board of Directors and its Committees, and reviewed the category attributed to each of the Directors.

The Committee verified the Board of Directors Composition Policy.

In July 2023 the Committee submitted to the Board of Directors the Ferrovial's Board Profile which replaced the previous Board of Directors Composition Policy, approved by the Board of Director of the Company in December 2020. This Board Profile is envisaged in art. 13.1 of the Board Rules and follows the DCGC. This policy describes:

- Board size
- Board composition
- Independence of non-executive directors

Diversity and Inclusion Policy, approved by the Board of Directors in December 2022, was also reviewed in order to align it with Dutch requirements. More specifically, the following regulations were taken into consideration to review the policy: the Board Rules, DCGC and Dutch law.

It reported favorably on the draft Annual Report on Directors' Remuneration corresponding to the 2022 financial year.

Additional Duties

With regard to the remuneration of the members of the Board in their capacity as such, the Committee was informed of the settlement for the financial year 2022 in accordance with the details set out in the Annual Report on the Directors' Remuneration. It also reported favorably on (i) the maximum annual amount of their remuneration included in the Directors' Remuneration Policy approved by the General Shareholders' Meeting; and (ii) the system for distributing this amount among the Directors.

In relation to the remuneration of Executive Directors, the Committee reported favorably on the proposals for (i) variable remuneration and other remuneration items corresponding to financial year 2022; and (ii) fixed remuneration corresponding to financial year 2023.

In connection with the Merger, the Committee proposed to amend the Directors' Remuneration Policy approved by the General Shareholders' Meeting in 2023, to reflects Dutch law requirements and other changes. The Committee submitted this proposal to the Board of Directors for approval by the General Shareholders' Meeting. Included in this proposal were included the terms and conditions for the CEO due to his moving to Amsterdam in case the merger was approved by the GSM.

As for senior management, the Committee reviewed (i) their variable remuneration and other remuneration items for the 2022 financial year; and (ii) their fixed remuneration for the 2023 financial year. In Addition the specific terms for the incumbents that moved to Amsterdam where reviewed.

Likewise, it verified the information on the remuneration of the Directors and senior management contained in the corporate documents and checked the observance of the Company's remuneration policy.

At the end of the financial year, the Committee was informed of several organizational changes at senior management team, as well as the terms and conditions linked to these changes. The Committee reported favorably on the proposal and submitted it to the Board of Directors.

It also reported favorably on the appointment of Ferrovial's representatives to the Boards of Directors of its main subsidiaries and investees.

The Committee received information on the development of the voting recommendations of proxy advisors on the Directors' Remuneration Policy and the Annual Remuneration Report, and on the outcome of the vote on these two documents at the General Shareholders' Meeting.

In compliance with article 29 of the RBD, the Board of Directors has carried out the annual evaluation of the Board itself and its Committees. An external consultant assisted in this process.

During the year, the Committee formulated the report for evaluation by the Board (assuming as such the report on its activities in 2022).

The evaluation of the Committee has covered general issues (its composition, knowledge and skills of its members, independent actions and freedom of judgement, information provided to the Board on the work of the Committee, and dialogue with senior management), the dynamics of its operation (among other issues, planning of activities, meetings held and their duration, documentation of meetings, efficient use of time, participation of its members) and its responsibilities (performance and dedication to the relevant issues).

At the end of the financial year, the Committee proposed to the Board of Director a Policy for recovery of erroneously awarded compensation (Clawback Policy).

Human Capital Management. The Committee received reports on:

- diversity, equity and inclusion strategy deployment.
- the succession plan for the Chairman, the CEO and senior management team;
- talent management;
- engagement;

The Committee also received a report about a new global anti-discrimination and anti-harassment policy.

2.8 Other Board-related matters

2.8.1 Diversity

Pursuant to Dutch law, the Company is required to apply mandatory transitional quota of at least one-third women and at least one-third men in relation to appointments of non-executive directors. Subject to such exceptions as provided for by law, a resolution to appoint a non-executive director that does not contribute to the mandatory quota while the quota is not met, is null and void (*nietig*). In such event, the person in question will not become a

Non-Executive Director. The quota applies to new appointments, meaning companies can reappoint a non-executive director without complying with the one-third quota in respect of such re-appointment, but only where this happens within eight years after the year of the non-executive director's first appointment.

The Non-Executive Directors comprise of six male Non-Executive Directors and four female Non-Executive Directors. Accordingly, the composition of the Non-Executive Directors satisfies the quorum under this legislation.

Furthermore, pursuant to the Dutch Corporate Governance Code, the Company has approved a Diversity and Inclusion Policy which is published on Ferrovial's website. The Diversity and Inclusion Policy is designed to promote a diverse and inclusive work environment at all levels of Ferrovial. The main purpose of this Policy is to lay down the aspects and objectives of diversity within Ferrovial and the intended implementation and reporting on it. Ferrovial principles in promoting diversity and inclusion are as follows:

- Act in accordance with Ferrovial values and promote equal access to opportunities for all people to work under fair and equitable conditions.
- Leverage diversity's positive impact on the Group's competitiveness, profitability and sustainability. Through diversity, promote collective intelligence by strengthening our innovative capacity.
- Act in accordance with current legal regulations on diversity in the different countries where Ferrovial operates.

The Diversity and Inclusion Policy also sets specific, appropriate and ambitious targets in respect of gender diversity and the other diversity and inclusion aspects of relevance to the Company, with regard to the composition of the Board and a category of employees in managerial positions as determined by the Board. In particular, diversity targets are:

- The Board seeks to consist of at least one-third women and at least one-third men, which is currently fulfilled. The Board has approved a Board profile, which is available on Ferrovial's website. The Board Profile sets out: (i) the desired expertise and background of the Non-Executive Directors; (ii) the desired diverse composition of the Non-Executive Directors in accordance with the Company's Diversity and Inclusion Policy; (iii) the number of Non-Executive Directors; and (iv) the independence of the Non-Executive Directors as set out in the Dutch Governance Code.
- The Leadership Team (as defined below) seeks to consist of at least 30% women and at least 30% men by December 2025. For the purpose of this target, "Leadership Team" refers to Ferrovial's Management Committee, Corporate Directors, Business Units' Directors and their direct reports with "Head of" category. In addition, with respect to the goals articulated in the Diversity and Inclusion Policy, the applicable legal requirements of the relevant jurisdiction, including employment and labor law considerations, will be appropriately considered.

  As of 2023 year-end, the percentage of women in this group was 23.7%, having increased from 20% in 2020.

  To ensure compliance with the aforementioned target for the Leadership Team, Ferrovial has a global diversity and inclusion strategy that was approved in 2021. This strategy incorporates specific measures designed to ensure the presence of female talent across various echelons within the Leadership Team and throughout the organizational hierarchy. Among its core objectives, the strategy encompasses actions to attract, develop, promote, and retain women. These initiatives involve devising training plans tailored for the advancement of female talent, particularly focusing on our key female talent pools, vigilantly monitoring the gender pay gap, and promptly implementing corrective measures if needed. Furthermore, the company continually enhances its inclusive culture to promote equal opportunities.

Dutch companies meeting certain size criteria are also subject to Dutch statutory requirements to set gender diversity targets for their boards and senior management. Once these requirements formally apply to Ferrovial, Ferrovial will include in its board report disclosures as required under these rules.

2.8.2 Director's share ownership

The equity holdings of Directors in the share capital of the Company are:

MR. RAFAEL DEL PINO

152,251,078

shares (indirect through Rijn Capital B.V.)

174,580

units[1]

MR. ÓSCAR FANJUL

46,069

shares

MR. IGNACIO MADRIDEJOS

88,464
shares

193,825
units[2]

MS. MARÍA DEL PINO

61,137,580
(indirect through Menosmares, S.L.)

23,320
(direct)

MR. JOSÉ FERNANDO SÁNCHEZ-JUNCO

182,871
shares

MR. PHILIP BOWMAN

32,760
shares

MS. HANNE SØRENSEN

– –

MR. BRUNO DI LEO

– –

MR. JUAN HOYOS

5,931
shares

MR. GONZALO URQUIJO

215
shares

MS. HILDEGARD WORTMANN

– –

MS. ALICIA REYES

– –

1.The total number of units represents the sum of the units granted as part of the Long-Term Value Remuneration in the years 2021, 2022, and 2023. Units may convert into Shares, subject to the satisfaction of certain conditions, including performance criteria, and hence the number of Shares to be received at vesting may be lower than the total number of units included here.

2. The total number of units represents the sum of the units granted as part of the Long-Term Value Remuneration in the years 2021, 2022, and 2023. Units may convert into Shares, subject to the satisfaction of certain conditions, including performance criteria, and hence the number of Shares to be received at vesting may be lower than the total number of units included here.

2.8.3 Evaluation

For the ninth consecutive year, the Board has evaluated its operation and that of its Committees, the Executive Directors and the Non-Executive Directors with the support of an external consultant. The independence of such consultant was reviewed by the Nomination and Remuneration Committee. The Executive Committee, the Audit and Control Committee, and the Nomination and Remuneration Committee prepared an annual report on their functioning for assessment by the Board. Based on the conclusions and recommendations of this external consultant, the Board identified some possible improvements in relation to its operation.

Directors completed a comprehensive questionnaire prepared by the external consultant and participated in interviews with the consultant. The consultant then processed and evaluated the information, suggestions, and comments gathered, presenting the outcomes during a Board meeting.

The evaluation process encompassed several aspects, including: (i) tracking the progress of previously identified areas for improvement; (ii) addressing overarching issues influencing the Board, such as the number of Directors, their expertise and capabilities, training initiatives, independence, and decision-making abilities, as well as oversight of Committees; (iii) evaluating the operational dynamics, competencies, and interactions with the management team; and (iv) assessing the performance of the Chairman, CEO, and Secretary.

The external consultant advising on the evaluation process established that (i) the evaluation did not reveal any of the red flags most frequently raised in the evaluation processes; and (ii) in general, Directors are satisfied.

As a follow-up to the evaluation, the Non-Executive Directors concluded that (i) the Board meetings should begin with an introduction by the CEO on the Group's main issues; and (ii) that the Non-Executive Directors should meet at the end of each Board meeting. These changes have been implemented.

2.8.4 Conflict of interest

Pursuant to Dutch law and the Articles of Association, if a Director has a direct or indirect personal conflict of interest with the Company and its business as referred to in article 2:129(5) of the Dutch Civil Code (*Burgerlijk Wetboek*) (the "BW"), such Director may not participate in the Board's deliberations and decision-making on that matter.

According to the Board Rules, an Executive Director must, without delay, report any potential conflict of interest that is material to the Company or such Executive Director to the other Executive Directors and the Lead Director or, if the Chairman is an Independent Director, the Chairman. The Executive Director must provide all relevant information on this subject, including information relevant to the situation regarding his spouse, registered partner or life companion, foster child or relative by blood or marriage up to the second degree.

On the other hand, a Non-Executive Director must, without delay, report any potential conflict of interest that is material to the Company or such Non-Executive Director to the Lead Director or, if the Chairman is an Independent Director, the Chairman. If the conflict of interest concerns the Lead Director or, if the Chairman is an Independent Director, the Chairman, such report must be made to the Vice-Chairman. The Non-Executive Director must provide all relevant information on this subject, including information relevant to the situation regarding his spouse, registered partner or life companion, foster child or relative by blood or marriage up to the second degree.

The conflicts of interest procedure incorporated in the Board Rules reflects Dutch law and the principles and best practice provisions of the Dutch Governance Code with respect to them.

Rafael del Pino and María del Pino are brother and sister. Otherwise, there is no family relationship between any of the Directors or members of Senior Management.

2.8.4.1 Transactions in which there are conflicts of interest.

A company controlled by Mr. Rafael del Pino, the Chairman of the Company and shareholder with more than 10% in the Company's share capital, has hired Ferrovial Construcción, S.A., a wholly-owned subsidiary of the Company, as project manager in charge of the control and supervision of the construction and refurbishment works of certain real estate. The underlying works are being executed by third parties. The price of the project management contract is calculated with basis on the actual costs incurred by Ferrovial Construcción, S.A. in providing these services to which a multiplier of 1.4 is applied. The resulting price is similar to the price of these services when provided by Ferrovial Construcción, S.A. to other clients that are not related parties (market price). The estimated fees for the services provided under this agreement are approximately EUR 590,000.

Mr. Rafael, Mr. Ignacio and Mr. Juan del Pino Fernández-Fontecha, all of whom are sons of Mr. Rafael del Pino, the Chairman of the Company and shareholder with more than 10% in the Company's share capital, have entered into a construction contract with Ferrovial Construcción, S.A. in relation to the completion of the construction of a real estate. The contract is an "open book project" pursuant to which the final contract price will be calculated as the sum of the actual direct and indirect costs of the works, plus a fee of 8.9% (market price). The estimated contract price under this agreement is EUR 1,846,057.

In compliance with Article 39.9 of the Board Rules, both transactions (i) have been entered into in the ordinary course of business of Ferrovial Construcción, S.A.; (ii) are in compliance with the applicable laws; and (iii) have been approved by the Board of Directors of the Company, including a majority of votes cast by Non-Executive Directors, without the Director concerned having participated in the deliberations and the decision-making process. Best practice provisions 2.7.3 and 2.7.4 of the Dutch Governance Code have been complied with.

2.8.4.2 Transactions with shareholders that hold at least 10% of Ferrovial share capital.

There have been no transactions with material significance, other from the first one mentioned in section 2.8.4.1, with shareholders that hold at least 10% of the Company's share capital. Best practice provisions 2.7.5 of the Dutch Governance Code has been complied with.

3.SENIOR MANAGEMENT

Senior Managers are defined in the Board Rules as those persons who are members of the Management Committee of Ferrovial or who report directly to the Board, a Director or the Executive Committee.

<u>3.1 Management Committee</u>

The Ferrovial group's daily management is performed by the Management Committee, consisting of the CEO and certain other members of the Senior Management.

The members of Management Committee are:

Mr. Ignacio Madridejos:Chief Executive Officer of Ferrovial.
Mr. Dimitris Bountolos: Chief Information and Innovation Officer
Mr. Luke Bugeja: Chief Executive Officer of Ferrovial Airports
Mr. Carlos Cerezo: Chief Human Resources Officer
Ms. María José Esteruelas: Chief Executive Officer of Ferrovial Energy
Mr. Ignacio Gastón: Chief Executive Officer of Ferrovial Construction
Mr. Ernesto Lopez Mozo:Chief Financial Officer
Mr. Santiago Ortiz Vaamonde: Secretary of the Board and General Counsel
Ms. María Teresa Pulido: Chief Strategy Officer
Mr. Andrés Sacristán:Chief Executive Officer of Cintra (Toll Roads)

<u>3.2 Other Senior Managers</u>

Other Senior Managers that are not part of the Management Committee but report directly to the Board, a Director or the Executive Committee are:

Mr. Valentín Alfaya: Director of Sustainability
Mr. Alberto Ferreiro: Director of Internal Audit
Mr. Benjamín Juárez: Director of Health, Safety and Wellbeing
Ms. Patricia Leiva: Director of Communication and Corporate Social Responsibility
Mr. Pedro Montoya: Chief Compliance and Risks Officer
Mr. Gonzalo Nieto: Chief Executive Officer of Mobility & Services

There are three women within the Senior Management, which represents a 20% of its members. See Section 2.8.1 for further details on Ferrovial's global diversity and inclusion strategy.

3.3 Biographies of the Senior Managers

Ignacio Madridejos

CEO

Civil Engineer (Polytechnic University of Madrid); MBA (Stanford University).
CEO of Ferrovial SE since 2023 (and of Ferrovial, S.A. since 2019).
Former Regional President of CEMEX USA; Regional President of CEMEX Northern Europe; global responsible of CEMEX Energy, Security and Sustainability areas; President of CEMEX Spain; and CEO of CEMEX Egypt. He previously worked at McKinsey and Agroman. He was also President of OFICEMEN (Spanish Association of Cement Manufacturers), IECA (Spanish Institute of Cement and its Applications), and CEMBUREAU (European Cement Association).

Dimitris Bountolos

Chief Information and Innovation Officer

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

Luke Bugeja

Chie Executive Officer
of Ferrovial Airports

MBA from Deakin University and Diploma in Tourism and Travel from William Angliss College (both in Melbourne). He has spent most of his career in aviation industry and airport infrastructure with operational, commercial, and financial experience in airlines, airports and investment management. Most recently, he was an operating partner at Hermes GPE and was responsible for their transport investments. Previously, he held senior executive positions at OMERS (Ontario Municipal Employees Retirement System), Ontario Airport Investments and Macquarie Bank Limited / Map Airport. Over a period of 14 years, he has held senior positions at Changi Airports International in Singapore and airports in London City, Brussels and Bristol. He has 16 years of experience in the airline business, having worked at Virgin Blue and Qantas Airways. In May 2021 he was named CEO of Ferrovial Airports.

Carlos Cerezo

Chief Human Resources Officer

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

María José Esteruelas

Chief Executive Officer of Ferrovial Energy

Degree in Industrial Electrical Engineering from ICAI (Comillas Pontifical University, Madrid), Master's Degree in Operations Management from IE Business School and a PDG from IESE Business School. She joined Ferrovial in 2021 as Managing Director of Energy Solutions. Previously, she developed her career in Abengoa, where she has held various positions in different areas, including Director of Concessions, Director of Latin America, Director of the Energy Division, Director of the Americas Region and member of the Executive Committee. Since February 2019, she was a member of the Board of Directors of Applus+.

Juan Ignacio Gastón

Chief Executive Officer of Ferrovial Construction

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

Ernesto López Mozo

Chief Financial Officer

Civil Engineer (Polytechnical University of Madrid) and holds an MBA from The Wharton School of The University of Pennsylvania. In October 2009 he was appointed Chief Financial Officer of Ferrovial. Previously, he held various management positions at Telefónica Group, JP Morgan and Banco Santander. He worked in Civil Engineering before obtaining the MBA degree. Member of the IFRS Advisory Council (2013-2015). Appointed Chairman of the Board of Directors of Directors of Aegon España, S.A. in 2023 (member of the board during 2016-2023). He is Vice President of the Audit and Control Committee.

Santiago Ortiz Vaamonde

Secretary of the Board
and General Counsel

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

María Teresa Pulido

Chief Strategy Officer

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

Andrés Sacristán

Chief Executive Officer of
Cintra (Toll Roads)

Civil Engineer from Madrid Polytechnical University. He began his career with Cintra in 2001 holding several positions in the car parks division, including Head of Development, before moving on to the toll roads division where he served as Head of Operations at Eurolink M4 (Ireland) and Managing Director of Radial 4 (Madrid). In 2010, he was appointed Country Manager for Spain and a member of the Executive Committee. In 2013, he became Head of Europe and also took charge of the Australian and Colombian markets in 2015. In 2017, he was appointed Director for Canada and CEO of 407 ETR. In 2020, Andrés Sacristán took over the management of Cintra US, where the company built and operates five innovative managed lanes projects. He was appointed CEO of Cintra in 2021.

Biographies of Other Members of Senior Management

Valentín Alfaya
Sustainability Director

Ph.D. cum laude in Biology (Complutense University, Madrid), and a M.Sc. in Environmental Engineering (EOI Business School, Madrid). Professional career in various sectors extends over 25 years, currently as Sustainability Director at Ferrovial. Between 2004 and 2008 he performed also as Group Risk Manager. Founder and former Chairman of the Spanish Green Growth Group, member of the Governing of the EIT Climate-KIC and the Advisory Board at REDS (Spanish chapter of the UN-SDSN), among other institutions. Author of several books and scientific papers, he teaches regularly at Rey Juan Carlos University (Madrid) and Comillas Pontificia University (ICAI).

Alberto Ferreiro
Chief Audit Executive (CAE)

Business degree from ICADE, Master in Finance from CUNEF, AMP from IESE and GSMP from the University of Chicago Booth School. In May 2008 he joined Ferrovial when he was appointed Chief Audit Executive. All his professional life has been devoted to internal audit in leading international and diversified groups. He started in Banco Santander in 1991, moved to Union Fenosa (now Naturgy) in 2000, before joining Ferrovial in 2008. He actively works with the internal audit industry in promoting its value to the organizations.

Benjamin Juarez
Director of Health, Safety and Wellbeing

Bachelor of Science from the University of Nevada Las Vegas (UNLV), Master of Science from Eastern Kentucky University (EKU), he also holds the Certified Safety Professional (CSP), and Construction Health and Safety Technician (CHST) designations from the Board of Certified Safety Professionals. In February 2023 he was appointed as the Global Director of Health, Safety and Wellbeing. Benjamin is a safety professional and organizational leader with 20 years of construction industry experience. He has led teams of safety professionals across 17 countries in Europe, Middle East, Asia, and North America, and led the digital transformation of health and safety across a global organization.

Patricia Leiva

Director of Communications & CSR

Degree in Communications from the Complutense University of Madrid and a PDD from the IESE Business School.
She has more than 20 years of experience. As a journalist, she worked at ABC, Cadena COPE and Europa Press, where she specialized in economic information. In corporate communications, she was head of External Communications and Media Relations at KPMG and executive vice president of Communications, Corporate Responsibility and Institutional Relations at ING DIRECT. Until her appointment at Ferrovial, she held the position of director of Communication, Institutional Relations and Sustainability for Mahou San Miguel.

Pedro Montoya

Group Chief Compliance and Risk Officer

A graduate in Law from the Complutense University of Madrid, LLM from IE Business School and IESE PDD management program. He started his professional career in Procter & Gamble in 1986, later joined the C.A.S.A. legal department in 1991, where he was General Counsel and General Secretary. In 2001, he was brought into EADS (later renamed AIRBUS), where he held several positions in the legal department. In 2006, he was appointed General Counsel International, and in 2008, Group Chief Compliance Officer. In 2018 he was appointed Chief Compliance and Risk Officer at ALEATICA.

Gonzalo Nieto

CEO Ferrovial Mobility and Services

Degree in Physics from the Complutense University of Madrid and an MBA from the Stern School of Business in New York. He joined Ferrovial Services in 2004 where he held different positions in Business Development area, Amey, Cespa and as director of the International and Transformation divisions. Before joining Ferrovial, he worked at McKinsey and Merrill Lynch, among other companies.

4. GENERAL MEETING, SHARE CAPITAL AND VOTING RIGHTS

4.1 General Meeting and its Powers

4.1.1 Place and Time of the General Meeting

General Meetings, unless held fully electronically where permitted by law, are held in the municipality where the Company has its seat (Amsterdam), or in Rotterdam, The Hague or Utrecht, in the Netherlands. Each year, the Board convenes at least one General Meeting to be held within six months after the end of the Company's financial year. Extraordinary General Meetings may be held as often as the Board deems desirable. In addition, subject to applicable law, one or more persons with the right under Dutch law to attend a general meeting ("Meeting Rights") individually or jointly representing at least 10% of the outstanding share capital may request the Board in writing to convene a General Meeting.

4.1.2 Calling and Agenda of the Meeting

The notice calling a General Meeting is issued by an announcement, which is published electronically and which is directly and permanently available until the time of the General Meeting. The notice must state the subjects to be dealt with, the time and place (where applicable) of the meeting, the record date, the manner in which persons entitled to attend the General Meeting may register and exercise their rights, the time by which registration for the meeting must have occurred, as well as the place where the meeting documents may be obtained, and such other information as may be required by Dutch law. The notice must be given by at least 42 days prior to the day of the meeting.

The agenda for the annual General Meeting, among other things, typically includes the adoption of the Annual Accounts, the discussion of any substantial change in the corporate governance structure of the Company and the allocation of the profit, insofar as this is at the disposal of the General Meeting. At least every four years, the adoption of the remuneration policy for the Board is included in the agenda.

Subject to applicable law, items requested to be added to the agenda by one or more persons with Meeting Rights in writing, individually or jointly representing at least 3% of the outstanding share capital, will be included in the notice calling the General Meeting or announced in the same manner if the Company has received the substantiated request no later than 60 days before the day of the General Meeting.

4.1.3 Conduct of the General Meeting

General Meetings are chaired by the Chairman or such other person as determined in accordance with the Articles of Association. The Directors may attend a General Meeting. In these General Meetings, they have an advisory vote, *i.e.*, a Director may indicate to the General Meeting how he or she would vote, but such advisory vote does not have formal voting power in the General Meeting. The chairperson of the General Meeting may decide at his or her discretion to admit other persons to the General Meeting.

Each shareholder (as well as other persons with voting rights or Meeting Rights) may attend the General Meeting, address the General Meeting and exercise voting rights *pro rata* to his or her shareholding, either in person or by proxy.

Shareholders may exercise these rights, if they are the holders of shares on the 28th day before the day of the General Meeting and they have timely registered to attend the General Meeting.

The notice shall state the record date and the manner in which the persons entitled to attend the General Meeting may register and exercise their rights.

4.1.4 Resolutions of the General Meeting and amending the Articles of Association

Each share confers the right to cast one vote in the General Meeting, and resolutions are adopted by a simple majority of votes cast without a quorum requirement being applicable, subject to certain exceptions provided by Dutch law or the Articles of Association. Pursuant to Dutch law, no vote may be cast at the General Meeting on a share held by the Company or a subsidiary. If there is a tie in voting, the proposal will be rejected.

The Articles of Association stipulate that certain resolutions necessitate a majority exceeding a simple majority of votes cast. Specifically, the limit and exclusion of pre-emptive rights, the reduction of share capital, and amendments to the Articles of Association require a majority of at least two-thirds of votes cast if less than one-half of the issued share capital is represented at the meeting. The Articles of Association stipulate that certain resolutions may only be adopted upon a proposal thereto by the Board. These include resolutions on the amendment of the Articles of Association, on legal mergers and legal demergers, the appointment of Directors, the issue of shares, limitation or exclusion of pre-emptive rights, the reduction of share capital, distributions in kind, the remuneration policy, and dissolution.

If a proposal is made to the General Meeting to amend the articles of association, this must be stated in the notice convening the General Meeting, and a copy of the proposal, stating the proposed amendment verbatim, must be made available for inspection by every Person with Meeting Rights at the Company's office from the day of the convocation of the relevant General Meeting until the end of such General Meeting.

4.1.5 General Meetings in 2023

The Annual General Meeting of Ferrovial S.A. was held on April 13, 2023 in Madrid (Spain), with an attendance quorum of 77.6%. All the resolutions proposed by the Board were approved and are available on Ferrovial's website. Prior to the Merger Effective Time, Ferrovial S.A., as sole shareholder of Ferrovial International SE, adopted certain general meeting resolutions in respect of Ferrovial SE in connection with the Merger.

4.2 Share capital

Pursuant to the Articles of Association, Ferrovial's authorized share capital amounts to EUR 30,000,000 representing 3,000,000,000 shares with a nominal value of EUR 0.01 each.

The issued share capital per 31 December 2023 is:

Issued share capital (€)	Number of shares	Number of voting rights	Registration date
7,406,883.65	740,688,365	740,688,365	22 November 2023

4,759,301 shares were held in treasury per 31 December 2023.

All issued shares are fully paid-up.

Each share gives the right to cast one vote at the General Meetings. All shareholders have the same voting rights. There are no different types of shares with different associated rights.

4.3 Transfer of shares, special voting rights and restrictions voting rights

The transfer of shares (not being, for the avoidance of doubt, a beneficial entitlement to a share held through the systems of the Depository Trust Company ("DTC"), Iberclear, Euroclear Bank or Euroclear Nederland) requires a deed executed for that purpose and, save in the event that the Company itself is a party to the transaction, written acknowledgement of that transfer by the Company.

Serving of the deed of transfer or of a certified notarial copy or extract of that deed, on the Company, will be the equivalent of acknowledgement. This applies equally to the creation of a right of pledge or a right of usufruct on a share, provided that a right of pledge may also be established without acknowledgement by, or service on the Company, with due observance of section 2:86c(4) BW.

There are no restrictions on the transferability of shares in the Articles of Association or under Dutch law. However, the transfer of the shares into jurisdictions other than the Netherlands and Spain may be subject to specific regulations or restrictions.

There are no agreements between shareholders which are known to the Company that may result in restrictions on transfer of shares or the exercise of voting rights.

4.4 Issue and repurchase of (rights to) shares

4.4.1 Issuance of Shares

Pursuant to the Articles of Association, the Board resolves on the issue of shares and determines the issue price, as well as the other terms and conditions of the issue, if and insofar as the Board has been authorized by the General Meeting to issue shares with due observance of the applicable statutory provisions. Unless otherwise stipulated at its grant, the authorization cannot be withdrawn without a proposal thereto by the Board. The authorization of the Board may be extended by specific consecutive periods with due observance of applicable statutory provisions. If and insofar as the Board has not been authorized, the General Meeting, pursuant to a proposal thereto by the Board, resolves on the issue of shares and determines the issue price, as well as the other terms and conditions of the issue. The above equally applies to the granting of rights to subscribe for shares, such as options, but is not required for an issue of shares pursuant to the exercise of a previously acquired right to subscribe for shares. The Company may not subscribe for its own shares on issue.

The Board has been authorized by the General Meeting, for a period of eighteen months from the Merger Effective Time, to issue shares, or grant rights to subscribe for shares, for an amount up to 10% of the Company's issued share capital. In addition, the Board has been authorized, for a period of eighteen months from the Merger Effective Time, to resolve to issue shares in relation to a one or more scrip dividends, materially in the amount of the scrip dividends approved by the Ferrovial, S.A. general meeting held on 13 April 2023.

4.4.2 Acquisition by the Company of its Shares

The Company may acquire fully paid-up shares if and insofar the General Meeting has authorized the Board to do so with due observance of the statutory provisions.

The Company may acquire fully paid-up shares at any time for no consideration or, subject to Dutch law and the Articles of Association, if: (i) the distributable part of the shareholders' equity is at least equal to the total purchase price of the repurchased shares, (ii) the aggregate nominal value of the shares that the Company acquires, holds or holds as pledge or that are held by a subsidiary does not exceed 50% of the issued share capital, and (iii) the Board has been authorized by the General Meeting to repurchase shares.

No authorization from the General Meeting is required if the Company repurchases fully paid-up shares for the purpose of transferring these shares to employees of the Company or of a Group Company pursuant to any applicable equity plan, provided that the shares are quoted on an official list of a stock exchange.

The Company may acquire shares against payment in cash or in a form other than cash.

The Company or a subsidiary may not cast votes on shares held by it nor will such shares be counted for the purpose of calculating a voting quorum. Usufructuaries or pledgees of shares belonging to the Company or any of its subsidiaries are not excluded from voting if the right of usufruct or the right of pledge was created before such share was held by the Company or any of its subsidiaries. The Company or a subsidiary may not cast a vote in respect of a share on which it holds a right of usufruct or a right of pledge.

When determining the allocation of an amount to be distributed, shares held by the Company in its capital are not taken into account, unless those shares are encumbered with a right of usufruct or a right of pledge. The Board is authorized to dispose of the Company's own shares held by it.

The Board has been authorized by the General Meeting, for a period of eighteen months from the Merger Effective Time, to resolve on the acquisition of shares provided that the Company and the Group Companies do not hold more than 10% of the Company's issued share capital, and against a price of up to 125% of their quoted price on a market on which the shares are listed, as determined by the Board, on the date of repurchase.

Pursuant to this authorization, the Company has agreed to implement a share buy-back program, with the purpose of reducing its issued share capital. The share buy-back program has a maximum investment of 500 million euro, and the number of shares to be acquired under the share buy-back program may in no case exceed 34 million of shares. The share buy-back program has been authorized from 1 December 2023 to 1 May 2024.

4.4.3 Capital Reduction

Pursuant to a proposal of the Board, the General Meeting may decide to reduce the issued share capital with due observance of article 2:99 BW. The issued share capital may be reduced by reducing the nominal value of shares by means of an amendment to the Articles of Association or by cancelling shares.

A resolution of the General Meeting to reduce the share capital requires a majority of at least two-thirds of the votes cast, if less than one-half of the issued share capital is present or represented at the General Meeting or a simple majority if one-half or more of the issued share capital is present or represented at the General Meeting.

A resolution to cancel shares can only relate to those held by the Company itself or all shares of a particular class. In addition, Dutch law contains detailed provisions regarding the reduction of capital. A resolution to reduce the issued share capital shall not take effect as long as creditors have legal recourse against the resolution.

The General Meeting has resolved to cancel shares as these may be held by the Company from time to time. The number of shares that will be cancelled will be determined by the Board. The cancellation may be implemented by the Board in one or more tranches. This resolution will lapse 18 months after the Merger Effective Time.

4.5 Major shareholders and related party transactions

4.5.1 Major Shareholders

The following table sets out the shareholders (either directly or indirectly) holding a substantial interest (*substantiële deelneming*) (*i.e.*, a holding of at least 3% of the share capital or voting rights) in the Company (the "Major Shareholders"). This list of Major Shareholders is based on the information published on the website of the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten, AFM*) on major shareholders in the Company as at 31 December 2023.

	Amount of Share Capital Owned		
Shareholder	Number / class of Shares	Percentage of share capital	Percentage of Voting Rights
Rafael del Pino	152,251,078	20.56%	20.56%
María del Pino	61,160,900	8.26%	8.26%
Leopoldo del Pino	30,924,323	4.17%	4.17%
Blackrock Inc.	23,276,732 [(1)]	3.14%	3.88%
TCI Fund Management Ltd	72,970,294 [(2)]	9.85%	9.85%
Bank of America Corporation	39,592,791 [(3)]	5.35%	5.35%
Lazard Asset Management LLC	38,974,088	5.26%	4.99%

[(1)]This figure also includes contracts for difference.
[(2)]This figure also includes swaps.
[(3)]This figure also includes swaps and put options.

The Company is not directly or indirectly controlled. The Company is not aware of any arrangement that may, at a subsequent date, result in a change of control.

4.5.2 Related-Party Transactions

Information on related party transactions is included in the note 6.8 to the consolidated financial statements of Ferrovial and its group of companies.

5. CHANGE OF CONTROL ARRANGEMENTS AND SPECIAL RIGHT OF CONTROL.

5.1 Cooling-Off Period in Response to Shareholder Activism or Hostile Take-Over

The board of a Dutch listed company, such as the Company, may invoke a statutory cooling-off period with a maximum of 250 days (*wettelijke bedenktijd*). During such cooling-off period, the General Meeting would not be able to dismiss, suspend or appoint Directors or amend the provisions in the Articles of Association relating to such matters.

The legislation allows the Board to invoke a cooling-off period in case:

- one or more shareholders who (jointly or individually) have the right to include an item on the agenda of a General Meeting as referred to under Section 4.1.1, propose an agenda item for the General Meeting to consider a proposal for the appointment, suspension or dismissal of one or more Directors or a proposal for the amendment of one or more provisions in the Articles of Association relating to such matters; or
- a public offer for the shares is announced or made without the Company's support for such offer, provided, in each case, the Board considers such proposal or offer to be materially conflicting with the interests of the Company and its business.

5.2 Rules Governing Obligations of Shareholders to Make a Public Takeover Bid

Pursuant to the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) ("FMSA") and Dutch Decree on public takeover bids (*Besluit openbare biedingen*), and in accordance with European Directive 2004/25/EC, also known as the takeover directive, any shareholder who (individually or jointly) directly or indirectly obtains control of a Dutch listed company is required to make a public takeover bid for all issued and outstanding shares in that company's share capital. Such control is deemed present if a (legal) person is able to exercise, alone or acting in concert, at least 30% of the voting rights in the general meeting of such listed company (subject to an exemption for Major Shareholders who, acting alone or in concert, already had such stake in the company at the time of that company's initial public offering).

In addition, it is prohibited to launch a public takeover bid for shares of a listed company, such as the shares of the Company, unless an offer document has been approved. Pursuant to Article 4(2)(a) of European Directive 2004/25/EC, as implemented in Article 4:74(2)(a) FSMA, the AFM shall be the authority competent to supervise such public takeover bid and approve such offer document. A public takeover bid may only be launched by way of publication of an approved offer document unless a company makes an offer for its own shares. The public takeover bid rules are intended to ensure that in the event of a public takeover bid, among others, sufficient information will be made available to the shareholders, that the shareholders will be treated equally, that there will be no abuse of inside information and that there will be a proper and timely offer period.

5.3 Significant agreements with change of control clauses

Significant agreements of the Company that incorporate change of control clauses include the following:

- Ferrovial has had a Multicurrency Revolving Facility Agreement with certain financial institutions since April 2014. This stipulates early repayment in the event of a change in control at Ferrovial, authorizing each of these institutions to withdraw the financing given on an individual basis for 90 days thereafter. In 2022 Ferrovial entered into a series of loans/lines of credit with several banks that include, among other reasons for early termination, a change of control of Ferrovial.
- In July 2014, March 2017 and May, June and November 2020, Ferrovial Emisiones, S.A. (a subsidiary of the Company) issued bonds admitted to trading on the AIAF fixed income market, guaranteed by Ferrovial and maturing in 2024, 2025, 2026, 2026 and 2028, respectively. Section 7(c) of the Terms and Conditions included in the issue prospectuses establishes as an event of total or partial early redemption, at the option of the bondholders, the occurrence of a change of control of Ferrovial that also results in the loss or downgrading of Ferrovial's rating.

  In September 2023, Ferrovial SE issued sustainability-linked bonds admitted to trading on Euronext Dublin, maturing in 2030. Section 6 (c) of the Terms and Conditions included in the issue prospectus, establishes as an event of total or partial early redemption, at the option of the bondholders, the occurrence of a change of control of Ferrovial SE, that also results in the loss or downgrading of Ferrovial SE´s rating.

  In December 2016 and November 2017, Ferrovial and several of its subsidiaries entered into counter-guarantee contracts with several insurance companies for the issuance of bonding guarantees on behalf of Ferrovial Group companies. The contracts include the ability of insurers to request counter-guarantees in cash if there is a change of control at Ferrovial.
- The Company and its group are also party to less significant contracts, mainly of financial nature, that require authorizations or set conditions for a change of control or corporate transactions such as a merger or spin-off. These include a change of control in Ferrovial among the grounds for early termination.
- There are also contracts with suppliers of IT services that include a change of control in Ferrovial among the grounds for early termination.

5.4 Employment, Service and Severance Agreements

There are no agreements between the Company and its directors or senior managers that provide for indemnities, guarantee or golden parachute clauses when they resign or are dismissed without just cause or if the contractual relationship comes to an end as a result of a takeover bid.

6. COMPLIANCE AND OTHER POLICIES OF FERROVIAL

Ferrovial management report contains specific sections regarding sustainability and environment; human rights; health, safety and wellbeing; integrity; and tax management. Please see these sections for detailed information on these matters.

6.1 Code of Ethics and Business Conduct

The Code of Ethics and Business Conduct (the "Code") is the most important document of the Ferrovial internal regulations and it is the founding stone of its compliance program, which aim is to promote a culture of integrity and establish a common process for monitoring and controlling the Company's compliance risks under the principle of "zero tolerance" for the commission of irregularities or criminal acts. The Code is available on Ferrovial's website.

The Code is applicable to all group companies and establishes the basic principles to which its directors, managers and employees must adhere.

Pursuant to the Code, the key principles of Ferrovial business conduct are:

- Compliance with the Law: the activities of Ferrovial shall be conducted in strict compliance with the applicable law.
- Respect for Human Rights: All actions carried out by Ferrovial and its employees shall strictly comply with the human rights and public liberties included in the Universal Declaration of Human Rights.
- Integrity: The business and professional activities of Ferrovial and its employees shall be based on integrity, honesty, preventing corruption and maintaining respect for the individual circumstances and needs from every person involved.

These key principles are embodied in a series of commitments: regarding (i) Ferrovial relationship with and among its employees (respectful treatment and prevention of discrimination; abolition of child labor; equal opportunities; workplace health and safety; respect of confidentiality and privacy of employee data; encouraging personal and professional balance); (ii) compliance with applicable laws (relationships with governments; anti-corruption laws; inside information; anti-money laundering laws; fair competition; accurate books and records); (iii) with third parties and the market (quality; confidentiality of third-party data; transparency, creating value and corporate governance; protection of company property; and conflicts of interest); and (iv) with the community (environment and social).

The Compliance Program is directly supervised by the Board through the Audit and Control Committee, under the chairmanship of the Compliance and Risk Director. The Compliance and Risk Director reports periodically to the Audit and Control Committee and at least once a year to the Board on the effectiveness of the Compliance Program. The latter includes a review of the controls established for compliance with the Code of Ethics and Business Conduct and other compliance regulations.

The Compliance and Risk Director also report at each meeting of the Audit and Control Committee on the performance of the Ethics Channel, which is the mechanism established by the Company to facilitate the communication of any possible irregularity, non-compliance or behavior contrary to ethics, legality and Ferrovial internal rules by Ferrovial employees or third parties. Please see the Ethical and Responsible Management section of the management report for further information on the Ethics Channel.

6.2 Anticorruption Policy

Ferrovial has an Anti-Corruption Policy, available on Ferrovial's website.

The Anti-Corruption Policy governs the behavior of all directors, officers and employees of Ferrovial and its group of companies, as well as their business partners, in the conduct of business, bearing in mind that Ferrovial has implemented a policy of "zero tolerance" of any practice that may be deemed as corruption or the giving or receipt of bribes. The Anti-Corruption Policy will govern the interactions between Ferrovial or any companies that comprise the group and any person, including but not limited to public officials.

In addition to the voluntary commitments with integrity and business ethics, the Anti-Corruption Policy mandates strict compliance with applicable anticorruption laws worldwide, including any laws prohibiting the giving or receiving of bribes and corrupt practices, including but not limited to the Dutch Criminal Code, the Spanish Criminal Code, the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act 2015, the United Nations Convention against Corruption and the OECD Anti-Bribery Convention.

6.3 Code of Conduct in the Securities Market

Ferrovial has a Code of Conduct in the Securities Markets, also available on Ferrovial's website.

The Code sets forth the guidelines and prohibitions for Directors, managers and employees regarding the legal and regulatory duties and sanctions applicable to insider trading and unlawful disclosure of inside information/material nonpublic information. In addition, the Code regulates other matters, such as the blackout periods, insiders list, or notification obligations that have to be fulfilled under Dutch law by members of the Board or other Persons Discharging Managerial Responsibilities when dealing in securities of Ferrovial.

The Code of Conduct in the Securities Market is also applicable to persons closely associated (immediate family members or members of the same household and legal entities closely linked) with the members of the Board, managers and employees.

7. FINANCIAL REPORTING AND AUDIT

7.1 Main characteristics of the internal control system over financial reporting

Ferrovial has implemented a system of internal control over financial reporting based on the model outlined by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO"), known as the Internal Control Framework for Reporting Standards (the "ICFRS"). This framework delineates the internal control system as a set of rules, procedures and tools designed to reasonably ensure the financial information (i) fairly depicts, in all material respects, the financial condition, cash-flows and results of operations of the Company and (ii) it is free from material errors. The reliability, accuracy, completeness and timeliness of information significantly contribute to meeting this objective. The periodic evaluation of the internal control system is essential to ensure it remains effective.

The subsequent paragraphs delve into the specifics of the ICFRS framework currently in place.

7.2 Responsibilities

The Board of Directors is responsible for supervising the internal control over financial reporting system. Additionally, the Audit and Control Committee is tasked with supervising the effective functioning of the Company's internal control, including the ICFRS, relying on support from the Internal Audit function.

The practical design, implementation, and maintenance of the ICFRS are responsibilities assigned to the members of the Management Committee, who rely on the Corporate Finance Department to globally lead and oversees all phases of the process, as outlined in the 'General Framework for the Operation of the Internal Control over Financial Reporting System'. This framework is available to all employees through the Company's intranet. Notably, this responsibility extends beyond the Finance Department, encompassing the entire organization, including Human Resources, Legal Advisory, Information Systems, and all the Business Divisions.

The Corporate Finance Department provides periodic status reports to the Audit and Control Committee. Additionally, on a yearly basis, a report on internal control is presented to the Board of Directors.

7.3 The Process

Identifying risks of error in financial reporting is one of the most important stages within the ICFRS process, the purpose of which is to ensure (with reasonable security) the reliability of the financial information disclosed to the market.

The ICFRS process, also known as the 'ICFRS Annual Wheel', is aligned with the COSO III Enterprise Risk Management Framework. This wheel provides a structured approach to manage internal controls systematically throughout the year, ensuring reliability in financial reporting and compliance with accounting regulations. The process encompasses several key stages:

- Scope Definition: Determining the legal entities and processes for which internal controls are essential to ensure reliability of the consolidated financial statements.
- Process and Control Updates: Periodically revising process documentation and enhancing controls.
- Self-Assessment of Control Effectiveness: Evaluating the design and operational efficiency of the identified key controls.
- Risk Assessment: Evaluating residual risks associated with financial reporting.
- Results Update ("Rolling Forward"): Incorporating changes and addressing post-evaluation control shifts.
- Annual Certification: Certifying the financial information's accuracy.
- Internal audit of the controls.

These stages are supported by IT tools, facilitating comprehensive management of the process and enabling clear assignment of responsibilities for executing and documenting controls.

The methodology is based on the analysis of the financial information in the various companies controlled by Ferrovial, selecting the material financial statement lines according to quantitative and qualitative criteria (mainly financial statement lines that involve judgements, estimations and complex calculations, and which are at risk of fraud). In this stage, risks of error and fraud in the financial information are identified, in relation to the existence, completeness, accuracy, valuation, presentation and disclosures, rights and obligations associated with the financial statement lines within the scope. The main financial statements lines are grouped into processes that are analyzed and for which a narrative is prepared describing the information generation process and the main associated controls.

The risk assessment is carried out once a year, based on the functioning of the key controls implemented. The most significant observations and residual risks are presented to the Board of Directors and Audit and Control Committee.

The results of the self-assessment of controls are ratified during the “Roll Forward” phase, checking whether between the date of the evaluation of controls (September) and the end of the year there have been significant changes in the processes, systems and/or in the organization that could affect internal control. The Roll Forward is launched in January together with the self-assessment of the annual frequency controls associated with the year-end closing. Also, when issues are identified in the self-assessment process, action plans are defined to ensure they are solved.

The process of identifying risks of error in financial information considers the effects of other types of risk, mainly operational, technological, legal, tax and labor risks, to the extent that they affect the financial statements. These risks are assessed and managed by the businesses and the various corporate functions, such as the Information and Innovation Systems Department hereinafter the “DGSSII”, Tax Department, Legal Department, Human Resources Department and others.

Ferrovial has also documented its entity level controls, following the principles of the COSO III framework, and the Information Technology General Controls following the international standard included in the Corporate Information Security Model. This includes internal control policies and procedures for IT systems (including secure access, control of changes, system operation, continuity and segregation of duties) giving support to key company processes regarding the preparation and publication of financial information.

On an annual basis, the Information Systems Directors of the main subsidiaries and business units, as well as the Group’s Global CISO, carry out an evaluation of the effectiveness of the internal controls implemented on the main information systems that support the financial reporting processes in their respective areas of responsibility (local and corporate environments). This assessment provides an overview of the main risks associated with the use of Ferrovial’s digital products and services and information, as well as facilitating the definition and implementation of action plans to manage the identified risks.

Based on all the key ICFR activities undertaken during 2023, together with the action plans in place to address residual risks, it has been concluded that the 2023 aforementioned systems provide reasonable assurance that the company’s financial reporting does not contain any material inaccuracies.

7.4 Monitoring of the system

Ferrovial has an Internal Audit Department that reports to the Audit and Control Committee. The scope of the Internal Audit Department’s work includes all companies in the Ferrovial Group.

The scope of the reviews and analysis carried out by the Internal Audit Department includes the following:

- Financial statements.
- Business plans, budgets and financial models.
- Non-financial information.
- Design, effectiveness and efficiency of processes and internal controls.
- Compliance with applicable internal and external regulations.
- Integrity and functional sufficiency of information systems, and
- The adequacy of organizational responsibilities.

The Internal Audit Department provides regular updates to both the Executive Committee and the Audit and Control Committee.

7.5 Process of preparing the annual accounts

The preparation of the Annual Accounts starts with the creation of the annual closing calendar by the Finance department, that includes the main tasks to be performed to prepare the consolidated Annual Accounts of the Group. It is a bottom-up process where controls are defined for key activities: all the accounting closing activities carried out at corporate level, such as the full consolidation process, the breakdown of the notes to the financial statements and the preparation of the cash flow statement have their own controls.

At transactional system level, Ferrovial has a harmonized system, internally called “corporate” SAP, which includes most Group companies. The companies outside this “corporate” SAP have their own transactional systems, all of them developed under the SAP platform. The mechanism for capturing and preparing the information that supports Ferrovial’ s consolidated financial statements is mainly based on a consolidation tool known as SAP BPC. The companies and subgroups not included in the corporate SAP application upload their end of period financial information into this application. A large part of the information supporting the breakdowns and notes to the financial statements is included in the consolidation tool, with the remainder being captured using standard-format spreadsheets, called Reporting Packages, which are prepared for half-yearly and annual closes.

The information reported for the preparation of the Group’s consolidated financial statements is certified by different levels of the organization in a bottom-up process. Thus, the businesses and main subsidiaries’ Chief Executive Officers and Chief Financial Officers certify the financial information of their areas of responsibility. This certification includes an explicit mention of their responsibility for maintaining a system of internal control that enables the financial information to be free from material error or fraud. It also includes a statement regarding the self-assessment exercise of the effectiveness of the controls and that the results obtained do not give rise to any significant deficiency or material error in the financial information.

The financial statements are submitted to the Board for their formulation. In addition, prior to publication and approval by the Board, the General Finance Department submits to the Audit and Control Committee the annual financial statements, highlighting the main judgements and estimates made in the most complex areas or those with the most significant accounting impact.

The external auditor periodically participates in the Audit and Control Committee, presenting their scope, planning, identification of key risks, conclusions of interim work and final conclusions of the audit. They also submit any internal control weaknesses found during its audit work to the Audit and Control Committee, on a yearly basis. These weaknesses are incorporated into the ICFRS action plan; the Corporate Finance Department is responsible for designing an action plan to correct such shortcomings and for reporting progress to the Audit and Control Committee and Internal Audit for supervising its completion.

7.6 Appointment of the group external auditor

In accordance with Dutch law, Ferrovial’s external auditor is appointed by the General Shareholders Meeting, based on a nomination for appointment by the Board. The Board bases its nomination on the advice from the Audit and Control Committee, who annually provide a report to the Board on the performance of and relationship with the external auditor, as well as its independence.

Ernst & Young, S.L., Ferrovial’s predecessor external auditor, was initially appointed by the General Meeting as the external auditor of Ferrovial, S.A. (the former parent company of the Ferrovial group) on 17 April 2020 for a three-year term, starting from 31 December 2020. Following the Merger where the Company acquired all assets and liabilities of Ferrovial, S.A. under universal title, Ernst & Young Accountants LLP now serves as the auditor for Ferrovial.

7.7. Transitioning to a Sarbanes – Oxley Act (SOX) compliant model

In connection with Ferrovial’s planned listing on Nasdaq, in 2023 we started a process determining whether our existing system of ICFR was compliant with the Sarbanes-Oxley Act and the existing controls operating at the level required, initiating a program to adapt our prior ICFR framework to the requirements of the Sarbanes-Oxley Act. The implementation program will continue during 2024.

In the prior ICFR System no material weaknesses nor significant deficiencies in our internal controls had been identified. However, the SOX implementation program has evidenced the need to introduce additional requirements not currently met (e.g. implementation of management review controls with a required level of precision or documentation). As a result, in the preparation of our 2023 IFRS financial statements, we identified three material weaknesses in the design and operating effectiveness of our internal controls over financial reporting related to the following: (i) lack of evidence of management review controls pertaining to control attributes, precision level applied and documentation of matters resolved and over the completeness and accuracy of reports used in the controls, (ii) lack of designed, implemented and operating effectiveness testing internal controls over information technology general controls impacting systems and applications used in significant processes, and (iii) lack of control design to ensure appropriate segregation of duties is maintained in recording transactions.

The Company has already made significant progress in remediating these material weaknesses by carrying out a SOX Act compliance program with the support of an external advisor with specific actions being taken for each material weakness as follows:

- Identifying the complete population of management review controls and improving preparation and retention of the documentation of the control performance by using standardized templates with all the required control attributes, including the precision level applied, investigation and resolution of review matters, testing of system reports used in performing the controls;
- Following a readiness assessment of the information technology (IT) general controls of the main systems and applications supporting the preparation of our consolidated financial statements, the Company is working to evidence the effective design and operation of the implemented IT general controls surrounding those applications, as well as to implement such framework for all other IT service and business applications in scope. Remedial actions resulting from the readiness assessment are being carried out to improve SOX compliance.
- An action plan with 4 lines of work has been defined, including tactical actions in the systems to improve access controls; definition of controls for new users in IT applications; definition of a new procedure to ensure segregation of duties is a requirement in any new system implementations; and actions at processes level ensuring adequate oversight of main control activities and identifying adequate access to those systems supporting the control performance.

Notwithstanding the ongoing internal control improvements resulting from the SOX Act compliance program, management has concluded that the aforementioned systems as a whole provide reasonable assurance that the company's financial reporting does not contain any material inaccuracies.

INTERNAL CONTROL STATEMENT

The Board of Directors of Ferrovial SE, based on the internal control procedures carried out during 2023 described in section 7.3 and on the going concern assessment included in note 1.2.1 "Going concern assessment" of the Consolidated Financial Statements, hereby states that:

- the management report of Ferrovial SE provides sufficient insights into any deficiencies in the effectiveness of the internal risk management and control systems with regard to the risks as referred to in best practice provision 1.2.1 of the Dutch Corporate Governance Code;
- the aforementioned systems provide reasonable assurance that the company's financial reporting does not contain any material inaccuracies;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis;

and

- the aforementioned report states the material risks, as referred to in best practice provision 1.2.1 of the Dutch Corporate Governance Code and the uncertainties, to the extent that they are relevant to the expectation of the company's continuity for the period of twelve months after the preparation of the report.

8. COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Dutch Governance Code (https://www.mccg.nl/english) applies to all Dutch companies with listed shares on a government-recognized stock exchange, whether in the Netherlands or elsewhere, and therefore also applies to Ferrovial. The amended Dutch Governance Code was published on 20 December 2022, and for reporting purposes, applies to the financial years commencing on or after 1 January 2023. The Dutch Governance Code contains a number of principles and best practice provisions in respect of boards, shareholders and the general meeting, financial reporting, auditors, disclosure, compliance and enforcement standards.

The Company acknowledges the importance of good governance. At the same time, the Company is continuing the good governance practices developed by Ferrovial S.A., in the Spanish context and international market practice. The Company has taken into consideration for its corporate governance, and will continue to do so in the future, the best practice provisions of the Dutch Governance Code. Ferrovial complies with the majority of the best practice provisions of the Dutch Governance Code, except for those listed below:

Best practice provisions 1.5.3 and 1.5.4 - The Audit and Control Committee does not fully follow the manner of reporting to the Board indicated in the Dutch Governance Code for the financial year 2023. However, the Audit and Control Committee does report to the Board through several ways: (i) the Chairman of the Committee summarizes at each Board meeting the main items discussed in the previous Audit and Control Committee meeting; (ii) once drafted, all the minutes of the Audit and Control Committee meetings are made available to all Directors; and (iii) the Audit and Control Committee has approved a report on its operation during the financial year 2023 that has been presented to the Board, which report covers items such as the Audit and Control Committee's composition, duties, meetings held and attendees to such meetings (both members and invitees), activities undertaken, annual evaluation and conclusions. Ferrovial considers that, in this manner, the Board has the appropriate information of the activities carried out by the Audit and Control Committee.

Best practice provision 2.2.1 - Including the period that he served on the board of Ferrovial S.A., Executive Director Mr. Rafael del Pino has been an Executive Director for more than eight years. Mr. Rafael del Pino has served as Executive Director since 1992, and Chairman since 2000. He has an extraordinary knowledge of Ferrovial and its Group and the sectors in which it operates. He has been instrumental in the growth and internationalization of Ferrovial and its Group. Under his initiative, management and drive, Ferrovial has become one of the leading and most prestigious global infrastructure operators.

Best practice provision 2.2.2 - Including the period that he served on the board of Ferrovial S.A., Non-Executive Director Mr. José Fernando Sánchez-Junco has been on the Board for more than twelve years. Mr. José Fernando Sánchez-Junco has a deep knowledge of Ferrovial and its Group, having contributed to its important development and internationalization and to its consolidation as a global operator in the infrastructure sector. Likewise, the curriculum of Mr. José Fernando Sánchez-Junco also shows his extensive training with a solid knowledge of business and commercial strategy.

Best practice provision 2.3.7 – The Dutch Governance Code recommends that a vice-chairperson is appointed that deputizes for the chairman of the Board. Ferrovial has implemented an executive chairman governance model. This means that one of Ferrovial's Non-Executive Directors, with the title Lead Director, serves as 'chairperson' as contemplated under the Dutch Governance Code, and that one of Ferrovial's Executive Directors holds the title of Chairman. Ferrovial's Vice-Chairman deputizes for Ferrovial's Chairman, and not for Ferrovial's Lead Director. A number of duties contemplated under the Dutch Governance Code for the 'chairperson' are exercised by Ferrovial's Chairman (where applicable together with Ferrovial's Lead Director) and, accordingly, having the Vice-Chairman deputize for the Chairman (and not the Lead Director) is consistent with Ferrovial's choice for an executive chairman governance model.

Best practice provision 2.4.2 – The Board Rules provide for a limitation to the number of boards outside Ferrovial in which Directors may sit (five listed companies other than the Company and its Subsidiaries, counting as one the positions in the same group of companies). The Company considers that this limitation sufficiently ensures an adequate level of involvement of Ferrovial Directors. Furthermore, and with the same purpose, the Nomination and Remuneration Committee oversees each year the positions outside Ferrovial in which Non-Executive Directors sit.

Best practice provision 2.6.2 – The Policy of the Ethics Channel states that the communications involving the actual or suspected misconduct of a member of the Board shall be managed under the direct oversight of the Chairman of the Audit and Control Committee. The Company believes this to be the most appropriate considering Ferrovial's overall governance, given that the Audit and Control Committee, which is composed by independent Non-Executive Directors only, among its duties, is responsible for the establishment of procedures for the receipt, retention and treatment of complaints, concerns and questions of employees and third parties. In addition, the Chief Compliance Officer, who is responsible of the whistleblowing system, reports to the Chairman of the Audit and Control Committee, who is therefore familiar with the complaints' investigation procedures.

Best practice provision 3.1.2 vi) – Ferrovial's Remuneration Policy states that once the shares corresponding to the remuneration systems have been attributed, the Executive Directors may not transfer their ownership or exercise them until a period of at least three years. An exception is made if an Executive Director maintains, at the time of the transfer or exercise, a net economic exposure to the variation in the price of the shares for a market value equivalent to an amount of at least twice their annual fixed remuneration through the ownership of shares, options or other financial instruments. The objective of the holding period of the shares delivered by the Company is to align its interests and those of its shareholders. Ferrovial understands that these interests are aligned when an amount equivalent to at least twice the fixed remuneration is reached, as it represents a relevant exposure to the value of the Company.

Best practice provision 3.2.3 – Pursuant to the Remuneration Policy, the contract with the CEO states that he will be entitled to receive the gross compensation equal to the greater of the following two amounts in some cases of termination of his contract: (i) the amount resulting from adding the annual amount of the fixed remuneration and the annual variable target remuneration corresponding to the year in which the contract is terminated; or (ii) the amounts accumulated on the date on which the contract is terminated in the extraordinary deferred remuneration plan referred to in the Long-Term Savings System with the limit of two annual payments of the total annual remuneration. This regime is in line with Spanish good governance recommendations, which Ferrovial, S.A. followed before the Merger Effective Time.

Best practice provision 3.3.3 – Non-Executive Directors are not remunerated in shares. Ferrovial has not adopted any formal shareholding guidelines for Non-Executive Directors.

Best practice provision 5.1.2 – Pursuant to the Board Rules, the Chairman of Ferrovial has ultimate responsibility for the effective operation of the Board, having the ordinary power to call the Board, set the agenda for the meetings and to lead the discussions and deliberations. As explained when dealing with the recommendation 2.3.7, Ferrovial has an executive chairman governance model and the allocation of these duties is consistent with this model.

9. CORPORATE GOVERNANCE STATEMENT

The Dutch Governance Code mandates Dutch companies to issue a statement outlining their approach to corporate governance and compliance with the Dutch Governance Code, referenced in article 2a of the Decree Management Report. Details required for inclusion in this corporate governance statement, described in section 3 of the Decree Management Report, are incorporated and reiterated herein by reference. This information is located in the following Sections of the Annual Report:

- Section 8 includes details pertaining to compliance with the Dutch Governance Code, as required by article 3 of the Decree Management Report.
- Section 7 contains information pertaining to Ferrovial's risk management and control framework concerning the financial reporting process, as required by article 3a sub a of the Decree Management Report.
- For details on the functioning of the General Meeting and the authority and rights of its shareholders, as mandated by article 3a sub b of the Decree Management Report, refer to Section 4.1.
- Section 2 covers details about the composition and functioning of the Board and its Committees, adjusted for a one-tier governance structure to comply with article 3a sub c of the Decree Management Report.
- Ferrovial's Diversity and Inclusion Policy, a requirement per article 3a sub d of the Decree Management Report, is documented in Section 2.8.1.
- Details concerning the number of men and women on the Board, management positions below the Board, corresponding goals, and plans to achieve these goals, mandated by article 3d of the Decree Management Report, can be found in Sections 2.3, 2.8.1 and 3.
- Sections 4.2 through 4.4 and Section 5 include information regarding the inclusion of data required by the Dutch Decree on public takeover bids (Besluit openbare biedingen), implementing the European Directive 2004/25/EC, as stipulated by article 3b of the Decree Management Report.

RESPONSIBILITY STATEMENT

As required by section 5:25c (2) of the Dutch Financial Supervision Act (Wet op het financieel toezicht), the members of the Board of Directors of Ferrovial SE hereby state that, to the best of their knowledge:

- the stand alone financial statements of Ferrovial SE and the consolidated financial statements of Ferrovial SE for the financial year ended 31 December 2023 give a true and fair view of the assets, liabilities, financial position and profit or loss of Ferrovial SE and the entities included in the consolidation taken as a whole; and
- the management report of Ferrovial SE, for the financial year ended 31 December 2023 gives a true and fair view of the state of affairs on the balance sheet date, the course of business during the financial year of Ferrovial SE and of the enterprises affiliated to it whose data are included in its financial statements, and that the management report describes the substantial risks with which Ferrovial SE is confronted.

Amsterdam, 27 February 2024

BOARD OF DIRECTORS

Mr. Rafael del Pino y Calvo-Sotelo, Executive Director (Chairman)

Mr. Óscar Fanjul Martín, Non-Executive Director (Vice-Chairman)

Mr. Ignacio Madridejos Fernández, Executive Director (Chief Executive Officer)

Ms. María del Pino y Calvo-Sotelo, Non-Executive Director

Mr. José Fernando Sánchez-Junco Mans, Non-Executive Director

Mr. Philip Bowman, Non-Executive Director

Ms. Hanne Birgitte Breinbjerg Sørensen, Non-Executive Director

Mr. Bruno Di Leo, Non-Executive Director

Mr. Juan Hoyos Martínez de Irujo, Non-Executive Director (Lead Director)

Mr. Gonzalo Urquijo Fernández de Araoz, Non-Executive Director

Ms. Hildegard Wortmann, Non-Executive Director

Ms. Alicia Reyes Revuelta, Non-Executive Director

ETHICAL AND RESPONSIBLE MANAGEMENT

RIGOR AND TRANS-PARENCY

To create confidence in shareholders, investors, customers, employees and other stakeholders, ethical and responsible management is required. To promote confidence, Ferrovial has a robust Compliance Program in line with international best practices.

FERROVIAL'S VALUES: INTEGRITY

The Compliance Program, approved and supervised by the Board of Directors, has been reviewed in 2023 in connection with the planned listing of Ferrovial SE on the Amsterdam Stock Exchange and NASDAQ, adapting it to the legal requirements of the Netherlands and the United States, and the standards required for listed companies in the EU and in the United States.

The program includes, among others, the following internal policies and procedures: Code of Ethics and Business Conduct ("Code of Ethics"); Policy of the Ethics Channel and for dealing with Queries, Complaints and Reports; Anti-Corruption Policy; Compliance Policy; Due Diligence Policy with Respect to Third Party Integrity; Procedure for Due Diligence with Respect to Supplier Integrity; Lobbying and Political Contributions Policy; Gifts and Hospitality Policy; Data Protection Policy; Antitrust Policy; and Procedure for Approving and Tracking Patronage, Sponsorship and Donation Projects.

The Compliance Program is supervised by the Board of Directors through the Audit and Control Committee, to whose Chairman reports the Chief Compliance and Risk Officer. The Chief Compliance and Risk Officer reports periodically to the Committee, and at least once a year to the Board, on the effectiveness of the program. The evaluation of the program includes the review of the controls established for compliance with the Code of Ethics and Business Conduct and other Compliance regulations.

Ø TOLERANCE

PREVENTION OF COMPLIANCE RISKS

The Compliance Policy describes the Compliance Program, which is based on an effective risk management system. To this end, a common process of evaluation, monitoring and control of compliance risks has been established under the principle of "zero tolerance" towards corruption in particular and, generally, towards the commission of criminal acts.

The Compliance Program includes a Crime Prevention Model, whose objective is to prevent the commission of criminal acts, especially those that entail corporate criminal liability according to the Spanish Criminal Code.

The Compliance Program is certified in accordance with the reference standards UNE 19601 "Criminal Compliance Management Systems" and UNE-ISO 37001 "Anti-Bribery Management Systems", both obtained for the first time in 2019. It also has a Tax Compliance System certified in 2021 in accordance with UNE 19602.

NEW CODE OF ETHICS AND BUSINESS CONDUCT

In 2023, the company revised and updated the Code of Ethics and Business Conduct with the aim of adapting it to the latest international trends and making it more comprehensible to the reader by including examples and Frequently Asked Questions. It applies to Ferrovial SE and to all the companies that make up the Ferrovial Group, whatever their business area or geographical location.

All Ferrovial employees must adhere to the principles and commitments set out in the Code of Ethics and ensure that other persons or groups that conduct business on behalf of Ferrovial, or with whom the company has any kind of relationship, also follow these principles and commitments.

This includes suppliers, contractors, agents, consultants and other business partners. Ferrovial seeks to ensure that the principles and commitments established in the Code of Ethics are observed by all the companies in which it participates and throughout the company's value chain.

Failure to comply with the Code of Ethics may constitute a labor infraction, which will be sanctioned in accordance with applicable legislation and internal regulations, regardless of other responsibilities that the employee may have assumed.

The Code of Ethics is based upon Ferrovial's values (respect, collaboration, excellence, innovation, integrity), as well as the principles and commitments that enable it to fulfill the Company Purpose; develop and operate innovative, efficient and sustainable infrastructures, with the aim of generating value for stakeholders.

The updated Code of Ethics and Business Conduct is published on Ferrovial's intranet and website (www.ferrovial.com), and its dissemination begins with an e-mail sent by the CEO to all company employees, encouraging them to get to know it and apply it in their day to day professional lives.

Compliance Network

In 2023, the creation of the Compliance Network was formalized. It is a group of approximately 47 employees and external collaborators, from the different functions and businesses, representing all the jurisdictions in which Ferrovial operates.

The purpose of the Compliance Network is to help promote a culture of ethics and integrity within Ferrovial Group, in particular by: :

- Assisting in the local dissemination, and increased awareness, of Compliance communications, policies, and procedures.
- Serving as a liaison between local employees and Compliance as a trusted person to whom local employees can turn with compliance-related questions or concerns.
- Identifying Compliance risks and report them to Compliance and Risk Department.
- Supporting the local coordination and investigation of communications received through the Ethics Channel, as appropriate.

The Compliance Network will meet periodically to exchange knowledge and information. The CEO participated in the first meeting, highlighting the relevance and importance of this network.

TRAINING AND COMMUNICATION

The Compliance Training and Awareness Plan for 2023-2024 aims to foster a culture of ethics and integrity, reinforcing knowledge of the Code of Ethics and Business Conduct and the policies and procedures that promote it.

Among the priorities of the Plan is also to raise the awareness among employees of the risk of committing criminal acts, especially corruption or bribery. For this reason, a general training course on corruption has been designed for all employees and a more specific one for those employees whose functions may expose them to a higher risk of corruption or fraud, for example, those employees who have a relationship with public administrations, those involved in negotiations with third parties, as well as employees in the purchasing department. It is estimated that the number of employees who have completed these training modules in 2023 amounts to more than 2,000.

In 2023, an in-person roadshow was held in 11 projects/concessions in five US states and Canada. During these events, the Compliance Director for North America provided in-person training to more than 500 blue collar employees and met with the management teams of the subsidiary companies in those geographies to share topics of interest and confirm their commitment to the objectives of the Compliance Program.

The training focused on the Code of Ethics and some of its supporting policies, such as the Anti-Corruption Policy, the Due Diligence Policy with respect to Third Party Integrity, the Gifts and Hospitality Policy and the Policy for the Ethics Channel and for Dealing with Queries, Complaints and Reports.

In relation to the main online courses, the following training activities stand out in 2023:

- Compliance Boot Camp, launched at the end of 2022, which is a review of six key compliance policies was closed with 100% completion in 2023 (2,487 employees trained in 2023).
- Tax Compliance a course aimed at employees with the highest exposure to tax risk (2,692 employees trained in 2023).
- An anti-corruption course for employees at Dalaman airport in Türkiye who are most exposed to corruption risk. The program was translated into Turkish and was presented to more than one third of the staff.

In addition, an online training plan has been implemented for new hires that includes mandatory compliance courses, including courses on the Code of Ethics and Business Conduct, Prohibited Conduct, Anti-Corruption and Compliance Boot Camp courses, as well as other courses on cybersecurity, health and safety, data protection, among others. Overall, the training volume of these courses in 2023 amounted to 17,059 hours, equivalent to 0.7 hours per employee, accumulating a total of 28,138 hours of training in the last three years.

The company makes its compliance policies available to its employees on the intranet, for their reading and knowledge. The main corporate compliance policies are also available on the Ferrovial website. Suppliers who provide services to the company receive the Suppliers Code of Ethics and the Anti-Corruption Policy, so that they are aware of them and can apply them.

In 2023, a total of 395 managers signed the annual compliance declaration. This declaration states their acceptance and knowledge of the Code of Ethics, the Compliance Policy and the Anti-Corruption Policy, as well as the obligation to report cases of non-compliance with these policies to the Compliance and Risk Department or through the Ethics Channel.

ANTI-CORRUPTION POLICY

Ferrovial's Anti-Corruption Policy establishes rules to regulate the behavior of employees, executives and companies that make up the Group, as well as third parties with which it has dealings. The policy is governed by the principle of "zero tolerance" for any practice that could be considered bribery or corruption, both active and passive, and requires compliance with all applicable anti-corruption laws. In addition, all parties are urged to report any violation of such laws or of internal regulations on the matter.

Ferrovial requires ethical behavior in accordance with the highest standards from third parties with whom it has dealings. To this end, a due diligence process of ethical integrity of third parties is followed, in line with international best practices. In each case, the corresponding policy or procedure is applied to ensure that the relevant third party complies with the same standards of integrity and ethics as the company.

ETHICS CHANNEL

The company makes available to its employees and stakeholders the Ethics Channel, a confidential and, if the informant so wishes, anonymous system (in accordance with applicable legislation), to facilitate the reporting of any possible irregularity, non-compliance or behavior contrary to ethics, legality and Ferrovial's internal rules, including in particular possible cases of fraud or corruption, anti-competitive practices, human rights violations, financial and tax matters or damage to the environment.

In addition, matters relating to accounting, internal accounting controls, auditing matters or questionable financial practices of Ferrovial SE may be reported, as well as alleged misconduct by members of the Board of Directors, may also be reported to the Ethics Channel.

All communications are handled in an objective and diligent manner in accordance with the Policy for the Ethics Channel and for dealing with Queries, Complaints and Reports. Throughout the entire process, the rights of those involved will be respected, in particular the presumption of innocence. Likewise, retaliation against anyone submitting a communication to the Ethics Channel in good faith or participating in the investigation thereof will not be tolerated.

Communications will be processed by the most appropriate department according to their circumstances, favoring the greatest geographical proximity to the informants, as well as the independence and absence of conflict of interest of those responsible for the investigation. In order to assist the teams that may be involved in this task in their respective areas of competence, an Internal Investigations Guide has been prepared by the Compliance and Risk Department. In addition, training sessions have been conducted with the Compliance Network to ensure diligent management of all communications and respect for the persons involved.

The Compliance and Risk Department periodically reviews closed communications to prevent possible cases of retaliation by monitoring the professional careers of the parties involved.

The Compliance and Risk Department is responsible for managing the Ethics Channel and receives support from the Internal Audit Department for the analysis of high-priority communications, as well as from other departments of the organization depending on the nature of the matter. The Chief Compliance and Risk Officer reports quarterly to the Audit and Control Committee, and annually to the Board of Directors, on the communications received and the actions taken in relation to them.

The Ethics Channel can be accessed by telephone, mail, intranet or the corporate website (https://ferrovialethicschannel.whistleblowernetwork.net/frontpage). In addition, specific communication channels have been established in certain companies or areas of activity where deemed appropriate.

During fiscal year 2023, a total of 167 communications were received through the various communication channels, representing an increase of 28% compared to 130 in 2022. Of the 167 communications received, 64 (38%) were anonymous (compared to 72 (55%) in 2022), and 82 (49%) were considered substantiated (compared to 64 (49%) in 2022). Of those substantiated, corrective actions have been agreed in 96% of the cases (95% in 2022). The measures taken are mainly disciplinary, training or change of internal processes.

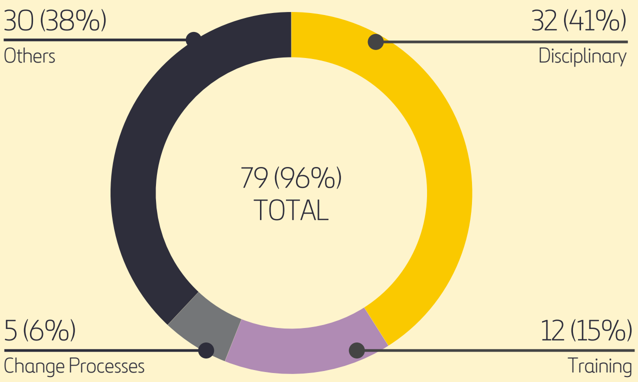
The nature of the communications received was as follows:

Type of communication	2022	2023
Human Resources Issues	**91**	**115**
• Misconduct	32	56
• Working conditions	20	14
• Discrimination	7	7
• Harassment	30	38
Health, Safety and Welbeing	**14**	**11**
Fraud and corruption	**12**	**9***
Environment	**0**	**1**
Personal data protection	**0**	**1**
Money laundering	**0**	**0**
Others	**13**	**30****
TOTAL	**130**	**167**

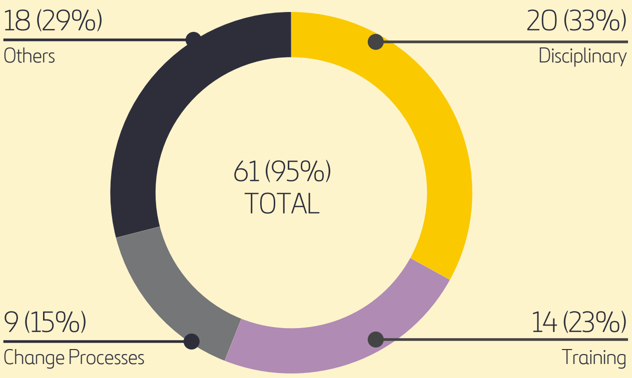
*Includes communications related to fraud or misappropriation by employees or collaborators of the company. No reports of potential bribery or influence peddling involving companies of the Group have been reported.
** Others noise claims related to site construction, urbanism, unpaid invoices, subcontractor relations, social media, and unrelated issues to the Ethics Channel.

For the communications substantiated, corrective measures were implemented in most cases. The detail of the measures is as follows:

CORRECTIVE ACTIONS IMPLEMENTED
2023



2022



In 2023, no case reported through the Ethics Channel has given rise to significant impact to Ferrovial from a criminal, economic or reputational point of view.

The number of communications amounted to 6.64 per 1,000 employees per year (3.78 in 2022), and the average communications resolution period for those received through the Ethics Channel mounted to 36 days (30 days in 2022).

TAX MANAGEMENT

The Board of Directors is responsible, on a non-delegable basis, for establishing the Risk Control and Management Policy, including tax risks, as well as for approving investments or transactions that present a high tax risk due to their special characteristics or high amount.

Ferrovial adhered to the Code of Good Tax Practices promoted by the Spanish Tax Agency in 2010, and renewed in 2022, extending these recommendations to all its activities worldwide through the Compliance and Good Tax Practices Policy.

The Tax Compliance and Best Practices Policy (the "Tax Policy"), approved in 2021, is an integral part of Ferrovial's corporate governance policies and is available on the corporate website and intranet. It is aligned with current international tax standards, such as the OECD Guidelines, and its main objective is to guarantee a transparent tax compliance model based on best tax practices, as well as to ensure a correct tax contribution in all the countries in which Ferrovial is present.

TOTAL TAXES* (M€)

1,027

*Supported, paid and collected

TAXES PAID OR PROFITS (M€)

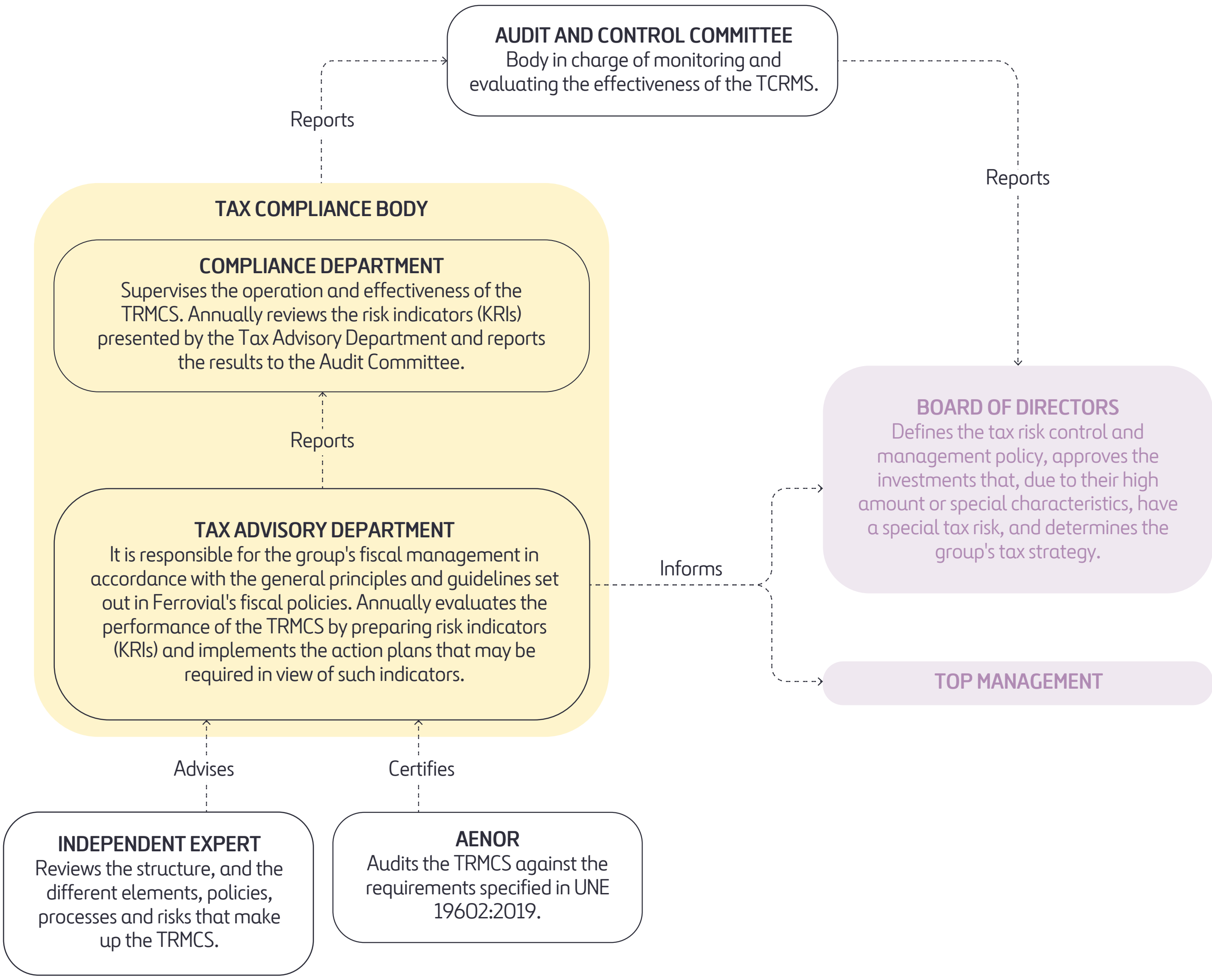
169

Ferrovial is committed to contributing to the economic and social development of the different markets in which it operates, which from a tax perspective, means compliance with all tax obligations generated because of its activity, in accordance with applicable local and international regulations, as well as through the development of best practices in this area and the maintenance of an appropriate relationship with the corresponding tax authorities. It is the responsibility of all Ferrovial's employees and collaborators to comply with this commitment.

This policy is developed through various internal rules, procedures, instructions and circulars that make up the Tax Risk Management and Control System, and benefits from the corresponding due diligence procedures and other rules that make up the corporate governance system.

The principles of the Tax Policy are mandatory for all employees of Ferrovial S.A. and for the Group's companies who are involved, directly or indirectly, in the management of any applicable taxes in all countries in which the companies carry out their business or have a business presence.

TAX RISK MANAGEMENT AND CONTROL SYSTEM (TRMCS)



FISCAL GOVERNANCE, CONTROL AND RISK MANAGEMENT

The role of the Board of Directors

Prior to the preparation of the annual financial statements and the filing of the corporate income tax return, the Board is informed of the tax policies applied during the year and their degree of compliance. It is also informed of the conclusions derived from the supervision and evaluation of the operation and effectiveness of the Tax Risk Management and Control System (TRMCS), which is reflected in the Annual Corporate Governance Report.

In the case of transactions or matters to be submitted to the Board of Directors for approval, it is informed in advance of the relevant tax consequences of such transactions or matters.

The role of Ferrovial's Compliance and Risk Department

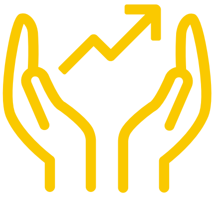
Ferrovial's Compliance and Risk Department, as the tax compliance body, in coordination with the Tax Advisory Department, is responsible for supervising the operation and effectiveness of the TRCMS.

The role of the Tax Advisory Board

The Tax Advisory Department is a centralized body with financial sufficiency and is made up of experienced tax experts, whose main objective is to manage the company's tax affairs in accordance with Ferrovial's general principles and tax policies.

Since 2017, it has voluntarily submitted annually the Tax Transparency Report to the Spanish Tax Administration, which has strengthened legal certainty, mutual knowledge and reciprocal trust with the tax authorities.

TAX RISK PREVENTION AND MANAGEMENT



The main objective of Ferrovial's TRMCS is to establish a governance framework in tax matters that ensures that the company's actions and operations are governed by clear principles, values and standards, aligned with the Code of Ethics and Business Conduct and other corporate governance standards. This allows any employee, person or entity that has a relationship with the company to make the appropriate decisions in order to comply with tax law.

This due diligence framework is subject to a continuous monitoring and control process to ensure strict compliance with applicable laws and the adoption of the highest ethical standards in the development of the company's activities. The management and analysis of the operation of this system is the responsibility of the Tax Advisory Department, and the Compliance and Risk Department oversees supervising the operation and effectiveness of the TRMCS.

Minimum taxation of multinational groups

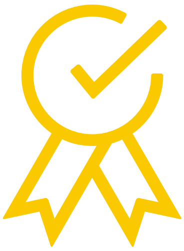
Agreement on a global minimum tax of 15% for multinational companies with revenues exceeding 750 million euro was reached in October 2021 by 137 countries and jurisdictions comprising the OECD and G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) in order to ensure effective global taxation (known as "Pillar Two" agreement). In December 2022, the 27 EU Member States approved a Directive based substantially on the OECD rules, which was to be transposed into the national legislation of each State by the end of 2023.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions where the Group operates. The legislation will be effective for the Group's financial year beginning 1 January 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes.

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbor relief does not apply and the Pillar Two effective tax rate is close to 15%. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

Tax havens

Ferrovial does not carry out operations in any jurisdiction considered as a tax haven by the Netherlands Tax Administration, nor in a country or territory that has been designated as non-cooperative in tax matters by the European Union.



Tax Compliance Management System Certification

In February 2021, Ferrovial was certified by AENOR in its tax compliance management system in accordance with the UNE 19602 reference standard. This certification endorses Ferrovial's commitment to regulatory compliance, responding to the regulatory requirements of markets, customers, shareholders and investors and other stakeholders. The certification also reflects the company's high ethical standards and commitment to best corporate governance practices.

In February 2024 , following the audit process, AENOR verified that Ferrovial's Fiscal Management System complies with the requirements of the Standard and with the audit criteria, obtaining certification for a period of three years, from 2024 to 2026.

TAX CONTRIBUTION PER MARKET 2023 AND 2022

The following tables reflect the amounts paid by Ferrovial in 2023 and 2022 in millions of euros, respectively. These figures are aggregated based on the percentage of ownership of the assets. The main assets consolidated by the equity method are 43.23% of 407 ETR (Canada); 25% of Heathrow and 50% of AGS airports (United Kingdom).

	2023 (M€)			
	Taxes paid[1]			
Market	Income tax	Other taxes	Taxes collected[2]	Total (M€)
Netherlands	4	1	23	28
Spain	29	123	153	305
United Kingdom[3]	4	82	116	202
America[4]	100	108	108	315
Poland	27	22	93	142
Rest of Europe and others[5]	5	6	25	35
Total	**169**	**340**	**518**	**1,027**

	2022 (M€)			
	Taxes paid[1]			
Market	Income tax	Other taxes	Taxes collected[2]	Total (M€)
Netherlands	0	0	1	1
Spain	9	117	156	282
United Kingdom[3]	4	139	686	829
America[4]	71	82	57	210
Poland[6]	32	14	89	136
Rest of Europe and others[7]	1	10	27	38
Total	**117**	**362**	**1,016**	**1,496**

[1]Taxes borne by Ferrovial arising from its activity and operations, which represent a direct cost (e.g. corporate income tax, non-deductible VAT, labor tax (employees), local taxes, etc.).
[2]Taxes collected by Ferrovial and paid to public finances on behalf of third parties (e.g. labor tax (employees), net VAT, withholdings, etc.).
[3]Includes Ireland.
[4]Includes the United States, Canada, Brazil, Chile, Colombia, Peru and Puerto Rico.
[5]Includes Australia, New Zealand, France, Germany, Greece, Italy, India, Portugal, Slovakia, Türkiye and Saudi Arabia.
[6]The figures relating to Poland's contribution, fiscal year 2022, have been corrected in this report in relation to the Integrated Annual Report for fiscal year 2022.
[7]Includes Australia, France, Germany, Greece, Italy, Portugal, Slovakia, Türkiye, Saudi Arabia, Qatar and Oman.

REMUNERATION REPORT

SUSTAINABLE GROWTH

1. INTRODUCTION BY THE CHAIRMAN OF THE NOMINATION AND REMUNERATION COMMITTEE

Dear Shareholder,

On behalf of Ferrovial's Nomination and Remuneration Committee, it is a pleasure to present the 2023 Annual Report on the Directors' Remuneration (ARDR), which includes information on the directors' remuneration policy applicable to the current financial year, a summary of the application of the remuneration policy and individual details of the remuneration received by the Directors during the financial year ended.

Remuneration decisions

A new Remuneration Policy, which became effective since 16 June 2023 per the merger effective time, was approved by the General Shareholders' Meeting held on 13 April 2023 due to the effective time of the cross-border merger between Ferrovial, S.A. and the Ferrovial SE (hereinafter, "Remuneration Policy"). The new Remuneration Policy provides more transparency and comply with Dutch law and a main change introducing the fixed remuneration increase of the CEO to €1,450,000 to reflect the increase in the cost of living in Amsterdam (instead of Madrid) as well as an incentive in connection with his relocation to another country.

The annual variable remuneration related to the results of the 2023 fiscal year has been settled in the first quarter of 2024, whose payment level for the Chairman amounts to 149.8% of the target and for the Chief Executive Officer amounts to 146.7% of the target. This process is detailed in section 3 "Implementation of the Directors' Remuneration Policy in 2023".

On the other hand, the settlement of the 2020 allocation corresponding to the 2020 Long-Term Incentive Plan was carried out in March 2023. The payment level amounted to 63.88% of the maximum incentive.

Additionally, a new Long-Term Incentive Plan (2023-2025 Plan) was approved by the General Shareholders' Meeting. The Plan includes, besides Activity Cash Flow and Total Shareholder Return regarding a comparator group, an ESG metric with greenhouse gas reduction, diversity and occupational health and safety targets.

The level of support obtained at the General Shareholders' Meeting held on 13 April 2023, for the items on the agenda relating to remuneration was significantly high and in line with results obtained in 2022.

People and diversity

Ferrovial's Board of Directors is made up of 12 members, of which 33.3% are women. This percentage would rise to 40% if we exclude Executive Directors, meaning that Ferrovial would already be in compliance with the European Directive (Directive (EU) 2022/2381 on a better gender balance among directors of listed companies and related measures) pending transposition.

Concluding remarks

Finally, I would like to thank the contributions and support received for the preparation of this report. The Committee is committed to continue aligning the Remuneration Policy with the Company's business strategy and long-term sustainability, as well as with the interests of our shareholders and other stakeholders. In addition, the members of the Committee are committed to continuing to improve the existing level of interaction with institutional investors and *proxy advisors*.

According to the applicable legislation, this annual remuneration report will be submitted to an advisory vote at the 2024 Annual General Shareholders' Meeting.

Bruno Di Leo

2. DIRECTORS' REMUNERATION POLICY IN 2024

2.1 . Main Aspects of the Policy

The current Remuneration Policy for the directors of Ferrovial (the "Directors") is that approved, at the proposal of Ferrovial's Board of Directors (the "Board of Directors"), by Ferrovial's general shareholders' meeting (the "General Shareholders' Meeting" or the "General Meeting") held on 13 April 2023 as per the cross-border merger between Ferrovial, S.A. and the Ferrovial SE., which shall remain in effect since 16 June 2023 per the merger effective time until the General Meeting of the Company to be held in 2027.

The Directors' Remuneration Policy can be accessed at the following link: https://static.ferrovial.com/wp-content/uploads/2023/06/16131433/directors-remuneration-policy-fse.pdf

The Remuneration Policy establishes a competitive remuneration package that promotes the long-term development of the Company, avoids the assumption of excessive or inappropriate risks and aligns the interests of Ferrovial's professionals with those of the shareholders.

In view of the above, the Remuneration Policy is based on the following principles:

Creation of long-term value	Creation of long-term value, aligning remuneration systems with the strategic plan, the interests of shareholders and other stakeholders and the long-term sustainability of the Company
Attraction and retention	Attraction and retention of the best professionals
Competitiveness	External competitiveness in settling remuneration, with market references through analysis of comparable sectors and companies
Link to the share price and profitability	Periodic participation in plans linked to the share price and to certain metrics of profitability
Risk control	Responsible achievement of targets in accordance with the risk management policy of the Company
Balanced remuneration mix	Maintenance of a reasonable balance between the different components of fixed and variable (annual and long-term) remuneration, reflecting an appropriate assumption of risks combined with attainment of the targets defined
Transparency	Transparency in the remuneration policy and remuneration report

In addition, the economic environment, the Company's results, the strategy of the Ferrovial Group (the "Group"), legal requirements and best market practices are taken into consideration when defining the Remuneration Policy.

We adopt sound compensation practices	We avoid the following remuneration practices
Executive Directors	
Link the payment of remuneration to the results of the Company ("*pay for performance*")	There are no compensation clauses for the extinction of the relationship with the Chairman
Payment of part of the remuneration in shares and/or share options of the Company (except in the case of the Chairman if the relevant Plan would be approved by the General Shareholders' Meeting establishes his payment in cash)	There are no contractual obligations in the event of a change of control
Comparative remuneration analysis	There are no commitments to pensions
Conservative benefits package, in line with the Group's management policy	No loans or advances are granted
Holding of shares worth twice their fixed remuneration	
No exercise of rights over shares until 3 years after the date of their allocation	
Their contracts include clauses for the recovery of their variable remuneration	
Publication of the comparison group	
Regular shareholder consultation process	
External consultancy	
Directors in their capacity as such	
They do not participate in remuneration formulas consisting in the delivery of shares or share options in the Company, nor in instruments referenced to the value of the share or systems linked to the performance of the Company	

2.2. Comparable Companies used to Determine the Remuneration Policy

The Nomination and Remuneration Committee periodically assesses market information in relation to remuneration levels, mix and practices.

Specifically, up to the date of preparation of this report, various analyses have been carried out on the remuneration of Executive Directors and Directors in their capacity as such, with the support of external advisors of recognized prestige in the field.

With regards to the Executive Directors, the market that is taken as a benchmarking by the Nomination and Remuneration Committee to establish the different components for the remuneration is established based on the following criteria:

- sufficient number of companies to obtain representative and statistically reliable and sound results;
- dimension data: turnover, market capitalization, assets, number of employees and geographic scope;
- area of responsibility: companies mainly listed in IBEX35 and multinationals in the sector; and
- sectoral distribution: multi-sectoral sample with relevant weight of the construction, energy and financial sectors.
- consistency with the comparison group established to measure Relative Total Shareholder Return in the Long-Term Incentive Plan. Therefore, Tutor Perini and Webuild enter the group instead of Atlantia, Kier and Strabag.

As a result, the comparison group consists of the following 23 companies:

Acciona	**Eiffage**	**Indra**	**Telefónica**
ACS	**Fraport**	**Naturgy**	**Transurban**
AdP	**Getlink**	**Repsol**	**Tutor Perini**
Balfour Beatty	**Granite**	**Sacyr**	**Vinci**
Banco Santander	**Iberdrola**	**Skanska**	**Webuild**
BBVA	**Inditex**	**SNC Lavalin**	

Ferrovial is around the median of the comparison group of 23 companies in size.

With respect to Directors' remuneration in their capacity as such, the market information in Spain and the Netherlands is analyzed.Ferrovial is around the median for remuneration in the IBEX35 and between median and 75th percentile for AEX25. The comparison group used for Executive Directors is also analyzed periodically.

The Committee considers market information in the decision-making process but does not apply a mechanical approach in determining remuneration levels.

2.3. Remuneration of Executive Directors

The total remuneration of Ferrovial's Executive Directors is made up of different remuneration elements, consisting mainly of the following: (i) a fixed remuneration, (ii) an annual variable remuneration and (iii) a long-term variable remuneration.

Chairman*	Fixed remuneration (FR)	Annual Variable Remuneration (AVR)	Long-term variable remuneration (long-term incentive plans)
Amounts	€1,500,000	***Target:*** 125% of the FR **Maximum:** 190% of the FR	**Maximum** (annualised): 150% of the FR
Targets	N/A	80% Quantitative: • Net Result (55%) • Cash Flow (45%) 20% Qualitative and ESG	2020-2022 Plan (2022 grant): • 50% Activity cash flow • 50% Relative TSR 2023-2025 Plan (2023 and 2024 grant): • 40% Activity cash flow • 50% Relative TSR • 10% ESG metrics (greenhouse gas reduction, diversity and occupational health and safety goals)
Design	N/A	100% in cash Malus and clawback clauses Discretion of the Board in exceptional circumstances	100% in shares 3 years of target measurement Malus and clawback clauses

Chief Executive Officer*	Fixed remuneration (FR)	Annual Variable Remuneration (AVR)	Long-term variable remuneration (long-term incentive plans)
Amounts	€1,450,000	***Target:*** 100% of the FR **Maximum:** 150% of the FR	**Maximum** (annualised): 150% of the FR
Targets	N/A	70% Quantitative: • Net Result (55%) • Cash Flow (45%) 30% Qualitative and ESG	2020-2022 Plan (2022 grant): • 50% Activity cash flow • 50% Relative TSR 2023-2025 Plan (2023 and 2024 grant): • 40% Activity cash flow • 50% Relative TSR • 10% ESG metrics (greenhouse gas reduction, diversity and occupational health and safety goals)
Design	N/A	100% in cash Malus and clawback clauses Discretion of the Board in exceptional circumstances	100% in shares 3 years of target measurement Malus and clawback clauses

* Executive Directors may allocate part of their annual gross fixed remuneration to obtain some of the products or services offered by the company within the flexible remuneration plan, such as life insurance, accident insurance, health insurance and company cars.

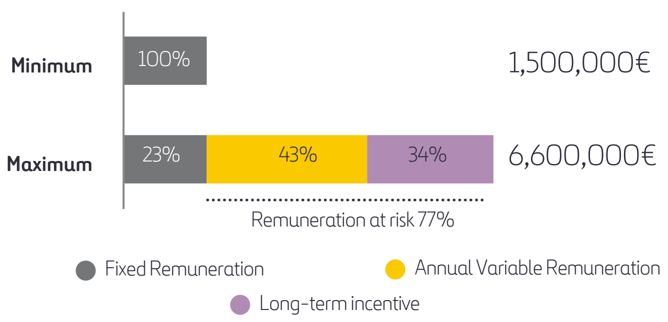
In addition, the company has taken out life insurance policies to cover the risk of death and disability of the Executive Directors. In addition, the Chief Executive Officer participates in a deferred long term saving remuneration scheme that will only become effective when they leave the Company by mutual agreement with the Company upon reaching a certain age, and therefore there are no vested rights (see 2.3.1).

The fixed remuneration of the Chairman remains constant in 2024. In the case of the Chief Executive Officer, the amount was increased to €1,450,000 effective since the date of the merger to reflect the increase in the cost of living in Amsterdam (instead of Madrid) as well as an incentive in connection with his relocation to another country.

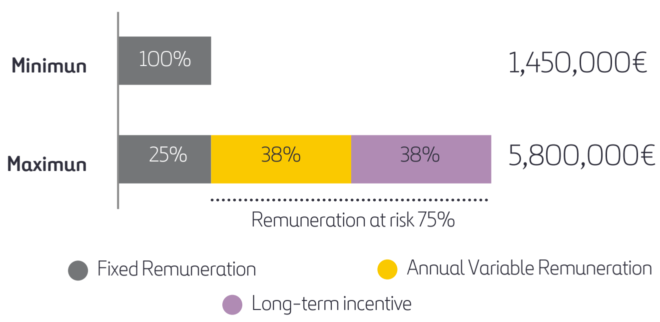
With regard to the remuneration mix, Ferrovial's remuneration policy establishes an appropriate balance between fixed and variable components of remuneration. The weight of remuneration at risk for executive directors is at least 75% of total remuneration for a maximum scenario that envisages a maximum long-term incentive award and over-achievement of targets. The graphs detail the level of total remuneration, as well as the remuneration mix for a scenario of minimum and maximum compliance with targets:

- The maximum value assumes that the maximum annual variable remuneration (190% of the fixed remuneration for the Chairman and 150% of the fixed remuneration for the Chief Executive Officer) and the maximum annualized long-term variable remuneration (150% of the fixed remuneration) would accrue.
- The value of the maximum annualized long-term variable remuneration is defined based on the initial share price at the grant date. The potential variation of the share during the target measurement period is not taken into account.

CHAIRMAN



CHIEF EXECUTIVE OFFICER



2.3.1. Details of the Remuneration Elements of Executive Directors

The elements that make up the remuneration of the Executive Directors are as follows:

Fixed remuneration	Operations
To reward upon the basis of level of responsibility and professional background	This is determined by taking into account the remit of the executive duties associated to the post and comparative remuneration information for listed companies similar to the Company. It is paid monthly.
	Amount
	• Chairman: €1,500,000 • Chief Executive Officer: €1,450,000

Remuneration in kind	Implementation
To offer a competitive compensation package	In line with the policy for the Group's executives, the Company has taken out life insurance policies to cover the risk of death and disability, of which the Executive Directors are the beneficiaries. In addition, Executive Directors are eligible for other social benefits such as company car, medical insurance, life and accident insurance, liability insurance and other non-material benefits. Executive Directors may allocate part of their annual gross fixed remuneration to obtain some of the products or services offered by the company under the flexible remuneration plan.
	Maximum amount
	• Chairman: €50,000 • Chief Executive Officer: €50,000

Long-term savings schemes (applicable only to the Chief Executive Officer)

Ferrovial does not have obligations contracted or for pensions with any member of the Board of Directors.

In accordance with the provisions of Ferrovial's current Director's Remuneration Policy, the Chief Executive Officer may participate in a deferred remuneration scheme that will only become effective when the Director leaves the Company by mutual agreement with the Company upon reaching a certain age, and therefore there are no consolidated rights.

The Chief Executive Officer, Mr. Ignacio Madridejos, participates in this deferred remuneration scheme in accordance with the provisions of his mercantile contract signed with the Company.

To cover this extraordinary remuneration, the Company will make annual contributions to a collective savings insurance policy, of which the Company itself is the policyholder and beneficiary, quantified according to a certain percentage that has been set, for 2024, at 20% of the Total Annual Remuneration (fixed remuneration plus target annual variable remuneration of 100%) of the Chief Executive Officer.

The right to receive extraordinary remuneration by the Chief Executive Officer shall be incompatible with the collection of any compensation that the Director may be entitled to receive as a result of the termination of their relationship with the Company.

Variable annual remuneration

To reward the creation of value through the attainment of targets envisaged in the strategic plans for the Group

Operations

Executive Directors participate in the Group's general annual variable remuneration system.
This remuneration is paid in cash. In the event that Executive Directors of the Company should draw fees for attendance at meetings of the Boards and Committees of other companies of the Group, the sums drawn for this item shall be deducted from the variable annual remuneration of each Director.
The scenario analyses of the possible financial outcomes on the variable remuneration considering different stress tests of the performance metrics have been carried out, in order to ensure the alignment between pay and performance.

Amount

	Target	**Maximum**
Chairman	125% of fixed remuneration	190% of fixed remuneration
Chief Executive Officer	100% of fixed remuneration	150% of fixed remuneration

Targets

Annual Variable Remuneration is linked to individual performance and to the achievement of specific, predetermined, quantifiable economic-financial, industrial and operating targets, aligned with the Company's interests, as set out in the Company's strategic plans (e.g., net income, cash flow, etc.). This is without prejudice to the possibility of analysing other targets, particularly in the areas of corporate governance and corporate social responsibility, which may be of a quantitative or qualitative nature (e.g., stakeholder relations, employee health and safety, people development, innovation, etc.).
Specifically, for the 2024 financial year, the targets established are as follows:

	Quantitative Targets			**Qualitative Targets and ESG**	
	Weight		**Metrics**	**Weight**	**Metrics**
Chairman	80%	55% 45%	• Net Result • Cash Flow	20%	• Operation of the Board and the Executive Committee. • Strategic Planning. • Environmental, Social and Corporate Governance (ESG) *Factors*: – Corporate governance. – Succession plan. – Relationship with stakeholders.
CEO	70%	55% 45%	• Net Result • Cash Flow	30%	• Strategic Plan. • Environmental, Social and Corporate Governance (ESG) *Factors*: - – Employee health and safety, as measured by the Company's accident rates. – Promotion of Innovation and Corporate Social Responsibility, Diversity, Emission Reduction and Sustainability. – Development of professional teams that guarantee the stability in the management and attainment of strategic targets of the organization. – Suitability and monitoring of the procedures associated with the taking on of controlled risk. – Relations with stakeholders.

<table>
<tr><td rowspan="6">Long-term variable remuneration

To reward the creation of sustainable value for the shareholder in the long term</td><td>Operations</td></tr>
<tr><td>Executive Directors participate in a long-term variable remuneration system based on share delivery plans, in which other executives and key professionals of the Group also participate.
The 2020-2022 Plan, which was approved at the General Shareholders' Meeting on 17 April 2020, provides for the allocation of units in 2020, 2021 and 2022. The shares will be delivered, as the case may be, in the year in which the third anniversary of the allocation of the corresponding units is reached. In 2024, the third grant (2022-2024) is in force.
The newer Long-Term Incentive Plan (2023-2025 Plan), similar to the previous ones, was approved by the General Shareholders' Meeting held on 13 April 2023. The shares will be delivered, as the case may be, in the year in which the third anniversary of the allocation of the corresponding units is reached. In 2024, the first grant (2023-2025) and the second grant (2024-2026) are in force.
The units allocated may be converted into shares if (i) they remain in the Company for a maturity period of 3 years from the date of allocation of the units, except in exceptional circumstances such as retirement, disability or death, and (ii) certain objectives linked to internal or external metrics reflecting economic-financial targets and/or value creation for the company are met, under the terms approved by the respective General Shareholders' Meetings.
The scenario analyses of the possible financial outcomes on the Long-Term Incentive Plans considering different stress tests of the performance metrics have been carried out, in order to ensure the alignment between pay and performance.</td></tr>
<tr><td>Amount</td></tr>
<tr><td>In accordance with the remuneration policy in force, the approximate maximum value of the units granted under the Long-Term Incentive Plans, at prices on the date of the granting, may reach up to 150% of the fixed remuneration of the Executive Directors.</td></tr>
<tr><td>Targets</td></tr>
<tr><td>
<table>
<tr><th></th><th></th><th></th><th></th><th colspan="3">Scale of achievement</th></tr>
<tr><th></th><th></th><th>%</th><th>Metrics</th><th colspan="2">Degree of achievement</th><th>% payout</th></tr>
<tr><td rowspan="7">2020-2022 Plan</td><td rowspan="7">2022 Grant</td><td rowspan="3">50%</td><td rowspan="3">Activity cash flow</td><td>Maximum</td><td>€1,635 million</td><td>50%</td></tr>
<tr><td></td><td>€1,242 million</td><td>25%</td></tr>
<tr><td>Minimum</td><td>€849 million</td><td>0%</td></tr>
<tr><td rowspan="4">50%</td><td rowspan="4">Relative TSR</td><td>Maximum</td><td>Position 1 to 3</td><td>50%</td></tr>
<tr><td></td><td>Position 4 to 6</td><td>40%</td></tr>
<tr><td></td><td>Position 7 to 9</td><td>30%</td></tr>
<tr><td>Minimum</td><td>Position 10 to 18</td><td>0%</td></tr>
<tr><td rowspan="13">2023-2025 Plan</td><td rowspan="13">2023 Grant</td><td rowspan="3">40%</td><td rowspan="3">Activity Cash Flow</td><td>Maximum</td><td>€836 million</td><td>40%</td></tr>
<tr><td></td><td>€671 million</td><td>20%</td></tr>
<tr><td>Minimum</td><td>€571 million</td><td>0%</td></tr>
<tr><td rowspan="4">50%</td><td rowspan="4">Relative TSR</td><td>Maximum</td><td>Position 1 to 3</td><td>50%</td></tr>
<tr><td></td><td>Position 4 to 6</td><td>40%</td></tr>
<tr><td></td><td>Position 7 to 9</td><td>30%</td></tr>
<tr><td>Minimum</td><td>Position 10 to 18</td><td>0%</td></tr>
<tr><td rowspan="6">10%</td><td rowspan="2">CO_2 Emissions</td><td>Maximum</td><td>≥26.9%</td><td>5%</td></tr>
<tr><td>Minimum</td><td>≤21.5%</td><td>0%</td></tr>
<tr><td rowspan="2">Diversity</td><td>Maximum</td><td>≥32.0%</td><td>2.5%</td></tr>
<tr><td>Minimum</td><td>≤27.2 %</td><td>0%</td></tr>
<tr><td rowspan="2">Health and Safety</td><td>Maximum</td><td>≥27.1%</td><td>2.5%</td></tr>
<tr><td>Minimum</td><td>≤19.0 %</td><td>0%</td></tr>
</table>
</td></tr>
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In this regard:

- Activity cash flow: the sum of Cash Flows before Taxes and Net Investment Cash Flow, excluding investment or divestment transactions not committed at the start date of the Plan, as well as operating cash flows related to such investments.
- CO_2 emissions: The % decrease in CO_2 equivalent tonnes, taking the base year of 2009 as a reference.
- Diversity: The % of women in Ferrovial's leadership team (FLT) compared to the total number of members of that group.
- Health and safety: Reduction in the frequency rate of serious and fatal accidents, which is calculated as the number of serious and fatal accidents multiplied by 1,000,000 and divided by the total number of hours worked applied to Ferrovial and its contractors taking 2022 as a reference.

For all the above metrics, intermediate values shall be calculated by linear interpolation between the different thresholds.

- Relative TSR: Total Shareholder Return (TSR) compared to the following groups of companies:
  - For the 2020-2022 Plan - Third grant: ACS, CCR, Granite, Atlantia*, AdP, Fraport, Sacyr, Getlink, Eiffage, Vinci, Strabag, Skanska, Balfour Beatty, Transurban, SNC Lavalin, Kier and AENA.
  - For the 2023-2025 Plan - First grant and second grant: ACS, CCR, Granite, BIP, AdP, Fraport, Sacyr, Getlink, Eiffage, Vinci, Tutor Perini, Skanska, Balfour Beatty, Transurban, SNC Lavalin, Webuild and AENA.

  *According to the Article 1.4 of the General Conditions of the Performance-Based Share Plan, the Company Nomination and Remuneration Committee will change the companies that make up the group of comparison entities for the purposes of this Plan in case of delisting. On October 10th, 2022, the company Atlantia was subject to a takeover bid. Hence, the following decision was made:
    - For the 2020-2022 Plan, as the delisting date was very close to the end of the year, the price of the last trading day was considered as the average closing price for the purpose of TSR calculation with no amendments on the comparable peers.
    - Since that date and for the 2021-2023 Plan and the 2022-2024 Plan, Atlantia was substituted by a combination of three new companies: Webuild, Brookfield Infrastructure Partners (BIP) and Tutor Perini.

  The substitution process was aligned with the peers re-evaluation carried out for the Performance Shares General Conditions update for the next 3-year period (2023-2025). In light with this, it was agreed that Atlantia, Strabag (focused on Austrian and German markets) and Kier (mainly UK exposure) should be replaced by three companies more suitable to the current Company trend: Webuild (similar pipeline and United States competitor), Tutor Perini (listed construction company in the United States) and Brookfield Infra. Parnerts (specialized infrastructure investment fund).

  Understood as the evolution of the "Total Shareholder Return" index (hereinafter "TSR") of the Company, for the three financial years closed subsequently to the corresponding Unit Allocation Date, must be above a certain position on the TSR ranking among a group of comparison entities, for the same measurement period (hereinafter, the "Measurement Period").

  TSR shall mean the index measuring the value generated for the shareholder according to the following formula:

  TSR = (Quotation at closing of Measurement Period - Quotation at beginning of Measurement Period + Dividends or related items) / Quotation at beginning of Measurement Period.

  For determining the quotation at the beginning and end of the Measurement Period, the arithmetic average of the closing price of the 15 prior and subsequent trading days to the last working trading day of the corresponding year (excluding the trading session of the last working day) shall be used.

2.3.2. Shareholding Policy

Once the shares or stock options or rights over shares corresponding to the remuneration systems have been assigned, the Executive Directors may not transfer their ownership or exercise them until a period of at least 3 years has elapsed.

An exception is made in the case where the Director maintains, at the time of the transfer or exercise, a net financial exposure to the variation in the price of the shares for a market value equivalent to an amount of at least twice their annual fixed remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to shares that the Director needs to dispose of, where appropriate, in order to meet the costs related to their acquisition or, subject to the favorable opinion of the Nomination and Remuneration Committee, in order to deal with extraordinary situations that so require (See section 8 "Compliance with Corporate Governance Requirements" in the Corporate Governance Report).

2.3.3. Malus and Clawback Clauses

With regard to the formulas or clauses for the reduction of remuneration (*malus*), or for the recovery of the variable components of remuneration (*clawback*), it is important to note:

- The contractual agreements of the Executive Directors include a clause that allows the Company to require these Directors to return up to one hundred per cent of the net variable monetary remuneration in cash or in shares paid to the Executive Directors in a given year when, during the 3 years following the date of payment, it is revealed and accredited (in accordance with the provisions of the clause) that the payment was made, totally or partially, based on inaccurate data, if said inaccuracy has caused a significant negative effect on the Company's profit and loss accounts for any of the financial years of the said 3-year period.

  The Board of Directors shall determine whether this circumstance has arisen and the sum, which is to be returned, upon the basis, where applicable, of prior reports by the advisory Committees or other reports deemed appropriate.

  The Company may offset the amount to be claimed against any other variable remuneration that the Executive Directors are entitled to receive.

  The foregoing rules are without prejudice to any other liabilities, if any, that may arise for the Executive Directors from the aforementioned circumstances.
- The Nomination and Remuneration Committee has the power to propose to the Board of Directors the cancellation of the payment of variable remuneration in the type of circumstances indicated in the previous section.
- The Nomination and Remuneration Committee will assess whether exceptional circumstances of this type may even lead to the termination of the relationship with the relevant manager(s) and will propose to the Board of Directors the adoption of any appropriate measures.
- In any event, pursuant to Dutch law, the remuneration of Executive Directors may be reduced or Executive Directors may be obliged to repay (part of) their variable remuneration to the Company if certain circumstances apply.

  In accordance with Dutch law, if according to the principles of reasonableness and fairness, payment of a bonus would be unacceptable, the Board has the power to modify the level of the bonus to an appropriate level. For these purposes, a bonus means a non-fixed part of the remuneration, the award of which is wholly or partly dependent on the achievement of certain goals or the occurrence of certain circumstances. In addition, the Company will have the authority under Dutch law (section 2:135 (8) of the Dutch Civil Code) to recover from an Executive Director any variable remuneration awarded on the basis of incorrect financial or other data.
- Notwithstanding anything to the contrary above, the variable components of remuneration paid or awarded to the Executive Directors shall be subject to any "clawback policy" or similar policy or agreement adopted by the Company providing for the reimbursement of variable or incentive compensation to the extent required by applicable laws, rules and regulations.

2.3.4. Terms and Conditions of Contracts, including Severance Payments and Non-Compete Covenants

The most relevant conditions of the Chairman's contract are described below:

- **Duration:** Indefinite
- **Cases of termination and compensation:** termination of their contract for any reason whatsoever shall not entitle them to any compensation.
- **Exclusivity:** they are obliged to provide services exclusively to the Company and may not enter into contracts with other companies competing with Ferrovial, either on their own or through intermediaries, whether family members or not, which imply effective competition with Ferrovial's activities.
- **Non-competition:** the contract contains a post-contractual non-competition obligation for a period of 2 years remunerated with 2 annuities of their fixed remuneration.
- **Recovery clause:** as indicated in section 2.3.3 above.

The most relevant conditions of the Chief Executive Officer's contract are described below:

- **Duration:** Indefinite.
- **Prior notice:** in the event of termination for causes attributable to the Company, the latter must notify the Chief Executive Officer of the termination three months prior to the date of termination. Should this period not be complied with, the Company must disburse a sum equivalent to the remuneration corresponding to the period of advance notice remaining.
- **Cases of termination and compensation:** The Contract shall be terminated by the sole will of the Company expressed by means of a resolution of the Board of Directors. It shall also be immediately and automatically terminated in the event of (i) dismissal or non-renewal of the Chief Executive Officer as a director by the General Shareholders' Meeting; or (ii) revoking in whole or in part, as the case may be, of the powers delegated to them by the Board of Directors or of the powers granted to them by the Company. In the event of termination, they shall be entitled to gross compensation equal to the greater of the following two amounts: (i) the amount resulting from adding the annual amount of the fixed remuneration and the annual variable target remuneration corresponding to the year in which the contract is terminated; or (ii) the amounts accumulated on the date on which the contract is terminated in the extraordinary deferred remuneration plan referred to in the Long-Term Savings System with the limit of 2 annual payments of the total annual remuneration (See section 8 "Compliance with Corporate Governance Requirements" in the Corporate Governance Report).
- **Exclusivity:** The Director is obliged to provide services exclusively to the Company and may not sign contracts with other companies competing with Ferrovial, either alone or through intermediaries, family members or otherwise, that imply effective competition with Ferrovial's activities.
- **Non-competition:** 50% of the amount that could be received in the event of termination will be subject to compliance with the 2-year post-contractual non-competition agreement.
- **Recovery clause:** as indicated in section 2.3.3 above.

2.4. Remuneration of Directors in their Capacity as Directors

In accordance with the approval of the Directors' remuneration policy, the total maximum amount is established as approved by the General Shareholders' Meeting. Therefore, for 2024 as remuneration for membership of the Company's Board of Directors amounts to €1,900,000.

Item		Remuneration
Fixed emolument		€35,000
Complementary fixed emolument	Chairman	€92,000
	Deputy-chairman 1	€80,500
	Deputy-chairman 2	€57,500
	Other members of the Board	€46,000
Attendance fees* (€ per meeting)	Board of Directors	€6,000
	Executive C.	€2,200
	Audit and Control C.	€2,200
	Nomination and Remuneration C.	€1,650

* The amount of the attendance fees corresponding to the Chairmen of these bodies is doubled the amounts indicated, in line with the principle of rewarding according to the level of responsibility and dedication required by the position.

The fixed emolument is a statutory remuneration of the Board of Directors, which is paid in quarterly settlements, and the supplementary fixed emolument is paid in a single payment at the end of the financial year.

The amounts mentioned above may be amended each year by the Board of Directors within the framework of Article 8.5.3 of the Articles of Association, the Directors' remuneration policy in force at any given time and within the maximum annual amount approved by the General Shareholders' Meeting.

If the maximum annual amount is exceeded, the fixed supplementary allowance shall first be reduced proportionally to each Director according to his or her condition.

If the maximum annual amount is not reached, the Board shall decide in accordance with the powers granted to it.

3. IMPLEMENTATION OF THE DIRECTORS' REMUNERATION POLICY IN 2023

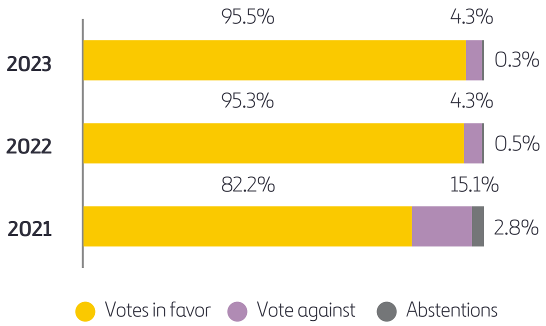
3.1. Evolution and Impact of The Results of the Votes Obtained at the General Shareholders' Meeting

The following table shows the result of the advisory vote of the AGM to the annual report on directors' remuneration related to the 2022 financial year.

	Number	% On the Total Share Capital
Votes cast	562,279,368	77.30%
	Number	**% On Cast**
Votes against	24,018,307	4.27%
Votes in favour	536,745,966	95.46%
Abstentions	1,507,838	0.27%
Blank votes	7,257	0.00%

The following graph shows the evolution of the advisory vote of the General Shareholders' Meeting on the annual report on remuneration over the last 3 financial years:

EVOLUTION OF RESULTS RECEIVED AT THE GENERAL SHAREHOLDER'S MEETING



The level of support obtained at the General Shareholders' Meeting held on 13 April 2023, for the items on the agenda relating to remuneration was in line with the 2022 results and significantly higher than in the previous years. This was mainly due to the improvements introduced in the Directors' Remuneration Policy, approved by the 2022 Annual General Shareholders' Meeting with 95.81% votes in favor which remained stable for the Remuneration Policy approved in 2023 as per the merger (88.99% votes in favor), as well as the improvements included in ARDR since 2021.

As usual, and during the second quarter of 2023, the Nomination and Remuneration Committee reviewed in depth the comments, recommendations and suggestions received from institutional investors and *proxy advisors* to make further progress in corporate governance.

Section 5 describes all the measures carried out during the 2023 financial year.

3.2. Implementation of the Directors' Remuneration Policy in 2023

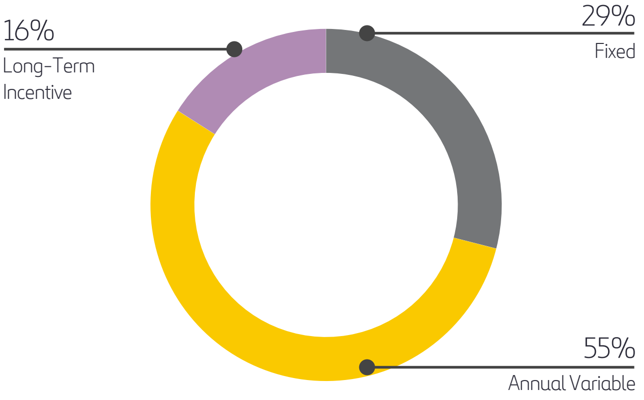
The Board of Directors and the Nomination and Remuneration Committee have strictly applied the Remuneration Policy following the principles established therein.

The remuneration accrued in the 2023 financial year has followed the terms of the Remuneration Policy approved by the General Shareholders' Meeting held on 7 April 2022, until the date of the effective merge of Ferrovial, S.A and Ferrovial, S.E, when the current Remuneration Policy approved by the General Shareholders' Meeting held on 13 April 2023 entered in force. It is noted that there has been no deviation from the procedure for the application of the remuneration policy, the limits in force have not been exceeded and no temporary exception has been applied to it.

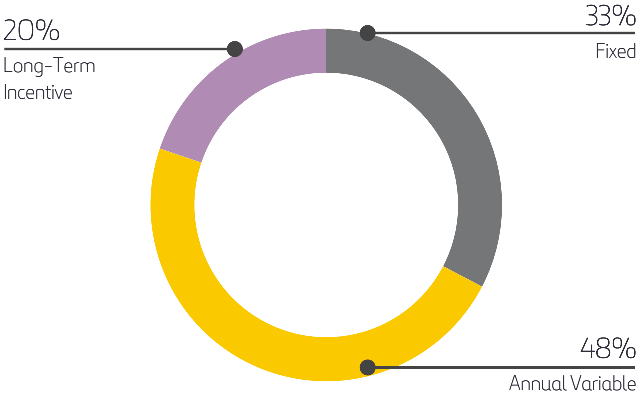
3.3. Remuneration of Executive Directors Accrued in 2023

During the financial year 2023 the Board of Directors had 2 Executive Directors: Mr. Rafael del Pino y Calvo-Sotelo, Chairman, and Mr. Ignacio Madridejos Fernández, Chief Executive Officer. Their contracts were not amended during the year except the aforementioned change in Chief Executive Officer fixed salary. Section 2.3. details the remuneration elements that make up their remuneration. The remuneration mix for Executive Directors establishes an appropriate balance between fixed and variable components of remuneration (excluding board fees and perquisites). The following charts show the weight of each of the remuneration components accrued in 2023 for the Chairman and the Chief Executive Officer:

CHAIRMAN
COMPOSITION OF ACCRUED COMPENSATION IN 2023



CHIEF EXECUTIVE OFFICER
COMPOSITION OF ACCRUED COMPENSATION IN 2023



Below is a description of each of the components of executive directors' remuneration:

3.3.1. Fixed Remuneration

The amount of fixed remuneration in their capacity as Executive Directors for the 2023 financial year amounted in aggregate to €2,813 thousand, broken down as follows:

- €1,500 thousand for the Chairman, which remains unchanged with respect to 2020 (excluding the reduction of 20% that was applied to the fixed remuneration between 7 April and 31 July 2020, as a result of the COVID-19 global pandemic).
- €1,313 thousand for the Chief Executive Officer (€1,150 thousand until 15 June and €1,450 thousand from 16 June onwards) .

Information on their fixed and supplementary allowance, as for the rest of the Directors in their capacity as such, can be found in section 3.5.

3.3.2. Variable Remuneration

The variable remuneration of the Executive Directors is linked to various corporate metrics of results and profitability.

In accordance with the current remuneration policy, the short and long-term variable remuneration systems incorporate measures that take into account possible variations in the Company's results:

- Both the annual variable remuneration and long-term variable remuneration include defined scales of achievement that take into account the economic-financial and operational targets of the Company's strategic plan, and the creation of value for the shareholder. Thus, changes in the Company's performance, in the short and long term, will have a direct impact on the amount of variable remuneration.
- In the case of variable annual remuneration, extraordinary results that could introduce distortions are eliminated.
- The variable annual and long-term remuneration only accrues after the date of preparation of the corresponding annual accounts.
- All variable remuneration is subject to a recovery clause that allows the Company to claim from Executive Directors the reimbursement of the variable components of remuneration when these have been paid on the basis of data the inaccuracy of which is subsequently proven.
- An obligation to hold shares is established, in the case of long-term variable remuneration.
- The Committee has carried out the evaluation process to determine the degree of attainment of the objectives. In this process, the Committee has been able to avail of the support of the Finance Department, responsible for management control of the Group, which facilitates the financial results of the Group duly audited and verified by the Audit and Control Committee. It has also been verified by the external auditor.

a) Annual Variable Remuneration

The Executive Directors receive an annual variable remuneration to reward the creation of value through the achievement of the targets taken into account in the Group's strategic plans.

In 2023 the level of payout is as follows:

- For the Chairman, €2,809 thousand, which is 149.8% of the target (98.6% of the maximum possible and 187.3% of the 2023 fixed remuneration).
- In the case of the Chief Executive Officer, €1,926 thousand, which is 146.7% of the *target* (97.8% of the maximum possible and 146.7% of the 2023 fixed remuneration).

The following tables show the breakdown of the short-term variable remuneration:

Chairman	Weight	Metrics	Degree of Achievement of Targets				
			Minimum	Target	Maximum	Actual	Final Incentive Level
Quantitative Targets 80%	55%	Net result	68.7%	100%	131.3%	157.5%	€1,361.3 thousand
	45%	Cash flow	-737.8%	100%	1,344.6%	3,006.9%	€1,113.8 thousand
Qualitative Targets and ESG (Environmental, social and corporate governance factors) **20%**		Operation of the Board and the Executive Committee (20%)	0%		100%	90%	€333.8 thousand
			• BoD and Exe. Committee performance based on external assessment • BoD transition to NDL • Align BoD composition to NDL and US listing request				
		Strategic Planning (20%)	0%		100%	90%	
			• Strategic review • Foster growth • Implement merger and listing plan				
		ESG Measure: Corporate Governance (20%)	0%		100%	100%	
			• Maintain DJSI (top 3 in our industry) and CDP (A level). • Absolute emissions tCo2e -23,5% VS. 2009 • 10% reduction Serious Injury Frequency rate • Fatalities reduction				
		ESG Measure: Succession Plan (20%)	0%		100%	80%	
			• Lead the execution of the development plan to ensure a solid Chairman and CEO succession.				
		ESG Measure: Institutional Representation (20%)	0%		100%	85%	
			• Develop the relationship with all key stakeholders.				
							€2,808.8 thousand

Chief Executive Officer	Weight	Metrics	Degree of Achievement of Targets				
			Minimum	Target	Maximum	Actual	Final Incentive Level
Quantitative Targets 70%	55%	Net result	68.7%	100%	131.3%	157.5%	€866.3 thousand
	45%	Cash flow	-737.8%	100%	1,344.6%	3,006.9%	€708.8 thousand
Qualitative Targets and ESG (Environmental, social and corporate governance factors) **30%**		Strategic Plan (30%)	0%		100%	80%	€350.5 thousand
			• Strategic review. • Growth and new businesses. • Execute divestment plan. • Develop successfully the merge and listing in NDL and USA.				
		ESG Measure: Employee health and safety, as measured by the Company's accident rates (15%)	0%		100%	100%	
			• 10 % reduction Serious Injury Frequency rate. • Fatalities reduction. • Leadership engagements.				
		ESG Measure: Promotion of Innovation and Corporate Social Responsibility, Diversity, Emission Reduction and Sustainability (15%)	0%		100%	90%	
			• Develop a widely used internal IA platform. • Implementation of the Horizon Digital 24 plan. • Maintain DJSI (top 3 in our industry) and CDP (A level). • Absolute emissions tCo2e -23,5% vs 2009.				
		ESG Measure: Development of professional teams that guarantee stability in the management and achievement of the organization's strategic targets (20%)	0%		100%	82.6%	
			• Talent management. • Maintain or improve the degree of employee satisfaction. • Increase diversity both in Ferrovial Leadership Team and new hires.				
		ESG Measure: Suitability and monitoring of procedures linked to taking on controlled risks (5%)	0%		100%	100%	
			• % implementation of internal Audit recommendations.				
		ESG Measure: Relations with stakeholders (15%)	0%		100%	100%	
			• Relationship with stakeholders to implement corporate reorganization. • Investors relations with a special focus on developing investors in the USA.				
							€1,925.5 thousand

Notes:

Certain metrics are not disclosed due to strategic or commercial sensitivity.

The data verification process related to the financial assessment of the targets for Executive Directors has been completed in accordance with the resolutions and the internal validation procedure.

Net Income data for Achievement purposes EUR 331 mn (157.53% of achievement compared to the adjusted budget) correspond to those published in the Integrated Report in section 6 of the Consolidated Financial Statements, Statement B of the Consolidated Income Statement EUR 460 mn, excluding the extraordinary impacts of EUR 177 mn detailed in the table of Section 2 Profit/(loss) for the year, according to the like-for-like definition included in the Appendix of Alternative Performance Measures, the expenses derived from the change of the head office to the Netherlands and the ongoing listing process in the US (EUR 30 mn), as well as the impact derived from the PPA fair value update in I-66 and Dalaman (not included in the Target due to the change in the calculation method; EUR 9 mn and EUR 9 mn respectively).

The cash flow figure of EUR 712 mn (3006.88% of achievement compared to the budget) corresponds to the cash flow from ex-project activity of EUR 292 mn, published in the Cash Flow Section 5.3 of the Consolidated Financial Statements, eliminating: tax payment detailed in that Statement (EUR 155 mn); payments related to the remaining costs of transaction of the Services division (EUR 15 mn), one-off payments related to the change of the head office to the Netherlands and the ongoing listing process in the US (EUR 26 mn), the equity contribution carried out in the assets JFK (EUR 214 mn) and Centella due to tax purposes (EUR 10 mn), all of them considered in the target definition.

b) Long-term Variable Remuneration

Executive Directors receive variable remuneration in the long term to reward the creation of sustainable shareholder value over the long term.

In accordance with the current remuneration policy, and as detailed in section 2.3, the approximate maximum value of the units granted under the Long-Term Incentive Plans, at grant date prices, may reach up to 150% of the fixed remuneration of the Executive Directors.

In 2023 the delivery of the shares corresponding to the grant of the 2020 Plan, whose target measurement period comprised the period 2020-2022, has taken place. The incentive level for the Chairman and the Chief Executive Officer amounted to €795 thousand, corresponding to the relevant 29,704 shares valued as of 8 March 2023 for each of the executive directors. This number of shares delivered is equivalent to 63.88% of those initially granted.

The second grant of the 2020-2022 Plan expired in 2023, with a target measurement period of 2021-2023. The number of shares to be delivered in 2024 will be equivalent to 80% of the units granted in 2021:

		Degree of achievement of the targets			% Payout
2021 Grant	Weight	Minimum	Maximum	Actual	
Activity Cash flow	50%	≤€1,126 M	≥€1,932 M	€2,742 M	50%
Relative TSR*	50%	Position 10 to 18	Position 1 to 3	Position 8	30%
			% aggregate payment		80%

* Comparison group: ACS, CCR, Granite, Atlantia, AdP, Fraport, Sacyr, Getlink, Eiffage, Vinci, Strabag, Skanska, Balfour Beatty, Transurban, SNC Lavalin, Kier and AENA. Following Atlantia delisting on October 10th, 2022 (the day when the public takeover bid started) it is decided that it will be substituted by a mix of the three new peers included in the 2023-2025 Plan (Webuild, Tutor Perini y BIP) since that date.

The following long-term incentive plans were in force at the end of 2023:

- The second grant of the 2020-2022 Plan, whose target measurement period covers the period 2021-2023.
- The third grant of the 2020-2022 Plan, whose target measurement period covers the period 2022-2024.
- The first grant of the 2023-2025 Plan, whose target measurement period covers the period 2023-2025.

The following table shows the movements of the share-based remuneration systems and gross profit from consolidated shares.

Long-Term Incentive Plan			At the beginning of 2023 financial year	Granted during the 2023 financial year	Consolidated during the 2023 financial year				Instruments expired and not exercised	At the end of the 2023 financial year
	Plan	Grant	No. of Equivalent shares	No. of Equivalent shares	No. of Equivalent shares	No. of consolidated equivalent shares	Consolidated share price (€)	Gross profit from consolidated shares (€ thousand)	No. of instruments (units)	No. of Equivalent shares
Chairman	2020-2022	2020	46,500	--	29,704	29,704	26.773	795	16,796	--
		2021	67,500	--	--	--	--	--	--	67,500
		2022	56,400	--	--	--	--	--	--	56,400
	2023-2025	2023	--	50,680	--	--	--	--	--	50,680
Chief Executive Officer	2020-2022	2020	46,500	--	29,704	29,704	26.773	795	16,796	--
		2021	67,500	--	--	--	--	--	--	67,500
		2022	56,400	--	--	--	--	--	--	56,400
	2023-2025	2023	--	69,925	--	--	--	--	--	69,925

Note: The number of shares annually granted to the Chairman, represents 0.04% of his stake in the capital of the company and, therefore, represents an amount that is not relevant with respect to it. Additionally, there is no dilution at the time of the settlement of the Long-Term Incentive Plans since there is no capital increase in any case. Therefore, it does not affect minority shareholders.

In the case of the Chairman, the average allocation of units (at grant prices) over fixed remuneration in the 2019-2023 period has been of 93%, below the limit established in the Directors' Remuneration Policy of 150%.

3.3.3. Other Items of Remuneration of Executive Directors in 2023

Payment in kind

The Company has subscribed life assurance policies to cover the risk of death or incapacity of the Executive Directors. For 2023, the amount of the life insurance premium has risen to:

- €10 thousand for the Chairman.
- €5 thousand for the Chief Executive Officer.

During 2023, the current Chief Executive Officer, Mr. Ignacio Madridejos, has been allocated the amount of €13 thousand as remuneration in kind corresponding to a company car, tax advice and relocation. In the case of the Chairman, €3 thousand as tax device.

Long-Term Savings Schemes and Other Remunerations

Deferred remuneration plan for the CEO:

Mr. Ignacio Madridejos participates in a deferred remuneration scheme. This is extraordinary deferred remuneration, which will only be made effective once the relationship with the Company terminates by mutual agreement, upon attainment of a certain age, with no other consolidated rights existing (see 2.3.1).

The contributions made for this in 2023 amounted to €527 thousand, with the total accumulated at the closing date of this report amounting to €2,016 thousand for Mr. Ignacio Madridejos.

In addition, at the date of issue of this Report, no additional remuneration has accrued to the Directors as consideration for services rendered other than those inherent to their position.

3.3.4. Terms and Conditions of Contracts, Including Severance Payments and Non-Compete Covenants

The terms and conditions of the Directors' contracts applicable in 2023 are the same as those set out in section 2.3.4. above.

3.4. Evolution of Remuneration of Executives

The following tables show the evolution over the last five years of the remuneration of the Executive Directors.

Total remuneration accrued (in € thousand)

Chairman	**2023**	**2022**	**2021**	**2020**	**2019**
Fixed remuneration	1,500	1,500	1,500	1,405[1]	1,455
Variable remuneration	2,809	2,609	2,275	1,620	1,608
Plans linked to shares	795	883	490	1,602	1,097
Others[2]	13	10	9	8	8
Total	5,117	5,002	4,274	4,635	4,168

[1] As a result of COVID-19, the Board of Directors agreed to a reduction of the Chairman's fixed remuneration of 20% from 7 April to 31 July 2020.
[2] Life insurance premiums and other remuneration in kind.

Chief Executive Officer	**2023**	**2022**	**2021**	**2020**	**2019[1]**
Fixed remuneration	1,313[5]	1,150	1,100	937[2]	250
Variable remuneration	1,926	1,538	1,283	810	250
Plans linked to shares	795	183	0	0	0
Other	18[3]	13[3]	12[3]	12[3]	600[4]
Total	4,052	2,884	2,395	1,759	1,100

[1] Mr. Ignacio Madridejos Fernández was appointed director on 30 September 2019, the remuneration applies from that date.
[2] As a result of COVID-19, the Board of Directors agreed to a reduction of the Chief Executive Officer's fixed remuneration of 20% from 7 April to 31 July 2020.
[3] Life insurance premiums and other remuneration in kind.
[4] Incorporation bonuses.
[5] €1,150 thousand until 15 June and €1,450 thousand from 16 June onwards.

3.5. Remuneration of the Directors in their Capacity as Such

The total remuneration of the Directors in their capacity as such is of a fixed or attendance-based nature and is linked to their level of responsibility and dedication, guaranteeing their independence and long-term commitment.

The maximum total remuneration for 2023 for membership of the Board of Directors of the Company established in both Remuneration Policies in force during 2023 stands at €1,900 thousand.

- Fixed emolument: in 2023 amounted to a total of €420 thousand.
- Complementary fixed emolument (including also the remaining amount of €83 thousand): in 2023 amounted to a total of €716 thousand.
- Attendance fees: The Directors receive a fixed sum for attending Board of Directors meetings and for their delegated or advisory Committees.

  In total, the amount of attendance fees paid in 2023 reached €764 thousand.

In accordance with the resolution of the Board of Directors of 14 June 2023, effective upon the completion of the merger between Ferrovial, S.A. and Ferrovial International SE (renamed Ferrovial SE), since the total remuneration of the Directors for that year did not reach the maximum annual amount established in the current Directors' Remuneration Policy, the difference (amounting to €83 thousand for the entire Board of Directors) was distributed as fixed remuneration to the Directors, taking into account their length of service on the Board in 2023.

Therefore, the total amount paid in 2023 to the Directors for belonging to the Board, in their capacity as such, was €1,900 thousand.

The following table shows the Directors to whom remuneration applies, in their capacity as such, in the 2023 financial year:

Director (€ thousand)	Type of Director	Accrual period financial year	Board Fees	Board Attendance Fees	Other Benefits	Total
Mr. Rafael Del Pino y Calvo-Sotelo	Chairman - Executive Director	From 1/1/2023 to 31/12/2023	35	119	99	253
Mr. Oscar Fanjul Martín	Vice-Chairman - Non-Executive Independent Director	From 1/1/2023 to 31/12/2023	35	86	87	208
Mr. Ignacio Madridejos Fernández	Chief Executive Officer - Executive Director	From 1/1/2023 to 31/12/2023	35	60	53	148
Ms. María Del Pino y Calvo-Sotelo	Non-Executive Director	From 1/1/2023 to 31/12/2023	35	57	53	145
Mr. José Fernando Sánchez-Junco Mans	Non-Executive Independent Director	From 1/1/2023 to 31/12/2023	35	66	53	154
Mr. Philip Bowman	Non-Executive Independent Director	From 1/1/2023 to 31/12/2023	35	55	53	143
Ms. Hanne Birgitte Breinbjerg Sørensen	Non-Executive Independent Director	From 1/1/2023 to 31/12/2023	35	47	53	135
Mr. Bruno Di Leo	Non-Executive Independent Director	From 1/1/2023 to 31/12/2023	35	55	53	143
Mr. Juan Hoyos Martinez De Irujo	Non-Executive Independent Director	From 1/1/2023 to 31/12/2023	35	60	53	148
Mr. Gonzalo Urquijo Fernández De Araoz	Non-Executive Independent Director	From 1/1/2023 to 31/12/2023	35	62	53	150
Ms. Hildegard Wortmann	Non-Executive Independent Director	From 1/1/2023 to 31/12/2023	35	42	53	130
Ms. Alicia Reyes Revuelta	Non-Executive Independent Director	From 1/1/2023 to 31/12/2023	35	55	53	143
TOTAL			**420**	**764**	**716**	**1,900**

Ratio of compensation of the top executive and the average employee

In 2023, the Chairman's total accrued remuneration amounted to €5,370 thousand (€5,117 thousand as Executive Director plus € 253 thousand as board fees), the average total accrued remuneration amounted to €46 thousand, and the ratio of these amounts is 117.

Ferrovial has 24,799 employees and is present in 6 main markets (Spain, United States, Canada, United Kingdom, Poland and Latin America) where there are specific remuneration conditions. We determine the total accrued remuneration considering all remuneration elements (fixed compensation, board fees, annual variable remuneration, share-linked plans and remuneration in kind).

4. ALIGNMENT OF REMUNERATION IN THE GROUP WITH THE LONG-TERM AND SUSTAINABLE PERFORMANCE OF THE COMPANY AND THE REDUCTION OF RISKS

The Remuneration Policy is designed taking into account the Company's strategy and the long-term results of the Company:

- The total remuneration of the Executive Directors is composed of different remuneration elements consisting mainly of:
  - Fixed elements to reward based on the level of responsibility of the position, the professional trajectory and market practice, national and international, of comparable companies.
  - Annual variable remuneration to reward the creation of value through the achievement of the financial and non-financial targets.
  - Long-term incentives aimed at rewarding the creation of sustainable shareholder value over the long term.
- Long-Term Incentive Plans form part of a multi-annual framework to guarantee that the evaluation process is based on the long-term results. This remuneration is granted and paid mainly in the form of shares upon the base of the creation of value, in such a way that the interests of managers are aligned with those of the shareholders.
- Variable compensation is linked to social, environmental and governance objectives (ESG). For example, and, among others, to employee health and safety ratios, environmental sustainability, diversity, talent management and stakeholder relations.

In addition, Ferrovial has the following tools to ensure that the Remuneration Policy is not exposed to excessive risk and potential conflicts of interest:

- The Nomination and Remuneration Committee consists of four members, one of whom is also a member of the Audit and Control Committee. The cross presence in these 2 Committees favors the taking into account of the risks associated with remuneration in the deliberations of the Committees and in their proposals to the Board.
- The accrual of variable remuneration only occurs after the date of preparation of the corresponding annual accounts.
- In the case of annual variable remuneration, when determining the level of compliance with quantitative targets, extraordinary results that could introduce distortions are eliminated.
- Under circumstances where the objectives linked to variable remuneration are not met, the Executive Directors will only draw the fixed remuneration.

- There are no guaranteed variable remunerations.
- For Executive Directors, the long-term element has a weighting of approximately 35/40% of total remuneration in a maximum performance scenario.
- To reinforce executive directors' commitment to the long-term interests of the Company, the Remuneration Policy includes retention requirements and/or permanent holding of financial instruments.
- As explained in section 2.3.3. above, all variable remuneration is subject to a no-claims and clawback clause.
- Ferrovial has implemented a comprehensive risk management system called Ferrovial Risk Management ("FRM") which includes risks related to potential conflicts of interest. The operation of the FRM is described in detail in the Annual Corporate Governance Report.

  In addition, article 10 of the board regulations, regarding risk management, is taken into account.

The remuneration systems for the Executive Directors described above implicitly include measures of control over excessive risk in their design. On the one hand, the qualitative targets (of the CEO) implicitly include a performance evaluation of the assumption of risks and compliance with the policies established for these purposes. The design of the Long-Term Incentive Plans with cycles of three (3) years each, produces an interrelation of the results of each year, therefore acting as a catalyst for alignment with the long-term interests of the Company and prudent decision making.

5. PROCEDURES AND BODIES OF THE COMPANY INVOLVED IN THE REMUNERATION POLICY. MAIN ACTIVITIES CARRIED OUT BY THE NOMINATION AND REMUNERATION COMMITTEE DURING THE 2023 FINANCIAL YEAR

5.1. Procedures and bodies of the company involved in the remuneration policy

At least every four years, the Company will submit the Remuneration Policy to a vote by the General Meeting, upon a proposal of the Board following the recommendation of the Nomination and Remuneration Committee. It is the Company's policy to seek input from relevant stakeholders, including proxy advisors, in case significant changes to remuneration arrangements are proposed.

The bodies involved in the approval of the Remuneration Policy are the Board of Directors, the Nominations and Remunerations Committee and the General Shareholders' Meeting, the latter being the competent body for its approval, in accordance with article 8.5.2 of the Articles of Association, the Board Rules and current legislation.

The Board, with the proposal from the Nominations and Remunerations Committee, considers the following premises in order to establish the remuneration policy:

- The applicable legal regulations.
- That established by Articles of Association and the Board Rules (Article 36).

- The following internal criteria as regards Executive Directors:
  - Breakdown of the remuneration as fixed and variable targets.
  - Association with the variable part to the achievement of corporate targets.
  - Alignment with Ferrovial's interests through:
    - Periodic participation in plans linked to the share price and to certain metrics of profitability.
    - Recognition, in certain cases, of a deferred remuneration concept.
    - No commitments to pensions.
    - Executive Directors will be limited to the remuneration formulas consisting in the awarding of shares, options, instruments referenced to the value of the share or related with the company's performance.
- The targets established in the Group's strategic plan, which allow, among other things, to establish the metrics to which the annual and long-term variable remuneration is linked.
- Market data. See, in this respect, section 2.2.

Likewise, the Nominations and Remunerations Committee, following the good governance practices and recommendations, uses reports prepared by independent external advisors. In 2023, WTW and Georgeson provided services in relation to various remuneration matters, including benchmarking against national and international comparators, and KPMG assisted as external advisor in the Board's annual self-assessment process.

5.2. Composition and Functions of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is composed of four members:

Name	Position	Type of Director
Mr. Bruno Di Leo	Chairman	Non-Executive Independent Director
Mr. José Fernando Sánchez-Junco Mans	Member	Non-Executive Independent Director
Ms. Hanne Sørensen	Member	Non-Executive Independent Director
Mr. Gonzalo Urquijo	Member	Non-Executive Independent Director

The following table shows the experience and knowledge of the members of the Nomination and Remuneration Committee:

Name	Experience and knowledge
Mr. Bruno Di Leo	Financial Services, Business Administration, Business strategy, Commercial management, New technologies, International experience, Innovation, Digital transformation
Mr. José Fernando Sánchez-Junco Mans	Industrial Engineering, Infrastructures, International experience, Innovation/ new technologies, Finance, Operations, Strategy
Ms. Hanne Sørensen	Economics and Management, International Experience, Finance, Transport, Logistics, Commercial Management, Operations, Strategy, Innovation, Digital Transformation
Mr. Gonzalo Urquijo	Economics and Political Science, Strategy and Business Management, International Experience, Finance, Industrial Production, Logistics

The most important duties of the Nomination and Remuneration Committee include the following:

- Propose the appointment of Independent Directors and report on proposals for the appointment of the rest of the Directors, as well as the Chief Executive Officer of Ferrovial.
- Report on the appointment of the members who must form part of each of the Committees, taking into account the knowledge, skills and experience of the Directors and the duties of each Committee.
- Examine and organize the succession of the Chairman of the Board of Directors and the chief executive of the Company and, where appropriate, make proposals to the Board of Directors so that such succession occurs in an orderly and planned manner.
- Report on the appointment and removal proposals of Senior Managers.
- Propose the basic conditions of the contracts of the Senior Managers.
- Check that the remuneration policy established by the Company is observed.
- Review periodically the remuneration policy applied to the Directors and Senior Managers.
- Verify the information about remuneration of the Directors and Senior Managers.
- Make proposals to the Board of Directors regarding the remuneration policy for directors and managing directors or those who perform their senior management duties reporting directly to the Board, or to the Executive Committee or the CEOs.

Lastly, in those cases where the law so provides, the approval of the mandatory matters is submitted to the General Shareholders' Meeting, including the remuneration plans granted to the Executive Directors consisting of the delivery of shares, share option rights or which are linked to the value of the shares.

5.3. Main Activities carried out by the Nomination and Remuneration Committee During the 2023 Financial Year

In the 2023 financial year the Nomination and Remuneration Committee met 4 times. The following table shows the individual attendance of its members.

Name	Position	Attendance at meetings
Mr. Bruno Di Leo	Chairman	4/4
Mr. José Fernando Sánchez-Junco Mans	Member	4/4
Ms. Hanne Sørensen	Member	3/4[1]
Mr. Gonzalo Urquijo	Member	4/4

[1] Ms. Hanne Sørensen delegated her representation at the meeting of the Nomination and Remuneration Committee, at which she did not attended.

The following table shows the most relevant actions carried out by the Committee during 2023. It should be noted that the Company's remuneration policy has been verified throughout the year.

Quarter	Actions carried out
First Quarter 2023	• Proposed Directors' Remuneration Policy and Annual Report on Directors' Remuneration 2022. • Report on the maximum annual amount of Directors' remuneration in their capacity as such for the 2023 financial year established in the Remuneration Policy approved at the 2023 General Meeting, and the system for distributing this amount among the Directors. • Report on the fixed remuneration for the 2023 financial year for the Executive Directors, and review of the fixed remuneration of the Management Committee. • Proposal for variable annual remuneration for 2022 payable in 2023 to the Executive Directors and review of that of the Management Committee. • Revision of: (i) the amount of the variable remuneration, expressed as a percentage of the fixed remuneration, (ii) the compliance criteria to which the assessment of the variable remuneration is linked and (iii) the quantitative and qualitative targets to which it is linked. • Report on the allocation of units of the first grant of the 2023-2025 Long-Term Incentive Plan to the Executive Directors and review of the allocation of units to the members of the Management Committee. • Compliance with the metrics to which the first grant of the 2020-2022 Long-Term Incentive Plan is linked and proposal of the aggregate pay-out ratio to determine the number of shares to be delivered. • Closing of remuneration of the Directors in their capacity as such corresponding to the 2022 financial year. • Composition of the Board of Directors and its Committees and review the category attributed to each of the Directors. • Competencies required by the Board of Directors. • Long-Term Incentive Plans – Atlantia Analysis TSR.

Second Quarter 2023	• Involvement in the annual assessment of the Board and its Committees carried out with an external adviser (KPMG). • Verification of the information on the remuneration of the Directors and senior management contained in the corporate documents and checked the observance of the Company's remuneration policy. • Information on the evolution of proxy advisors' voting recommendations in relation to the Directors' Remuneration Policy and the Annual Remuneration Report, and on the outcome of the vote on these two documents at the General Shareholders' Meeting. • Report on nominations to Board of Directors in Ferrovial Group companies. • Report on engagement.
Third Quarter 2023	• Report on nominations to Boards of Directors in Ferrovial Group companies. • Verification of the Directors' Composition Policy. • Diversity and Inclusion Policy. • Report on Diversity, Equity and Inclusion. • Report on talent management.
Fourth Quarter 2023	• Determination of independence of Directors and Committee members. • Policy for recovery of erroneously awarded compensation (Clawback Policy). • Report about a new global anti-discrimination and anti-harassment Policy. • Report on the succession plan for the Chairman, Chief Executive Officer, senior management and other management positions. • Report on the operation of the Committee.

In 2024, up to the date of approval of this report, the same activities have been carried out as in 2023, review and proposal of the remuneration plans for the Executive Directors to be submitted to vote at the 2024 General Shareholders' Meeting.

5.4. Other Information of Interest

Ferrovial has taken out civil liability insurance for the directors and executives of the Group companies of which Ferrovial is the parent company. Among these insured persons are the Directors. The premium paid in 2023 for the aforementioned insurance amounts to €1,073 thousand.

6. SUMMARY TOTAL REMUNERATION TABLES

6.1. Total Remuneration of Executive Directors (in € thousand)

Director	Financial Year	Base Salary	Other Benefits	Board Fees	Board Attendance Fees	Perquisites	Total Fixed	% Fixed	Annual Variable Remuneration	Long-Term Incentive Plan	Total Variable	% Variable	Total Remuneration
Mr. Rafael del Pino y Calvo-Sotelo	**2023**	**1,500**	**99**	**35**	**119**	**13**	**1,766**	**33%**	**2,809**	**795**	**3,604**	**67%**	**5,370**
	2022	1,500	107	35	103	10	1,755	33%	2,609	883	3,492	67%	5,247
	2021	1,500	92	35	122	9	1,758	39%	2,275	490	2,765	61%	4,523
	2020	1,405	86	33	122	8	1,654	34%	1,620	1,602	3,222	66%	4,876
	2019	1.455	74	35	143	8	1,715	39%	1,608	1,097	2,705	61%	4,420
Mr. Ignacio Madridejos Fernández[1]	**2023**	**1,313**	**53**	**35**	**60**	**18**	**1,479**	**35%**	**1,926**	**795**	**2,721**	**65%**	**4,200**
	2022	1,150	61	35	51	13	1,310	43%	1,538	183	1,721	57%	3,031
	2021	1,100	46	35	61	12	1,254	49%	1,283	-	1,283	51%	2,537
	2020	937	43	33	61	12	1,086	57%	810	-	810	43%	1,896
	2019	250	609	9	14	-	882	78%	250	-	250	22%	1,132

[1]Mr. Ignacio Madridejos Fernández participates in a deferred remuneration scheme that will only become effective when they leave the Company by mutual agreement with the Company upon reaching a certain age, and therefore there are no vested rights. The annual contributions amount to 20% of the Total Remuneration (fixed remuneration plus the annual variable remuneration target of 100%). The right to receive this extraordinary remuneration shall be incompatible with the payment of any compensation that the Chief Executive Officer may be entitled to receive as a result of the termination of their relationship with the Company.

6.2. Total Remuneration of Non-Executive Directors (in € thousand)

Director	Financial Year	Board Fees	Board Attendance Fees	Other Benefits	Total Remuneration
Mr. Óscar Fanjul Martín	**2023**	**35**	**86**	**87**	**208**
	2022	35	73	96	204
	2021	35	83	81	199
	2020	33	83	70	186
	2019	35	80	37	152
Ms. María del Pino y Calvo- Sotelo	**2023**	**35**	**57**	**53**	**145**
	2022	35	51	61	147
	2021	35	61	46	142
	2020	33	61	43	137
	2019	35	72	37	144
Mr. José Fernando Sánchez-Junco Mans	**2023**	**35**	**66**	**53**	**154**
	2022	35	58	61	154
	2021	35	76	46	157
	2020	33	81	43	157
	2019	35	89	37	161

Mr. Philip Bowman	**2023**	**35**	**55**	**53**	**143**
	2022	35	47	61	143
	2021	35	59	46	140
	2020	33	59	43	135
	2019	35	59	37	131
Ms. Hanne Birgitte Breinbjerg Sørensen	**2023**	**35**	**47**	**53**	**135**
	2022	35	41	61	137
	2021	35	50	46	131
	2020	33	56	43	132
	2019	35	58	37	130
Mr. Bruno Di Leo	**2023**	**35**	**55**	**53**	**143**
	2022	35	49	61	145
	2021	35	58	46	139
	2020	33	58	43	134
	2019	35	54	37	126
Mr. Juan Hoyos Martínez De Irujo	**2023**	**35**	**60**	**53**	**148**
	2022	35	51	61	147
	2021	35	61	46	142
	2020	33	61	43	137
	2019	9	12	9	30
Mr. Gonzalo Urquijo Fernández De Araoz	**2023**	**35**	**62**	**53**	**150**
	2022	35	54	61	150
	2021	35	59	46	140
	2020	33	59	43	135
	2019	1	-	1	2
Ms. Hildegard Wortmann[1]	**2023**	**35**	**42**	**53**	**130**
	2022	35	36	61	132
	2021	23	36	30	89
Ms. Alicia Reyes Revuelta[1]	**2023**	**35**	**55**	**53**	**143**
	2022	35	47	61	143
	2021	23	36	30	89

[1]Appointed as Non-Executive Directors in May 2021.

6.3. Relationship Between Directors' Total Remuneration, Company Performance and Pay Ratio

The data reported in the following table for the years 2019 to 2022 are those reported in the Annual Directors' Remuneration Reports corresponding to each fiscal year and in accordance with the Spanish legal requirements (perquisites not included in totals).

		2023	Change (in %)	2022	Change (in %)	2021	Change (in %)	2020	Change (in %)	2019
Executive Directors Total Remuneration (€ thousand)	Mr. Rafael Del Pino Y Calvo-Sotelo[1]	5,370	2.54	5,237	16.02	4,514	-7.27	4,868	10.34	4,412
	Mr. Ignacio Madridejos Fernández[2]	4,200	39.17	3,018	19.52	2,525	34.02	1,884	66.43	1,132
Non-Executive Directors Total Remuneration (€ thousand)	Mr. Oscar Fanjul Martín	208	1.96	204	2.51	199	6.99	186	22.37	152
	Ms. María Del Pino Y Calvo-Sotelo	145	-1.36	147	3.52	142	3.65	137	-4.86	144
	Mr. José Fernando Sánchez-Junco Mans	154	0	154	-1.91	157	0	157	-2.48	161
	Mr. Philip Bowman	143	0	143	2.14	140	3.70	135	3.05	131
	Ms. Hanne Birgitte Breinbjerg Sørensen	135	-1.46	137	4.58	131	-0.76	132	1.54	130
	Mr. Bruno Di Leo	143	-1.38	145	4.32	139	3.73	134	6.35	126
	Mr. Juan Hoyos Martinez De Irujo[3]	148	0.68	147	3.52	142	3.65	137	356.67	30
	Mr. Gonzalo Urquijo Fernández De Araoz	150	0	150	7.14	140	3.70	135	n.s.	2
	Ms. Hildegard Wortmann[4]	130	-1.52	132	48.31	89	-	0	-	0
	Ms. Alicia Reyes Revuelta[5]	143	0	143	60.67	89	-	0	-	0
Company Performance	Total Shareholder Return (%)	38.4								
	Total Revenue (€ million)	8,514								
	Consolidated results of the Company (€ million)[6]	656	144.78	268	-72.26	966	-	-427	-	504
Remuneration of Employees	Average (€ thousand)[7]	46	4.55	44	46.67	30	-6.25	32	-8.57	35
Pay Ratio	Chairman Pay Vs. Average Remuneration of employees[8]	117								

[1]The variations in the Chairman's accrued remuneration have been derived from the different fulfillment of the metrics of the remuneration at risk of the Chairman both in the short and long term.
[2]Remuneration in 2019 and 2020: the indicated figure shows the variation between the remuneration actually accrued in 2019 and in 2020. These figures are not comparable given that the Director was appointed on 30 September 2019 and therefore the remuneration relates to the period from 30 September to 31 December 2019. In 2020, he was a member of the Board for the full financial year.
[3]Remuneration from 2019 to 2020: the indicated figure shows the variation between the remuneration actually accrued in 2019 and in 2020. These figures are not comparable given that the Director was appointed on 2 October 2019 and therefore the remuneration relates to the period from 2 October to 31 December 2019. In 2020, he was a member of the Board for the entire fiscal year.
[4]Remuneration between 2021 and 2022: the indicated figure shows the variation between the remuneration actually accrued in 2021 and in 2022. These figures are not comparable given that the Director was appointed on 6 May 2021 and therefore the remuneration relates to the period from 6 May to 31 December 2021. In 2022, she was a member of the Board for the full financial year.
[5]Remuneration between 2021 and 2022: the indicated figure shows the variation between the remuneration actually accrued in 2021 and in 2022. These figures are not comparable given that the Director was appointed on 6 May 2021 and therefore the remuneration relates to the period from 6 May to 31 December 2021. In 2022, she was a member of the Board for the full financial year.
[6]"CONSOLIDATED PROFIT BEFORE TAXES" data provided in the Integrated Annual Reports.
[7]"SALARIES AND WAGES ACCOUNT" between "AVERAGE STAFF", excluding Executive Directors in both data. The increase in the period 2021 to 2022 is due to the sale of the major part of the Services division.
[8]Ratio between (i) the total annual remuneration of the Chairman and (ii) the average annual remuneration of the employees of the company, whereby:

- The total remuneration of the Chairman includes all remuneration components (such as fixed remuneration, board fees, annual variable remuneration, share-linked plans and remuneration in kind).
- The average annual remuneration of employees is determined by dividing the salaries and wages account by the average number of employees.

6.4. Total remuneration of senior management

As well as Executive Directors, the members of the Senior Management of the Company have a remuneration package composed of their fixed and variable remuneration (annual and long-term), as well as other remuneration items. For the year 2023, they have jointly accrued the following remuneration:

Senior Management Remuneration (in € thousand)	2023	2022
Fixed remuneration	5,094	4,755
Variable remuneration	5,534	4,822
Share Plan linked to objectives	1,934	1,629
Other[1]	585	51
Other[2]	486	0
TOTAL	**13,633**	**11,257**

[1]Life insurance premiums/Council membership in other subsidiaries/Expatriates' payments.
[2]Separation of members of the Non-Management Committee in 2023 (amount subject to income tax).
*The Senior Management average remuneration is not broken down by gender in order to keep it confidential, given that there is only two women in this group.

RISKS

FACING CHALLENGES

An effective process of risk identification and assessment is a competitive differentiator.

The Board of Directors is responsible for supervising the operation of internal risk management and control systems. Therefore, it periodically evaluates their design and effectiveness in identifying, assessing and mitigating risks that may impact the achievement of the strategic objectives of Ferrovial.

The Risk Control and Management Policy, approved by the Board of Directors, establishes the general framework of action for the control and management of risks of different nature that the executive team may encounter in the achievement of the business objectives.The policy is reviewed periodically to update the risk appetite and tolerance levels to be considered in the development of the corporate business plan.

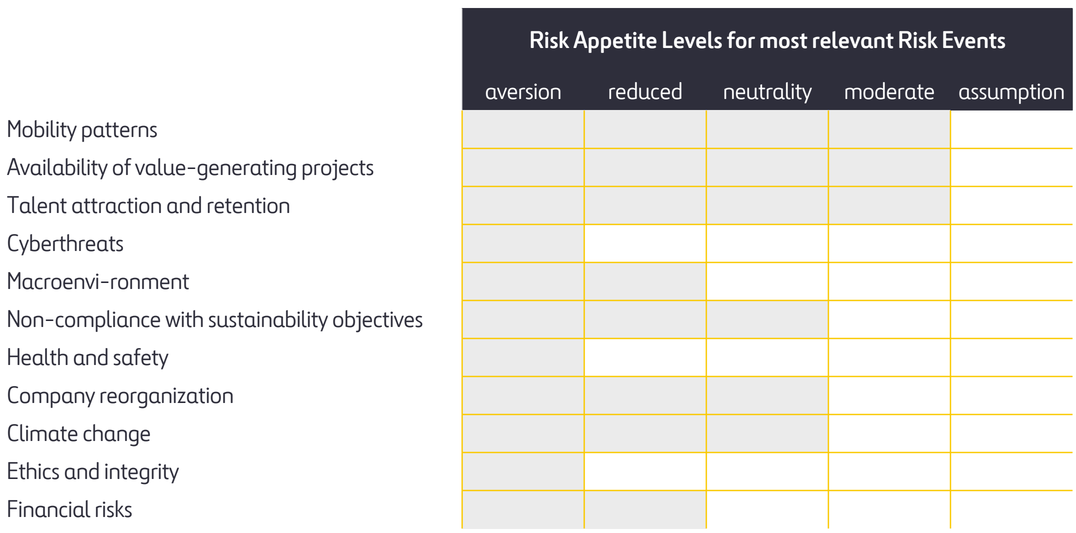
The Audit and Control Committee of the Board of Directors is entrusted, among others, for supervising and evaluating the control and management systems for financial and non-financial risks relating to the Ferrovial Group, including operational, technological, legal, social, environmental, political, reputational and corruption-related risks. The Audit and Control Committee reviewed the Ferrovial risk map in May 2023 and its update in December 2023.

Risk Appetite

In the performance of its corporate objectives Ferrovial is exposed to diverse risk factors deriving from the nature of the sectors in which it operates, the countries where its activities are located and the different regulations to which it is subject.

The Board of Directors of Ferrovial establishes in the Risk Control and Management Policy the risk appetite and the admissible tolerance level for each risk factor. This policy aims to provide all the employees of the company with a general framework of action for the control and management of the risks of any nature that they may face in the performance of the business objectives and the general strategy of Ferrovial.

Risk appetite levels are set per risk factor on a scale from risk aversion to risk assumption. For instance, a risk aversion appetite has been set for risks related to ethics, integrity and compliance, and a risk assumption appetite has been set for risks related to strategic innovation.



EFFECTIVE RISK MANAGEMENT: FERROVIAL RISK MANAGEMENT

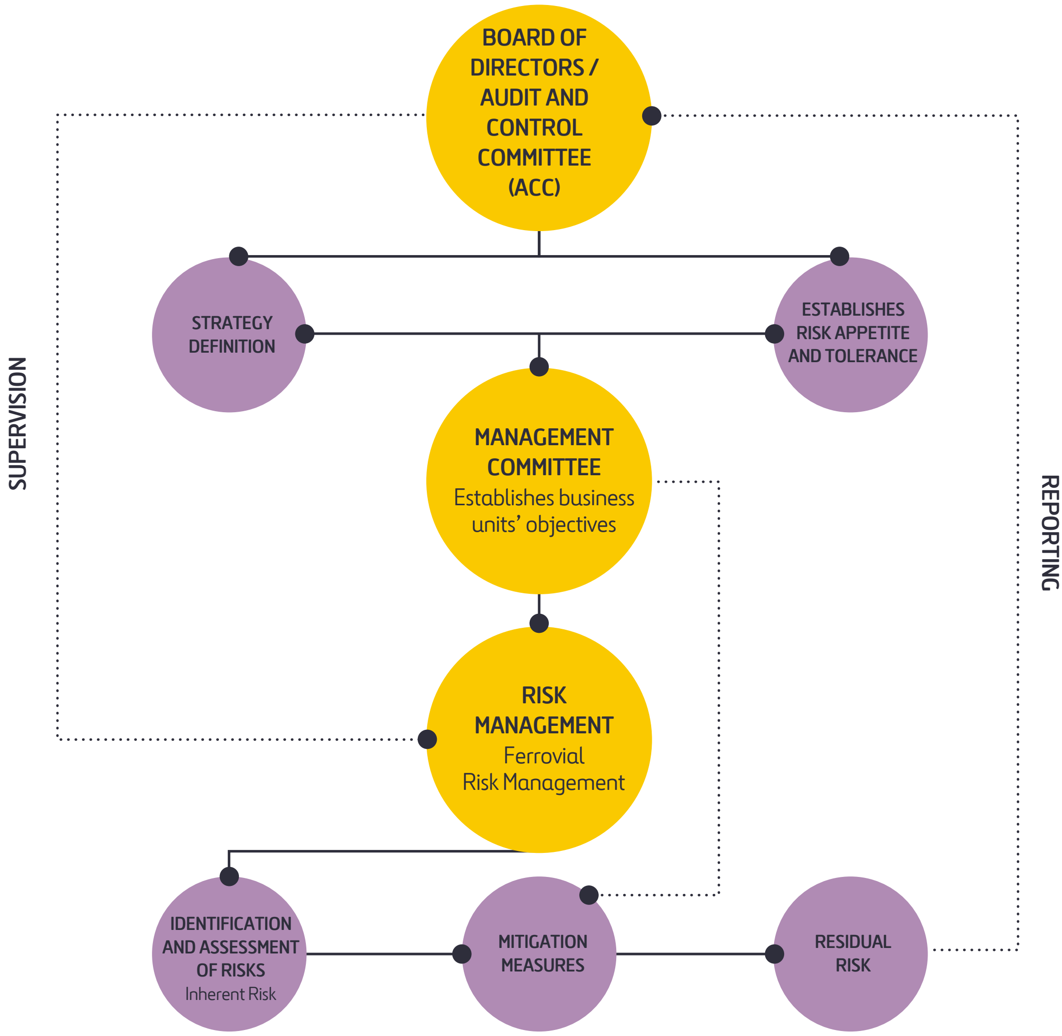
The materialization of the Risk Control and Management Policy and its basic principles is embodied, among others, in the risk identification and assessment process, called Ferrovial Risk Management (FRM), which is managed by the Compliance and Risk Department and reports directly to the Audit and Control Committee of the Board of Directors. FRM is implemented in all the company's areas of activity and is carried out twice a year.

The Compliance and Risk Department, independent of the business lines, reports half-yearly to the Audit and Control Committee, and at least once a year to the Board of Directors, on the risks that threaten the achievement of the business objectives.

The FRM process, through the application of a common metric, enables the identification and assessment of risk events based on their probability of occurrence and their potential impact on business objectives and corporate reputation. Two evaluations are made for each risk event identified: an inherent assessment, without considering the specific control measures implemented to mitigate the risk, and a residual assessment, including the specific control measures. In this way, Ferrovial can implement the most appropriate mitigation measures according to the nature of the risk and evaluate their effectiveness.

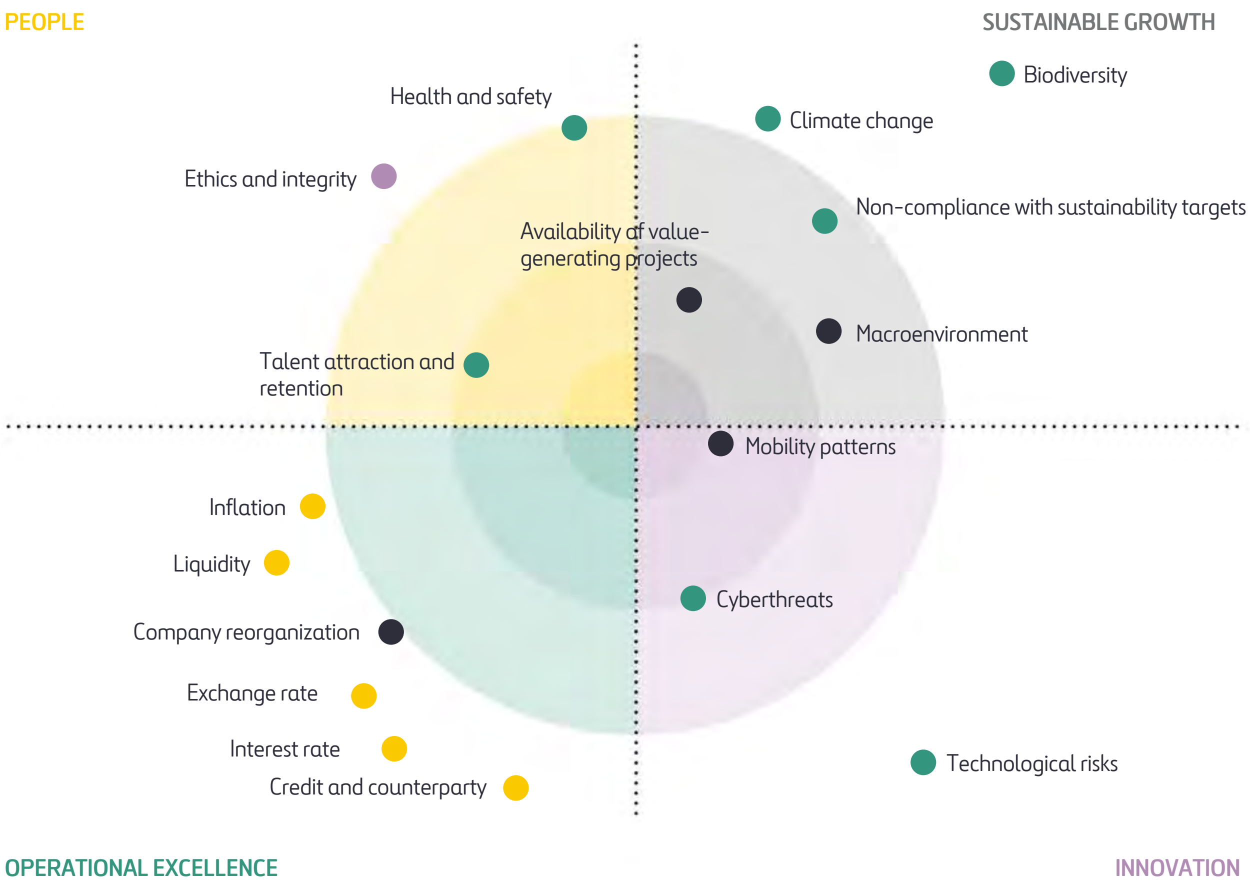
In a process of continuous improvement, during the last fiscal year Ferrovial has reviewed the risk management process by conducting an internal audit and an external consultancy to analyze and improve the performance of the process. As a result, the integration between the risk management system and the strategic processes and the definition of the medium and long-term business plan has been improved, and the quantification of certain risk variables has been optimized, reinforcing the second lines of defense.

FERROVIAL RISK MANAGEMENT



MAIN RISKS

The chart shows the most relevant risk events that threaten the execution of Ferrovial's corporate strategy.



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

Strategic risks: related to the market and the environment in which each business operates.

Operational risks: associated with the bidding process, production, service provision and generation of revenues and costs incurred.

Financial risks: associated with changes in financial figures, access to financial markets, cash management, reliability of financial information and tax risks.

Compliance risks: linked to compliance with applicable legislation, commitments to third parties and self-imposed obligations arising from the Code of Ethics and Business Conduct.

The most relevant risk events, their potential impact and the main control measures implemented to mitigate their impact and/or probability of occurrence are described below.

Risk Event	Description	Potential Impact	Control Measures
Mobility patterns	The trend towards digitalization in social interaction has accelerated in recent years, especially due to teleworking and e-commerce. This evolution, together with the current context of global economic slowdown, in an inflationary environment and rising interest rates, may negatively impact the traffic volume of the company's main assets, posing a risk to its performance and value.	• Valuation of assets. • Liquidity. • Margins and flows in infrastructure projects in operation.	– Analysis and study of medium-term mobility trends, as well as review of scenarios and alternatives. – Implementation of traffic promotion plans.
Availability of value-generating projects	Large transportation infrastructure development and operation projects are exposed to a highly competitive market and subject to political decisions and social movements, with an impact on the availability of attractive mobility projects for the company. This may affect the company's growth and its ability to achieve its strategic objectives.	• Reduction of value-generating business opportunities. • Fulfillment of growth objectives. • Reduction of margins due to increased risk.	– Analysis of new markets. – Unsolicited proposals for infrastructure projects. – Review of risk profile by type of project.
Talent attraction and retention	High demand for skilled professionals and low unemployment rates in some of the target markets in which Ferrovial operates increase the risk of attracting and retaining talent. Additionally, the pandemic has caused a change in employee habits, priorities and value expectations, which intensifies this risk.	• Loss of business opportunities due to lack of qualified personnel. • Non-fulfillment of commitments with clients (deadline, quality, etc.). • Reduced margins due to increased costs.	– Plan for the identification and empowerment of talent in the organization. – Promote the attraction of local talent. – Specific plans for key positions.
Cyberthreats	Cyberthreats are a constant risk in today's information society, especially for businesses that are increasingly dependent on technology and connectivity. The wars in the Middle East and Ukraine and the development of new technologies in the field of AI have increased the severity and frequency of attacks (supply chain attacks, asset disruption, phishing, digital identity theft, etc.). In this context, infrastructures can be vulnerable to these threats, which can affect the normal operation of the assets, their ability to generate the expected value and the company's reputation.	• Degradation or impossibility to operate the assets. • Economic loss due to the costs of recovering the activity. • Sanctions for regulatory and/or contractual non-compliance. • Impact on the business plan with the consequent reduction in the value of the asset. • Damage to corporate reputation and competitive advantage, compromising potential business opportunities. • Loss or theft of know-how and/or intellectual and industrial property. • Information kidnapping. • Fraud impact.	– Global Security Model, based on NIST CSF and ISO 27002, ISO 27001 certified (audited annually). – Periodically evaluated security capabilities and controls that implement the security model. – Committee and Global Cybersecurity Community as levers for the deployment of security capabilities. – Insurance policies with coverage against cyberincidents of various kinds. – Establishment of formal collaboration agreements with national and international cybersecurity agencies. – Deployment of advanced protection capabilities.

Risk Event	Description	Potential Impact	Control Measures
Macroenvironment	The global economic situation shows a scenario marked by geopolitical and socioeconomic tensions that have led to an inflationary environment of low growth and high interest rates, aggravated by the wars in Ukraine and the Middle East. In this context, Ferrovial faces the risk of higher than estimated increases in raw material costs and interest rates, which could jeopardize compliance with delivery deadlines and expected returns.	• Reduced margins due to increased costs. • Increase in financial cost. • Non-compliance with commitments to customers. • Failure to meet growth objectives.	– Introduction of price review mechanisms in contracts. – Negotiation of pre-contracts with suppliers and subcontractors. – Planning of supplies, from the study and bidding phase. – Market trend monitoring and supply planning. – Hedging of materials and interest rates.
Non-compliance with sustainability objectives (emissions reduction and taxonomy)	Increasingly, infrastructure investors and funds are giving priority to Environmental, Social and Governance aspects (ESG) in their decision making. Any failure to comply with Ferrovial's climate change objectives could have a negative impact on its reputation, analysts' ratings, financing cost and third parties' investment decisions. Moreover, the identification of any of the company's activities as ineligible and/or unaligned under the EU Taxonomy would aggravate the risk.	• Damage to corporate reputation. • Difficulty of access to financing and/ or deterioration of terms and conditions. • Tightening of project financing conditions. • Penalization by potential investors. • Loss of positioning in sustainability indexes.	– The Horizon 24 Strategic Plan, focused on the promotion, construction and management of sustainable infrastructures. – Presence in the most internationally recognized sustainability indexes, among others: Dow Jones Sustainability Index, FTSE4Good, Sustainalytics, Moody's, CDP or ISS ESG. – Development and implementation of the sustainability strategy.
Health and safety	The risk of accidents is inherent to the nature of Ferrovial's activities. Failure to have appropriate mitigation measures in place could jeopardize the health and safety of people (employees, customers, etc.) and may also have a negative impact on the Group's operations. Failure to comply with the company's health and safety policies and processes could result in physical harm, reputational risk or even loss of business opportunities.	• Physical damages to employees and third parties. • Operational impacts due to interruption in operations. • Civil/criminal liability. • Damage to corporate reputation. • Difficulty of access to financing and/ or deterioration of terms and conditions.	– Integration of health and safety at work as a fundamental value of the company. – Implementation of a health, safety and wellbeing strategy. – Implementation of health and safety prevention systems. – Continuous training for employees. – Management systems audit plan. – Civil and professional liability coverage. – Establishment of a tolerance level for this risk factor as "risk aversion",
Company reorganization	Failure to meet liquidity and growth expectations following the company's corporate reorganization and listing on the Amsterdam stock exchange and planned listing in the United States. Likewise, listing in new markets implies compliance with information and control requirements, failure to comply with these could result in sanctions from regulatory bodies, as well as the loss of confidence of investors, clients and analysts.	• Loss of credibility with investors, customers, analysts and rating agencies. • Decrease in liquidity to meet the business plan. • Loss of value. • Sanctions for non-compliance with requirements.	– Listing plan for new markets. – Strategic plan for investor and analyst relations. – Development of internal control over the financial reporting process under the US Sarbanes Oxley (SOX) act. – Stakeholder communication campaign.

Risk Event	Description	Potential Impact	Control Measures
Climate change	Ferrovial is exposed to risks derived from climate change. On the one hand, there are physical risks, such as extreme weather events, which may affect infrastructures. In addition, there are transition risks, given that global trends to reduce the causes and consequences of climate change may entail economic (such as an increase in the cost of raw materials), regulatory, technological and/or reputational effects.	• Interruption of operations due to physical damage to infrastructures. • Decrease in productivity under extreme weather conditions. • Increase in coverage premiums. • Increase in operating costs due to increases in raw material prices, increase in fossil fuel taxes or adaptation to new technologies, among others.	– Process of identifying and assessing the risks associated with climate change to which the company may be exposed. – Review of Deep Decarbonization Path. – Control and monitoring tools. – Implementation of recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
Ethics and integrity	The company is at risk of committing, by its employees or collaborators, acts that may involve a breach of the rules and requirements of integrity, transparency and respect for legality and human rights, in particular acts of corruption.	• Criminal liability of individuals and legal entities. • Reduction of business opportunities due to non-compliance with ethical requirements. • Damage to corporate reputation. • Economic impact from sanctions.	– Compliance Program aimed at preventing acts contrary to ethics and integrity. – Certified criminal and anti-bribery prevention system (UNE-ISO 19601 and ISO 37001). – Specific training plan to promote an ethical culture and prevent irregularities, especially corruption. – Establishment of a tolerance level for this risk factor as "risk aversion" according to the Risk Policy.
Financial Risks (see section 5.4 of Consolidated Financial Statements for more information)	The company's business is affected by changes in financial variables such as interest rates, exchange rates, inflation, credit or liquidity.	• Loss of opportunities due to reduced project financing capacity. • Reduction of net margins. • Compliance with financial commitments.	– Financial risk management policies. – Analysis and active management of the risk exposure of the main financial variables. – Effective management of financial alternatives.

It is worth mentioning that the risks materialized during the year that had an impact on the company's profitability are: (i) higher than expected costs incurred in the completion of major construction projects in the US and (ii) landslide on a project in Colombia, which led to formalize a provision at year-end for the preliminary potential cost estimate of the project, whose completion and delivery as contractually designed has rendered impossible due to this event. However, in both cases, claims have been filed in order to mitigate the impact.

EMERGING RISKS

In addition, the FRM process also identifies, assesses and monitors emerging risks caused by external agents with a potentially significant long-term impact on the business. Among others, the following risks are highlighted:

Risk event	Description	Potential impact	Control measures
Protection of biodiversity and natural capital	Biodiversity is a fundamental element for the ecological balance of the planet, playing a key role in the provision of ecosystem services. However, several risks threaten its preservation, such as the loss and fragmentation of natural habitats, the introduction of invasive exotic species, environmental pollution, climate change and the overexploitation of natural resources. Ecosystem degradation can affect the availability of natural resources, such as water and energy, and increase production costs.	• Reduction of margins and flows in projects. • Reduction of business opportunities. • Loss of license to operate and/or stoppage of activities. • Reputational impact.	– Biodiversity Policy. – Commitment as Adopter of the Task Force on Nature-related Financial Disclosure (TNFD). – Implementation of an environmental management system that considers biodiversity as a key aspect. – Development of a methodology and tool for measuring natural capital debt called INCA (Integrated Natural Capital Assessment).
Technological risks-quantum computing	The progressive development of quantum technology applied to computing provides it with exponentially greater processing capacity compared to the traditional system, based on binary code. The proliferation of new technologies that take advantage of this extraordinary increase in computing capacity could significantly increase exposure to the risk of cyber threats, as traditional encryption methods could prove insufficient in the face of the processing power of quantum computing.	• Increased vulnerability to cyber-attacks. • Information theft. • Stoppage of the operation of assets.	– Tracking the progress of technology and use cases in the sector. – Strategic partnerships with partners with sufficient capabilities to develop technologies to protect against the challenges of quantum computing.

The inherent risk factors that may affect Ferrovial's business are described below:

RISK FACTORS

1. Risks Related to Our Business and Structure

1.1. A deterioration of global economic and political conditions could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Our business performance is closely linked to the economic cycle and political conditions in the countries, regions, and cities in which we operate. As a result of our diverse geographical operations, in 2023 we generated the majority of our revenues across several core jurisdictions, including the United States (33.8%), Poland (25.4%), Spain (17.3%), the United Kingdom (9.0%) and Canada (1.9%).

Typically, robust economic growth in the areas where we operate results in greater demand for our services, while slow economic growth or economic contraction adversely affects such demand. For example, the toll roads and aviation businesses are cyclical by nature and are closely linked to general economic conditions.

All revenues, dividends, and investments from our Companies are exposed to risks inherent to economic conditions in the countries in which they operate. Operations in the countries where we do business are exposed to factors such as: (i) fluctuations in local economic growth; (ii) changes in inflation rates; (iii) devaluation, depreciation or excessive appreciation of local currencies; (iv) foreign exchange controls or restrictions on profit repatriation; (v) changing interest rate environment; (vi) changes in financial, economic and tax policies;(vii) instances of fraud, non-compliance, bribery or corruption; (viii) social conflicts; (ix) political and macroeconomic instability, and (x) changes in applicable law.

Geopolitical conflict, political uncertainty and instability risks have been on the rise across many economies, resulting in some cases in inward-looking policies and protectionism, which could in turn lead to increased pressures for policy reversals or failure to implement needed reforms. The conflicts in Ukraine and the Middle East and COVID-19 have contributed to greater political uncertainty and instability, as further discussed under "—7. The conflict in Ukraine and the related sanctions and export controls may adversely impact our global activities and could have a material adverse effect on our business, financial condition, results of operations, and prospects," "—14. COVID-19 or other pandemics could cause significant uncertainties and disruptions that may adversely impact our business, financial condition, results of operations, and prospects." and "—20 Terrorist attacks or other acts of violence or geopolitical unrest may particularly affect our operations and profitability."

Economic growth, globally and in the EU, has been subject to constraints on private sector lending and increases in the cost of financing. Recent examples of downside risks to the global economy that have also affected our results include: (i) the conflict in Ukraine, (ii) COVID-19, (iii) the sharp rise in inflation and (iv) increasingly volatile global financial conditions. In addition, many developed economies where we operate, such as the United States, Spain, the United Kingdom, and Canada, have experienced high inflation rates and a corresponding tightening of monetary policies as a result of the strong and persistent upturn in prices.

Continued weakness in many emerging economies where we operate has also contributed to the risk of deterioration of global economic and political conditions. For example, we believe that in Latin America, political systems and institutions may be subject to increased stress as a consequence of the aforementioned global macroeconomic events, including (i) the conflicts in Ukraine and the Middle East, (ii) the slow economic rebound from restrictions imposed in connection with COVID-19, and (iii) high food and energy costs as a result of inflationary pressures exacerbated by high U.S. interest rates, all of which have contributed to increased risks of sovereign defaults and social unrest within the area. Although a number of measures have been implemented by the public sector to mitigate these risks (such as the United States' Infrastructure Investment and Jobs Act, the European Union's Next Generation EU (NGEU) fund, and the UK Build Back Better plan, among others), these measures may prove to be ineffective or insufficient to prevent the deterioration of the economies of the countries in which we operate.

Regionally, U.S. politics continue to be marked by high polarization and uncertainty regarding potential changes to federal, state, and local policy, including tax policies, which could lead to unexpected changes involving the governmental level of oversight and focus on the infrastructure business within the United States. The nature, timing, and economic and political effects of these potential changes to the current legal and regulatory framework affecting our activities remain highly uncertain. In addition, the Federal Reserve has raised interest rates to help curb inflation in the United States, which is at its highest level in decades (for example, the annual rate of change of the consumer price index (CPI) in the United States had increased 3.4% in December 2023 when compared to 2022 levels). High inflation has impacted and is impacting mainly the Construction Business Division (for further details on the impact of inflation on our operations, see "—3. Risks Relating to Our Structure and Financial Risks—3. An increase in inflation may negatively affect our results of operations (mainly in the Construction Business Division) and an increase in real rates or an increase in inflation with no economic growth may decrease the value of our assets, which could have a material adverse effect on our business, financial condition, and results of operations". Rising interest rates also have a negative impact on the financing of our projects.

In Spain (where, in 2023, we generated 17.3% of our revenue), a number of concerns continue to exist in respect to the Spanish economy. In recent years, Spain has made progress to control public deficit and correct the country's economic imbalances, resuming its growth and, supported by external demand as well as by higher domestic demand, reflecting improved financial conditions and rising confidence. However, the conflict in Ukraine and the crisis resulting from COVID-19 have abruptly and significantly deteriorated economic conditions in the country. Currently, inflation is the main concern for the Spanish economy, with the annual CPI's change rate increasing by 3.1% in December 2023 when compared to 2022 levels, according to the Spanish National Institute of Statistics, and rates likely to remain at relatively high levels for the foreseeable future, although financial market participants have recently revised their expectations downwards slightly, according to the Quarterly Report on the Spanish Economy published in December 2023 by Banco de España. Additionally, in 2023, the Spanish gross domestic product (GDP) slowed down, accounting for a 2.5% increase compared to the same period of 2022, with even lower increase predictions for years 2024 (1.4%), and 2025 (1.8%), pointing towards a stagnation of economic growth. The Spanish economy is particularly sensitive to economic conditions in the Eurozone, and any decline in European economic activity could have an adverse effect on Spanish economic growth, which in turn could adversely affect demand for our services in Spain.

The Spanish economy may further be affected by (i) an increase of political uncertainty in Spain (including any resurgence of political and social tensions in Catalonia), which could result in volatile capital markets or otherwise adversely affect financing conditions in Spain or the environment in which we operate and (ii) other external factors, such as the geopolitical uncertainty originated by, among other circumstances, (a) the exit of the U.K. from the European Union, (b) the international trade tensions between the United States and China, or (c) the volatility in commodity prices, any of which could have a material adverse effect on our business, financial condition, results of operations, and prospects. These events could cause an increase of Spain's political uncertainty, which could impact the Spanish economy and, in turn, have a material adverse effect on our business, financial condition, results of operations, and prospects.

We also have operations in a number of Latin American countries, which tend to be more vulnerable to the effects of macroeconomic events and political instability. In those countries, we are exposed to, among others, macroeconomic factors such as inflation, geopolitical tensions, environmental factors, and other socioeconomic and political factors. For example, we have significant operations in Chile, where in the year ended December 31, 2023, we generated EUR 401 million in revenue.

In addition, other factors or events may affect global and national economic conditions, such as heightened geopolitical tensions, war, acts of terrorism, natural disasters, pandemics, or other similar events outside our control.

Even in the absence of an economic downturn, we are exposed to substantial risk stemming from volatility in areas such as consumer spending, business investment, financial conditions, government spending, capital markets conditions, and price inflation, which affect our business and our economic environment and, consequently, our size and profitability. Increases in national public debt may lead countries to increase taxes and to reduce investment in infrastructures. Unfavorable economic conditions could also lead to decreased use of, and related income from, toll roads projects, reduced air travel, and reduced investment in the construction sector and energy infrastructure and mobility sector. Furthermore, any financial difficulties suffered by our sub-contractors or suppliers could increase our costs or adversely affect our project schedules.

Any deterioration of the economies or political conditions of the countries in which we operate could have a material adverse effect on our business, financial condition, results of operations, and prospects.

1.2. We operate in highly competitive industries and our profitability could be affected by our failure to accurately estimate revenue, project risks, the availability and cost of resources, and time when bidding on projects, which could have a material adverse effect on our business, financial condition, and results of operations.

The market for infrastructure development and operation projects is highly competitive and is exposed to political and social factors that are difficult for operators to manage. Most of our competitors are multinational companies bidding on projects worldwide, which places the competitive focus on the attractiveness of each individual project as opposed to its geographical location. These circumstances may have an impact on the achievement of our growth objectives.

In our ordinary course of business, we compete against various groups and companies that may have more local experience, resources, or awareness than we do. Furthermore, the economic slowdown in Europe and the financial difficulties faced by emerging countries are negatively affecting public and private clients' investment capacity and, by extension, our business opportunities in those geographies. This lack of investment opportunities in Europe has pushed capital flows towards markets with greater availability of resources in which we also operate, increasing the competitive tension within those markets and resulting in pressures on prices and profit margins in projects in which the customer risk transfer dynamic is not balanced.

Technological developments in terms of digitalization of processes may also pose a risk to our business if our competitors develop an advantage over us in this area. Specifically, if we fail to develop differential competitive capabilities at the same or a higher pace than our competitors due to the rapid deployment of generative artificial intelligence by said competitors, this may pose a significant risk to our business, financial condition, and results of operations, as the engineering and construction industry is highly dependent on technology. Failure to adequately keep up with technological advances could result in our decreased profitability and loss of market share.

In recent years, the construction sector has been experiencing, at an international level, low profitability margins, which we believe to be partly driven by aggressive commercial strategies, imbalances in customer risk transfer, and cost inflation. These financial considerations may be further accentuated by the political and economic environment created as a result of the conflict in Ukraine and COVID-19. In addition, the increase in infrastructure-focused investment funds requiring lower rates of return in their investments, coupled with these funds' readiness to take on more segments of a project's value chain, may increase competition in our target markets.

If we are unable to obtain contracts for new projects to sustain our current order book (the "Order Book") volume, or if these projects are only awarded under less favorable terms as a result of macroeconomic and competitive pressures, our business, financial condition, and results of operations may be adversely affected.

Furthermore, particularly when operating under fixed fee contracts in the Construction Business Division, we realize a profit only if we can successfully estimate our costs and prevent any cost overruns on contracts. Cost overruns can result in lower profits or operating losses on projects, which could have an adverse effect on our business, financial condition, and results of operations. Our estimates and predictions can be difficult to make, particularly in a highly competitive and uncertain environment (for additional information on the worsening of the global economic and political conditions and their impact on our business, see "—1. A deterioration of global economic and political conditions could have a material adverse effect on our business, financial condition, results of operations, and prospects," "—7. The conflict in Ukraine and the related sanctions and export controls may adversely impact our global activities and could have a material adverse effect on our business, financial condition, results of operations, and prospects," and "—14. COVID-19 or other pandemics could cause significant uncertainties and disruptions that may adversely impact our business, financial condition, results of operations, and prospects"), and may turn out to be inaccurate. If we fail to identify key risks or effectively estimate costs for projects where we are exposed to the risk of cost overruns, this could have an adverse effect on our business, financial condition, and results of operations.

For example, most of our customers in the public infrastructure sector are public entities. These or other customers may, from time to time, request amendments or alterations to agreed projects plans, even after the project has commenced, or ask to renegotiate terms. Any of this could lead to project delays, increased project development costs for us, or even termination of contracts. We may not always be able to recoup the increased costs in such cases. Any potential project amendments or renegotiations with our customers could therefore significantly reduce the revenue and profit we are able to realize. Our claims against customers in this context, to which we assign a high probability of success, may be recognized as revenue. However, if we are unsuccessful in such claims, there can be a reduction in the expected revenues and profit of such projects, which could have an adverse effect on our business, financial conditions, and results of operations.

If we fail to identify key risks or effectively estimate costs for projects where we are exposed to the risk of cost overruns, or if client renegotiations cause a project to incur additional, unexpected costs, this could have an adverse effect on our business, financial condition, and results of operations.

1.3. We depend on funds allocated to public sector projects in the countries in which we operate, and any decrease in allocation of such funds may adversely impact our project volume, which could adversely affect our business, financial condition, and results of operations.

The effects of the economic downturn have led to a sharp reduction in public sector projects, although a number of measures have been implemented by the public sector to mitigate this deterioration.

While we currently indirectly benefit from funds granted by the European Union to its member states (the "Member States") and allocated to those Member States' public entities, due to political, economic, or other considerations, these funds may no longer be available to us, or there may be delays in receipt of such funds. A cancellation or delay in the receipt of such funds may adversely affect our business, financial condition, results of operations, and prospects.

In particular, our Construction Business Division depends on public sector projects. For example, clients from the public sector accounted for 83% of the total Order Book of our Construction Business Division, which amounted to EUR 15,632 million as of December 31, 2023. A reduction in the number of public sector projects available and awarded could negatively affect our results of operations. For example, in Spain, during 2020, there was a slowdown in both private and public tender processes, and public tender processes were delayed on account of COVID-19. As a result of these delays in the start-up of new projects, the Construction Business Division's results were impacted, although they increased when compared to the previous year.

The toll roads industry, generally, and our Toll Roads Business Division, specifically, depend mainly on the continued availability of attractive levels of government funds and incentives to attract private investments, in particular as it pertains to public-private risk sharing in connection with private toll roads development. Such government funds are generally granted in connection with the construction and operation of toll roads for the benefit of the general public. For instance, in the United States, we currently benefit from the Transportation Infrastructure Finance and Innovation Act ("TIFIA")'s credit assistance program as granted by the United States Department of Transportation to leverage limited federal resources and stimulate capital market investment in transportation infrastructure by providing credit assistance in the form of direct loans, loan guarantees, and standby lines of credit (rather than grants) to projects of national or regional significance, such as our development of additional highway lanes within existing highways that incorporate dynamic tolls that change in real-time based on traffic conditions (the "Managed Lanes"). As of December 31, 2023, our projects in the United States have been granted USD 2,785 million through different financial instruments under the TIFIA credit assistance program.

If, due to political, economic, or other considerations, funds like those received through TIFIA are no longer available or the TIFIA credit assistance program is cancelled, this could have a material adverse effect on our ability to develop new projects. Furthermore, decreases in the funds allocated to public sector projects may force private sector construction companies, such as us, to halt projects that are already underway. For these reasons, a continued and further decrease in the spending on the development and execution of public sector projects by governments and local authorities in the markets in which we already operate or in those in which we could operate in the future could adversely affect our business, financial condition, and results of operations.

1.4. The increase in digitalization and consequently, the increased risk of cyber threats and misuse of quantum technology, may affect our normal operation of assets and our ability to generate expected value, which could have a material adverse effect on our business, financial condition, and results of operations.

In a highly digitalized and interconnected economic environment, the risk of cyber security failures potentially harming us has exponentially increased in recent years. In this context, our infrastructures are exposed to threats in the cyber space (by, among others, hostile government agencies, hacktivists, insiders, and criminals), which can impact the normal operation of our assets, impact our ability to generate expected value of the assets, or potentially undermine our reputation. For example, there may be an increase in cyber threats in connection with the conflict in Ukraine, as discussed under "—7. The conflict in Ukraine and the related sanctions and export controls may adversely impact our global activities and could have a material adverse effect on our business, financial condition, results of operations, and prospects."

In particular, cyber threats may impact the normal operation of our assets, which, in turn, may impact our ability to generate expected value of such assets. Cyber threats may cause different types of impact, such as disruption of activities, disclosure of our sensitive information, and failure to comply with laws, regulations, and contractual agreements addressing data security and privacy, among others. The extent to which a cyber threat can impact an asset depends on the asset's nature, the cyber threat agent's origin, the scope of the security breach, and the extent to which we are prepared to respond to such a cyber threat. Critical infrastructures (such as airports, highways, and energy infrastructure), which are the main assets of our business, are a common target for such threats. Additionally, if a cyber threat is not successfully managed, it could impact our ability to generate expected value. For instance, a ransomware attack affecting one of our airports could cause flight cancellations, which in turn could materially affect our operating revenues and financial results. In this respect, the rapid development of the quantum computing industry is also relevant as it is shortening the time in which quantum computers can break encryption systems and compromise sensitive data security.

During 2023, we managed a significant number of suspicious activities, or security events, some of which were associated with malicious, harmful, or potentially malicious and/or harmful activities (known as "security incidents"). None of these incidents had a significant impact on our assets, as all were successfully managed through the different cybersecurity capabilities in place (including protection, detection, response, and recovery mechanisms). The impact that cyber threats have on us and the preventative and defensive measures we have in place against these events are illustrated by some of our cyber data. For example, in 2023, on a monthly average basis, over 6,083 suspicious phishing emails were reported by Ferrovial's systems users and over 13,375 accesses to malicious domains and 80,195 phishing and malicious e-mails were blocked by our systems.

There is a potential risk the attacks may render our assets temporarily inoperative. Furthermore, this increased risk may impact our business plan due to a consequent reduction in the value of the asset, may lead to loss or theft of know-how and intellectual and industrial property, as well as lead to economic loss tied to resuming operations, and may damage our reputation and related competitive advantage, compromising potential business opportunities. In addition, we may face sanctions as a consequence of potential regulatory and contractual non-compliance resulting from an asset's lack of operations following a cyber-attack.

These factors could have an adverse effect on our business, financial condition, and results of operations.

1.5. Our business is derived from a small number of major projects, which, if terminated or otherwise materially affected, may have a material adverse effect on our business, financial condition, and results of operations.

Our main projects in terms of valuation and equity invested are (i) in the Toll Roads Business Division, the 407 Express Toll Road (the "407 ETR") and several Managed Lanes' projects such as the North Tarrant Express toll road ("NTE"), the North Tarrant Express 35W toll road ("NTE 35W"), the I-66 toll road ("I-66"), the I-77 Express lane ("I-77"), and the Lyndon B. Johnson Expressway ("LBJ") and (ii) in the Airports Business Division, the Heathrow airport.

According to market analysts' reports, as of December 2023, Toll Roads and Airports concession projects amounted to approximately 91% of Ferrovial's valuation. On November 28, 2023, we announced the planned divestment of our stake in Heathrow airport.

Aside from the planned Heathrow divestment, we cannot guarantee that any of the aforementioned projects, or our performance thereunder, will not be terminated or otherwise materially affected by developments outside of our control, such as regulatory developments, other factors related to our operations in highly regulated environments, or the public and/or governmental nature of our clients in all of the abovementioned projects, as well as inflationary pressures, foreign exchange rate fluctuations, factors affecting traffic and infrastructure use, adverse weather, availability of financing in favorable terms, or other conditions. The termination of any of these projects or any material impact to our performance as a result of these factors could potentially have a material adverse effect on our business, financial condition, and results of operations.

Furthermore, our reliance on a relatively small number of projects may adversely affect the development of our business. As such, the loss of, or a material adverse effect to, any of our main projects may in turn have a material adverse effect on our business, financial condition, and results of operations.

1.6. The re-domiciliation to the Netherlands could potentially have a negative impact on our brand in Spain, which, in turn, could have a material adverse effect on our competitive position and, in turn, our share price and business, financial condition, results of operations, and prospects.

Our business depends on our strong brand and the markets in which we operate are highly competitive. Specifically, our business largely depends on projects and project orders with governments as well as private clients that are awarded through a competitive bidding process, which is complex and sometimes lengthy. Any bidding costs associated with tendering, particularly for public sector construction projects (whether it is for new contracts, extensions in the scope of work, or renewals of existing contracts) may be significant and, if these costs do not result in the award of a contract, they are generally not recoverable. For further information on the costs of tendering and contract renewal, see "—16. We may be required to bear the costs of tendering for new contracts, contract renewals, and/or extensions with no control over the selection process nor certainty of winning the tender, which may adversely affect our business, financial condition, results of operations, and prospects."

We expect that many of the opportunities we will seek in the foreseeable future will continue to be awarded through competitive bidding. Some of our competitors are larger and have greater resources, larger client bases, and greater brand recognition. For further information on risks related to our competition, see "—2. We operate in highly competitive industries and our profitability could be affected by our failure to accurately estimate revenue, project risks, the availability and cost of resources, and time when bidding on projects, which could have a material adverse effect on our business, financial condition, and results of operations." There is a risk that our re-domiciliation of to the Netherlands, which was completed in June 2023, could potentially have a negative impact on the perception of our brand in Spain, which, in turn, could potentially harm our competitive position as compared to other companies not affected by these or other potential reputational issues.

Furthermore, any reputational harm that we may potentially suffer as a result of the re-domiciliation to the Netherlands as perceived by our customers, suppliers, employees, investors, shareholders, peers, and any other third party could have a negative impact on the price of our ordinary shares as well as our business, financial condition, results of operations, and prospects.

1.7. The conflict in Ukraine and the related sanctions and export controls may adversely impact our global activities and could have a material adverse effect on our business, financial condition, results of operations, and prospects.

On February 24, 2022, Russia began its invasion of Ukraine. As of the date of this Annual Report, the conflict has not come to an end. Although our direct exposure to the conflict is limited and mostly concentrated on our operations in Poland and our operations at the Dalaman International Airport ("Dalaman") in Turkey, which has experienced lower demand from Russian and Ukrainian passengers in part due to inflation and currency devaluation related to the Ukrainian conflict, the macroeconomic scenario triggered by this situation includes broad-based price rises essentially affecting energy and commodities, supply issues, and difficulties in the distribution chain for certain materials, particularly in the construction industry. Additionally, and as a result of these financial pressures, interest rates are rising, impacting the banking and financing markets.

As a result of the invasion, the EU, together with the United States and most NATO countries, condemned the attack and put in place coordinated sanctions and export-control measure packages against Russia, Belarus, and some other territories related to the conflict in Ukraine. The uncertain nature, magnitude, and duration of Russia's war in Ukraine and the potential effects of the war, actions taken by Western and other states and multinational organizations in response thereto (including, among other things, sanctions, export- control measures, travel bans, and asset seizures), as well as of any Russian retaliatory actions (including, among other things, restrictions on oil and gas exports and cyber-attacks) on the world economy and markets have contributed to increased market volatility and uncertainty.

Our activities in Poland (through Budimex's construction business), as a neighboring country to Ukraine, are at an increased risk of being disrupted by the conflict. Although as of the date of this Annual Report, our revenue generated in Poland, which, in year ended December 31, 2023, amounted to 25.4% of our revenues was not materially affected as a result of the conflict, it cannot be excluded that such risk may materialize in the future. This potential risk has been evidenced by the unattributed missile strike on an area close to Poland's south-eastern border with Ukraine on December 15, 2022 that killed two people as well as by the disruption in the infrastructures of Poland and Ukraine as a consequence of refugees from Ukraine entering Poland to flee the war and by the transportation of western military equipment to support the Ukrainian front. Another country in which we operate that is close to Ukraine's borders, and which could be at risk of disruption in operations, is Slovakia, where we hold a concession for the D4R7 Bratislava ring road (although, as of the date of this Annual Report, the impact of the Ukraine conflict in Slovakia has not significantly impacted our Slovak business, other than through an increase of our labor costs due to the decreased access to employees from Ukraine, which constituted a significant market for employees carrying out our projects in Slovakia).

Additionally, as a result of the Ukrainian conflict, there is also an increased risk of cyber-attacks, and we are particularly exposed to these attacks as a holder of so-called "critical assets," due to our position as a provider of critical infrastructure services and solutions. Infrastructures are exposed to a variety of existing threats in cyberspace (such as hostile government agencies, hacktivists, insiders, and mafias), which may impact or impede (i) the normal operation of assets, (ii) our ability to generate the expected value, and (iii) our reputation. For more information on our increased risk of cyber-attacks, see "—4. The increase in digitalization and consequently, the increased risk of cyber threats and misuse of quantum technology, may affect our normal operation of assets and our ability to generate expected value, which could have a material adverse effect on our business, financial condition, and results of operations."

Although we do not foresee material effects to our results of operations as a direct result of the Ukrainian conflict, the Construction Business Division is the most vulnerable to such effects due to the potential impact the conflict could have on raw materials within the surrounding area, including cost increases of certain materials and decreasing availability.

In contrast, our Toll Roads Business Division has been positively impacted by raising toll rates in those assets with pricing models directly linked to inflation, although it is adversely exposed to possible negative impacts of significant rises of fuel prices on traffic. Finally, no relevant impact is expected in the Airports Business Division other than the aforementioned impact to Dalaman airport in Turkey due to the scant exposure to passenger traffic (the total number of incoming and outcoming passengers at the airport in a particular period) from these regions in the airports managed by us, although the effects of inflation on ticket prices as a result, among others, of the aforementioned fuel cost increases could have a certain consumer dissuasive effect that could affect our results of operations. For additional information on the worsening of the global economic conditions and their impact on our business, see "—1. A deterioration of global economic and political conditions could have a material adverse effect on our business, financial condition, results of operations, and prospects."

In addition, the increase in political tensions worldwide because of the conflict in Ukraine increases the risk of a large-scale armed conflict. In this context, countries tend to boost regional economies at the expense of global integration by applying competition and trade restrictions, sanctions, investment controls, expropriations, or other restrictions, which could lead to a global recession with serious effects on global economy.

All of the above factors, as well as any further escalation of the conflict in Ukraine, could have a material adverse effect on our business, financial condition, results of operations, and prospects.

1.8.The increase in demand for skilled labor in the geographic areas in which we are active makes it more difficult for us to attract and retain talent, which could impact our competitiveness and have an adverse effect on our business, financial condition, and results of operations.

The increase in demand for skilled labor (i.e., STEM positions requiring higher education degrees, and more specifically civil, industrial, or computer engineers, which are normally the main positions required for delivering our projects and managing our assets) in our main markets and particularly in those markets in which the operations of toll roads and other transportation-related construction are concentrated, such as in the United States, Spain, and the United Kingdom, as well as several other western countries, makes it more difficult for us to attract and retain talent, which could impact our competitiveness. We believe that the reasons for the increase in the demand of these profiles are principally:

i. plans for infrastructures development in our main markets, especially the United States, Canada, and the United Kingdom;
ii. a global increase in the demand for STEM positions;
iii. an increased number of competitors for talent (besides our traditional competitors, many technology companies and consulting, banking, and private equity funds are trying to attract STEM professionals); and
iv. the impact of post-COVID-19 employment trends, such as the increased preference of employees to work remotely and the increase of voluntary resignations.

We may lose certain business opportunities and may not be able to fulfill certain commitments to clients, such as commitments regarding contractual deadlines or the pre-established quality of work, due to hiring difficulties and/or understaffing in the event of a potential lack or scarcity of qualified staff. This inability to acquire and retain skilled labor and the resulting inability to fulfill contractual requirements could have an adverse effect on our business, financial condition, and results of operations, and may impact our competitiveness. Furthermore, we may experience lower profit margins due to increased labor costs resulting from a higher demand of skilled labor. This could have an adverse effect on our business, financial condition, and results of operations.

1.9. Regulators and other stakeholders may demand that our business objectives become more sustainable and may be willing to penalize us if we do not meet them, and we could be affected by degradation of ecosystems, which could have a material adverse effect on our business, financial condition, and results of operations.

Both regulators and other stakeholders may demand that our business objectives become more sustainable, both from an environmental and social point of view, and may be willing to penalize us if we do not meet their expectations and demands, for example if our activities do not qualify as environmentally sustainable in accordance with EU Taxonomy, or in accordance with our own commitments in relation to reduction of $CO2$ emissions. A misalignment between our strategy and the expectations and demands of regulators and other stakeholders with regards to sustainability would compromise the fulfillment of our growth and investment objectives. Furthermore, increasing demands in connection with sustainability by our stakeholders may result in increase in our compliance costs in this regard.

We also run the risk that our subsidiaries may perform work on projects for governments and public institutions that do not meet our environmental standards, potentially impacting protected areas or endangered fauna or flora.

In particular, if we are not able to adhere to a call for increased sustainability by certain regulators or stakeholders, we may face penalties by said regulators and stakeholders, including shareholders, suffer damage to our corporate reputation, lose our positioning in sustainability indexes, experience an increase in our financing costs, and experience a negative impact in analysts' ratings. Furthermore, as a consequence of the financial demands derived from our need to become more sustainable or of our potential failure to become more sustainable, project financing and our access to sources of financing may worsen.

Furthermore, if we or our counterparties fail to comply with environmental requirements in the relevant jurisdictions, we may be subject to investigation or litigation and our reputation and business could be adversely affected.

In addition, biodiversity plays a key role in the provision of ecosystem services that support the economy and social well-being. The degradation of ecosystems and natural capital entails operational, economic, and reputational risks for the development of business activities. Particularly, we could be affected by the loss of quality of certain ecosystem services, such as the lack of water or the reduced availability of certain raw materials. Any of the above factors could have an adverse effect on our business, financial condition, and results of operations.

1.10. Accidents may occur at our project sites and facilities and at our infrastructure assets, which may severely disrupt our operations and cause harm to our employees or customers, which could in turn have a material adverse effect on our business, financial condition, results of operations, and reputation.

Promoting robust standards for health and safety in our operations is one of our strategic priorities in connection with employee well-being. This priority includes implementing strong management systems, employee training and leveraging of data to prevent accidents. For this purpose, we have our 2020-2024 health and safety strategy (the "Health and Safety Strategy") approved by the Board of Directors in December 2019 and extended to 2026, which seeks to align the health and safety management systems of each Business Division and make sure the necessary resources and tools are available to deliver safer operations. Notwithstanding our implementation of the Health and Safety Strategy and the commitment of our top management to invest resources in employee health and safety, the occurrence of low-probability high-impact events such as accidents is a material risk to us.

The frequency rate of serious injuries and fatal accidents, calculated by reference to the total number of serious injuries and fatal accidents against the total number of hours worked, has decreased by 20.3% in 2023, compared to 2022, mainly due to the implemented improvements, such us leadership engagement initiatives, supervisor and management trainings, as well as the continuous commitment of our employees. Nevertheless, this risk remains relevant to us due to, among others, the fact that the risk of an accident is inherent to the nature of our activities, the variability of the subcontractor's safety cultures, or uncontrolled risks caused by third parties in this respect (e.g. driving behaviors of the general public).

Our project sites and facilities, such as toll roads, airports, and construction project sites, may be exposed to incidents such as fires, explosions, toxic product leaks, and other environmental incidents. In addition, these sites and facilities' respective employees may be exposed to accidents (for example, falling from a significant height, being hit by vehicles and machinery, overturning of heavy equipment, and coming in contact with electricity). Any such accidents may cause death and injury to employees, contractors, and also residents in surrounding areas, and may cause damage to the assets and property owned by us and third parties, as well as damage to the environment. We are also exposed to a risk of negative impacts to our business, financial conditions, and results of operations resulting from various types of damage, including temporary interruption of services as a result of accidents during the course of operations, as well as impacts connected to accidents involving land and air transport, substances, goods, and equipment.

If an accident occurs at one of our facilities or project sites, in addition to the internal investigation to be carried out in accordance with our internal policies and protocols, legal proceedings could be initiated by the relevant authorities to identify the causes of the accident and assess any potential civil, labor, or criminal liability. Such legal proceedings could result in the relevant facility or project site being closed while the investigation is conducted, disrupting our operations during the time of such closure. In addition, sanctions may be imposed on us or victims of such accidents may claim compensation from us and hence may expose us to civil liability.

Furthermore, accidents may occur on our infrastructure assets to the users of the infrastructures, such as incidents on the toll roads we currently operate, which are more likely when the area is affected by heavy and severe weather events. For instance, there was a multiple vehicle accident that took place on February 11, 2021 on the NTE 35W in Dallas, Texas involving 133 vehicles and resulting in six deaths and many people injured. As a result of this incident, the concession company NTE Mobility Partners Segment 3 LLC, of which Cintra owns 53.7%, together with several of our U.S. Companies, have been named parties in 29 claims that have been filed and are in the early stages of legal proceedings. We could be found liable in relation to such accidents, including for, but not limited to, non-compliance or defective performance of the relevant contracts. However, the concession company believes, in accordance with the opinion of its external legal advisors, that even in the event of an unfavorable ruling, no material impact to us is expected given the insurance policies contracted and, consequently, no provision has been recorded in relation thereto.

Any accidents, incidents, and consequential claims for damages, including any reputational damage, and disruptions at our project sites or facilities, or related to our infrastructure assets, could have a material adverse effect on our business, financial condition, results of operations, and reputation.

1.11. Beneficiaries of guarantees provided by our Group Companies could request their execution, which could have a material adverse effect on our business, financial condition, and results of operations.

Some of our Group Companies provide guarantees to cover liability to customers for improper performance of obligations under construction contracts. Such guarantees are subject to potential enforcement by customers if a project were not carried out or failed to meet contractual specifications and requirements. In order to protect ourselves from any exposure arising from potential liability, we obtain guarantees issued by banks and insurance companies to cover such exposure. As of December 31, 2023, the balance of such guarantees amounted to EUR 8,739 million (EUR 8,093 million as of December 31, 2022).

Despite the significant amount of guarantees detailed above, the historical impact arising from them is low, since our Group have to date performed their contractual obligations in accordance with the terms and conditions agreed upon with the customers and have recognized accounting provisions against the results of each contract for potential performance-related risks. However, this may not be indicative of any future potential performance and guarantee enforcement.

Should any beneficiary enforce any guarantee, such enforcement will have a specific follow-up investigation to verify whether the request is based on a justified claim. Should a claim be justified, and the guarantees of a relevant or significant amount be successfully enforced, or should multiple guarantees amounting to relevant or significant amounts be successfully enforced simultaneously or within short periods of time, such events may have a material adverse effect on our business, financial condition, and results of operations.

1.12. We may face increased risks due to climate change, which could have a material adverse effect on our business, financial condition, and results of operations.

We may be subject to physical and transitional risks in connection with our activities due to climate change. Physical risks include extreme weather events that may affect our infrastructure and the development of our activity in most of our Business Divisions. In this sense, our infrastructure needs to adapt to climate change effects and be resilient to extreme weather events. Global trends related to climate change and extreme weather may result in further economic, regulatory, technological, and reputational effects and may require us to reassess our operations. For instance, we may be forced to discontinue certain operations due to physical damage to infrastructure, productivity may decrease under certain extreme weather conditions, and hedging and insurance premiums relating to climatological events may increase.

We periodically perform an assessment and quantification of physical and transition risks related to climate change, which include the following:

i. an increase in the cost of energy, both fossil fuels and electricity, and other raw materials specific to each activity;

ii. a change in customer behavior by users of transportation modes;

iii. an increase in reporting obligations on emissions and other environmental and climate considerations;

iv. the loss of competitiveness in tender processes due to any potential failure to comply with environmental requirements;

v. new regulations limiting the use of certain modes of transportation, which would have a significant impact on the use of the infrastructure we operate;

vi. increased investor concern about our environmental performance and impact.

vii. increased maintenance and extraordinary repairs of our infrastructure assets as a result of climatic hazards such as heat waves or drought; and.

viii. lack of availability of new technologies.

Transitional risks, particularly increases in the cost of energy, both fossil fuels and electricity, and other raw materials specific to each activity, and changes in customer behavior users' transportation modes, may affect our Business Divisions.

The above factors could have an adverse effect on our business, financial condition, and results of operations.

1.13. Our insurance cover may not be adequate or sufficient, which could have a material adverse effect on our business, financial condition, and results of operations.

In carrying out our activities, which are mainly related to high-value infrastructure assets such as toll roads and airports, we are subject to possible contingent liabilities arising from the performance of various contracts entered into by the Companies within our Business Divisions. To protect ourselves from those contingent liabilities, we have retained insurance cover in relation to:

i. property damage and business interruption caused by direct material damage;

ii. general liability;

iii. employers' liability;

iv. directors' and officers' liability;

v. environmental liability;

vi. damage caused by cyber-attacks; and

vii. in the United States, employment practices' liability.

Accidents may occur at our infrastructure projects that may severely disrupt the operations and damage our reputation. In particular, our toll roads and other infrastructure assets, such as airports, may suffer damages as a consequence of disruptions caused by natural disasters (as, for example, was the case in connection with a number of toll roads in Chile following the 2010 earthquake), epidemics or pandemics, extreme weather, wars, riots or political action, acts of terrorism, or cybersecurity attacks resulting in losses, including loss of revenue, which may not be compensated for under our insurance contracts, either fully or at all.

Furthermore, certain types of the aforementioned losses, generally, those of a catastrophic nature, such as wars, acts of terrorism, earthquakes, and floods may be uninsurable or not economically insurable. For example, the impact on our revenues of governmental authorities' measures to mitigate the potential effects of COVID-19 is not covered under our existing insurance policies, as the trigger of such policies' obligation to ensure (physical damage to assets) is not a direct effect of COVID-19.

In addition, even where adequately insured against potential unexpected events and damages, we may also be unable to recover losses, in part or at all, in the event of insolvency of our insurers.

Moreover, there can be no assurance that if our current insurance cover is cancelled or not renewed, replacement cover will be available on commercially reasonable terms, or at all.

Any material uninsured or insured, but non-recoverable, losses could have a material adverse effect on our business, financial condition, results of operations, and prospects.

1.14. COVID-19 or other pandemics could cause significant uncertainties and disruptions that may adversely impact our business, financial condition, results of operations, and prospects.

The World Health Organization ("WHO") declared COVID-19 a global pandemic in March 2020. COVID-19 negatively impacted the global economy, including as a result of the institution of measures such as the isolation, confinement and quarantine of individuals and restrictions on the free movement of people, the closure of public and private premises, border closures, and a drastic reduction in air, sea, rail, and land transport, disrupted global supply chains, lowered equity and capital markets valuations, created significant volatility and disruption in the financial markets, and increased unemployment levels. COVID-19 and the measures taken by the governments of many countries to fight against it led to a GDP weakening in many of the countries in which we operate.

In 2022, the countries in which we operate lifted the restrictions on mobility and on economic activities that were in force since the start of the pandemic, although at an uneven rate. The direct result of this lifting of the restrictions is the recovery in demand for the activities we carry out. Accordingly, although our business, financial condition, results of operations, and prospects were materially affected in 2020 and 2021, in 2022 our activities were no longer directly affected by COVID-19 and the associated restrictions, except for the negative effects on traffic related to the Omicron variant at the beginning of the year.

Nevertheless, should COVID-19 and the institution of related measures resurge or should the acceleration of the widespread adoption by businesses of teleworking and other related policies and business practices paired with the current context of global economic slowdown, negatively affect mobility scenarios and prevent the air and ground traffic from reaching pre-COVID-19 levels, the performance and value of our assets depending on such mobility may be adversely affected. If these trends sustain and/or increase, they may result in long-term and permanent declines in airport, toll roads, and other traffic, and, therefore, lead to a significant decline in the future performance and value of the infrastructures we operate. These factors may consequently materially adversely affect our business, financial condition, results of operations, and prospects.

Furthermore, the occurrence of any future pandemics could adversely affect the global economy and the markets in which we operate and could have a material adverse effect on our business, financial condition, results of operations, and prospects. The extent of this impact is uncertain and cannot be predicted, including its duration and severity as well as the scope and economic impact of actions taken to contain the spread of such pandemic or to treat its impact, in addition to the impact of each of these items on macroeconomic conditions, including changes of social patterns and behaviors.

1.15. Our business and operations may be adversely affected by violations of applicable anticorruption laws, in particular the U.S. Foreign Corrupt Practices Act, the EU anti-corruption legislation, the United Kingdom Bribery Act, or similar worldwide anti-bribery laws.

Our international operations require us to comply with international and national laws and regulations regarding anti-bribery and anti-corruption, including the U.S. Foreign Corrupt Practices Act, the EU anti-corruption legislation, the United Kingdom Bribery Act, or similar anti-bribery laws that may be applicable to our business. These laws and regulations, for example, prohibit improper payments to foreign officials and private individuals for the purpose of obtaining or retaining business and may include reporting obligations to relevant regulatory and governmental bodies. The scope and enforcement of anti-corruption laws and regulations may vary. However, many of such laws and regulations have a broad extraterritorial reach.

Some of the markets in which we operate have experienced governmental corruption to some degree, and some of them are high risk markets. Therefore, in certain circumstances, strict compliance with anti-bribery laws and reporting obligations may conflict with local customs and practices. In addition, we use third parties, such as joint venture partners, in these high-risk markets, which pose an inherent risk to strict compliance with anti-bribery and anti-corruption laws.

Our compliance programs, internal controls, policies, and procedures may not always protect us from reckless or negligent acts including bribery of government officials and private individuals, petty corruption, and misuse of corporate funds committed by our employees or associated third parties, particularly given our decentralized nature and our use of joint venture arrangements. Violations of these laws, or allegations of such violations, may lead to fines, findings of criminal responsibility, or harm to our reputation and could result in inaccurate books and records, each of which may have a material adverse effect on our business, results of operations, financial condition, and prospects. For some examples of the potential materialization of this risk, see "—2. Risks Related to Legal, Regulatory, and Industry Matters—3. We are subject to litigation risks, including claims and lawsuits arising in the ordinary course of business, which could have a material adverse effect on our reputation, business, financial condition, and results of operations".

1.16. We may be required to bear the costs of tendering for new contracts, contract renewals, and/or extensions with no control over the selection process nor certainty of winning the tender, which may adversely affect our business, financial condition, results of operations, and prospects.

A substantial portion of our work is subject to competitive tender processes. It is difficult to predict whether we will be awarded contracts due to multiple factors such as qualifications, experience, reputation, technology, customer relationships, financial strength, and ability to provide the relevant services in a timely, safe, and cost-efficient manner. Bidding costs associated with tendering for new contracts, extensions in the scope of work, or renewals of existing contracts can be significant and may not necessarily result in the award of a contract. Furthermore, preparation for bids occupies management and operating resources.

If we fail to win a particular tender, bidding costs are generally unrecoverable. We participate in a significant number of tenders each year and the failure to win such tenders may adversely affect our business, financial condition, results of operations, and prospects.

1.17. We are dependent on the continued availability, effective management, and performance of subcontractors and other service providers, the absence of which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

In the ordinary course of operations, we rely on subcontractors to provide certain services. As a result, our business, financial condition, results of operations, and prospects may be adversely affected if we are not able to locate, select, monitor, and manage our subcontractors and service providers effectively. Additionally, subcontractors to whom we have awarded work may become insolvent, which would require us to select a new subcontractor at the risk of delays and/or at higher cost. For example, in the Construction Business Division, billing by subcontractors and services providers represented 76% of the total operating cost for the year ended December 31, 2023.

If we are not able to locate, select, monitor, and manage subcontractors and service providers effectively, our ability to complete contracts on schedule and within forecasted costs to the requisite levels of quality could be adversely impacted and there may be a material adverse effect on our business, financial condition, results of operations, and prospects.

1.18. We may face risks related to past and future acquisitions or divestments, generally, and the divestment of the Services Business Division, specifically, which could have a material adverse effect on our business, results of operations, and financial condition.

We deploy capital in mergers and acquisitions from time to time. This deployment is subject to various general risks, including:

- the inability to sufficiently integrate newly acquired businesses;
- the inability to achieve the anticipated benefits from the acquisition;
- a loss of critical talent;
- the transmission of actual or potential liabilities in connection with such past or future acquisitions including, but not limited to, third-party liability and other tort claims;
- claims or penalties as a result of breach of applicable laws or regulations;
- financial liabilities relating to employee claims;
- claims for breach of contract;
- claims for breach of fiduciary duties;
- employment-related claims;
- environmental liabilities ;
- tax liabilities; or
- cybersecurity incidents.

For example, we may be subject to environmental liabilities at sites we acquire even if the damage relates to activities prior to our ownership of such sites. Although acquisition agreements may include covenants and indemnities in our favor, these covenants and indemnities may not always be insurable or enforceable, or may expire or be limited in amount, and we may have disputes with the sellers or guarantors, who might become insolvent, regarding their enforceability or scope.

In addition, we may be unable to cost-effectively integrate the new activities from an acquisition into our business and realize the performance that we anticipate when acquiring a business. Acquired companies may have lower profitability or require more significant investments than anticipated, which could affect our profitability margins.

As part of our strategic plans, we may also from time to time divest businesses or assets we no longer deem profitable or in strategic alignment. For example, on November 28, 2023, we entered into agreement to divest our stake in the Heathrow airport. The planned Heathrow divestment is expected to close in the second or third quarter of 2024 and is conditional upon, among other things, the pre-emption and full tag-along rights in favour of the other Heathrow shareholders. In January 2024, in accordance with the tag-along process, some of FGP Topco shareholders have exercised their tag-along rights in respect of shares representing 35% of the share capital of FGP Topco (the “Tagged Shares”). It is a condition under the Heathrow SPA for the completion of the transactions that the Tagged Shares are also sold. The parties are working towards satisfaction of such condition by exploring different options. Completion of the transaction continues to be subject to the satisfaction of the tag-along condition, together with applicable regulatory conditions and, consequently, there can be no certainty that the transaction will be completed. Any failure to complete our planned divestments in timely manner or on favorable terms, could have a material adverse impact on our assets, profitability and business operations. Furthermore, if we are unable to complete the announced divestments in a timely manner it may also impact our brand and reputation. We are also subject to risks related to the divestment process, in particular with regard to warranties and indemnities given within the scope of such process and any other potential seller’s liability under the applicable law. Specifically, we may remain subject to potential environmental liability in relation to entities and businesses we no longer own due to covenants and indemnities in favor of such entities or the entities’ purchasers under the relevant sale agreements and related transaction documents. For example, we are subject to certain potential environmental liability pursuant to the sale agreements pursuant to which we completed the sale of Amey in the U.K.

Environmental, health, and safety requirements and regulations and labor disputes will affect not only activities in connection with businesses that have been acquired and are in operation, but also activities at businesses that have been divested or that will be acquired or divested in the future. The divestment of Amey, which was part of the broader divestment of our Services Business Division, in particular, was financed through a vendor loan and as a result we may be unable to recover the sale price of Amey.

As a result, past and future acquisitions and divestments expose us to potential losses and liabilities, and lower than anticipated benefits, which could have an overall material adverse effect on our business, results of operations, and financial condition.

1.19. We have experienced, and expect to continue to experience, quarterly fluctuations in our results of operations.

Our results of operations have fluctuated from quarter to quarter in the past and may continue to vary significantly in the future so that period-to-period comparisons of our results of operations may not be meaningful. Our quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of our control and may be difficult to predict. Accordingly, our financial results in any one quarter should not be relied upon as indicative of future performance. Factors that may cause fluctuations in our quarterly financial results include, but are not limited to:

- Unforeseen extraordinary events, such as natural disasters, geopolitical events like the recent Ukraine and Middle East conflicts, pandemics like COVID-19, or accidents at our project sites and facilities could have a significant impact in our infrastructure assets demand, or result in a reduction in construction activity, negatively impacting our financial results.
- Regulatory changes in the highly regulated environments in which we operate, such as decisions taken by governmental authorities, like the unilateral termination of a concession agreement that, although rare, could adversely affect our financial results.
- Internal update of contract end results. We periodically perform a complete review of contract end results for our construction activities. The complexity and size of some of our contracts and the existing risks inherent to them may lead to contract end losses arising between quarterly financial results, which would have a negative impact in our financial results.
- Seasonality. Typically, construction activity will be higher over the spring and summer months, due to improved weather conditions. Toll roads traffic and passengers demand will generally also be higher during spring and summer. Thus, we may expect our second and third quarters revenues to be higher than that of other quarters.
- Dividends collected from infrastructure assets, which may vary significantly from quarter to quarter due to various factors, including project debts refinancing, changes in regulation and traffic levels.
- Non-recurring events, such as acquisitions, divestments, potential claims and legal disputes, or legal settlements may have a significant impact in our financial results, especially in our cash flow generation.
- Other events impacting the normal operations of our assets, such as cyber-attacks.

Any significant fluctuations to our quarterly results of operations could adversely affect our operations, financial reporting and/or results of operations and affect the price of our ordinary shares.

1.20. Terrorist attacks or other acts of violence or geopolitical unrest may particularly affect our operations and profitability.

Our operations, particularly those in the Airports and Toll Roads Business Divisions, cover a broad geographic scope and are subject to many hazards and operational risks, including a risk of disruptions due to terrorist attacks, or other acts of violence or geopolitical unrest and similar events. Any geopolitical unrest, including the recent escalated conflict in the Middle East, is likely to adversely affect the airport passenger traffic and, consequently, our results in the Airports Business Division. In the event of a terrorist attack or similar event we may be unable to continue operations and may endure system interruptions, reputational harm, breaches of data security, and loss of critical data, all of which could have an adverse effect on future operating results.

Moreover, we do not have any insurance coverage to cover our liabilities related to such hazards or operational risks. The occurrence of a significant uninsured claim, or a claim in excess of the insurance coverage limits maintained by us, could harm our business, financial condition and results of operations.

1.21. Risks relating to the Toll Roads Business Division

1.21.1 Reduced vehicle use on the toll roads operated by our toll roads concession companies may adversely impact our business, results of operations, and financial condition.

If our concession companies are unable to have an adequate level of vehicle traffic on their toll roads in the future, our toll receipts and profitability will suffer and a prolonged and significant reduction in traffic could result in the bankruptcy of a specific project or concession. The tolls collected by the concession companies on their toll roads depend on the number of vehicles using such toll roads, their capacity to absorb traffic, their toll rates, and the existence of competing alternative roads. In turn, traffic volumes and toll receipts depend on a number of factors, including economic growth, toll rates, the quality, convenience, and travel time on competing roads, toll-free roads or toll roads that are not part of our portfolio, the increase in capacity of those competing roads, the quality and state of repair of the toll roads, the economic climate and fuel prices, environmental legislation (including potential measures to restrict internal combustion engine vehicle use and/or incentives to electric vehicles), and the viability and existence of alternative means of transportation, such as air and rail transport, buses, and urban mass transportation. In addition, traffic volumes and toll revenues may be affected by the occurrence of natural disasters and other exceptional events such as earthquakes, forest fires, and meteorological conditions in the countries in which our concession companies operate (for example, in Canada and some of the Texas lanes, where climate disruptions caused by usual winter conditions, as it pertains to the former, and unusual winter conditions, as it pertains to the latter, have affected the operation of the assets in the past). Work from home policies could affect mobility or change transportation patterns, which in turn affects the profitability of operations. Measures taken by governments in response to potential future COVID-19 outbreaks, similar to those introduced in the past, may also have an adverse impact in this respect due to the travel restrictions and the institution of social distancing measures (see "—14. COVID-19 or other pandemics could cause significant uncertainties and disruptions that may adversely impact our business, financial condition, results of operations, and prospects").

In particular, a specific financial risk regarding toll roads usage in connection with 407 ETR exists. The concession agreement relating to the 407 ETR provides that certain 407 ETR annual traffic levels are to be measured against annual minimum traffic thresholds prescribed by Schedule 22 to the concession agreement and which are increased annually up to a pre-established lane capacity. If the actual annual traffic level measurements are below the corresponding pre-established traffic thresholds, certain amounts calculated under the concession agreement are payable to the province of Ontario, Canada, in the following year. In April 2020, an amount of CAD 1,775,000 (EUR 1,199,338) corresponding to 2019 traffic calculations was paid to the province of Ontario. In 2020, annual minimum traffic thresholds prescribed by Schedule 22 could not be met due to COVID-19. We agreed with the province of Ontario that COVID-19 should be considered a force majeure event under the provisions of the 407 ETR concession agreement and, therefore, we were not subject to further payments for below-threshold traffic levels for the duration of 2020 and until the end of the force majeure event. We were also in agreement with the province of Ontario that the force majeure event should terminate at such time when the traffic volumes on 407 ETR reached pre-pandemic levels (pre-pandemic levels measured as the average traffic volume during the 2017 to 2019 period) or when there was an increase in toll rates or user charges pursuant to the terms of the concession agreement, which is a unilateral decision of the concession company. During 2021, 2022, and 2023, the force majeure event has continued to apply, as neither the toll rates have been raised nor have the traffic levels reached the average traffic volume during the 2017 to 2019 period. On December 29, 2023, the concession company announced a new toll rates schedule that increases the 407 ETR rates starting in February 2024. As a result, the force majeure event will terminate as set forth in the 407 ETR concession agreement with the province of Ontario and the concession company will be subject to payments for below-threshold traffic levels, if applicable, commencing in 2025, with a potential first payment due in early 2026. There is a risk that a substantial payment may be required by the concession company to the province of Ontario as a result of the termination of the force majeure event, if annual traffic level measurements are below the pre-established traffic thresholds, as described above.

For the year ended December 31, 2023, our net profit from the Toll Roads Business Division was EUR 548 million, representing 87.0% of our total net profit (compared to EUR 156 million for the year ended December 31, 2022, representing 51.7% of our total net profit). Similarly, our Adjusted EBITDA from the Toll Roads Business Division was EUR 799 million, representing 80.6% of our total Adjusted EBITDA (compared to EUR 550 million for the year ended December 31, 2022, representing 75.5% of our total Adjusted EBITDA). We received EUR 704 million in dividends from our toll roads assets (an increase of 81.0%, compared to EUR 388 million in dividends from our toll roads concession companies for the year ended December 31, 2022).

The revenues generated by, and dividends distributed from, our Toll Roads Business Division are dependent in part on our toll rates, with the toll rate structure being usually established under each individual concession agreement.

If we are unable to maintain an adequate level of traffic or traffic toll rates, our business, financial condition, and results of operations may be adversely affected.

1.22. Risks relating to the Airports Business Division

1.22.1. Our aeronautical and non-aeronautical income is subject to risks related to a reduction in flights, passengers, or other factors outside our control, which could have a material adverse effect on our business, financial condition, and results of operations.

In relation to our Airports Business Division, the number of passengers using the Aberdeen, Glasgow and Southampton airports ("AGS"), the Dalaman airport and the Heathrow airport (together with the New Terminal One at John F. Kennedy International Airport ("NTO at JFK" or "NTO"), the "Airports"), which is a direct driver of the Airports Business Division's revenues, may be affected by a number of factors, including:

- adverse macroeconomic developments (including changes in fuel prices and currency exchange rates), whether affecting the global economy or the domestic economies of the countries in which the Airports are located;
- an increase in airfares;
- large-scale epidemics or pandemics, which could have an adverse impact due to potential travel restrictions, quarantine requirements, and social distancing measures in the countries in which the Airports are located;
- heightened geopolitical tensions or war such as the conflicts in Ukraine, the Middle East and any associated sanctions, which may disrupt the operations of airlines and the Airports;
- the development of efficient and viable alternatives to air travel, including the improvement or expansion of existing surface transport systems, the introduction of new transport links or technology, and the increased use of communications technology;
- route operators facing financial difficulties or becoming insolvent, such as the collapse of Thomas Cook in September 2019 and of Flybe in March 2020 and in January 2023;

- an increase in competition from other airports or terminals, including the risk of increase of capacity of these airports and terminals;
- decisions by airlines regarding the number, type, and capacity of aircraft (including the mix of premium and economy seats), as well as the routes utilized (for instance, the decision by Ryanair in 2018 to cease using Glasgow airport as a base);
- implementation of additional security measures or new security equipment;
- changes in domestic or international regulation, for instance international trade liberalization developments such as Open Skies, or government intervention, such as the powers vested in the U.K. Secretary of State for Transport under the Civil Aviation Act 2006, as it amends the Airports Act 1986, to give directions to airport operators in the interests of national security, including orders requiring the closure of airports;
- disruptions caused by natural disasters, extreme weather, riots, or political action or acts of terrorism or cybersecurity threats and attacks;
- restrictions on the use of certain aircraft imposed by national regulatory safety bodies;
- efforts to decarbonize air travel, including potential limitations to airline and airport capacity; and
- new taxes that could affect flight demand.

There can be no guarantee that the Airports' contingency plans will be effective in anticipating and addressing the effects of the factors listed above. Any of these factors could negatively affect the Airports' reputation and day-to-day operations and may result in a decrease in the number of passengers using the Airports, which in turn could have a material adverse effect on our business, financial condition, and results of operations. A prolonged and significant reduction in passenger volume could result in the bankruptcy of a specific project or concession.

In nominal terms, there is almost a linear relationship between the number of passengers and our revenue. The companies operating Heathrow and AGS and, in the future, NTO at JFK are equity-accounted and not fully consolidated into the Group. Therefore any potential impacts would not directly affect our revenues, but instead the concession companies' results. Furthermore, on November 28, 2023, we announced the planned divestment of our stake in Heathrow airport.

Passenger numbers and the propensity of passengers to spend in the restaurants and shops located within the Airports also drive retail concession fees. Changes in the mix of long- and short-haul and transfer and origin and destination passengers, economic factors, retail tenant defaults, lower retail yields on lease renegotiations, and redevelopments or reconfigurations of retail facilities at the Airports may also affect levels of retail income at the Airports. Occurrence of any of these circumstances may result in:

i. a temporary or permanent decline in retail concession fees;
ii. reduced competitiveness of the airport retail offering;
iii. stricter hand luggage and other carry-on restrictions; and
iv. reduced shopping time as a result of more rigorous and time consuming security procedures.

Car parking revenues could also decline as a result of increased competition from other ways of transportation to the Airports, such as buses and trains, as well as increased competition from off-site car parks and the potential rise in environmental taxes (for example, in the case of the Heathrow airport, the City of London's Ultra Low Emission Zone ("ULEZ") charge expanded to the airport starting in August 2023). Other non-aeronautical income could decline as a result of a decrease in demand from airport users, such as car rental operators and airlines leasing check-in counters.

As a general matter, passenger and cargo traffic volumes and air traffic movements depend on many factors beyond our control, including economic conditions in the countries in which the airports are located, the political situation in those countries and globally, public health crises, the attractiveness of the destinations that the Airports serve relative to those of other competing airports, fluctuations in petroleum prices, disruptions of global debt markets and changes in regulatory policies applicable to the aviation industry. Any of these factors could have a material adverse effect on our business, financial condition, and results of operations.

1.22.2. Heathrow is subject to economic regulation by the CAA, which may be subject to adverse change and may as a result have a material adverse effect on our operations at Heathrow, which could have a material adverse effect on our business, financial condition, and results of operations.

Heathrow Airport Holdings ("HAH") is the entity through which Heathrow airport is operated and in which we have a 25.0% ownership interest through our interest in FGP Topco Limited ("FGP"), which is a direct shareholder of HAH. HAH operations at Heathrow are subject to regulatory review that results in, among other things, the setting of price caps on Heathrow's average charges to airlines by the Civil Aviation Authority ("CAA"). This regulatory review generally takes place every five years. The most recent regulatory period is the H7 regulatory period (the "H7 Regulatory Period"), which encompasses the years 2022 to 2026.

There can be no assurance that the price caps (i.e., the price caps in place after the H7 Regulatory Period) set by the CAA will be sufficient to allow Heathrow to operate at a profit or to obtain adequate profitability given the risk profile of this particular asset. We also cannot assure that the methodology of the CAA's review process would not have a material adverse effect on HAH's revenue in subsequent reviews.

The CAA has established performance-linked requirements that can negatively impact aeronautical income. For instance, the CAA can reduce the permitted yield in respect to airport charges at Heathrow if prescribed milestones are not met on certain capital investment projects. Additionally, there are service quality rebate schemes in place at Heathrow for the current regulatory period. These schemes contemplate rebates of up to 7.0% of airport charges due to the failure to meet specified targets, such as: airport cleanliness, security queuing times, flight information displays, and stand and jetty availability. Any of these factors could have a material adverse effect on our business, financial condition, and results of operations.

Due to the extended timetable for the final decision under the H7 Regulatory Period, the CAA implemented a 2022 interim price cap of GBP 30.2 per passenger on December 16, 2021 and a 2023 interim price cap of GBP 31.6 per passenger on February 1, 2023. The difference between the interim caps and the final price cap set forth in the CAA's final decision will be trued up through the remaining years of the H7 Regulatory Period.

The CAA published its final proposals for the new H7 Regulatory Period (the "CAA's Final Decision") on March 8, 2023. According to the CAA's Final Decision, charges for 2023 would remain at GBP 31.6 per passenger as set out in the CAA's interim decision on February 1, 2023. The average maximum price per passenger is then expected to fall by approximately 20.0% to GBP 25.4 per passenger in 2024 and until the end of 2026, with an average of GBP 27.5 per passenger over the new H7 Regulatory Period. The charge established in the CAA's Final Decision from 2024 onwards is slightly lower than that set out in the CAA's previous proposals published in June 2022. The change assumes that passenger volumes will return to pre-COVID-19 levels and passengers should therefore benefit from lower unit costs. It also assumes that the lower cap, paired with a larger number of passengers, will allow Heathrow to continue investing in facilities for passengers and supporting its ability to finance its operations.

HAH and the three airlines (British Airways, Virgin Atlantic and Delta Air Lines) independently sought permission to appeal the CAA's price control decision with the UK Competition and Markets Authority (the "CMA") on April 17, 2023, which the CMA granted on May 11, 2023. The appeals were brought under section 25 of the Civil Aviation Act 2012. In particular, the focus of HAH's appeal was that the price cap determined by the CAA does not allow HAH to earn sufficient revenues to support related investments. Conversely, the airlines' appeal claimed that the price cap is too high. The CMA issued a provisional determination in connection with these appeals on September 8, 2023. In its provisional determination, the CMA found that, although the CAA's decision-making was largely correct, the CAA erred in certain aspects of its decision. On October 17, 2023, the CMA released its final decision, which was in line with its provisional determination. The CAA now needs to reconsider the small number of issues raised by the CMA's decision.

On November 28, 2023, we announced the planned divestment of our stake in the Heathrow airport. The transaction is subject to a number of conditions, including obtaining of the necessary regulatory approvals and compliance with provisions relating to the pre-emption and full tag-along rights. The transaction is expected to close in the second or third quarter of 2024.

1.22.3 The successful implementation of the capital investment program of Heathrow and the investment in NTO are subject to, among others, risks related to unanticipated construction and planning issues, which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

The capital investment program of Heathrow, as well as the investment program regarding NTO at JFK, include major construction projects and are subject to a number of risks.

For example, as it pertains to the operation of Heathrow, if HAH is unable to achieve consensus in support of capital investment projects among its airline customers, it could affect the willingness of the CAA to include the costs of such projects in the airport's allowed investment and regulated asset base ("RAB").

NTO is also a significant design and construction endeavor, with multiple milestones and a schedule that contemplates completion in phases; as with any major construction effort, the project involves many risks that could result in cost overruns, in delays or in a failure to complete the project.

Difficulties in obtaining any requisite permits, consents (including environmental consents), licenses, planning permissions, compulsory purchase orders, or easements could adversely affect the design or increase the cost of the investment projects or delay or prevent the completion of the project or the commencement of its commercial operation. We may also experience difficulties in coordination with other projects at JFK, which could affect our schedule or impact our cost.

Although contractors typically share in cost and schedule risks, HAH and NTO may face higher-than- expected construction costs and delays (in respect of the former, not all of which may be permitted by the CAA to be included in Heathrow airport's RAB) and possible shortages of equipment, materials, and labor due to the number of major construction projects in the London or New York areas, respectively. The commencement of commercial operations of a newly constructed facility may also give rise to start-up problems, such as the breakdown or failure of equipment or processes, failures in systems integration or lack of readiness of airline operators, closure of facilities, and disruptions of operations and compliance with budget and specifications. The ability of contractors to meet their financial or other liabilities in connection with these projects cannot be assured. The construction contracts of HAH and NTO contain restricted remedies or limitations on liability such that any such sums claimed or amounts paid may be insufficient to cover the financial impact of breach of contract.

The failure of HAH or NTO to recognize, plan for or manage the extent of the impact of construction projects could result in projects overrunning budgets, operational disruptions, capital expenditure trigger rebates to airlines, unsatisfactory facilities, safety and security performance deficiencies, and higher-than- expected operating costs.

Furthermore, Heathrow halted its expansion work in February 2020 and will review the project and the circumstances surrounding the aviation industry at present, prioritizing its recovery from COVID-19, which is expected to enable Heathrow to better assess and subsequently resume the completion of the planning application for expansion. The U.K. Government's Airports National Policy Statement continues to provide policy support for Heathrow's plans for a third runway and the related infrastructure required to support expanded airport operations. If Heathrow's expansion is further disrupted in any way that is material, it could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Any of these risks could affect Heathrow's and, in due course, NTO's day-to-day operations and impact their reputation and, consequently, have a material adverse effect on our business, financial condition, and results of operations.

These unanticipated construction and planning issues are not the only issues that could affect the successful implementation of the capital investment program of Heathrow and the investment in NTO, respectively. For example, in deciding to commit to certain investments in connection with these airports, we make certain forecasts and projections, including projections of traffic flows, which are based on assumptions that we believe are reasonable. Any differences between our forecast and projections and actual results of these airports could adversely affect our business, results of operations, prospects, and financial condition. In particular, due to the early stage of the project, NTO's actual results have a greater likelihood to differ from the forecasts and projections made at the outset, such that revenues generated from the operation of the new terminal facilities may be insufficient to support our investment obligations at NTO.

On November 28, 2023, we announced the planned divestment of our stake in the Heathrow airport. The transaction is subject to a number of conditions, including obtaining of the necessary regulatory approvals and compliance with provisions relating to the pre-emption and full tag-along rights. The transaction is expected to close in the second or third quarter of 2024.

1.23 Risks relating to the Construction Business Division

1.23.1 Difficulties in securing private sector projects may adversely affect our business, financial condition, results of operations, and prospects.

Procurement by private sector companies has decreased as a result of the effects of the economic downturn. Difficulties in securing private sector projects as a result of this decrease may adversely affect our business, financial condition, results of operations, and prospects.

In addition, private sector companies may be forced to halt projects that are already underway due to a lack of funds, or they may decide to delay or abandon studies of potential projects while they await more favorable investment conditions. Whilst standard practice in the private sector is for the construction company to be paid as the works are executed, we are exposed to loss of revenue if such works are delayed or cancelled.

Reductions in project procurement and delays in the completion of projects by the private sector may adversely affect our business, financial condition, results of operations, and prospects.

1.23.2 Any failure to meet construction project deadlines and budgets may have a material adverse effect on our business, financial condition, results of operations, and prospects.

There are certain risks that are inherent to large-scale construction projects, such as supply chain shortages and increased costs of materials, machinery, and labor. If any of our contractors and sub-contractors fail to meet agreed deadlines and budgets, or if there are any interruptions arising from adverse weather conditions, unpredictable geological conditions, or unexpected technical or environmental difficulties, there may be resulting delays and excess construction costs.

Contractor and sub-contractor liability clauses, included in most standard construction agreements entered into with contractors and sub-contractors, generally cover these situations, although they may not cover the total value of any resulting losses.

In the event of construction delays, we may receive revenues later than expected and could face penalties and even contractual termination. These eventualities could increase our expenses and reduce our income, particularly if we are unable to recover any such expenses from third parties under our concessions, in which case our business, financial condition, results of operations, and prospects may be materially adversely affected.

1.24. Risks relating to the Energy Infrastructure and Mobility Business Division.

1.24.1 The triggering of performance guarantees in relation to our waste management plants in the U.K. could have a material adverse effect on our business, financial condition, and results of operations.

We operate waste management plants in four main locations in the United Kingdom and most of those plants are part of four separate concession contracts with different local authorities. The four concession contracts represent the majority of our waste management operations and are expected to expire between 2026 and 2043. Other current waste management contracts expire earlier, starting in 2024. All our waste management contracts are in their operational phase, except the provision of energy from waste management plan, which forms part of our contract with the Isle of Wight Council and is in its commissioning phase.

Our waste management contracts include parent company guarantees related to the fulfillment of the respective underlying contract. The maximum value supported by these guarantees as of December 31, 2023, amounted to of GBP 358 million (EUR 413 million); however, in specific scenarios such as fraud, willful misconduct, or abandonment of the asset, the value to be supported by the guarantees is not capped.

The waste management business was developed, operated and guaranteed by Amey and Cespa. However, it was carved out from both groups before we sold them. Therefore, we are currently responsible for the execution of the existing contracts, including the liabilities associated to all their associated parent company guarantees, and we provided indemnities to the acquirers of Amey and Cespa for any damage either of them may suffer in relation to the UK waste management business we have retained.

In recent years, the plants have faced issues in both their construction phase and their commissioning and operation phase, particularly in the case of the Milton Keynes, Isle of Wight, and North Yorkshire (AWRP) plants. As of December 31, 2023, we recognized a provision for future losses covering these plants in the amount of GBP 39.6 million (EUR 45.7 million). The provision does not include structural costs of the business estimated at GBP 8 million (EUR 9 million) per annum.

The triggering of performance guarantees or the occurrence of further issues in connection with the operation or commissioning of the waste management plants may materially and adversely affect our business, financial condition, and results of operations.

1.24.2 We provide services to a limited number of customers in the mining sector in Chile, which is a highly regulated sector and is subject to risks.

We provide services to the mining sector in Chile. Mining is a highly-regulated activity, in large part due to its inherent risks to health and safety. Health and safety standards in this sector are particularly stringent. Changes in laws, regulations and standards applicable to our businesses or the business of our customers could increase our costs of doing business, which could have a material adverse effect on our results of operations. Furthermore, any accidents or incidents involving our operations in this sector may damage our reputation and expose us to claims and litigation, increased insurance premiums or otherwise adversely impact our operations.

Currently we provide our services in this sector in Chile to a limited number of large mining companies that primarily focus on extraction and refinement of copper. Any factors that could impact our clients' financial condition or demand for our services, such as international copper prices, a downturn in the copper mining industry due to lower demand, higher competition or other factors, could materially impact the need for our services and, in turn, have an adverse effect on our business, financial condition, and results of operations.

Furthermore, mining services and our activities in this sector are also labor intensive. Any changes in legislation that may impact labor costs, increases in salaries or lack of availability of qualified labor force could lead to increases in costs that we may not be able to pass on under our contracts in the short-term. Furthermore, lack of available qualified personnel could lead to non-compliance with requirements under our existing contracts. Any of the abovementioned factors could materially and adversely affect our business, financial condition, and results of operations.

2. Risks Related to Legal, Regulatory, and Industry Matters

2.1. We operate in highly regulated environments that are subject to changes in regulations and are subject to risks related to contracts with government authorities, which could have a material adverse effect on our business, financial condition, and results of operations.

General and industry-specific considerations. We must comply with both (i) specific aviation, toll road, waste management and treatment, public procurement, and construction and energy infrastructure sector regulations, as well as (ii) general regulations in the various jurisdictions where we operate. Each jurisdiction where we provide our services has a different risk profile and may present different risks to mitigate, including political and social tensions, locations with limited access, legal uncertainty, local content requirements, increased tax pressures, or heightened complexity of the profit margin allocation process. The current context of geoeconomic crisis encourages economic policies aimed at prioritizing national or regional interests, and increasing fiscal pressure in some markets. These interventions could affect asset management and the development of future projects.

The rise of protectionist policies and political instability in some areas where we operate may lead to regulatory changes that adversely impact management of assets and expose us to new risks, a risk which has been accentuated by the macroeconomic situation generated by the conflicts in Ukraine and the Middle East and COVID-19. As in all highly regulated sectors, any regulatory changes in any of these sectors could adversely affect our business, financial condition, and results of operations.

Environmental considerations. In the countries where we operate, there are local, regional, national, and supranational bodies which regulate our activities and establish applicable environmental regulations. These laws may impose strict liability in the event of damage to natural resources, pollution over established limits, or threats to public safety and health. Strict and/or criminal liability may mean that we could be held jointly and severally liable with other parties for environmental damage regardless of whether we have acted negligently, or that we owe fines whether or not effective or potential damage exists or is proven. Significant liability could be imposed on us for damages, clean-up costs, or penalties in the event of certain discharges into the environment and environmental contamination and damage, as has occurred in the past.

Granting and retention of concessions. Our concessions are granted by governmental authorities and are subject to special risks, including the risk that governmental authorities will take action contrary to our interests or rights under the concession agreements (this may include unilaterally terminating, amending or expropriating the concessions on public interest grounds, or imposing additional restrictions on toll rates).

This risk may be especially relevant in infrastructure assets, where we enter into most of our contracts with governmental authorities. For example, in August 2019, the City of Denver notified the concessionaire of the Great Hall Project (a consortium participated in by a subsidiary of Ferrovial Airports at the time) of its decision to unilaterally terminate the concession agreement which regulated the refurbishment, operation, and management of the Great Hall of the Denver International Airport. However, such scenarios are rare and, if they occur, fair compensation may be paid to the concessionaire in accordance to the terms of the agreement and applicable laws and regulations. For example, following termination of the concession agreement in connection with the Denver International Airport's Great Hall Project, the concessionaire received fair payment as compensation.

Should any actions such as the above be taken by government authorities in any of the jurisdictions in which we operate, there is no certainty that adequate compensation for any losses arising from such risks will be provided by the relevant government, which could have a material adverse effect on our business, financial condition and results of operations.

2.2. We operate in highly regulated environments and are subject to risks related to the granting of permits and rights-of-way and securing land rights, which could have a material adverse effect on our business, financial condition, and results of operations.

Approvals, licenses, permits, and certificates. We require various approvals, licenses, permits, and certificates in the conduct of our business. We cannot assure that we will not encounter significant problems in obtaining new or renewing existing approvals, licenses, permits, and certificates required for the conduct of our business, nor that we will continue to satisfy the conditions under which authorities grant such authorizations. In addition, there may be delays on the part of the regulatory, administrative, or other relevant bodies in reviewing our applications and granting the required authorizations. If we fail to obtain or maintain the necessary approvals, licenses, permits, and certificates required for the conduct of our business, we may lose contracts or be required to incur substantial costs or suspend the operations of one or more of our projects. Furthermore, to bid, develop, and complete a construction project or an energy project, we may also need to obtain permits, licenses, certificates, and other approvals from the relevant administrative authorities. We cannot assure that we will be able to obtain or maintain such governmental approvals or fulfil the conditions required for obtaining the approvals or adapt to new laws, regulations, or policies that may come into effect from time to time, without undue delay or at all. Obtaining environmental permits and the acquisition of the relevant rights-of-way are key elements in the pre-construction phase of many toll roads and transmission line or energy generation projects in which we are or may be involved in the future.

Land rights and related governmental action. Additionally, we may not be able to secure, timely or at all, the land rights we need to obtain to build or extend the toll roads, develop the infrastructure assets, or develop energy infrastructure projects for the concessions in which we have an interest. We principally depend on governmental action to secure such land rights, as it often involves governmental authorities taking action to expropriate the land on which the relevant infrastructure asset is to be constructed.

The entry into force of new regulations and the imposition of new or more stringent requirements as part of permits or authorizations, or a stricter application of existing regulations, may cause delays or increase our costs or impose new responsibilities, leading to lower earnings and liquidity available for our activities and the business, in turn materially adversely affecting our financial condition and results of operations.

2.3 We are subject to litigation risks, including claims and lawsuits arising in the ordinary course of business, which could have a material adverse effect on our reputation, business, financial condition, and results of operations.

We are, and in the future may be, a party to judicial, arbitration, and regulatory proceedings. We are exposed to risks derived from potential lawsuits or litigation of different kinds arising, including in the ordinary course of business. In relation to these legal risks, and according to prevailing accounting standards, when such risks are deemed probable, we must make accounting provisions. When such risks are less likely to materialize, we recognize contingent liabilities. For example, as of December 31, 2023, our litigation and tax provisions amounted to EUR 156 million, including provisions of EUR 71 million to account for possible risks resulting from lawsuits and litigation in progress. The litigation provision amount remained relatively stable compared to the previous year.

Our business strategy is to focus on technically complex projects with long periods of maturation and the development of that, due to such long period of maturation, may result in non-compliance with agreed quality levels and committed deadlines. Any such non-compliance or perceived non-compliance risk may give rise to disputes with clients, counterparties, partners, or stakeholders and potential litigation. In addition, the budgetary constraints faced by some of our public clients may increase their need or willingness to litigate, and consequently increase our exposure to the risk of contractual disputes on construction and maintenance projects, as has been the case in the past with regards to certain of our projects in the United Kingdom, which can negatively impact our return on investment.

Several types of claims may arise in connection with this risk, including:

i. claims relating to compulsory land purchases required for toll roads construction;

ii. claims relating to defects in construction projects performed or services rendered;

iii. claims for third party liability in connection with the use of our assets or the actions of our employees;

iv. employment-related claims;

v. environmental claims; and

vi. claims relating to tax inspections.

Also, criminal claims against our employees may arise, such as the proceedings relating to potential irregularities in tenders organized by the Warsaw Municipal Wastewater Treatment Works for contracts for municipal waste disposal.

An unfavorable outcome, including an out-of-court settlement, in one or more of such proceedings beyond our total litigation provisions, as well as material new claims and proceedings, could have a material adverse effect on our reputation, business, financial condition, and results of operations.

3. Risks Relating to Our Structure and Financial Risks

3.1. The Company is a holding company with no direct cash generating operations and relies on our operating Group Companies to provide itself with funds necessary to meet its financial obligations, which could have an adverse effect on our business, financial position, results of operations, and prospects.

The Company is a holding company with no material, direct business operations. The principal assets of the Company are its equity interests in the Group Companies. The Company depends on our operating Group Companies to meet its financial obligations, including its expenses as a publicly traded company and the payment of dividends. The funds the Company receives from our Group Companies are in the form of dividend distributions, loans, and other payments.

Regarding our Companies' dividend distributions, the amount and timing of such distributions will depend, among other factors, on the laws of our operating Group Companies' respective jurisdictions, their operating performance, the decisions of other shareholders of such entities, any restrictions arising in connection with any anticipated actions from the rating agencies, as well as any financing arrangements entered into by such Group Companies which restrict their ability to distribute dividends.

For example, due to the impact of COVID-19, HAH requested a waiver of the Heathrow Finance plc applicable interest cover ratio ("ICR") covenant in 2021. The conditions of such waiver do not permit dividend payments until the regulatory asset ratio ("RAR") is below 87.5%. In addition, due to the impact of COVID-19, AGS entered into an agreement to amend and extend its debt facility. The agreement does not allow dividend distribution for its duration. Similarly, due to the impact of COVID-19, 407 ETR experienced significant declines in traffic volumes, which decreased operating revenues and the resulting dividends. As a result of these impacts, in 2023, Heathrow and AGS did not distribute dividends, and 407 ETR paid dividends of EUR 281 million. In 2022, Heathrow and AGS did again not distribute dividends, and 407 ETR paid dividends of EUR 237 million (compared to EUR 164 million in 2021).

Additionally, as an equity investor in our Group Companies, the Company's right to receive assets upon such Group Companies' liquidation or reorganization would be effectively subordinated to the claims of creditors. To the extent that the Company is recognized as a creditor of subsidiaries, the Company's claims may still be subordinated to any security interest in, or other lien on, the relevant Group Company's assets and to any of its debt or other (lease) obligations that are senior to the Company's claims.

3.2. Our joint venture and partnership operations could be affected by our reliance on our partners' financial condition, performance, and decisions, which could have a material adverse effect on our business, financial position, results of operations, and prospects.

A relevant number of our operations are conducted through joint ventures and partnerships, including holding non-controlling interests in companies that operate some of our main infrastructure assets, such as Heathrow and the 407 ETR.

We may continue to enter into arrangements subject to joint control, such as joint ventures or minority ownership. Joint ventures, related partnerships, and minority ownership interests are subject to risks related to oversight and control, compliance, competing business interests, financial liabilities, and difficulties to dispose of the stake due to the existence of preemptive rights. Disputes with joint venture partners may result in the loss of business opportunities or intellectual property or disruption to, or termination of, the relevant joint venture, as well as to litigation or other legal proceedings. In the event that risks related to oversight and control, compliance, competing business interests, financial liabilities, and difficulties to dispose of the stake, in respect of joint ventures, joint venture partners and minority shareholders materialize, this could result in financial, reputational, and legal consequences, which could have a material adverse effect on our business, results of operations, and financial condition.

Investment partners may have economic or other interests that do not align with our interests. Furthermore, investment partners may be in a position to take or influence actions contrary to our interests and plans, which may create impasses on decisions and affect our ability to implement our strategies and dispose of the affected concession or entity.

In certain situations, we may not have a controlling stake, and consequently, payment of dividends to us may be blocked by our partners, which may result in us not being able to optimize the management and value of the specific joint venture or partnership. Finally, as a result of different interests between the partners, disputes may develop, resulting in us incurring litigation or arbitration costs and distracting our management from its other tasks. Any of these factors may adversely affect our business, financial condition, and results of operations.

Examples of projects in which we do not have a controlling stake include some of our main assets, such as our 43.2% ownership interest in 407 International Inc., the concession operator of the 407 ETR, our 24.9% ownership interest in IRB Infrastructure Developers ("IRB"), an Indian toll road builder and operator, and our indirect 49.0% ownership interest in JFK NTO, the concessionaire entity that manages the NTO at JFK concession.

For the year ended December 31, 2023, our total dividends received from our infrastructure assets amounted to EUR 741 million, of which EUR 417 million were received from consolidated entities (56.3% of such total dividends) and EUR 324 million were received from equity-accounted companies (i.e., business activities with companies in which joint control is identified) from joint venture and partnership operations (43.7% of such total dividends).

In addition, the success of our joint ventures and partnerships depends on the partner's satisfactory performance of their obligations. If our partners fail to satisfactorily perform their obligations as a result of financial or other difficulties, the joint venture or partnership may be unable to adequately perform contracted services. Under these circumstances, we may be required to make additional investments to ensure the adequate performance of the contracted services.

Furthermore, mainly in connection with the Construction Business Division, we could be jointly and severally liable for both our obligations and those of our partners (although we generally execute counter guarantees with our partners in order to be left harmless). In addition, in the ordinary course of our business, we undertake to provide guarantees and indemnities in respect of the performance of the contractual obligations of our joint venture entities and partnerships. These guarantees and obligations may give rise to a liability to the extent the respective entity fails to perform its contractual obligations. A partner may also fail to comply with applicable laws, rules, or regulations, which may further result in our liability.

Any of the above factors could have a material adverse effect on our business, financial condition, results of operations, and prospects.

3.3. An increase in inflation may negatively affect our results of operations (mainly in the Construction Business Division) and an increase in real rates or an increase in inflation with no economic growth may decrease the value of our assets, which could have a material adverse effect on our business, financial condition, and results of operations.

Although we are positively exposed to inflation risk in general terms, through toll rates with a great degree of flexibility or inflation indexation, under scenarios of low or negative economic growth and high inflation, the additional revenue generated by the toll rate increases may be limited by the negative impact of such increases on traffic volumes. In addition, if real rates (interest rates adjusted for the effects of inflation) increase, the value of our assets may be affected, as the effect on present value of discount rates would be offsetting the benefits of inflation in toll highways.

The recent rise in inflation may have an adverse effect on operating margins under the construction contracts due to increases in the cost of raw materials and energy, which may affect expected profitability. Although this risk is partially mitigated in certain jurisdictions by inflation-related price adjustment clauses in contracts (such as in Poland and in certain contracts in Spain), the risk may not be adequately hedged from the effects of inflation, which could have a material adverse effect on our business, financial condition, and results of operations.

We have entered into an inflation derivative in connection with Autema, a toll road project in Spain, in order to fix the inflation component of our revenue from this project. An increase in inflation would have a negative fair value impact on this derivative, and could as such have a material adverse effect on our business, financial condition, and results of operations.

3.4. Exchange rate fluctuations could have a material adverse effect on our business, financial condition, and results of operations.

We have exposure to foreign currency, mainly to the pound sterling, the U.S. dollar, the Indian rupee, the Canadian dollar, the Polish zloty, the Chilean peso, the Colombian peso, and the Australian dollar.

Our foreign exchange rate risks arise primarily from:

i. our international presence, through our investments and businesses in countries that use currencies other than the euro;

ii. debt denominated in currencies other than that of the country where the business is conducted or the home country of the company incurring such debt; and

iii. trade receivables or payables in a foreign currency to the currency of the company with which the transaction was registered.

In analyzing sensitivity to exchange rate effects, we estimate that a 10% depreciation in the value of the euro at year-end 2023 against the main currencies in which we hold investments would have an impact on our equity attributable to shareholders of EUR 215 million, of which 26% would relate to the impact of the Canadian dollar, 21% to the U.S. dollar, 12% to the pound sterling and 19% to the Indian rupee.

We establish our hedging strategy by analyzing past fluctuations in both short- and long-term exchanges rates and have monitoring mechanisms in place, such as future projections and long-term equilibrium exchange rates. These hedges are made by arranging foreign currency indebtedness, foreign currency deposits, or financial derivatives.

Although we enter into foreign exchange derivatives to cover our significant future expected operations and cash flows, any current or future hedging contracts or foreign exchange derivatives we enter into may not adequately protect our operating results from the effects of exchange rate fluctuations which could have a material adverse effect on our business, financial condition, and results of operations. We are subject to the creditworthiness, and, in certain circumstances, the early termination of the hedging agreements by hedge counterparties.

We cannot assure that future exchange rate fluctuations will not have a material adverse effect on our business, financial condition, and results of operations.

3.5. Interest rate fluctuations may affect our net financial expense, which could have a material adverse effect on our business, financial condition, and results of operations.

Interest rate fluctuations affect our business, which may impact our net financial expense due to the variable interest on financial assets and liabilities, as well as the measurement of financial instruments arranged at fixed interest rates.

Certain of our indebtedness bears interest at variable rates, generally linked to market benchmarks such as EURIBOR, Secured Overnight Financing Rate ("SOFR"), London Interbank Offered Rate ("LIBOR"), and Sterling Overnight Interbank Average Rate ("SONIA"). Any increase in interest rates would increase our finance costs relating to variable rate indebtedness and increase the costs of refinancing existing indebtedness and of issuing new debt. This interest rate fluctuation risk is particularly important in the financing of infrastructure projects and other projects, which are heavily leveraged in their early stages and the performance of which depends on possible changes in the interest rate.

For example, a linear increase of 100 basis points in market interest rate curves as of December 31, 2023 would increase financial expenses in our income statement by an estimated EUR 4 million, of which EUR 1 million would relate to our interest in infrastructure project companies and EUR 3 million would relate to our interest in ex-infrastructure project companies. This impact would be offset by any increases in financial results due to the expected higher return of cash held by us as of that specific date.

Although we enter into hedging arrangements to cover interest rate fluctuations on a portion of its debt, any current or future hedging contracts or financial derivatives entered into by us may not adequately protect our operating results from the effects of interest rate fluctuations, which could have a material adverse effect on our business, financial condition, and results of operations. We are subject to the creditworthiness of hedge counterparties and, in certain circumstances, the early termination of the hedging agreements by hedge counterparties in the context of interest rate risk arrangement.

We cannot assure that future interest rate fluctuations would not have a material adverse effect on our business, financial condition, and results of operations.

3.6. We may not be able to effectively manage the exposure of our liquidity risk, which could have a material adverse effect on our business, financial condition, and results of operations.

Our assets, especially our infrastructure assets, must be able to secure significant levels of financing for us to be able to carry out our operations (for example, regarding the NTO at JFK or AGS). Certain industries in which we operate, such as airports and toll roads, are by nature capital-intensive businesses. Therefore, the development and operation of our assets, especially infrastructure concession assets, require a high level of financing.

Our ability to secure financing depends on several factors, many of which are beyond our control, including:

i. general economic conditions;

ii. developments in the debt or capital markets;

iii. the availability of funds from financial institutions; and

iv. monetary policy in the markets in which we operate.

Our ability to make payments on and to refinance our debt, as well as to fund future working capital and capital expenditures, will also depend on our future operating performance and ability to generate sufficient cash. Credit markets are subject to fluctuations that may result in periodic tightening of the credit markets, including lending by financial institutions, which will be a source of credit for us, and affect our customers' and suppliers' borrowing and liquidity. There is a risk that the markets that provide funding will not always be available to us due to unexpected events, which may lead to a situation where we cannot honor our liabilities in time. This could also lead to an increase in cost of capital. In such an environment, it may be more difficult and costly for us to refinance our maturing financial liabilities. In addition, if the financial condition of our customers or suppliers is negatively affected by illiquidity, their difficulties could also have a material adverse effect on us.

For example, AGS finances its activities through funds generated from operations and has access to external debt and shareholders' loan facilities. In 2021, Ferrovial injected GBP 35 million in AGS through a combination of equity and a shareholder loan and negotiated amendments and an extension of AGS' debt facility with unanimous approval from all lenders. Under the aforementioned agreement, AGS's debt facility will mature on June 18, 2024. As of the date of this Annual Report an additional GBP 30 million equity commitment remains undrawn (GBP 15 million of which corresponds to our stake in AGS). AGS and its shareholders are confident that new financing facilities will be concluded to support AGS's operational funding needs beyond June 2024. However, if AGS is not able to effectively refinance its debt facility to fund its operational financing needs beyond June 2024, this may have a material adverse effect on our business, financial condition, results of operations, and prospects. Apart from the aforementioned AGS debt facility, there are no other material maturities in the short term (i.e., in 2024) in connection with the financing of infrastructure projects. As it pertains to ex-infrastructure borrowings, there are a number of facilities and bonds maturing in 2024. If we are unable to secure additional financing on favorable terms, or at all, out growth opportunities would be limited and our business, financial condition, and results of operations may be materially adversely affected.

Our ability to effectively manage our credit risk exposure may affect our business, financial condition, and results of operations. We are exposed to the credit risk implied by default on the part of a counterparty (customer, provider, partner, or financial entity), which could impact our business, financial condition, and results of operations.

In spite of signs of recovery in the global economy, the risk of late payments in both the public and private sectors is currently increased due to the effects of the global financial crisis. The cost of government financing and financing of other public entities has also increased due to financial stress in Europe, and this may represent an increased risk for our public sector clients.

Although we actively manage this credit risk through credit scoring and eventually, in certain cases, the use of non-recourse factoring contracts and credit insurance, our risk management strategies may not be successful in limiting our exposure to credit risk, which could adversely affect our business, financial condition, and results of operations.

3.7. We have entered into equity swaps which could result in losses and have a material adverse effect on our business, financial condition, and results of operations.

We entered into equity swaps linked to our share price in order to hedge any potential asset losses derived from the different incentive share plans to which we are a party. Under the general terms of these equity swaps, if, at the maturity date of each equity swap, our share price decreases below a reference share price (i.e., the strike price agreed at the inception of each equity swap), we will make a payment to the counterparty. However, if, at the maturity date of each swap, the share price increases above the reference price, we will receive payment from the counterparty. During the lifetime of the equity swaps, the counterparty will pay us cash amounts equal to the dividends generated by those shares and we will pay the counterparty a floating interest rate.

Further, whilst the equity swaps are not deemed to be hedging derivatives under International Accounting Standards ("IAS"), their market value during a given period of time has an effect on our income statement, which will be positive if the share price increases or negative if the share price decreases during that period. If our share price decreases below the reference price, the market value of the swap will decrease and our business, financial condition, and results of operations may be materially adversely affected.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3.8. The level of some of our Group Companies' contributions to pension schemes in specific entities we participate in the U.K. may vary, which could have a material adverse effect on our business, financial condition, and results of operations.

We have to contribute to the public employee pension scheme in the United Kingdom in connection with our investment in HAH through our interest in FGP, a direct shareholder of HAH. The funding position of Heathrow pension schemes may vary from time to time, including due to fluctuations in investment fair values or changes on actuarial assumptions, thereby affecting the level of Heathrow's pension costs. On November 28, 2023, we announced the planned divestment of our stake in the Heathrow airport. Increased pension costs resulting from variations to our Group Companies' pension schemes' funding positions could, in turn, have a material adverse effect on our business, financial condition, and results of operations.

3.9 Our shareholders in the United States may have difficulty bringing actions and enforcing judgements, against us, our directors, and our executive officers based on the civil liabilities provisions of the federal securities laws or other laws of the United States or any state thereof.

We are incorporated in the Netherlands and the vast majority of our directors and executive officers reside outside the United States, primarily in Spain or the Netherlands. As a result, our shareholders' ability to bring an action against these individuals or us in the United States in the event that the shareholders believe their rights have been infringed under the U.S. federal securities laws or otherwise, or the procedures in relation thereto, may be subject to uncertainties. Even if our shareholders are successful in bringing an action of this kind, whether they can successfully enforce a judgment against our directors, executive officers, or us outside the United States is subject to substantial uncertainty.

4. Risks Relating to Tax

4.1. The Spanish Tax authorities may consider the Merger to fall outside of the Special Tax Neutrality Regime's protection, which could have a material adverse effect on our business, financial condition, and results of operations.

The Company has applied the special tax neutrality regime implemented in Spain pursuant to Chapter VII of Title VII of the Spanish Law 27/2014 of November 27 on Corporate Income Tax and its implementing regulations, as approved by Decree Law 634/2015 of July 10 (the "Spanish CIT Law"), implementing in Spain the Council Directive 2009/133/EC of 19 October 2009 on the common system of taxation applicable to mergers, divisions, partial divisions, transfers of assets and exchanges of shares concerning companies of different Member States and to the transfer of the registered office of an SE or SCE between Member States (the "EU Merger Directive"), to the Merger completed on June 16, 2023. Under this tax neutrality regime, the Merger benefits from total or partial tax neutrality consisting in the deferral of tax due to the capital gains or losses that may have arisen in connection with the Merger while maintaining the tax basis of the assets and shares affected by the Merger.

In connection with the application of the special tax neutrality regime, there is a potential risk of a challenge by the Spanish tax authorities. Specifically, the Spanish tax authorities may, in the course of a tax audit, consider that the Merger did not take place for a valid business reason and instead occurred with the main intention of obtaining a tax advantage, a position that the Company expressly rejects. In such case, the Spanish Tax Authorities may deny the application of such special regime and reverse the intended tax advantages.

Should the Spanish Tax Authorities make such a determination, they will seek to eliminate any intended tax advantage. The main difference in taxation between the Spanish and the Dutch Corporate Income Tax ("CIT") regimes is the participation exemption—while the Netherlands has full participation exemption, in Spain, although the tax payers enjoy a participation exemption, 5.0% of such exempt dividends and gains are included in the CIT taxable base. If the Spanish Tax Authorities conclude that avoidance of the inclusion of 5.0% of the exempt dividends and gains in the CIT taxable base is a tax advantage the Company sought, they may as a result assess the CIT due on the difference between the fair market value of our assets transferred as a result of the Merger not allocated to a branch in Spain and the assets' tax basis. In this regard, the main impact would derive from the gains on the transfer of the Shares; however, only 5.0% of the gains would be effectively subject to taxation at a 25.0% CIT rate; such part of the gains would be further reduced by the carry-forward losses that Ferrovial had and deductible expenses, including financial expenses and pending tax credits.

Although the Company does not believe the foregoing would materially affect our overall business or financial condition, the tax impact will depend on the appraisal of transferred assets market value made by the competent authorities, and it could nevertheless result in a significant additional cost.

4.2. We are subject to complex tax laws, including changes thereof, in the jurisdictions in which we operate which could have a material adverse effect on our business, financial condition, results of operations, cash flows, and prospects.

We are subject to complex tax legislation in the jurisdictions in which we operate. Our tax treatment depends on the determination of facts and interpretation of complex provisions of applicable tax law, for which no clear precedent or authority may be available. Any failure to comply with the tax laws or regulations applicable to us may result in reassessments, late payment interest, fines, and penalties.

We are exposed to risks based on transfer pricing rules applying to intragroup transactions. Pursuant to such rules, related companies and enterprises are required to conduct inter-company transactions at arm's length (i.e., on terms which would also apply among unrelated third parties in comparable transactions) and to sufficiently document the relevant transactions. Although we endeavor to follow such arm's length principle, tax authorities might challenge the transfer pricing model we have implemented, which may result in disputes, double taxation in two or more jurisdictions, and the imposition of interest and penalties on underpaid taxes.

The tax rules applicable to us are consistently under review by persons involved in the legislative process and tax authorities, which may result in the passing of new tax laws, new or revised interpretations of established concepts, statutory changes, new reporting obligations, revisions to regulations, and other modifications and interpretations. Our present tax treatment may be modified by administrative, legislative, or judicial interpretation at any time, and any such action may apply on a retroactive or retrospective basis.

Any change in current tax legislation (including conventions for the avoidance of double taxation) in the countries where we operate or a change in the interpretation of such legislation by the tax authorities, as well as any change in accounting standards as a result of the application of tax regulations, could have a material adverse effect on our business, operating results, and financial position of the Company and our Group Companies. There is also a risk that unexpected tax expenses may arise or that tax authorities may challenge the general transfer pricing policy we have adopted, which could have a material adverse effect on our business, operating results, and financial position.

We continue to assess the impact of changes in tax laws and interpretations on our businesses and may determine that changes to our structure, practice, tax positions, or the manner in which we conduct our businesses are necessary in light of such changes and developments in the tax laws of the jurisdictions in which we operate. Such changes may nevertheless be ineffective.

For example, the G20/OECD Inclusive Framework has been working on addressing the tax challenges arising from the digitalization of the economy. One of the solutions to address the impact and consequence of the digitalization of the global economy is the Organization for Economic Cooperation and Development's (the "OECD") Pillar One and Pillar Two blueprints, released on October 12, 2020. Pillar One refers to the re-allocation of taxing rights to jurisdictions where sustained and significant business is conducted, regardless of a physical presence, and Pillar Two contains a minimum tax to be paid by the multinational enterprises. On December 14, 2022, the EU approved implementation of Pillar Two.

The Dutch legislative proposal to transpose Pillar Two in the Dutch corporate tax system, titled "Minimum Tax Act 2024 (Pillar Two)", entered into force on January 1, 2024.

This measure aims to ensure that multinationals are subject to a corporation tax rate of at least 15.0%, preventing them from shifting profits to low-tax jurisdictions in order to minimize the tax that they pay. The Company's current view is that the Minimum Tax Rate Act 2024 should not lead to adverse tax consequences for the Group, but this measure could have an adverse effect on the Company's tax compliance burden. In principle, the Minimum Tax Rate Act 2024 should not lead to an increase in taxes payable by us, as we develop our activity in jurisdictions with a nominal tax rate for CIT purposes above the minimum 15.0% threshold, but it could have an adverse effect due to the potential increase in our tax compliance obligations.

The original treatment of a tax-relevant matter in a tax return, tax assessment, or otherwise could later be found incorrect and as a result, we may be subject to additional taxes, interest, penalty payments, and social security payments. Such reassessment may be due to an interpretation or view of laws and facts by tax authorities in a manner that deviates from our view.

We are subject to tax audits by the respective tax authorities on a regular basis. As a result of ongoing and future tax audits or other reviews by the tax authorities, additional taxes could be imposed that exceed the provisions reflected in previous financial statements. This could lead to an increase in our tax obligations, either as a result of the relevant tax payment being assessed directly against the Company or as a result of becoming liable for the relevant tax as a secondary obligor due to the primary obligor's failure to pay such taxes. Consequently, we may have to engage in tax litigation to defend or achieve results reflected in prior estimates, declarations, or assessments which may be time-consuming and expensive. We are subject to pending litigation on tax matters which could result in a material amount of tax becoming payable. For further details, see "—3. The final outcome of ongoing tax proceedings could adversely affect our after-tax profitability and financial results."

The materialization of any of the above risks could have a material adverse effect on our business, financial condition, results of operations, cash flows, and prospects.

4.3. The final outcome of ongoing tax proceedings could adversely affect our after-tax profitability and financial results.

We are a Dutch-based Group with operations in several countries and, thus, are subject to tax in multiple jurisdictions. Significant judgment is required in determining our global provision for income taxes, deferred tax assets and liabilities and in evaluating our tax positions in these jurisdictions. For further details, see "—2. We are subject to complex tax laws, including changes thereof, in the jurisdictions in which we operate which could have a material adverse effect on our business, financial condition, results of operations, cash flows, and prospects." We are subject to tax audits and tax litigation, which could be complex and may require an extended period of time to resolve. While we believe that our tax positions are consistent with the tax laws of the jurisdictions in which we conduct our business, it is possible that these positions may be overturned by the relevant tax authorities.

Specifically, we are currently involved in a tax proceeding relating to a previous tax assessments at a supranational level. The outcome of this or any future tax proceedings may have a significant impact on our tax provisions and could have a material adverse effect on our business, financial condition, results of operations, cash flows, and prospects.

4.4 Potential amendments on the convention for the avoidance of double taxation between the Netherlands and Spain may provide less benefits to the Group and the Company's shareholders, which can potentially lead to adverse tax consequences for either the Group or the Company's shareholders.

The convention for the avoidance of double taxation between the Netherlands and Spain, entered into by those countries on June 16, 1971, is currently being renegotiated. The existing tax treaty provides for rules that reduce or eliminate double taxation of income earned by residents of either country from sources within the other country. Consequently, the Group and the Company's shareholders may currently, under the terms of the existing tax treaty, be entitled to tax benefits, such as exemption from certain income taxation, reduced tax rates, and other benefits. As a consequence of the treaty renegotiation, a new or amended tax treaty may be concluded which differs from the current tax treaty, which can potentially lead to adverse tax consequences for either the Group or the Company's shareholders, or both, to the extent they are currently entitled to benefits of the existing tax treaty.

4.5 The recoverability of our deferred tax assets may be subject to certain limitations, which could have a material adverse effect on our business, financial position, results of operations, and prospects.

As of December 31, 2023, a significant portion of our recognized deferred tax assets were tax loss carry-forwards and prepaid taxes from losses incurred by the Company and its subsidiaries. In Spain, for the purpose of assessing the recoverability of tax loss carry-forwards by our Spanish tax consolidated group, we have decided not to record all the tax credits for accounting purposes, in view of a reasonable doubt that they may be recovered in the short- or medium-term.

Our current and deferred income taxes may be further impacted by events and transactions arising in the normal course of business, as well as by special non-recurring items or changes in the applicable tax laws. Changes in the assumptions and estimates made by our management may result in our inability to recover our deferred tax assets if we consider that it is not probable that a taxable profit will be available against which the deductible temporary difference can be used. A future change in applicable tax laws could also limit our ability to recover our deferred tax assets. Additionally, currently ongoing or potential future tax audits and adverse determinations by the Spanish tax authorities may affect the recoverability of our deferred tax assets.

Specifically, we currently have ongoing litigation with respect to our CIT assessments pertaining to the tax years 2016 through 2023. On January 18, 2024, the Spanish Supreme Court issued a decision declaring unconstitutional the Royal Decree-Law 3/2016, on tax measures aimed at the consolidation of public finances. This decision could affect the outcome of our ongoing CIT litigation. Should the final outcome of the CIT litigation be favorable, which we believe is likely following the Spanish Supreme Court's unconstitutionality decision, it may results in our tax credits being recoverable and available to the Group in connection with its future CIT filings.

Moreover, as a result of the Merger, the Company's and its Dutch subsidiaries' ability to use carry-forward losses and other tax attributes for Dutch tax purposes that arose prior to the Merger to offset taxable income that arises after the Merger may be subject to certain limitations, as certain rules apply to restrict such an entity's use of carry-forward losses incurred prior to the Merger only to profits arising after the Merger that are attributable to such entity. Any such limitation on the Company's or its Dutch subsidiary's use of carry-forward losses or other tax attributes may adversely affect our business, financial position, results of operations, and prospects.

The Company and its Spanish subsidiaries that apply the special CIT group regime ("CIT Group Regime") allowing entities residing in Spain and permanent establishments forming part of a group regime to be taxed as a single CIT payer (the "Spanish CIT group") would also face restrictions on its ability to use carry-forward losses and other tax attributes for Spanish tax purposes.

4.6 If the Company ceases to be a resident in the Netherlands for the purposes of a tax treaty concluded by the Netherlands and in certain other events, the Company's shareholders could potentially be subject to a proposed Dutch dividend withholding tax in respect of a deemed distribution of the entire market value of the Company less paid-up capital.

Under a law proposal currently pending before the Dutch parliament, the DWT Exit Tax, the Company will be deemed to have distributed an amount equal to its entire market capitalization less recognized paid-up capital immediately before the occurrence of certain events, including if the Company ceases to be a Dutch tax resident for purposes of a tax treaty concluded by the Netherlands with another jurisdiction and becomes, for purposes of such tax treaty, exclusively a tax resident of that other jurisdiction, which is the "qualifying jurisdiction." A qualifying jurisdiction is a jurisdiction other than a member state of the EU/EEA that does not impose a withholding tax on distributions, or that does impose such tax but that grants a step-up for earnings attributable to the period prior to the Company becoming exclusively a resident in such jurisdiction. This deemed distribution would be subject to a 15.0% tax insofar it exceeds a franchise of EUR 50 million. The tax is payable by the Company as a withholding agent. A full exemption applies to entities and individuals who are resident in an EU/EEA member state or a state that has concluded a tax treaty with the Netherlands that contains a dividend article, provided the Company submits a declaration confirming the satisfaction of applicable conditions by qualifying shareholders within one month following the taxable event. The Company would be deemed to have withheld the tax on the deemed distribution and have a statutory right to recover this from the shareholders. Dutch resident shareholders qualifying for the exemption are entitled to a credit or refund, and non-Dutch resident shareholders qualifying for the exemption are entitled to a refund, subject to applicable statutory limitations, provided the tax has been actually recovered from them.

The DWT Exit Tax has been amended several times since its initial proposal and is under ongoing discussion. It is therefore not certain whether the DWT Exit Tax would be enacted and if so, in what form. If enacted in its present form, the DWT Exit Tax will have retroactive effect as from December 8, 2021.

4.7. The Company operates so as to be treated exclusively as a resident of the Netherlands for tax purposes, but other jurisdictions may also claim taxation rights over the Company, which could have a material adverse effect on our business, financial condition, results of operations, cash flows, and prospects, and on the net cash proceeds received by the Company's shareholders in respect of distributions by the Company.

The Company has established its organizational and management structure in such a manner that the Company should be regarded to have its residence for tax purposes exclusively in the Netherlands and to exclusively qualify as a Dutch tax resident for purposes of the Dutch Dividend Withholding Tax Act (the "DWTA") and the Dutch Corporate Income Tax Act.

However, the determination of the Company's residency for tax purposes depends primarily upon its place of effective management, which is largely a question of fact, based on all relevant circumstances. Therefore, no assurance can be given regarding the final determination of the Company's tax residency by the relevant tax authorities. If the tax authorities of a jurisdiction other than the Netherlands take the position that the Company should be treated as a tax resident of exclusively that jurisdiction (including for purposes of a tax treaty), the Company may be liable to pay an exit tax for Dutch income tax purposes and may also become subject to income tax in such other jurisdiction. See "—6. If the Company ceases to be a resident in the Netherlands for the purposes of a tax treaty concluded by the Netherlands and in certain other events, the Company's shareholders could potentially be subject to a proposed Dutch dividend withholding tax in respect of a deemed distribution of the entire market value of the Company less paid-up capital." In addition, this assessment would result in the Company no longer being part of the Dutch fiscal unity headed by it, which may subsequently result in certain deconsolidation charges becoming due, and the loss or restriction of certain tax assets such as carry-forward tax losses.

If the Company is regarded to also have its residence for tax purposes in any other jurisdiction(s) than the Netherlands, the shareholders could become subject to dividend withholding tax in such other jurisdiction(s), as well as in the Netherlands.

In each case, this could have a material adverse effect on our business, financial condition, results of operations, cash flows, and prospects, and on the net cash proceeds received by shareholders in respect of distributions by the Company. The impact of these risks differs depending on the jurisdictions and tax authorities involved and the Company's and its shareholders' ability to resolve double taxation issues, for instance through mutual agreement procedures and other dispute resolution mechanisms under an applicable tax treaty, the dispute resolution mechanism under Council Directive (EU) 2017/1852 of 10 October 2017 on tax dispute resolution mechanisms in the European Union (the "EU Arbitration Directive") (in the case of an EU jurisdiction), or judicial review by the relevant national courts. These procedures require substantial time, costs, and efforts, and it is not certain that double taxation issues can be resolved in all circumstances.

4.8 If the Company is classified as a passive foreign investment company for U.S. federal income tax purposes, U.S. investors in the Company's ordinary shares may be subject to adverse U.S. federal income tax consequences.

A non-U.S. corporation will be classified as a passive foreign investment company ("PFIC") for any taxable year if, either: (i) 75.0% or more of its gross income for the taxable year consists of "passive income" for the purposes of the PFIC rules (including dividends, interest, and other investment income, with certain exceptions) or (ii) at least 50.0% of the value of its assets for the taxable year (determined based upon a quarterly average) is attributable to assets that produce or are held for the production of "passive income." The PFIC rules also contain a look-through rule whereby the Company will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, 25.0% or more (by value) of the stock.

Whether the Company is treated as a PFIC is a factual determination to be made annually after the close of each taxable year and thus may be subject to change. The Company's PFIC status for each taxable year will depend on facts including the composition of the Company's assets and income, as well as the value of the Company's assets (which may fluctuate with the Company's market capitalization) at such time. Based on the nature of the Company's business, the ownership, and the composition of the income, assets, and operations of the Company, although not free from doubt, the Company believes it was not a PFIC for the taxable year ending December 31, 2023.

The determination of the Company's PFIC status is complex and subject to ambiguities. In addition, the Company's PFIC status for the current and future taxable years depends, in large part, on the expected value of its goodwill, which could fluctuate significantly. Moreover, the U.S. Internal Revenue Service ("IRS") or a court may disagree with the Company's determinations, including the manner in which the Company determines the value of the Company's assets and the percentage of the Company's assets that are passive assets under the PFIC rules. Therefore, there can be no assurance that the Company will not be classified as a PFIC for the current taxable year or for any future taxable year.

4.9 Changes to applicable tax laws and regulations or exposure to additional income tax liabilities could affect our future business and profitability.

We are a Dutch company and thus subject to Dutch corporate income tax as well as other applicable local taxes on our operations. Our subsidiaries are subject to the tax laws applicable in their respective jurisdictions of incorporation. New local laws and policy relating to taxes, whether in the Netherlands or in any of the jurisdictions in which our subsidiaries operate, may have an adverse effect on our future business and profitability. Further, existing applicable tax laws, tax rates, statutes, rules, regulations, treaties, administrative practices and principles, judicial decisions or ordinances could be interpreted, changed, modified or applied to us or our subsidiaries in a manner that could adversely affect our after-tax profitability and financial results, in each case, possibly with retroactive effect.

Additionally, there is also a high level of uncertainty in today's tax environment stemming from both global initiatives put forth by the OECD, and unilateral measures being implemented by various countries due to a lack of consensus on these global initiatives. As an example, the OECD has put forth two proposals, Pillar One and Pillar Two, that revise the existing profit allocation and nexus rules (profit allocation based on location of sales versus physical presence) and ensure a minimal level of taxation, respectively (as of November 4, 2021, the OECD published that 137 countries have agreed on Pillar Two at a rate of 15.0%. The Dutch legislative proposal to transpose Pillar Two in the Dutch corporate tax system, titled "Minimum Tax Act 2024 (Pillar Two)", entered into force on January 1, 2024. Further, unilateral measures, such as digital services tax and corresponding toll rates in response to such measures, are creating additional uncertainty. If these initiatives are implemented, they may negatively impact our financial condition, tax liability, and results of operations and could increase our administrative costs.

4.10. Our tax obligations may change or fluctuate, become significantly more complex, or become subject to greater risk of examination by taxing authorities, including as a result of plans to expand our business operations, including to jurisdictions in which tax laws may not be favorable, any of which could adversely affect our after-tax profitability and financial results.

We currently operate in several jurisdictions in addition to the Netherlands and Spain, such as the United States, Canada, the United Kingdom and Poland, among others. In the event that our business expands to additional jurisdictions, our effective tax rates may fluctuate widely. Future effective tax rates could be affected by operating losses in jurisdictions where no tax benefit can be recorded under the International Financial Reporting Standards ("IFRS"), changes in deferred tax assets and liabilities, or changes in tax laws. Factors that could materially affect our future effective tax rates include, but are not limited to:

i. changes in tax laws or the regulatory environment;

ii. changes in accounting and tax standards or practices;

iii. changes in the composition of operating income by tax jurisdiction; and

iv. pre-tax operating results of our business.

Outcomes from audits or examinations by taxing authorities could have an adverse effect on our after-tax profitability and financial condition. Additionally, foreign tax authorities have increasingly focused attention on intercompany transfer pricing with respect to sales of products and services and the use of intangibles. Tax authorities could disagree with our intercompany charges, cross-jurisdictional transfer pricing or other matters and assess additional taxes. If we do not prevail in any such disagreements, our profitability may be affected.

5. APPENDIX


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ALTERNATIVE PERFORMANCE MEASURES

We present our consolidated financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. In addition, in the Management Report and Consolidated Financial Statements the management provides other non-IFRS regulated financial measures, that we refer to as “APMs” (Alternative Performance Measures) according to the directives of European Securities and Markets Authority (ESMA) or “Non-IFRS measures”.

In considering the financial performance of the business, we analyze certain non-IFRS measures, that we classify as:

- Non-IFRS measures related to Operating Results, including Adjusted EBIT and Adjusted EBIT Margin, Adjusted EBITDA and Adjusted EBITDA Margin, Comparable or “Like-for-like” (“LfL”) Growth, Fair Value Adjustments, and Order Book.
- Non-IFRS measures related to Liquidity and Capital resources, including Consolidated Net Debt and Ex-Infrastructure Liquidity.
- Other APMs: Total shareholder return, Managed investment, and Economic value generated and distributed.

These non-IFRS measures and APMs are not audited and should not be considered as alternatives to consolidated result for the period, operating result, revenue, cash generated from operating activities or any other performance measures derived in accordance with IFRS as measures of operating performance or operating cash flows or liquidity. We believe that these measures are metrics commonly used by investors to evaluate our performance and that of our competitors. We further believe that the disclosure of these measures is useful to investors, as these measures form the basis of how our executive team and the Board evaluate our performance. By disclosing these measures, we believe that we create for investors a greater understanding of, and an enhanced level of transparency into, some of how our management team operates and evaluates us and facilitates comparisons of the current period’s results with prior periods. While similar measures are widely used in the industry in which we operate, the financial measures we use may not be comparable to similarly titled measures used by other companies, nor are they intended to be substitutes for measures of financial performance or financial position as prepared in accordance with EU-IFRS.

1. Non-IFRS Measures: Operating Results

1.1 Adjusted EBIT and Adjusted EBIT Margin

Adjusted EBIT is defined as our net profit/(loss) for the period excluding profit/(loss) net of tax from discontinued operations, income tax/(expense), share of profits of equity-accounted companies, net financial income/(expense) and impairment and disposal of fixed assets. Adjusted EBIT is a non-IFRS financial measure and should not be considered as an alternative to net income or any other measure of our financial performance calculated in accordance with IFRS. Adjusted EBIT does not have a standardized meaning and, therefore, cannot be compared to Adjusted EBIT of other companies.

Adjusted EBIT Margin is defined as Adjusted EBIT divided by our revenues for the relevant period.

The following tables set forth a reconciliation of Adjusted EBIT to our net profit/(loss) for the periods indicated:

	For the year ended December 31,	
	2023	2022
Net profit/(loss)	630	302
Profit/(loss) net of tax from discontinued operations	(16)	(64)
Income tax/(expense)	42	30
Share of profits of equity-accounted companies	(215)	(165)
Net financial income/(expense)	184	320
Impairment and disposal of fixed assets	(35)	6
Adjusted EBIT	**590**	**429**

The following tables set forth a reconciliation of Adjusted EBIT and Adjusted EBIT like for like (For further information regarding Comparable or "Like-for-like" ("LfL") Growth" please see section 1.3) by Business Division to our net profit/(loss) by Business Division for periods indicated::

	For the year ended December 31, 2023					
	Construction	Toll Roads	Airports	Energy Infrastructures and Mobility	Other [1]	Total
	(in millions of euros)					
Net profit/(loss)	104	548	(16)	5	(11)	630
Profit/(loss) net of tax from discontinued operations	-	-	-	-	(16)	(16)
Income tax/(expense)	61	54	20	(6)	(87)	42
Share of profits of equity-accounted companies	-	(198)	(11)	(6)	-	(215)
Net financial income/(expense)	(88)	219	9	(5)	49	184
Impairment and disposal of fixed assets	-	(37)	-	2	-	(35)
Adjusted EBIT	**77**	**586**	**2**	**(10)**	**(66)**	**590**
Fx Impact	-	-	-	-	-	-
L-f-L Adjustments	-	-	(6)	-	-	(6)
Adjusted EBIT L-f-L (I)	**77**	**586**	**(4)**	**(10)**	**(66)**	**584**

[1] Others include management revenues of our headquarters and certain other immaterial non-operating entities
For further information regarding Comparable or "Like-for-like" ("LfL") Growth" please see section 1.3

	For the year ended December 31, 2022					
	Construction	Toll Roads	Airports	Energy Infrastructures and Mobility	Other [1]	Total
	(in millions of euros)					
Net profit/(loss)	60	156	19	(15)	82	302
Profit/(loss) net of tax from discontinued operations	-	-	-	-	(64)	(64)
Income tax/(expense)	5	39	(2)	4	(16)	30
Share of profits of equity-accounted companies	(1)	(158)	(7)	1	-	(165)
Net financial income/(expense)	(1)	350	(19)	8	(18)	320
Impairment and disposal of fixed assets	-	3	-	3	-	6
Adjusted EBIT	**63**	**390**	**(9)**	**0**	**(16)**	**429**
Fx Impact	6	(8)	0	(1)	0	(2)
L-f-L Adjustments	-	9	-	(34)	-	(25)
Adjusted EBIT L-f-L (II)	**69**	**391**	**(9)**	**(34)**	**(16)**	**401**
VAR. L-f-L Growth (I) vs. (II)	**12%**	**50%**	**60%**	**69%**	**n.s.**	**45%**

[1] Others include management revenues of our headquarters and certain other immaterial non-operating entities
For further information regarding Comparable or "Like-for-like" ("LfL") Growth" please see section 1.3

The table below sets out our Adjusted EBIT by Business Division for the periods indicated:

	For the year ended December 31,			
	2023	2022	%Variation	%LfL
	(in millions of euros)			
Toll Roads	586	390	50%	50%
Airports	2	(9)	127%	60%
Construction	77	63	23%	12%
Energy Infrastructures and Mobility	(10)	0	n.s.	69%
Others[1]	(66)	(16)	n.s.	n.s.
Total	**590**	**429**	**37%**	**45%**

(1)Others include management revenues of our headquarters and certain other immaterial non-operating entities.

1.2 Adjusted EBITDA and Adjusted EBITDA MarginAdjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA is defined as our net profit/(loss) for the period excluding profit/(loss) net of tax from discontinued operations, income tax/(expense), share of profits of equity-accounted companies, net financial income/(expense), impairment and disposal of fixed assets and charges for fixed asset and right of use of leases depreciation and amortization. Adjusted EBITDA is a non-IFRS financial measure and should not be considered as an alternative to net income or any other measure of our financial performance calculated in accordance with IFRS. We use Adjusted EBITDA to provide an analysis of our 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 accounting valuation of assets. Adjusted EBITDA is used as an approximation to pre-tax operating cash flow and reflects cash generation before working capital variation.

Adjusted EBITDA is a measure which is widely used to track our performance and profitability as well as to evaluate each of our businesses and the level of debt by comparing the Adjusted EBITDA with Consolidated Net Debt. However, Adjusted EBITDA does not have a standardized meaning and, therefore, cannot be compared to Adjusted EBITDA of other companies.

Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by our revenues for the relevant period.

The following tables set forth a reconciliation of Adjusted EBITDA to our net profit/(loss) and Adjusted EBITDA Margin for the periods indicated:

	For the year ended December 31,	
	2023	2022
Net profit/(loss)	630	302
Profit/(loss) net of tax from discontinued operations	(16)	(64)
Income tax/(expense)	42	30
Share of profits of equity-accounted companies	(215)	(165)
Net financial income/(expense)	184	320
Impairment and disposal of fixed assets	(35)	6
Fixed asset depreciation	401	299
Adjusted EBITDA	**991**	**728**

The following tables set forth a reconciliation of Adjusted EBITDA and Adjusted EBITDA like for like to our net profit/ (loss) by Business Division for the periods indicated:

	For the year ended December 31, 2023					
	Construction	Toll Roads	Airports	Energy Infrastructures and Mobility	Other [1]	Total
	(in millions of euros)					
Net profit/(loss)	104	548	(16)	5	(11)	630
Profit/(loss) net of tax from discontinued operations	-	-	-	-	(16)	(16)
Income tax/(expense)	61	54	20	(6)	(87)	42
Share of profits of equity-accounted companies	-	(198)	(11)	(6)	-	(215)
Net financial income/(expense)	(88)	219	9	(5)	49	184
Impairment and disposal of fixed assets	-	(37)	-	2	-	(35)
Fixed asset depreciation	140	212	19	20	8	401
Adjusted EBITDA	**218**	**799**	**22**	**10**	**(57)**	**991**
Fx Impact	-	-	-	-	-	-
L-f-L Adjustments	-	-	(13)	-	-	(13)
Adjusted EBITDA L-f-L (I)	**218**	**799**	**9**	**10**	**(57)**	**978**

[1] Others include management revenues of our headquarters and certain other immaterial non-operating entities.
For further information regarding Comparable or "Like-for-like" ("LfL") Growth" please see section 1.3

	For the year ended December 31, 2022					
	Construction	Toll Roads	Airports	Energy Infrastructures and Mobility	Other [1]	Total
	(in millions of euros)					
Net profit/(loss)	60	156	19	(15)	82	302
Profit/(loss) net of tax from discontinued operations	-	-	-	-	(64)	(64)
Income tax/(expense)	5	39	(2)	4	(16)	30
Share of profits of equity-accounted companies	(1)	(158)	(7)	1	-	(165)
Net financial income/(expense)	(1)	350	(19)	8	(18)	320
Impairment and disposal of fixed assets	-	3	-	3	-	6
Fixed asset depreciation	113	160	7	12	7	299
Adjusted EBITDA	**176**	**550**	**(2)**	**13**	**(9)**	**728**
Fx Impact	6	(11)	0	(0)	(0)	(6)
L-f-L Adjustments	-	-	-	(26)	-	(26)
Adjusted EBITDA L-f-L (II)	**182**	**539**	**(2)**	**(14)**	**(9)**	**696**
VAR. L-f-L Growth (I) vs. (II)	**20%**	**48%**	**n.s.**	**171%**	**n.s.**	**41%**

[1] Others include management revenues of our headquarters and certain other immaterial non-operating entities.
For further information regarding Comparable or "Like-for-like" ("LfL") Growth" please see section 1.3

The table below sets out our Adjusted EBITDA by Business Division for the periods indicated:

	For the year ended December 31,			
	2023	2022	%Variation	%LfL
	(in millions of euros)			
Toll Roads	799	550	45%	48%
Airports	22	(2)	n.s.	n.s.
Construction	218	176	24%	20%
Energy Infrastructures and Mobility	10	13	(24%)	171%
Others[1]	(57)	(9)	n.s.	n.s.
Total	**991**	**728**	**36%**	**41%**

(1)Others include management revenues of our headquarters and certain other immaterial non-operating entities.

Additional disclosures regarding Adjusted EBIT, Adjusted EBIT Margin, Adjusted EBITDA and Adjusted EBITDA Margin.

The table below sets forth a reconciliation of Adjusted EBIT to our net profit/ (loss), Adjusted EBIT Margin, Adjusted EBITDA and Adjusted EBITDA Margin by subdivisions of Construction for periods indicated:

	For the year ended December 31, 2023			
	Budimex	Webber	F Co.	Construction
	(in millions of euros)			
Net profit/(loss)	155	30	(81)	104
Profit/(loss) net of tax from discontinued operations	-	-	-	-
Income tax/(expense)	40	11	10	61
Share of profits of equity-accounted companies	(0)	0	0	-
Net financial income/(expense)	(31)	(6)	(51)	(88)
Impairment and disposal of fixed assets	-	-	-	-
Adjusted EBIT (I)	**164**	**35**	**(122)**	**77**
Fixed asset depreciation	34	42	65	141
Adjusted EBITDA (III)	**199**	**77**	**(57)**	**218**
Revenues	**2,160**	**1,300**	**3,611**	**7,070**
Adjusted EBIT Margin	**7.6%**	**2.7%**	**-3.4%**	**1.1%**
Adjusted EBITDA Margin	**9.2%**	**5.9%**	**-1.6%**	**3.1%**

For further information regarding Comparable or “Like-for-like” (“LfL”) Growth" please see section 1.3

	For the year ended December 31, 2022			
	Budimex	Webber	F Co.	Construction
	(in millions of euros)			
Net profit/(loss)	113	18	(71)	60
Profit/(loss) net of tax from discontinued operations	-	-	-	-
Income tax/(expense)	22	5	(21)	5
Share of profits of equity-accounted companies	(0)	0	(1)	(1)
Net financial income/(expense)	(18)	11	6	(1)
Impairment and disposal of fixed assets	0	-	(0)	-
Adjusted EBIT	**117**	**33**	**(87)**	**63**
Fixed asset depreciation	32	40	41	113
Adjusted EBITDA	**149**	**73**	**(46)**	**176**
Revenues (V)	**1,842**	**1,194**	**3,428**	**6,463**
Adjusted EBIT Margin	**6.3%**	**2.8%**	**-2.5%**	**1.0%**
Adjusted EBITDA Margin	**8.1%**	**6.1%**	**-1.3%**	**2.7%**
Fx Impact	4	(1)	3	6
Adjusted EBIT LfL (II)	**121**	**32**	**(84)**	**69**
Fx Impact	5	(2)	3	6
Adjusted EBITDA LfL (IV)	**154**	**71**	**(43)**	**182**
Fx Impact	58	(31)	(58)	(31)
Revenues LfL (VI)	**1,900**	**1,163**	**3,370**	**6,432**
VAR. L-f-L Growth (I) vs. (II)	**36.3%**	**9.8%**	**n.s.**	**11.9%**
VAR. L-f-L Growth (III) vs. (IV)	**29.1%**	**8.5%**	**n.s.**	**19.6%**
VAR. L-f-L Growth (V) vs. (VI)	**13.7%**	**11.8%**	**7.1%**	**9.9%**

For further information regarding Comparable or “Like-for-like” (“LfL”) Growth" please see section 1.3

The following table forth a reconciliation of Adjusted EBIT and Adjusted EBIT Margin, Adjusted EBITDA and Adjusted EBITDA Margin, by USA Toll Roads for the periods indicated. The information is provided in Appendix I – Toll Roads Details by assets in euros, and the conversion to USD is made by applying the average exchange rate for the periods indicated (reported in appendix II -Exchange rate movements):

(USD million)		NTE			LBJ	
Global consolidation	2023	2022	VAR.	2023	2022	VAR.
Net profit/(loss)	176	133	32.7%	48	20	145.3%
Income tax/(expense)	1	0		1	0	
Net financial income/(expense)	50	52	-4.1%	80	81	-0.8%
Adjusted EBIT	**227**	**185**	**22.7%**	**130**	**101**	**28.2%**
Fixed asset depreciation	28	29		28	27	
Adjusted EBITDA	**255**	**213**	**19.5%**	**158**	**128**	**23.5%**
Revenues	289	243	19.0%	193	159	20.9%
Adjusted EBIT Margin	**78.5%**	**76.1%**		**67.2%**	**63.4%**	
Adjusted EBITDA Margin	**88.3%**	**87.9%**		**81.9%**	**80.1%**	

(USD million)		NTE 35W			I-77		I-66
Global consolidation	2023	2022	VAR.	2023	2022	VAR.	2023
Net profit/(loss)	96	76	26.8%	46	19	147.2%	(40)
Income tax/(expense)	1	0		0	0		0
Net financial income/(expense)	59	39	49.4%	8	11	-24.2%	110
Adjusted EBIT	**156**	**115**	**35.0%**	**55**	**30**	**83.2%**	**70**
Fixed asset depreciation	39	23		11	8		59
Adjusted EBITDA	**195**	**139**	**40.3%**	**66**	**38**	**72.4%**	**129**
Revenues	234	168	39.4%	91	61	50.5%	167
Adjusted EBIT Margin	**66.4%**	**68.6%**		**59.8%**	**49.2%**		**41.9%**
Adjusted EBITDA Margin	**83.1%**	**82.6%**		**72.0%**	**62.9%**		**76.9%**

The table below sets out our Adjusted EBIT and Adjusted EBIT Margin, Adjusted EBITDA and Adjusted EBITDA Margin by subdivisions of Airports for the periods indicated:

	For the year ended December 31, 2023		
	Dalaman	Others Airports projects and HQ	Airports
		(in millions of euros)	
Net profit/(loss)	(17)	1	(16)
Profit/(loss) net of tax from discontinued operations	-	-	-
Income tax/(expense)	19	1	20
Share of profits of equity-accounted companies	-	(11)	(11)
Net financial income/(expense)	34	(25)	9
Impairment and disposal of fixed assets	-	-	-
Adjusted EBIT	**36**	**(34)**	**2**
Fixed asset depreciation	19	1	20
Adjusted EBITDA	**55**	**(33)**	**22**
Revenues	71	9	80
Adjusted EBIT Margin	**51%**	**n.s.**	**3%**
Adjusted EBITDA Margin	**78%**	**n.s.**	**27%**
Adjustments L-f-L in Revenues	(24)		
Revenues L-f-L	**47**		
Adjustments L-f-L in EBIT	(6)		
Adjusted EBIT L-f-L	**30**		
Adjustments L-f-L in EBITDA	(13)		
Adjusted EBITDA L-f-L	**42**		

For further information regarding Comparable or "Like-for-like" ("LfL") Growth" please see section 1.3

	For the year ended December 31, 2022		
	Dalaman	Others Airports projects and HQ	Airports
		(in millions of euros)	
Net profit/(loss)	21	(2)	19
Profit/(loss) net of tax from discontinued operations	-	-	-
Income tax/(expense)	(3)	1	(2)
Share of profits of equity-accounted companies	-	(7)	(7)
Net financial income/(expense)	9	(28)	(19)
Impairment and disposal of fixed assets	-	-	-
Adjusted EBIT	**28**	**(37)**	**(9)**
Fixed asset depreciation	7	0	7
Adjusted EBITDA	**35**	**(37)**	**(2)**
Revenues	44	10	54
Adjusted EBIT Margin	**63%**	**n.s.**	**-17%**
Adjusted EBITDA Margin	**79%**	**n.s.**	**-3%**
VAR. Revenues	61%		
VAR. Adjusted EBITDA	59%		
VAR. Adjusted EBIT	31%		
VAR. L-f-L Growth revenues	7%	14%	
VAR. L-f-L Growth EBITDA	23%	23%	
VAR. L-f-L Growth EBIT	8%	8%	

For further information regarding Comparable or "Like-for-like" ("LfL") Growth" please see section 1.3

1.3 Comparable or "Like-for-like" ("LfL") Growth

Comparable Growth, also referred to as "Like-for-like" Growth ("LfL"), corresponds to the relative year-on-year variation in comparable terms of the figures for revenues, Adjusted EBIT and Adjusted EBITDA.

Comparable or "Like-for-like" ("LfL") Growth is a non-IFRS financial measure and should not be considered as an alternative to revenues, net income or any other measure of our financial performance calculated in accordance with IFRS. Comparable or "Like- for-like" ("LfL") Growth is calculated by adjusting each year, in accordance with the following rules:

- Elimination of the exchange-rate effect, calculating the results of each period at the rate in the current period.
- Elimination from Adjusted EBIT of each period the impact of fixed asset impairments.
- In the case of disposals of any of our companies and loss of control thereto, elimination of the operating results of the disposed company when the impact effectively occurred to achieve the homogenization of the operating result.
- Elimination of the restructuring costs in all 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 the revenues of which 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, application of the same accounting model to the previous year's operating result.
- Elimination of other non-recurrent impacts (mainly related to tax and human resources) considered relevant for a better understanding of our underlying results in all periods.

We use Comparable or "Like-for-like" ("LfL") Growth to provide a more homogenous measure of the underlying profitability of its businesses, excluding 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, we believe that it allows us to provide homogenous information for better understanding of the performance of each of our businesses.

The following tables set forth a reconciliation of revenues on like-for-like basis to our revenues for the periods indicated:

	For the year ended December 31,	
	2023	2022
Revenues	**8,514**	**7,551**
Exchange rate effect[1]	(0)	(48)
Fixed asset impairments[2]	-	-
Operating results of disposed companies[3]	-	-
Restructuring costs	-	-
Operating results from new acquired companies[4]	(24)	-
Accounting model adjustments[5]	-	-
Non-current impact[6]	4	-
Revenues Comparable (Like-for-like)	**8,494**	**7,503**

[1]Calculation of the results of each period at the exchange rate in the current period.
[2]Elimination of the impact of fixed asset impairments.
[3]Elimination of the operating results of disposed companies when the impact effectively occurred.
[4]Elimination in the current period of the operating results derived from new material companies.
[5]Following the acquisitions of new companies which are considered material, elimination in the current period of the operating results derived from those companies.
[6]Elimination of other non-recurrent impacts (mainly related to tax and human resources).

The following tables set forth a reconciliation of Revenues by Business Division to our net profit/ (loss) by Business Division for the periods indicated:

	For the year ended December 31, 2023					
	Construction	Toll Roads	Airports	Energy Infrastructures and Mobility	Others	Total
	(in millions of euros)					
Revenues	**7,070**	**1,085**	**80**	**334**	**(55)**	**8,514**
Fx Impact	-	-	-	-	-	-
L-f-L Adjustments	-	-	(20)	-	-	(20)
Revenues L-f-L (I)	**7,070**	**1,085**	**60**	**334**	**(55)**	**8,494**

	For the year ended December 31, 2022					
	Construction	Toll Roads	Airports	Energy Infrastructures and Mobility	Others	Total
	(in millions of euros)					
Revenues	**6,463**	**780**	**54**	**296**	**(42)**	**7,551**
Fx Impact	(31)	(16)	()	(1)	(1)	(49)
L-f-L Adjustments	-	-	-	-	-	-
Revenues L-f-L (II)	**6,432**	**764**	**54**	**295**	**(43)**	**7,502**
VAR. L-f-L Growth (I) vs. (II)	**10%**	**42%**	**10%**	**13%**	**-29%**	**13%**

The following tables set forth a reconciliation of Adjusted EBIT on like-for-like basis to our net profit/(loss) for the periods indicated:

	For the year ended December 31,	
	2023	2022
Net profit/(loss)	630	302
Profit/(loss) net of tax from discontinued operations	(16)	(64)
Income tax/(expense)	42	30
Share of profits of equity-accounted companies	(215)	(165)
Net financial income/(expense)	184	320
Impairment and disposal of fixed assets[1]	(35)	6
Adjusted EBIT	**590**	**429**
Exchange rate effect	(0)	(2)
Operating results of disposed companies[2]	-	-
Restructuring costs	-	3
Operating results from new acquired companies[3]	(9)	-
Accounting model adjustments[4]	-	(28)
Non-current impact[5]	2	-
Adjusted EBIT Comparable (Like-for-like)	**584**	**401**

[1]Primarily includes asset impairment and gains or losses on the purchase, sale and disposal of investments companies and associates. When any such acquisitions or disposals of assets results in a takeover or loss of control, the capital gain relating to the updating of the fair value in respect of the stake maintained is recognized as Fair Value Adjustments.
[2]Elimination of the operating results of disposed companies when the impact effectively occurred.
[3]Elimination in the current period of the operating results derived from new material companies.
[4]Following the acquisitions of new companies which are considered material, elimination in the current period of the operating results derived from those companies.
[5]Elimination of other non-recurrent impacts (mainly related to tax and human resources).

The following tables set forth a reconciliation of Adjusted EBITDA on like-for-like basis to our net profit/ (loss) for the periods indicated:

	For the year ended December 31,	
	2023	2022
Net profit/(loss)	630	302
Profit/(loss) net of tax from discontinued operations	(16)	(64)
Income tax/(expense)	42	30
Share of profits of equity-accounted companies	(215)	(165)
Net financial income/(expense)	184	320
Impairment and disposal of fixed assets[1]	(35)	6
Fixed asset depreciation2	401	299
Adjusted EBITDA	**991**	**728**
Exchange rate effect3	-	(6)
Operating results of disposed companies4	-	-
Restructuring costs	-	3
Operating results from new acquired companies5	(15)	-
Accounting model adjustments6	-	(29)
Non-current impact7	2	-
Adjusted EBITDA Comparable (Like-for-like)	**978**	**696**

[1]Primarily includes asset impairment and gains or losses on the purchase, sale and disposal of investments companies and associates. When any such acquisitions or disposals of assets results in a takeover or loss of control, the capital gain relating to the updating of the fair value in respect of the stake maintained is recognized as Fair Value Adjustments.
[2]Comprises mainly by depreciation relating to the Toll Roads and Construction Business Division. Increase +33.8% in the year ended December 31, 2023 to EUR 400 million, as compared to the year ended December 31, 2023, and increase +10.7% in 2022 to EUR 299 million, as compared to 2021.
[3]Calculation of the results of each period at the exchange rate in the current period.
[4]Elimination of the operating results of disposed companies when the impact effectively occurred, which in 2022 primarily related to Dalaman.
[5]Elimination in the current period of the operating results derived from new material companies.
[6]Following the acquisitions of new companies which are considered material, elimination in the current period of the operating results derived from those companies. In 2022, this adjustment was primarily driven by a change in the consolidation method due to the loss of control in Zity.
[7]Elimination of other non-recurrent impacts (mainly related to tax and human resources).

1.4 Fair Value Adjustments

Fair Value Adjustments correspond to the adjustments to our income statement relative to previous results derived from changes in the fair value of derivatives and other financial assets and liabilities, asset impairment, and the impact of the aforementioned elements in the 'equity-accounted results'. Fair Value Adjustments is a non-IFRS financial measure and should not be considered as an alternative to revenues, net income or any other measure of our financial performance calculated in accordance with IFRS.

We use Fair Value Adjustments to evaluate our underlying profitability, as it excludes elements that do not generate cash and which can vary substantially from one year to another due to the accounting methodology used to calculate the fair value.

The following table sets forth a reconciliation of Fair Value Adjustments to the relevant items in our income statement for the periods indicated:

	As of December 31, 2023			
	Total	Fair Value Adjustments		Before Fair Value Adjustments
	(in millions of euros)			
Operating profit / (loss)	625	10	(1)	615
Net financial income/(expense)	(184)	24	(2)	(208)
Share of profits of equity-accounted companies	215	-	(3)	215
Profit/(loss) before tax from continuing operations	**656**	**34**		**622**
Income tax/(expense)	(42)	(1)	(4)	(41)
Profit/(loss) net of tax continuing operations	**614**	**33**		**581**
Profit/(loss) net of tax from discontinued operations	16	-		16
Net profit/(loss)	**630**	**33**		**597**
Net profit/(loss) for the year attributed to non-controlling interests	(170)	(7)	(5)	(163)
Net profit/(loss) for the year attributed to the parent company	**460**	**26**		**434**

[1]Represents net change in the fair value of the Group's financial derivatives that hedge raw materials' price.
[2]Represents (i) net change in the fair value of the Group's financial derivatives, mainly interest rate swaps, index-linked swaps, foreign exchange rate swaps, and equity swaps.
[3]Represents net change in the fair value of financial derivatives from the Group's equity-accounted entities.
[4]Represents income tax impact from the net change in the fair value of the Group's financial derivatives.
[5]Represents non-controlling interest impact from the net change in the fair value of the Group's financial derivatives.

	As of December 31, 2022			
	Total	Fair Value Adjustments		Before Fair Value
	(in millions of euros)			
Operating profit / (loss)	423	1	(1)	422
Net financial income/(expense)	(320)	(52)	(2)	(268)
Share of profits of equity-accounted companies	165	7	(3)	158
Profit/(loss) before tax from continuing operations	**268**	**(44)**		**312**
Income tax/(expense)	(30)	5	(4)	(35)
Profit/(loss) net of tax continuing operations	**238**	**(39)**		**277**
Profit/(loss) net of tax from discontinued operations	64	0		64
Net profit/(loss)	**302**	**(39)**		341
Net profit/(loss) for the year attributed to non-controlling interests	(117)	23	(5)	(140)
Net profit/(loss) for the year attributed to the parent company	**185**	**(16)**		**201**

[1]Represents net change in the fair value of the Group's financial derivatives that hedge raw materials' price.
[2]Represents (i) net change in the fair value of the Group's financial derivatives, mainly interest rate swaps, index-linked swaps, foreign exchange rate swaps, and equity swaps, being the most relevant impacts a loss in Autema toll road project in Spain, relating to the portion of the hedge that was discontinued in 2019 following the change of concession scheme, which was partially offset by the positive impact of breakage of the pre-hedge arranged for the issuance of a planned corporate bond, and (ii) changes in valuation of investments that are fair value accounted.
[3]Represents net change in the fair value of financial derivatives from the Group's equity-accounted entities.
[4]Represents income tax impact from the net change in the fair value of the Group's financial derivatives.
[5]Represents non-controlling interest impact from the net change in the fair value of the Group's financial derivatives.

1.5 Order Book

Order Book corresponds to our income which is pending execution corresponding to those contracts which we have signed and over which we have certainty regarding their future execution. 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. 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 calculate the Order Book until said financing is closed.

We use the Order Book as an indicator of our future income, as it reflects, for each contract, the final revenue minus the net amount of work performed.

There is no comparable financial measure to the Order Book in IFRS. 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. Therefore, it is not possible to present a reconciliation of the Order Book to our Financial Statements. We believe the difference between the construction work completed and the revenues reported for the Construction Business Division in the Financial Statements is attributable to the fact that these are subject to, among others, the following adjustments: (i) consolidation adjustments, (ii) charges to joint ventures, (iii) sale of machinery, and (iv) confirming income.

The following table sets forth the Construction Business Division Order Book as of December 31, 2023 and 2022:

	As of December 31,	
	2023	2022
	(in millions of euros)	
Budimex	3,301	3,181
Webber	4,233	3,372
Ferrovial Construction	8,099	8,19
Construction	**15,632**	**14,743**

2. Non-IFRS Measures: Liquidity and Capital Resources

2.1 Consolidated Net Debt

Consolidated Net Debt corresponds to our balance of cash and cash equivalents minus short and long-term borrowings and other financial items that include our non-current restricted cash, the balance related to exchange-rate derivatives (covering both the debt issuance in currency other than the currency used by the issuing company, through forward hedging derivatives, and cash positions that are exposed to exchange rate risk, through cross currency swaps) and other short term financial assets. Lease liabilities are not part of the Consolidated Net Debt. Consolidated Net Debt is a non-IFRS financial measure and should not be considered as an alternative to net income or any other measure of our financial performance calculated in accordance with IFRS.

We further break down our Consolidated Net Debt into two categories:

- Consolidated Net Debt of infrastructure project companies: corresponds to our infrastructure project companies, which has no recourse to us, as a shareholder, or with recourse limited to the guarantees issued.
- Consolidated Net Debt of ex-infrastructure project companies: corresponds to our other businesses, including our holding companies and other companies that are not considered infrastructure project companies. The debt included in this category generally has recourse to the Group.

We also discuss the evolution of our Consolidated Net Debt during any relevant period and split it into two categories: (i) Consolidated Net Debt of ex-infrastructure project companies and (ii) Consolidated Net Debt of infrastructure project companies, separated into the following items:

- change in cash and cash equivalents, as reported in our consolidated cash flows statement for the relevant period;
- change of our short and long-term borrowings for the relevant period; and
- change in additional financial items that we consider part of our Consolidated Net Debt, including changes of non-current restricted cash, changes in balance related to exchange-rate derivatives, changes in intragroup position balances and changes in other short-term financial assets.

We use Consolidated Net Debt to explain the evolution of our global indebtedness and to assist our management in making decisions related to our financial structure.

We also separate Consolidated Net Debt into Consolidated Net Debt of ex-infrastructure project companies and infrastructure project companies, as we find it helpful for investors and rating agencies to show the evolution of our Consolidated Net Debt of excluding infrastructure project companies, because the debt of infrastructure project companies has: (i) no recourse to the Group Companies or (ii) the recourse is limited to guarantees issued by other Group Companies. Net Debt of ex- infrastructure project companies is used by analysts and rating agencies to better understand the indebtedness that has recourse to the Group. For investors and rating agencies, it is important to clearly see and understand whether the rest of the Group is under any obligation to inject capital to repay the debt or cure any potential covenant breach if any of the Group's infrastructure project companies underperform.

Additionally, our equity investors track performance of our infrastructure project companies on a cash basis, namely dividends received and capital invested, that are not shown in our change in cash and cash equivalents reported in our consolidated cash flow statement. Similarly, our debt investors need to know the dividends received from infrastructure project companies, as the key parameters for the rating of corporate bonds are cash flows of ex-infrastructure project companies (the main contributor of which is dividends from infrastructure project companies) and net debt of the ex-infrastructure project companies.

We allocate amounts from the different components of Consolidated Net Debt and its evolution, specifically cash flow as reported in IAS 7, between infrastructure project companies and ex-infrastructure project companies as follows:

- Our consolidated subsidiaries and our equity-accounted companies are classified as infrastructure project companies (infrastructure project companies) or not infrastructure project companies (ex-infrastructure project companies). These two categories are not simultaneously applied to the same company (i.e., any given company is either categorized as an infrastructure project company or an ex-infrastructure project company, but it cannot be both).
- We include as ex-infrastructure project companies all companies (whether consolidated or accounted for as equity-accounted companies) dedicated to construction activities, companies providing services to the rest of the group, and holding companies (including those that are direct shareholders of infrastructure project companies).
- We include as infrastructure project companies, all companies (whether consolidated or accounted for as equity-accounted companies) that meet the definition of "infrastructure project companies" as this is stated in our annual reports: specifically, they are companies, which are part of our toll roads, airports, energy infrastructure and construction businesses. Appendix I to our Consolidated Financial Statements as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021, includes a complete list of our subsidiaries and associate companies, including details of all companies classified as infrastructure project companies, which are identified with a "P" in the "Type" column.

Specifically, cash flows of ex-infrastructure project companies are comprised of the cash flows generated by all companies classified as ex-infrastructure project companies, after the elimination of transactions between ex-infrastructure project companies. Cash flows of infrastructure project companies are comprised of the cash flows generated by all companies classified as infrastructure project companies, after the elimination of transactions between infrastructure project companies.

The key distinction in the classification between cash flows of ex-infrastructure project companies and cash flows of infrastructure project companies is the treatment of intercompany transactions between ex-infrastructure project companies and infrastructure project companies. These intercompany transactions are comprised of dividends paid by infrastructure project companies to ex-infrastructure project companies and investments of equity paid by ex-infrastructure project companies to infrastructure project companies. We treat these transactions as follows:

- Dividends received by ex-infrastructure project companies from infrastructure project companies are classified as cash flows from operations ex-infrastructure project companies;
- Dividends paid by infrastructure project companies to ex-infrastructure project companies are classified as cash flows from financing of infrastructure project companies;
- Equity investment paid by ex-infrastructure project companies to infrastructure project companies are classified as cash flows from investments ex-infrastructure project companies; and
- Equity investment received by infrastructure project companies from ex-infrastructure project companies are classified as cash flows from financing of infrastructure project companies.

These dividends include dividends and other similar items, comprising (i) interest on shareholder loans and (ii) repayments of capital and shareholder loans.

The equity investment includes the cash invested by the Group in infrastructure project companies through capital contributions or other similar financial instruments such as shareholder loans. These intercompany transactions are eliminated in the consolidated cash flows.

The following table sets forth a reconciliation of Consolidated Net Debt to our cash and cash equivalents for the periods indicated:

	As of December 31,	
	2023	2022
Cash and cash equivalents excluding infrastructure project	(4,585)	(4,962)
Short and long-term borrowings	3,449	3,686
Non-current restricted cash	(32)	(41)
Forwards hedging balances	18	(151)
Cross currency swaps balances	13	5
Intragroup position balances (*)	16	25
Other short term financial assets	-	-
Consolidated Net Debt of ex-infrastructure project companies	**(1,121)**	**(1,439)**
Cash and cash equivalents from infrastructure projects	(204)	(168)
Short and long-term borrowings	7,915	7,967
Non- current restricted cash	(596)	(556)
Intragroup position balances (*)	(16)	(25)
Consolidated Net Debt of infrastructure project companies	**7,100**	**7,219**
Consolidated Net Debt	**5,979**	**5,781**

(*) Intragroup balances are comprised of financial assets (cash) and liabilities (borrowings) between our ex-infrastructure project companies and infrastructure project companies that are eliminated in the consolidation process and therefore have no impact on our Consolidated Net Debt.

The following tables present, for the periods indicated, the changes in Consolidated Net Debt (including separation by ex-infrastructure project companies and infrastructure project companies), as well as the breakdown of our statement of cash flows into cash flows of ex-infrastructure project companies, cash flows of infrastructure project companies and intercompany eliminations.

	As of December 31, 2023			
	Change in Consolidated Net Debt (1+2+3)	Ex-infrastructure project companies (1)	Infrastructure project companies (2)	Intercompany eliminations (3)
	(in millions of euros)			
Cash flow from operating activities	**1,263**	**791**	**890**	**(417)**
Cash flow from/ (used in) investing activities	**(426)**	**(184)**	**(347)**	**104**
Activity Cash Flows (*)	**837**	**607**	**543**	**(313)**
Cash flow from/ (used in) financing activities	**(1,304)**	**(1,146)**	**(471)**	**313**
Effect of exchange rate on cash and cash equivalents	160	161	(1)	-
Change in cash and cash equivalents from assets held for sale	(34)	-	(34)	-
Cash flows (change in cash and cash equivalents) (A)	**(341)**	**(378)**	**37**	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (B)	**5,130**	**4,962**	**168**	-
CASH AND CASH EQUIVALENTS AT YEAR-END (C=A+B)	**4,789**	**4,584**	**204**	-
SHORT AND LONG-TERM BORROWINGS AND OTHER CONSOLIDATED NET DEBT COMPONENTS AT THE BEGINNING OF YEAR (D)	**10,909**	**3,523**	**7,386**	-
Change in short and long-term borrowings (E)	**(288)**	**(236)**	**(52)**	-
Other changes in consolidated net debt (F)	**146**	**177**	**(31)**	-
SHORT AND LONG-TERM BORROWINGS AND OTHER CHANGES IN CONSOLIDATED NET DEBT AT YEAR-END (G=D+E+F)	10,768	3,465	7,303	-
CONSOLIDATED NET DEBT AT BEGINNING OF YEAR (D-B)	5,780	(1,439)	7,219	-
CONSOLIDATED NET DEBT AT YEAR-END (G-C)	**5,979**	**(1,121)**	**7,099**	-

(*) Activity cash flows represent the sum of items Cash flow from operating activities and Cash flow from/ (used in) investing activities.
(A) Figures in this line item represent change in cash flow figures as reported in our consolidated cash flow statements, as well as the change in cash and cash equivalents ex-infrastructure project companies and change in cash and cash equivalents of infrastructure project companies.
(E) Figures in this line item represent the change in our short and long-term borrowings included in our Consolidated Statement of Financial Position.
(F) Figures in this line item represent: the changes of non-current restricted cash, the changes related to exchange-rate derivatives balances (including forwards and cross currency swaps), the changes in our Intragroup balances related to financial assets and liabilities between our ex-infrastructure project companies and infrastructure project companies with no impact on our Consolidated Net Debt, and changes in other short-term financial assets.
(1) Ex-infrastructure project companies column includes the change in cash and cash equivalents of our ex-infrastructure project companies. Cash flows from (used in) operating activities include dividends received from infrastructure project companies that are globally consolidated and cash flows from (used in) investing activities includes the equity investment by the Group in infrastructure project companies that are globally consolidated. These dividends received and equity investments are eliminated in column Intercompany eliminations.
(2) Infrastructure project companies column includes the change in cash and cash equivalents of our infrastructure project companies. Cash flows from (used in) financing include the dividends paid to shareholders (which include the Group Companies that are not infrastructure project companies), as well as the equity investment received from its shareholders. These dividends paid and equity investments received are eliminated in column Intercompany eliminations.
(3) Intercompany eliminations include eliminations either of the dividends or equity investment, as applicable, of infrastructure project companies that are consolidated on the Group level.

	As of December 31, 2022			
	Change in Consolidated Net Debt (1+2+3)	Ex-infrastructure project companies (1)	Infrastructure project companies (2)	Intercompany eliminations (3)
	(in millions of euros)			
Cash flow from operating activities	**1,002**	**565**	**629**	**(191)**
Cash flow from/ (used in) investing activities	**(732)**	**(421)**	**(720)**	**410**
Activity Cash Flows (*)	**271**	**143**	**(92)**	**219**
Cash flow from/ (used in) financing activities	**(317)**	**(140)**	**42**	**(219)**
Effect of exchange rate on cash and cash equivalents	(283)	(289)	7	-
Change in cash and cash equivalents due to consolidation scope changes	4	-	4	-
Change in cash and cash equivalents from discontinued operations	(81)	(81)	-	-
Cash flows (change in cash and cash equivalents) (A)	**(407)**	**(367)**	**(40)**	
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (B)	**5,536**	**5,329**	**207**	**-**
CASH AND CASH EQUIVALENTS AT YEAR-END (C=A+B)	**5,130**	**4,962**	**168**	**-**
SHORT AND LONG-TERM BORROWINGS AND OTHER CONSOLIDATED NET DEBT COMPONENTS AT THE BEGINNING OF YEAR (D)	10,051	3,258	6,793	-
Change in short and long-term borrowings (E)	**1,043**	**485**	**558**	-
Other changes in consolidated net debt (F)	**(184)**	**(219)**	**35**	-
SHORT AND LONG-TERM BORROWINGS AND OTHER CONSOLIDATED NET DEBT COMPONENTS AT YEAR-END (G=D+E+F)	**10,910**	**3,524**	**7,386**	-
CONSOLIDATED NET DEBT AT BEGINNING OF YEAR (D-B)	**4,515**	**(2,071)**	**6,586**	-
CONSOLIDATED NET DEBT AT YEAR-END (G-C)	**5,780**	**(1,439)**	**7,219**	-

(*) Activity cash flows represent the sum of items Cash flow from operating activities and Cash flow from/ (used in) investing activities.
(A) Figures in this line item represent change in cash flow figures as reported in our consolidated cash flow statements, as well as the change in cash and cash equivalents ex-infrastructure project companies and change in cash and cash equivalents of infrastructure project companies.
(B) Figures in this line item represent the change in our short and long-term borrowings included in our Consolidated Statement of Financial Position.
(C) Figures in this line item represent: the changes of non-current restricted cash, the changes related to exchange-rate derivatives balances (including forwards and cross currency swaps), the changes in our Intragroup balances related to financial assets and liabilities between our ex-infrastructure project companies and infrastructure project companies with no impact on our Consolidated Net Debt, and changes in other short-term financial assets.
(1) Ex-infrastructure project companies column includes the change in cash and cash equivalents of our ex-infrastructure project companies. Cash flows from (used in) operating activities include dividends received from infrastructure project companies that are globally consolidated and cash flows from (used in) investing activities includes the equity investment by the Group in infrastructure project companies that are globally consolidated. These dividends received and equity investments are eliminated in column Intercompany eliminations.
(2) Infrastructure project companies column includes the change in cash and cash equivalents of our infrastructure project companies. Cash flows from (used in) financing include the dividends paid to shareholders (which include the Group Companies that are not infrastructure project companies), as well as the equity investment received from its shareholders. These dividends paid and equity investments received are eliminated in column Intercompany eliminations.
(3) Intercompany eliminations include eliminations either of the dividends or equity investment, as applicable, of infrastructure project companies that are consolidated on the Group level.

2.2 Ex-Infrastructure Liquidity

Ex-Infrastructure Liquidity corresponds to the sum of the cash and cash equivalents raised from to our ex-infrastructure projects, long-term restricted cash, as well as the committed short and long-term credit facilities which remain undrawn by the end of each period (corresponding to credits granted by financial entities which may be drawn by us within the terms, amount and other conditions agreed in each contract) and forward hedging cash flows.

We use Ex-Infrastructure Liquidity to determine our liquidity to meet any financial commitment in relation to our ex-infrastructure projects. The following table present the ex-infrastructure liquidity for the periods indicated.

The following table sets forth a reconciliation of Ex-Infrastructure Liquidity for the periods indicated.

	As of December 31	
	2023	2022
	(in millions of euros)	
Cash and cash equivalents	4,585	4,962
Non- current restricted cash	32	41
Other short term financial assets	-	-
Undrawn credit lines	789	964
Forward hedging cash flows	(18)	151
Total liquidity ex infrastructure	**5,388**	**6,118**

3. OTHER NON-IFRS MEASURES

3.1 Total shareholder return

Sum of the dividends received by shareholders, revaluation/depreciation of the shares and other payments such as the delivery of shares or buy-back plans. The total shareholder return is presented under the share part of section 1.1 of the Management Report. There is a breakdown of the reconciliation with the shareholder return in the financial statements.

	2023	2022	2468724
Number of ordinary shares at beginning of year	**1,782,127**	**2,054,531**	**2,468,724**
Plans granted	653,611	702,675	909,578
Plans settled	(277,493)	(356,958)	(292,413)
Shares surrendered and other	(192,425)	(526,552)	(954,346)
Shares exercised	(12,804)	(91,569)	(77,012)
Number of ordinary shares at year-end	**1,953,016**	**1,782,127**	**2,054,531**

It is a financial indicator used by investors and financial analysts, to evaluate the performance that shareholders have received throughout the year in exchange for their contribution in capital of the Company.

3.2 Managed investment

Managed investment is presented under Toll Roads in section 1.2 of the Management Report. During the construction phase, it is the total investment to make. During the operating phase, this amount is increased by the additional investment. Projects are included after signing the contract with the corresponding administration (commercial close), on which date the provisional financing terms and conditions, which will be confirmed after the financial closing, are normally available. 100% of investment is considered for all projects, including those that are integrated by the equity method, regardless of Ferrovial's participation. Projects are excluded with criteria in line with the exit from the consolidation scope.

Managed investments at the end of December 2023 came to approximately 21.9 billion euros (21.8 billion euros at December 2022) and are made up of 23 concessions in 10 countries. The composition of managed investments by asset type is as follows:

- Intangible Assets projects under IFRIC 12 (in operation), 11,639 million euros (11,532 million euros at 31, December 2022). The managed investment matches with the balance sheet gross investment in these projects included in the table of section 3.3.1 of the Consolidated Annual Accounts, except for the future investment commitments and fair value adjustments: 12,816 million euros of USA Toll Roads I-66, NTE, NTE35W, LBJ and I-77 (12,547 million euros at December 31, 2022). Additionally, 721 million euros are included in Spain (mainly Autema project).
- Intangible Assets IFRIC 12 (under construction), no current projects under construction.
- Accounts receivable projects under IFRIC 12: no current projects under development.
- Consolidation using the equity method, 10,267 million euros (10,226 million euros at December 31, 2022). Includes both projects in operation and under construction that are consolidated using the equity method, such as 407ETR and extensions 4,537 million euros of 100% managed investment (4,579 million euros at December 31, 2022). In the consolidated statement of financial position, these projects are included under Investments in associates, meaning the investment cannot be reconciled with the balance sheet.

Data useful by Management to indicate the size of the portfolio of managed assets.

3.3 Economic value generated and distributed

Definition: information on the creation and distribution of economic value provides a basic indication of how an organization has generated wealth for shareholders. It includes information on revenue figures, operating costs, employee wages and benefits, financial expenses, and dividends and taxes.

Reconciliation: data on economic value generated and distributed are presented in the Appendix to GRI Indicators, indicator 201-1, following the definition established by this standard. The figures for revenues, operating costs, salaries and employee benefits, financial expenses and dividends and taxes are detailed in the corresponding section of the Management Report and the Consolidated Financial Statements. We present the calculation of the economic value generated and distributed as follows: Economic Value Retained = Economic Value Generated [Revenues (sales + other operating revenues + financial revenues + fixed asset disposals + income from companies accounted for by the equity method)]. - Economic Value Distributed [consumption and expenses + personnel expenses + financial expenses and dividends + corporate income tax].

Explanation of use: the data on economic value generated and distributed can be useful to know the economic figures that we have distributed among our stakeholders and what economic value we have retained in the form of liquidity.

Comparisons: we present comparable data for the reporting year and the two previous years.

Consistency: the criteria used to calculate this indicator is the same as in previous years, and the instruction of indicator 201-1 of the GRI Standards of the Global Reporting Initiative have been followed.

Alternative Performance measures that we have ceased to report

- Dividends received: we have included the definition of dividends received as part of section “2.1 Consolidated Net Debt”: These dividends include dividends and other similar items, comprising (i) interest on shareholder loans and (ii) repayments of capital and shareholder loans.
- Proportional results and Working capital variation: We have reconsidered our use of these non-IFRS financial measures and have decided not to include them in our future ongoing reporting starting with this Annual Report.

SUSTAINABILITY MANAGEMENT

Ferrovial understands sustainability and corporate responsibility (CR) as a voluntary but essential commitment to participate in the economic, social and environmental development of the communities where it operates. CR and sustainability policies are based on the principles of the Global Compact and related internationally accepted agreements and resolutions, inspired by the Sustainable Development Goals to consolidate the company's position as a player that contributes to a more sustainable, innovative, inclusive and low-carbon economy. The Board of Directors is responsible for ensuring compliance with these principles, which the company has voluntarily assumed. Both policies are available at www.ferrovial.com.

The content of this Integrated Annual Report is in itself a Sustainability Policy report, which provides its stakeholders with detailed information on the policy's support instruments to ensure its effective compliance. The sustainability strategy, formulated in the Sustainability Strategic Plan 2030, and specific sustainability and CR practices are mentioned in their corresponding sections.

COMMITTEE

The Sustainability Committee is chaired by the Sustainability Director and is composed of representatives from the business areas (Toll Roads, Airports, Energy and Construction) and the corporate areas (Human Resources, General Secretariat, Health, Safety and Wellbeing, Information Systems and Innovation, Communications and Corporate Social Responsibility, Strategy, Investor Relations, Compliance and Risks, and Construction Procurement). On an annual basis, the committee chairman reports to the Board of Directors.

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

The main objective of this committee is to define the Strategic Sustainability Plan and ensure its follow-up. Its functions are summarized in the strategy section on page 28.

STRATEGIC PLAN

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

The Sustainability Committee has promoted the Sustainability Strategy 2030 Plan, prepared taking into account the main global macro-trends, the regulatory and normative environment (United Nations Agenda 2030, Climate Change and the European Green Deal), the main economic-financial frameworks (Task Force on Climate-Related Disclosures (TCFD), Taxonomy and the European Next Generation Plan), social challenges (new urban agenda, new mobility habits, etc.), technological factors (energy transition and digitalization), environmental factors (climate change, water scarcity, loss of biodiversity and public health), ESG investor requirements, the main reporting frameworks (Global Reporting Initiative, SASB and the TCFD), as well as CSR trend reports from various prestigious institutions. In addition, Ferrovial has been recognized by AENOR as the first company to certify its Sustainability Strategy with the United Nations Sustainable Development Goals.

It has specific areas of action and objectives for each year and for the environmental, social and governance (ESG) areas. It is also aligned with the Horizon 24 business strategy and covers Ferrovial's value chain, from customers to suppliers. Its objectives and monitoring are detailed in the strategy chapter, page 31.


SOPELA

REPORTING PRINCIPLES

INFORMATION PERIMETER

Ferrovial is made up of the parent company, Ferrovial SE, and its subsidiaries. For detailed information on the companies included, please refer to the scope of consolidation in Appendix I and II of the Consolidated Financial Statements.

Following divestments in recent years, in 2023 there have been no significant changes in the scope of consolidation due to the acquisition of companies, the awarding of new contracts or the start-up of new businesses.

For more information, see pages 58-83 of Business Performance.

CONSOLIDATION PROCESS

The report includes all companies in which Ferrovial has economic control, understood as a shareholding of over 50%. In these cases, 100% of the information is reported. The list of subsidiaries and associates can be consulted in Appendices I and II of the Consolidated Financial Statements. Also, following the indications of the GRI Sustainability Reporting Standards, Ferrovial provides information on indicators and material aspects "outside the organization", when these data are of sufficient quality, and always separately. Ferrovial considers that the most relevant impacts are those related to the 407 ETR highway in Canada and the airports in the United Kingdom, entities in which its shareholding does not reach 50%. Some indicators of interest associated with these assets are those relating to indirect emissions (scope 3), user satisfaction, or number of passengers transiting through the airports.

Carbon footprint

The carbon footprint data consolidation process is based mainly on the GHG Protocol (WRI&WBCSD), while maintaining compliance with ISO14064-1. This protocol is complemented by other methodologies to take into account specific aspects of the business, such as, for example, the DEFRA and DECC methodology for operations in the United Kingdom, and the EPER methodology for estimating diffuse emissions from landfills. For the calculation, operational control is considered as an organizational boundary. Under this approach a company accounts for emissions from those sources over which it has full authority to introduce and implement its operational policies, irrespective of its shareholding in the company. For the reporting of energy consumption and carbon footprint calculations, the company has a specific corporate reporting tool through which business managers report their data. The scopes for calculating the footprint are described below:

- SCOPE 1: Emissions from sources owned or controlled by the company. They come mainly from fuel combustion in stationary equipment (boilers, furnaces, turbines...) to produce electricity, heat or steam; fuel consumption in fleet vehicles owned or controlled by the company; diffuse emissions, those not associated with a particular source, such as biogas emissions from landfill; and channeled emissions, GHG emissions generated through a source, excluding those from fuel combustion. The source of the emission factors is the GHG Protocol, while DEFRA is being used for UK operations by country requirement and the EPER methodology for diffuse emissions at landfills.
- SCOPE 2: emissions generated as a result of the consumption of electricity purchased from other companies that produce or control it. The GHG Protocol Scope 2 Guidance standard has been followed and the emissions reported are based on the market-based method, which reflects the efforts being made by the company to use and purchase renewable electricity. However, emissions are also calculated on a location-based basis (see more information in the GRI Annex). The source of the emission factors is the electricity supplier. When the supplier's emission factors are not available, following the recommendations of the GHG Protocol, the country's energy mix factors according to the International Energy Agency are used.
- SCOPE 3: indirect emissions that occur in the value chain. Ferrovial calculates all Scope 3 emissions following the guidelines set out in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard published by the GHG Protocol Initiative, the WRI and the WBCSD. Categories 9, 10, 13 and 14 of this protocol do not apply to Ferrovial. More information is included in the GRI Indicators Annex, page 323. The sources of the emission factors are GHG Protocol, DEFRA, CEDA and the International Energy Agency.

In 2023, due to the inclusion of new companies in the scope of consolidation, the historical emissions have been adjusted for comparability. In the absence of data prior to the inclusion of Ferrovial in the scope of consolidation, the verified 2023 data for these companies have been transferred to the historical data.

Water footprint

To measure the impact of activities on water resources, the company has developed its own methodology (as explained in the environment chapter on pages 105-106). This methodology takes into account the source of water collection, assigning different weights depending on its origin, the country's water stress, and the destination of discharges and their quality depending on the treatment they have received. It is composed of three indices:

- Business Water Index (BWI): measures the negative impact that activities produce as a result of water consumption and discharges generated.
- Water Treatment Index (WTI): measures the positive impact of the water treatment processes carried out at Cadagua's treatment plants.
- Water Access Index (WAI): determines the positive impact of social action projects aimed at improving access to water and sanitation in vulnerable communities.

Consumption data according to the different sources are obtained directly from the contracts of each of the business lines, using the different existing reporting tools (given the variability of the typology of existing activities). The data are consolidated at corporate level with the water footprint tool used to prepare this report.

For reporting purposes, operational control is considered as an organizational boundary. Under this approach a company accounts for data from those sources over which it has full authority to introduce and implement its operational policies, regardless of its shareholding in the company.

In 2023, due to the inclusion of new companies in the scope of consolidation, the historical values have been adjusted for comparability. In the absence of data prior to the inclusion in the scope of Grupo Ferrovial, the verified 2023 data of these companies have been transferred to the historical data.

Circular economy

The waste produced is reported annually by all business lines, both in terms of generation and type of treatment. For reporting purposes, operational control is considered as an organizational boundary. Under this approach a company accounts for data from those sources over which it has full authority to introduce and implement its operational policies, regardless of its shareholding in the company.

In 2023, due to the inclusion of new companies in the scope of consolidation, the historical values have been adjusted for comparability. In the absence of data prior to the inclusion in the scope of Grupo Ferrovial, the verified 2023 data of these companies have been transferred to the historical data.

Safety, health and welfare

In the case of safety, health and well-being indicators, the company collects information on a monthly basis, which allows reporting to Senior Management with the required periodicity. The data, both for own employees and contractors, are collected at each work center and aggregated by a specific corporate tool (Cority and F-Safety). The hours worked by own employees and contractors, including overtime, are recorded in both applications. In the case of occupational accidents, the site foreman notifies the health and safety technician, who initiates the accident investigation process. In 2022, the Services business was completely divested, which has led to significant variations in some ratios such as the frequency index. In relation to SIF (serious injuries and fatalities), the following are considered serious injuries: fracture, except of fingers or toes; amputation; loss of vision; hospitalization for more than one day; loss of consciousness due to inhalation, ingestion or absorption of hazardous substances or biological agents, if there is hospitalization for more than one day.

Human Resources

Human resources data, and all associated ratios, are collected for a large part of the perimeter through Workday, and then consolidated globally. In some cases, calculations are made that do not cover 100% of the perimeter, in which case this is specifically indicated.

Social action

For the collection of information related to social action, the company applies the LBG methodology. This methodology allows the classification, management and measurement of social activities, facilitates their comparability with other companies, and makes it possible to sort and classify both projects with the third sector and sponsorships or volunteer initiatives.

Ethics and integrity

Ferrovial's Ethics Channel tool records all communications received during the year. Additionally, the rest of the communication channels available in the Group send the requested information when they receive an email from the Compliance Department requesting updated information on their communication channel. The Compliance Department of FERROVIAL Construction reports on Budimex, FB Serwis and Mostostal Krakow, Ferrovial Construction UK as well as Webber. Once the information is received, the Compliance Department records the information, analyzes the different cases and summarizes the information. The information reported annually is the summary of the information reported to the different meetings of the Audit and Control Committee held during the year in May, July, October, December and February.

The Sustainability Strategy has specific areas of action and objectives for each year and for the environmental, social and governance (ESG) areas. It is also aligned with the Horizon 24 business strategy and covers Ferrovial's value chain, from customers to suppliers. Its objectives and monitoring are detailed in the strategy chapter, page 31. Some of the KPIs have different scope compared to other KPIs explained along the report or are limited to a business area: (i) Serious injuries and Fatals frequency rate. This KPI include employees, subcontractors and all companies independently of its stake (except those airports that do not consolidate); (ii) Road safety and time savings KPIs are specific KPIs of Cintra.

TRACEABILITY

Ferrovial guarantees the traceability of information relating to corporate responsibility thanks to a reporting system, in place since 2007, which allows detailed information to be obtained down to company level, facilitating partial consolidations by geography or business. During 2023, the information requested has been periodically reviewed to adapt the system to the information requirements of the company's different stakeholders and the recommendations of the external and internal auditors. The software used has made it easier for corporate management to collect quarterly information for management and internal reporting to Senior Management.

In 2023, the reporting system enabled the collection of 626 quantitative and qualitative indicators, in 104 companies, thanks to the collaboration of more than 200 users.

RESTATEMENT OF INFORMATION

During 2023 there have been several changes in the scope of companies that may affect the comparability of the data contained in the Report, although in general they are not particularly relevant in comparison with the company as a whole. The main event of the year in this regard was the sale of 89.2% of the Euroscut Azores Toll Road.To ensure maximum transparency and comparability of the data, the body of the report itself indicates when any indicator from previous years has been modified or presents significant changes that affect the comparability of the information.

STAKEHOLDERS

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

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

This relationship is dynamic as the environment is changing at an increasingly rapid pace. Ferrovial's business depends largely on relations with the Public Administrations of the countries in which it operates. Ferrovial holds decision-making positions in organizations that promote corporate responsibility at national and international level, such as the SERES Foundation, Forética, the Spanish Global Compact Network, the CEOE CSR Committee and the Spanish Association for Quality (AEC). In 2023, Ferrovial's CEO was a member of the Executive Committee of SERES Foundation, and the General Secretary of Forética is also a representative of the company. Ferrovial also collaborates with other organizations that promote sustainability in different areas, such as member of the new Construction and Engineering working group created by Global Compact to drive sustainable transformation in the sector, member of the Governing Board of EIT Climate-KIC, a Knowledge and Innovation Community that works to accelerate the transition to a zero-carbon, climate-resilient society supported by the European Institute of Innovation and Technology. Ferrovial also participates in Science Based Targets Initiative (SBTi) working groups and collaborates with the International Organization for Standardization (ISO) and the Spanish Association for Standardization (UNE) in the definition of the ISO 53001 standard on the Management System for the United Nations Sustainable Development Goals. The company also collaborates with the Green Building Council (GBCe), Corporate Leaders Group, EU Green Growth Group, WWF, We Mean Business, European Climate Pact, Spanish Business and Biodiversity Initiative (from Biodiversity Foundation, WAS, CitiES2030. Spanish Green Growth Group and Circular Economy Pact.

Ferrovial is characterized by absolute political neutrality, carrying out its activities for both public administrations and private clients in the countries where it operates. The company does not make financial or in-kind contributions to political parties or electoral candidates. However, Ferrovial is a member of business representation organizations or foundations for commercial exchange between countries linked to the development of its activity or the geographical area in which it operates. Through its presence and collaboration with these organizations, the company aims to contribute to the progress and development of all those fields of action in which it is present. Among these contributions, the contributions made to the Association of Infrastructure Construction and Concession Companies (SEOPAN) and the World Economic Forum stand out.

	2021	2022	2023
Contributions to political parties or candidates (€)	0	0	0
Lobbying activities or sector associations (€)	1,635,430	1,628,315	1,515,894
Trade Associations (€)	154,875	119,700	151,134
Total contribution (€)	**1,790,305**	**1,748,015**	**1,667,118**

MATERIALITY ASSESSMENT

For Ferrovial, material issues are all those that may have a substantial influence on stakeholder assessments and decisions, affecting the ability to meet their present needs without compromising future generations.

The materiality analysis allows Ferrovial to identify and prioritize the most relevant issues for the company and for stakeholders, considering which of them may have a greater potential impact on the company's financial statements.

This analysis complies with the requirements established by the GRI reporting standard, taking into account the relevant issues for the Construction and Engineering sector according to SASB, reporting only what is material for the companies, avoiding non-relevant information. It also anticipates the European regulatory requirements that will come into force soon.

Ferrovial considers it appropriate to perform the materiality analysis on a biennial basis, as there are no significant variations in material issues over a shorter time horizon. In the latest edition, carried out in 2022, the issues were considered from a financial and non-financial point of view. Ferrovial executives were asked about the potential financial impact on the company's accounts of the issues identified (financial relevance), while other stakeholders were asked about the importance of these same issues for a company such as Ferrovial (non-financial relevance). In this way, the Report pretends to offer a balanced and objective view of those issues that, by their nature, have significantly affected the company or its stakeholders.

The analysis process was developed in several phases:

- Identification and validation of issues. By consulting various relevant sources of information (GRI, SASB, World Economic Forum Global Risks, media coverage, sectoral reports by KPMG, Deloitte and PWC, rating agencies and ESG investors, as well as the materiality of 2020), the main trends and most relevant issues for the sector in which Ferrovial operates were identified. Once the initial list of issues was obtained, it was agreed with the main corporate and business managers, and a final list of 17 issues was determined.
- Determination of financial relevance. By means of an online survey addressed to the company's executives, both from corporate areas and business lines, in the main geographies in which Ferrovial operates (USA, Canada, UK, Spain, Poland), they were asked to evaluate and prioritize the material issues identified.
- Determination of non-financial relevance. Prioritization of issues based on a survey of different stakeholders (suppliers, customers, NGOs, foundations, trade unions, etc.) in the main geographical areas in which Ferrovial operates.
- Prioritization. This is the result of graphically crossing financial and non-financial relevance, which is materialized in the materiality matrix.

According to financial relevance, three issues stand out: "Digitalization and Innovation applied to the business", "Equal opportunities, development, attraction and retention of talent" and "Customer and user satisfaction and safety". This means that Ferrovial executives consider these to be the three issues with the greatest potential impact on the company's financial statements, although the impact on the company is moderate or slight in any case.

The priority issues from a non-financial point of view are, in order of importance, "climate change risks and GHG emissions reduction", "labor rights and conditions" and "engagement with impacted local communities". These results indicate that stakeholders consider these issues to be the most relevant in the ESG area.

MATERIALITY ANALYSIS

TAXONOMY

INTRODUCTION

In compliance with the provisions of Regulation[1](EU) 2020/852 of the European Union to facilitate the redirection of capital flows towards more sustainable activities and according to the provisions of DR[2](EU) 2021/2178, DR[3](EU) 2023/2486 and DR[4](EU) 2023/2485, in the 2023 report it is required to report the percentage of Revenues, CapEX (capital expenditure) and OpEX (operational expenditure), of the company's activities that adhere to the requirements of the taxonomy through the standardized and requirements of reporting formats provided by the European Commission's DR[2](EU) 2021/2178 and RD[3](UE) 2023/2486.

Through this section Ferrovial complies with these requirements established by DR[2](EU) 2021/21782 which specifies the content, presentation of the information and methodology to be disclosed by companies subject to Articles 19a or 29a of Directive 2013/34/EU, starting with the activity data for the year 2022.

During the taxonomy analysis and the process of calculating the financial indicators, on December 19, 2022, the European Commission published its clarification notes for the interpretation support for the criteria for the alignment of activities and its clarification notes for the interpretation in the implementation of Article 8 of the European Taxonomy[5]. These notes clarify part of the application criteria, although they do not clarify part of the criteria for some activities that present great sectorial uncertainty on the considerations for their interpretation. Additionally, in an exercise of transparency, companies are given the opportunity to justify their understandings through this report.

In the context of the taxonomy analysis, the following concepts are distinguished:

- **Eligible (revenues and CapEX and OpEX tables)**: referring to activities with alignment potential included in (DR) (EU) 2021/2139 Annex I (mitigation) and Annex II (adaptation).
- **Not Eligible (revenues and CapEX and OpEX tables)**: referring to activities not included in (DR) (EU) 2021/2139, either by:
  - Generate a significant negative impact on EU objectives.
  - Not making a substantial contribution to climate change mitigation and adaptation.
  - Integration in future developments, revisions of the EU taxonomy, or approvals by the European Parliament and Council.
- **Eligible aligned (revenues and CapEX tables)**: referring to eligible activities that meet the criteria of substantial contribution (SCC) to one of the developed objectives (mitigation or adaptation), that ensure that they do not significantly harm the rest of the objectives (DNSH) and that are carried out in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (Minimum Social Safeguards).
- **Eligible non-aligned (revenues and CapEX tables)**: eligible activities that do not meet any of the requirements of the alignment analysis phases described above (CCS, DNSH and Safeguards).

[1] *Regulation (EU) 2020/852: Regulation - 2020/852 - EN - EUR-Lex (europa.eu)*
[2] *Delegated Regulation (EU) 2021/2178: Delegated regulation - 2021/2178 - EN - EUR-Lex (europa.eu)*
[3] *Delegated Regulation (EU) 2023/2486: Delegated regulation - EU - 2023/2486 - EN - EUR-Lex (europa.eu)*
[4] *Delegated Regulation 2023/2485: Delegated regulation - EU - 2023/2485 - EN - EUR-Lex (europa.eu)*
[5] *Interpretation in the implementation of Article 8 of the European Taxonomy: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021SC0183*

FERROVIAL'S POSITION

The relevance and need for new sustainable infrastructure become more relevant in the context of climate change mitigation and adaptation plans, highlighting the clear purpose of infrastructure companies, where Ferrovial plays a key role. The taxonomy reinforces the Horizon 24 Strategic Plan, focused on the development, construction and operation of sustainable infrastructure, as well as mobility, water resource management, building and electrification.

Ferrovial's activities in construction, management of toll roads, airports, energy and mobility infrastructures are a response to the objectives set by the EU. The company has the experience and capabilities to develop sustainable transport infrastructures that solve urban congestion and offer more innovative and low-carbon mobility alternatives.

In line with the company's purpose, Ferrovial is implementing innovative solutions in the area of digitalization, which, together with its commitment to decarbonization, coincide with the search for road safety and reliability of travel times, aspects demanded by infrastructure users. As an example of these practices, Express Lanes stand out, proving to be a solution for operational efficiency committed to the environment and with successful cases, already in operation, in Texas or North Carolina. These innovative solutions are in line with the need to implement the so-called "Intelligent Transportation Systems" promoted by the European Commission.

In addition, and in line with other activities included in the climate taxonomy, other good practices in the management of wastewater and drinking water are also noteworthy, with notable projects such as the Thames Tideway Tunnel, the construction of rail transport infrastructure (California High-Speed Rail) and the company's promotion of efficient energy management, production and transmission activities. In this last sector, Ferrovial has driven rapid growth through its energy subsidiaries, in line with the corporate strategy Horizon 24, which has gained importance with the development of taxonomy and other regulatory developments and European strategies.

Finally, Ferrovial sets out the technical criteria which, in its opinion and by virtue of the sectoral publications available at the date of this report, best enable it to comply with the information referring to eligible and, where applicable, aligned activities, as well as the results of their application to the company as a whole.

FERROVIAL'S PROCEDURE

Taxonomy implementation management

The implementation of the EU Taxonomy in a globally operating infrastructure group has presented several challenges which have been addressed with an integrated top-down approach reaching the level of the minimum management unit (contract/service/asset).

To this end, Ferrovial has deployed a specific Action Plan with several phases, starting with a process of understanding and interpretation of the taxonomy criteria involving the different business areas, an internal training exercise and a compilation of information on taxonomy criteria including all the companies included in the consolidation perimeter. This financial consolidation perimeter has served to delimit the scope of the taxonomy exercise by linking the compliance percentages directly to the figures obtained in the financial consolidation process.

As a result of this Action Plan and the need to deal with information in multidisciplinary teams, a Taxonomy governance model has been established, comprising the Economic-Financial, Communications and Corporate Social Responsibility and Sustainability departments.

As in previous years, the company has initiated the taxonomy evaluation process in the identification of eligible and non-eligible economic activities, considering all the companies in which it has economic control, meaning a stake of more than 50%. In these cases, the totality of the information is reported. In relation to the companies sold during the 2023 fiscal year, these would be outside the scope of the analysis as they work with consolidated data at year-end[6].

During this process, 32 of Ferrovial's activities (26 in 2022) have been identified in Annex I and II of (RD) (EU) 2021/2139 for mitigation and adaptation objectives, as well as in RD (EU) 2023/2486 and RD (EU) 2023/2485, which includes the rest of the environmental objectives. The activities identified in the four remaining objectives coincide in description with those already being reported by the company. Only one new activity has been included, 5.13 of the adaptation objective, which includes the water desalination activity.

To ensure traceability and to make an effort in the calculation of taxonomic indicators to ensure their robustness, an IT solution was developed in 2023 to speed up and ensure a good analysis at the contract level. To this end, the managers of each business (more than 300) have collaborated and have been trained in the subject so that they can carry out this analysis in the most correct way.

[6] *The list of subsidiaries and associated companies can be consulted in Appendix I of the Consolidated Financial Statements.*

In addition, to comply with the requirements of the European Commission, the eligibility of its contracts included in the four remaining objectives contemplated in the taxonomy must be published, so an analysis has been carried out at contract level to determine the suitability of each one of them.

- Use and protection of water and marine resources.
- Transition to a circular economy.
- Pollution, prevention and control.
- Biodiversity.

During the 2024 fiscal year and in order to comply with European requirements, an analysis of the technical criteria for selecting new activities included in the new environmental objectives that have the potential to contribute to one of the environmental objectives will be carried out.

Throughout the process, the analysis developed by the company has been subjected to an external contrast, resulting in an exercise of understanding at national and European sector level, where disparity of approaches on the taxonomy regulation and its application within the companies have arisen. In this aspect, it is worth mentioning the work carried out with the Association of Infrastructure Construction and Concession Companies (SEOPAN) and with the rest of the infrastructure operators, in the pursuit of clear guidelines for the homogeneous application of the criteria of the taxonomy regulation.

<u>Financial considerations in the calculation of the taxonomy numerator and denominator</u>

Due to the atomization of the company, to determine the eligibility of activities exhaustively, the analysis has been carried out at the level of the minimum management unit of the consolidating companies, classifying each profit center under a single taxonomic activity and a single objective. This exercise has been automated in Ferrovial's accounting systems, which allows for better data traceability. In this regard, the financial and sustainability areas of the different Ferrovial companies have assigned the percentage of revenues, CapEX and OpEX that coincides with the description of the activities listed in the Delegated Climate Regulation based on the type of contracts, works or active services*.

To avoid the computation of intercompany transactions, these percentages have been applied to the consolidated accounting figures of the companies under analysis. This individual allocation makes it possible to link the indicators to the consolidated group figures presented in the annual accounts report, thus avoiding double financial accounting.

Ferrovial carries out activities that could be eligible for contributing to the climate change mitigation objective (included in Annex I of RD (EU) 2021/2139), the climate change adaptation objective (included in Annex II of RD (EU) 2021/2139) and activities that could be eligible for the objectives of use and protection of water use and marine resources, circular economy and pollution.

For the analysis of aligned activities, the company has conducted an analysis of all its contracts by mitigation and adaptation pathways. Work is still ongoing to establish and differentiate with the required precision the proportion of taxonomic activities that contribute significantly to the objective of adaptation to climate change. Therefore, the activities reported by Ferrovial are considered eligible but not aligned with the climate change adaptation objective at this time.

For the calculation of the taxonomy indicators expressed in this chapter, qualitative and quantitative information has been collected from eligible projects according to the criteria of each taxonomic activity identified to determine the monetary amounts to be included in the required denominators and numerators.

The considerations on the accounting notes included in each indicator are developed in the section "Calculation and results by KPI analyzed", in line with the previous year's report.

<u>Understanding of taxonomy criteria by taxonomic activity groups</u>

As of the date of this report, and in line with the clarifications published by the European Commission, the technical interpretation of the main activities identified as eligible and aligned is given below:

Group: Energy

<u>Eligibility exercise</u>

For the eligibility calculation, related works/services (including construction and operation) in infrastructure for electricity generation using solar photovoltaic technology (activity 4.1), electricity generation from hydroelectric energy (activity 4.5) and electricity transmission and distribution (activity 4.9), identified as the most relevant activities in this group, have been considered.

Additionally, contracts and services related to activities 4.2, 4.3, 4.15 and 4.20 have been identified, which, although they do not have a material impact on the eligibility indicators, have been analyzed contract by contract according to the descriptions in the regulations.

This group of activities is not covered by the resource objectives on water use, circular economy, pollution and biodiversity.

*The list of subsidiaries and associated companies can be consulted in Appendix I of the Consolidated Financial Statements.

Alignment exercise

For the calculation of the alignment of the mitigation and adaptation pathways (as indicated above, as the specific items to be included in the adaptation pathway cannot be financially traced, the alignment for this objective will be 0), the application criteria for each of the activities have been taken into account, and a request has been made for information on the indicators required by the technical selection criteria. In this group, the Casilla Solar Park project (activity 4.1) stands out, where the substantial contribution criteria indicate that the activity must indeed be an activity of electricity production through photovoltaic solar energy and the projects for the installation and construction of electricity transmission lines in Chile (4.9), where specific Second Opinion Reports have been used to respond to the criteria of the environmental taxonomy (by favoring the entry of renewable energy into the national grid and thus reducing its carbon intensity) and other standards of measurement of sustainable finance.

In cases where information has been required from the developer, such as the characteristics of the installed equipment, the availability of Life Cycle Analysis (LCA) or confirmation of the absence of PCB use, the project manager has been contacted directly through the specific taxonomy channel.

Compliance with the DNSH

To demonstrate compliance with the rest of the criteria of the activities of this group, the availability of evidence supporting the requirements of each of these sections has been evaluated asset by asset. In this context, documents have been requested such as: Environmental Impact Assessments, Environmental Monitoring Plans, Construction and Demolition Waste Recovery Indicator Reports, flora and fauna management plans, as well as corrective measures plans for the mitigation of noise, dust, among others.

Group: Water supply, sewerage, waste management and decontamination activities

Eligibility exercise

For the eligibility calculation of mitigation, adaptation, use and protection of water and marine resources, circular economy and pollution objectives works/services related to the construction, expansion and operation/renewal of water collection, purification and distribution systems (activity 5.1 / activity 5.2 contributing to climate change mitigation and adaptation,), and the construction, expansion and operation of wastewater collection and treatment systems (activity 5.3 for the mitigation and adaptation objectives and activity 2.2 for the objective of use and protection of water and marine resources) have been taken into account. Due to the nature of this business, in many cases it is possible that the contractual management encompasses the entire water cycle. In these cases, the most relevant activity of the plant by business criteria or by the economic activity indicated in the contract has been considered as eligible.

The projects related to desalination, after the last modification of the requirements of the European Commission have been included as eligible activity in the adaptation path, so that in compliance with the reporting requirements have been considered only in the eligibility. In the next reporting they should be included in the alignment analysis.

Additionally, activities in the field of waste management have been identified corresponding to the collection and transportation of non-hazardous waste in segregated fractions at source (5.5 for the mitigation and adaptation objective, 2.1 for the pollution objective and 2.3 for the circular economy objective), the composting of bio-waste (5.8), the recovery of non-hazardous waste materials (5.9) and the capture and use of landfill gas (5.10). These activities in the field of waste management correspond mainly to the activity carried out by the subsidiary Thalia Waste Management, in the United Kingdom, and FB Serwis, within Budimex, in Poland.

This group of activities is not included in the biodiversity objective.

Alignment exercise

To calculate the alignment of the mitigation and adaptation pathways (as indicated above, as the specific items to be included in the adaptation pathway cannot be financially traced, the alignment for this objective will be 0), the substantial contribution criteria established in the water treatment and purification activities have been taken into account, which refer to the energy consumption of these systems and have been contrasted with the energy consumption data of the plants operated by Ferrovial. This exercise has been possible thanks to the availability of data obtained from other Group procedures, such as the measurement and verification of the Carbon Footprint.

Given the impossibility of obtaining consumption data during the construction phase, some of the plants have also been analyzed through their design data, giving as aligned some projects in the construction phase as long as they comply with the rest of the DNSH criteria and the design range is included in the Substantial Contribution Criteria. Furthermore, and supported by FAQ#9 of the European Commission's explanatory notes*, projects such as pipeline construction, pipeline system improvements or improvements in the distribution system, it has been considered that they do not have substantial contribution criteria of application in the current version of the regulation, understanding their compliance, so their application will be studied in future objectives and revisions.

In the case of projects developed in the field of waste management, compliance with technical selection criteria such as the preparation of non-hazardous waste for reuse and recycling operations, separation of composted biowaste, use of gas for electricity generation or heat as biogas, among others, has been possible thanks to the collection of evidence reported for compliance with environmental regulations in the United Kingdom. These activities require qualitative and quantitative compliance in most cases, which has been possible to justify through contractual evidence and government requirements. The activities carried out in the United Kingdom are developed in accordance with the highest quality standards and their compliance is reviewed periodically by the local environmental authority.

Compliance with the DNSH

To demonstrate compliance with the rest of the criteria of the activities of this group, the availability of evidence supporting the requirements of each of these sections has been evaluated asset by asset. In this context, documents have been requested such as: Environmental Impact Assessments, Environmental Monitoring Plans, Construction and Demolition Waste Recovery Indicator Reports, flora and fauna management plans, as well as corrective measures plans for the mitigation of noise, dust, among others.

** DRAFT COMMISSION NOTICE (FAQs): https://ec.europa.eu/finance/docs/law/221219-draft-commission-notice-eu-taxonomy-climate.pdf*

Group: Transportation

Activities 6.13, 6.14, 6.16 and 6.17

Eligibility exercise

The definition of "eligible activity" provided by the Taxonomy Regulation is taken as a starting point, whose descriptions in Annex I of mitigation refer specifically to the construction and operation of infrastructure for personal mobility, bicycle logistics (activity 6.13), for rail transport (activity 6.14), the construction and operation of infrastructure enabling low-carbon road transport and public transport (activity 6.15), as well as inland waterway transport (activity 6.16) and low-carbon airport infrastructure (activity 6.17).

It is highlighted at this point that the interpretative FAQ#9, published by the European Commission on February 2, 2022, establishes that eligibility does not depend on the fulfillment of the technical selection criteria, but exclusively on the description of the activity and its alignment potential, especially in those activities that include the term "hypocarbon".

This group of activities is not covered by the resource objectives on water use, circular economy, pollution and biodiversity.

Alignment exercise

Contribution to the substantial contribution criteria. The typology of the infrastructure and its purpose (e.g., transport of goods or passengers, as well as whether there is an electrification plan) has been verified by means of the project's technical report. It has also been verified, by means of the technical report of the project, that it is not exclusively dedicated to the storage or transport of fossil fuels in activities 6.14. 6.16 and 6.17. It is understood that a general use infrastructure, which can share passenger and freight uses, will not be dedicated exclusively to the transport or storage of fossil fuels, so the criterion will be met in this case. In cases where there is an exclusive use dedicated to fossil fuels that does not exceed 25% of the general use of the infrastructure, this share will be discounted from the taxonomic indicators. This threshold is established in accordance with FAQ# 72 of the December explanatory notes, being in line with other environmental standards. To demonstrate compliance with the rest of the criteria for transport activities, the availability of evidence supporting the requirements of each of these sections has been evaluated asset by asset. In this context, documents such as environmental impact assessments, environmental monitoring plans, reports on construction and demolition waste recovery indicators, flora and fauna management plans, as well as corrective measures plans for noise and dust mitigation, among others, have been requested.

Activity 6.15

Eligibility exercise

A separate consideration deserves the aforementioned activity 6.15, where two different interpretations of the eligibility criterion have been established, namely:

- **Literal/restrictive criterion.** It is interpreted that the term "infrastructure" does not refer to the road as a whole, but only to those parts of the road that expressly serve low-carbon transport (according to the criteria of Regulation 2021/2139), i.e.: the circulation of zero emission vehicles, intermodal freight transport (terminal infrastructure and superstructures for loading, unloading and transshipment), as well as infrastructure and facilities that are intended for urban and suburban public passenger transport. Additionally, FAQ#101 states that "engineering and technical consulting services" for "intelligent transport systems" that serve to connect intermodal passenger transport, optimize traffic flow, reduce congestion, facilitate energy efficiency in road transport, and/or electronic tolling systems would be eligible. These criteria did not appear in the Taxonomy Regulation, so they have not been considered eligible. This will be the criteria for reporting in the European Commission tables. Additionally, as part of the analysis of the potential contribution of Ferrovial's activities to the rest of the environmental objectives included in the taxonomy, road maintenance contracts have been identified, mainly in the USA and Canada, which could be considered eligible for activity 3.4 of the circular economy objective.
- **Criterion established by the consensus of the sector in Spain**, which is included in the guide "European Taxonomy applied to road projects" published in 2022 by SEOPAN (CEOE). This criterion differs from the previous one in two fundamental aspects: (a) it considers that the transport of current zero-emission vehicles would not be possible without a road or toll road to enable their circulation, so the concept of eligible "infrastructure" would encompass the whole road and not just parts of it; and (b) in line with what is included in FAQ#101, it is considered that those infrastructures that integrate intelligent systems for the optimization of traffic flows and the reduction of congestion would be eligible as a whole, given that engineering systems, on their own, would lack utility without a road to support them. In the specific case of Ferrovial, this technical description would fit with the so-called Express Lanes. This criterion will not be reported in the European Commission tables.

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Alignment exercise

- **Literal/restrictive criterion**. According to this criterion, only road infrastructure and facilities that serve for substantial contribution would be aligned, namely: electric recharging facilities, grid connection upgrades, hydrogen refueling stations, terminals and superstructures for loading, unloading and transshipment of goods, as well as facilities dedicated to urban and suburban public passenger transport, including associated signaling systems for metro, streetcar and rail transport systems. Additionally, given that the literal meaning of the above-mentioned FAQ#101 only establishes criteria for the eligibility of intelligent transport systems, but not for alignment, the literal and restrictive interpretation of these new criteria would recommend excluding this activity from the analysis and evaluation, as well as the infrastructures (in whole or in part) that meet this definition. Therefore, there are no technical criteria that can be met to affirm that this activity is eligible and has the capacity to be aligned. This will be the criterion for reporting in the European Commission tables.
- **Criteria established by industry consensus in Spain.** In the absence of other higher technical standards, the interpretative criteria used for alignment are strictly those included in the guide "European Taxonomy applied to road projects", published in 2022 by SEOPAN (CEOE), which contemplate the alignment of the whole road instead of parts of it, if the infrastructure and facilities detailed in the substantial contribution criteria are incorporated. In addition, and regarding FAQ #101 mentioned above, the sector consensus interprets that the whole of the infrastructure that integrates the "intelligent transportation systems" described in the previous paragraph would be aligned, for the same reasons as stated above. In this sense, Ferrovial's own solution (Express Lanes) is identified as a solution that contributes to the reduction of emissions per vehicle by optimizing traffic flows and reducing congestion time. This assertion is supported by the studies carried out by the company in its assets of these characteristics in the US. It is also noted that in the company's concession assets where these management systems are in operation, mitigation measures and incentives for public transport and for the circulation of additional zero-emission vehicles are also implemented. This criterion will not be reported in the European Commission tables.

		Results 2023		Results 2022	
		INCN	CAPEX	INCN	CAPEX
Sector scenario	**Eligible**	89.95 %	90.75 %	84.05 %	92.92 %
	Aligned	60.02 %	82.26 %	53.86 %	88.46 %
Restrictive scenario	**Eligible**	46.16 %	19.36 %*	40.21 %	9.19 %
	Aligned	32.73 %	16.06 %*	25.02 %	8.45 %

*In 2022, the company's investment in concession assets in the USA represented 80% of the total CAPEX in 2022. In 2023, the investment in these concession assets represents 66%, so investments in other assets take on greater relevance, explaining the result obtained between the two years.

DNSH compliance

Activity 6.15

To demonstrate compliance with the rest of the criteria of activity 6.15, the availability of evidence supporting the requirements of each of these sections has been evaluated on an asset-by-asset basis. In this context, documents have been requested such as: environmental impact assessments, environmental monitoring plans, reports on construction and demolition waste recovery indicators, flora and fauna management plans, as well as corrective measures plans for noise and dust mitigation, among others.

Group: Construction of buildings and real estate development

Eligibility exercise

For the eligibility calculation, construction of new residential and non-residential buildings (activity 7.1 of the mitigation and adaptation objective and activity 3.1 of the circular economy objective) and renovation of existing buildings (activity 7.2 of the mitigation and adaptation objectives and activity 3.2 of the circular economy objective) have been taken into account. Works for the construction or renovation of buildings dedicated to fossil fuel storage or industrial buildings for petrochemical or fuel refining purposes have been discarded, although the regulation does not expressly exclude them in this activity within the eligibility description. In cases where a building has been constructed with shared uses, including fossil fuel-related uses, the percentage relating to this infrastructure has been excluded from the calculation of the taxonomic financial indicators.

Additionally, contracts and services related to activities 7.3, 7.5 and 7.6 have been identified which, although they do not have a material impact on the eligibility indicators, have been analyzed contract by contract according to the descriptions in the regulations.

This group of activities is not covered by the resource objectives on water use, pollution and biodiversity.

Alignment exercise

For the alignment calculation, the activities of the mitigation and adaptation objectives have been taken into account (as previously indicated, since the specific items to be included in the adaptation pathway cannot be financially traced, the alignment for this objective will be 0) of construction of new residential and non-residential buildings (activity 7.1) and renovation of existing buildings (activity 7.2). In this activity, fossil fuel storage infrastructures have been discarded since the eligibility phase.

- **Contribution to the substantial contribution criteria:** the substantial contribution criteria for buildings pose a series of problems of application as of the date of this report. On the one hand, the definition of the nearly zero energy building proposed by the taxonomy is a figure established in the technical building code in its version after 2020, so that a large part of the current building projects do not take it into account from the design phase and makes it impossible to verify the reduction required by the regulation. For this reason, efforts have been focused on those building projects after that date and with unique characteristics or requirements, resulting in a low degree of alignment at present. For these projects, the analysis has been based on the information gathered by other sustainable building certifications and a review of the energy saving measures stipulated in the building codes that adapt the requirements of Directive 2010/31/EU on Energy Efficiency of Buildings has been carried out.
  On the other hand, the rest of the substantial contribution criteria pose a challenge for builders in the sector. Many of the requirements are determined from the design phase and, therefore, either this consideration is not available or it is not possible to access the necessary evidence. The company is working on the system for capturing the necessary evidence and has carried out specific training with the departments involved in building, so it is expected that their degree of alignment will increase as tools are developed in the sector for this purpose.
  The company's good construction practices allow compliance with many of the DNSH criteria specified in the construction activities. However, some of these criteria, identified outside the scope of the construction stage, and in some cases have been determined as not applicable according to FAQ#9 of the explanatory notes, published on December 19, 2022 by the European Commission in order to be able to advance the analysis. As, for example, it has been assumed that the biodiversity DNSH does not apply in cases of new construction in urban environments and built on buildable land under the aforementioned FAQ.
  The analysis of the polluting substances described in Appendix C of the Delegated Regulation and the integration of these criteria into the company's internal and purchasing procedures are particularly relevant. For this reason, compliance with the taxonomy criteria, and in the absence of sector criteria, can only occur in singular building projects, which in many cases demand more demanding requirements than those set forth in the construction standards and, in most cases, are backed by sector certifications such as BREEAM, LEED or WELL.

Compliance with the DNSH

To demonstrate compliance with the rest of the criteria of the activities of this group, the availability of evidence supporting the requirements of each of these sections has been evaluated asset by asset. In this context, documents have been requested such as: Environmental Impact Assessments, Environmental Monitoring Plans, Construction and Demolition Waste Recovery Indicator Reports, flora and fauna management plans, as well as corrective measures plans for the mitigation of noise, dust, among others.

Group: Information and communication

Eligibility exercise

Contracts and services related to activity 8.1 of the mitigation and adaptation objectives have been identified, which, although they do not have a material impact on the eligibility indicators, have been analyzed on a contract-by-contract basis according to the descriptions in the regulations.

This group of activities is not covered by the resource objectives on water use, circular economy, pollution and biodiversity.

Alignment exercise

For data processes, hosting and related activities to make a significant contribution to climate change mitigation, they must meet two main technical criteria:

- Implementation of the practices set out in the most recent version of the European code of conduct on data center energy efficiency, as well as its verification by a third party at least every three years.
- Use of refrigerants in the data center cooling system that have a global warming potential (GWP) below 675.

In its December 2022 draft FAQ, the European Commission provided clarification on the criteria for compliance and verification of the code of conduct in relation to a given activity. According to this response, an assessment framework will be implemented in early 2024 to complement the code of conduct to establish a framework for external verification of compliance with the practices set out in the code of conduct.

Ferrovial has considered that it is not possible to report on compliance with the technical criteria in relation to the 2023 financial year, as the corresponding framework is not yet available.

Block of transversal interpretations:

DNSH adaptation:

Ferrovial, in collaboration with the Environmental Hydraulics Institute of the University of Cantabria, has developed its own methodology for identifying and analyzing the physical climate risks that may affect its infrastructures, as well as proposing adaptation programs with measures to mitigate the associated impacts.

This methodology considers the different types of infrastructure that the company develops and operates around the world. The analysis is performed in the short (2025), medium (2030) and long (2050) term under different climate scenarios (RCP 4.5 and RCP 8.5). The procedure considers the risk framework defined by the Intergovernmental Panel on Climate Change (IPPC), which focuses on the analysis of hazard, exposure and vulnerabilities of assets in different time horizons and climate scenarios.

ADAPTARE is the software tool developed that automates this methodology and facilitates the analysis and interpretation of the information to respond to this criterion at the contract level.

Social safeguards:

Ferrovial complies with the minimum safeguards established in Articles 3 and 18 of the Taxonomy Regulation in relation to human rights, corruption, taxation and fair competition. In this regard, a body of policies (Human Rights Policy, Anti-Corruption Policy, Tax Compliance and Best Practices Policy and Competition Policy, among others) determines the corporate position on these matters.

The company has due diligence procedures for the ethical integrity of suppliers, customers, partners and candidates in order to prevent the commission of criminal acts and carries out regular training activities to inform its staff, especially senior management, of all corporate policies and procedures.

In addition, Ferrovial has not received any firm convictions or sanctions for human rights violations, corruption or bribery, tax evasion or failure to comply with competition laws.

CALCULATION AND RESULTS PER KPI ANALYZED

In view of the above and to comply with the reporting requirements of DR (EU) 2021/2178 and DR (EU) 2021/2186, the data published in the European Commission tables presented below follow the following criteria for the calculation of the corresponding percentages:

Percentage of revenues:

- Calculation of the eligible numerator: sum of the resulting product between the % associated with the taxonomic activities identified in the descriptions of mitigation, adaptation, use and protection of water and marine resources, transition to a circular economy, pollution, prevention and control and biodiversity, with the consolidated revenues values of the analyzed companies.
- Calculation of the aligned numerator: sum of the resulting product between the % associated with taxonomic activities identified in the descriptive of Annex I of Mitigation and that are being developed in compliance with the substantial contribution criteria, the DNSH criteria and the social safeguards adjusted to the consolidated revenues values of the analyzed companies.
- Calculation of the denominator: book value of Ferrovial's total INCN, with reference to total operating income in Note 2.1 of the Consolidated Financial Statements.

Percentage of CapEX:

- Calculation of the eligible numerator: sum of the resulting product between the % associated to taxonomic activities with the CapEX values associated to the analyzed companies that have included investments in fixed assets that are related to assets or processes associated to economic activities that fit the taxonomy.
- Calculation of the aligned numerator: sum of the resulting product between the % associated to taxonomic activities with the CapEX values associated to the analyzed companies that have included investments in fixed assets that are being developed in compliance with the substantial contribution criteria, DNSH criteria and social safeguards.
- Calculation of the denominator: this was calculated as the total CapEX of Ferrovial companies within the scope of the analysis, which includes additions to tangible and intangible assets during the year before depreciation, amortization and possible new valuations, including those resulting from revaluations and impairment, corresponding to the relevant year, excluding changes in fair value. Additions reflected in the financial statements in notes 3.2 Intangible assets, 3.3 Investments in infrastructure projects, specifically 3.3.1 Intangible assets model, 3.3.2 Total additions in concession models, 3.4 Property, plant and equipment and 3.7 Rights of use for leased assets and associated liabilities. Likewise, for the CapEX calculation, only costs accounted for in accordance with the International Financial Reporting Standards (IFRS) adopted by Regulation (EC) No. 1126/2008 have been considered:
  - IAS 16 Property, plant and equipment, paragraph 73 (e) (i) and (iii)
  - IAS 38 Intangible Assets, paragraph 118 (e) (i)
  - IFRS 16 Leases, paragraph 53, letter h)

Percentage of OpEX:

Article 8(2)(b) of Regulation (EU) 2020/852 limits the calculation of OpEx to non-capitalized direct costs that relate to research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct costs related to the day-to-day maintenance of property, plant and equipment assets, by the company or a third party to whom activities are outsourced, and that are necessary to ensure the continued effective operation of such assets. Additionally, non-financial companies that apply national GAAP and do not capitalize right-of-use assets will include leasing costs in OpEx.

When operating expenses are not material to the business model of non-financial companies, the standard allows not reporting the non-capitalized direct costs referenced above if the lack of materiality of the operating expenses to their business model is analyzed and explained.

Ferrovial has proceeded to the comparative calculation of its total operating costs and "taxonomic" expenses. Of the total operating costs for the 2023 financial year (EUR 7,530 million), the OpEx denominator, as specified in the Regulation, represents 5.14% (EUR 386.9 million), and has therefore been considered immaterial for reporting purposes. For this reason, the data included in the OpEx table (p. 299) are reported as equal to zero, in accordance with point 1.1.3.2. of Annex I of Delegated Regulation (EU) 2021/2178. For the calculation of the OpEx denominator, all direct costs at Group level in relation to maintenance and repairs of tangible fixed assets, as well as short-term leasing costs, have been taken into account. Costs referenced with direct "other expenses" related to the daily maintenance of property, plant and equipment have not been included in the numerator and have therefore been excluded from the calculation of the denominator.

EU TAXONOMY

TURNOVER

Financial year 2023	Year			Substantial contribution criteria						Criteria for no significant harm ("No significant harm").									
Economic activities	Codes	Turnover (Mill. €)	Proportion of Turnover year 2023 (%)	Climate change mitigation	Adaptation to climate change	Water	Contamination	Circular economy	Biodiversity	Climate change mitigation	Adaptation to climate change	Water	Contamination	Circular economy	Biodiversity	Minimum guarantees	Proportion of Turnover conforming to taxonomy (A.1.) or eligible according to taxonomy (A.2.), year 2022 (%)	Facilitating activity category	Transition activity category
A. ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																			
A.1. Environmentally sustainable activities (conforming to the taxonomy)																			
Photovoltaic solar energy	CCM 4.1	39.5	0.46	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.05		
District Heating and Cooling Distribution	CCM 4.15	1.9	0.02	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00		
Wind energy	CCM4.3	25.9	0.30	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.13		
Hydroelectric power	CCM 4.5	72.1	0.85	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00		
Electricity transmission and distribution	CCM 4.9	33.3	0.39	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.39	F	
Construction and operation of DWTPs and IDAMs	CCM 5.1	144.5	1.70	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.69		
Construction and operation of WWTPs	CCM 5.3	151.5	1.78	Y	N/EL	N*	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.81		
Regound and transportation of non-hazardous waste	CCM 5.5	34.6	0.41	Y	N/EL	N/EL	N*	N*	N/EL	Y	Y	Y	Y	Y	Y	Y	0.10		
Bio-waste composting	CCM 5.8	7.4	0.09	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.09		
Recovery of non-hazardous waste material	CCM 5.9	22.6	0.26	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.26		
Caputra and use of biogas from landfills	CCM 5.10	0.6	0.01	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.01		
Pedestrian infrastructure	CCM 6.13	20.4	0.24	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.10	F	
Railroad construction and maintenance	CCM 6.14	1,558.9	18.31	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	16.14	F	
Construction and maintenance of ports and waterways	CCM 6.16	122.4	1.44	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.38	F	
Airport construction and maintenance	CCM 6.17	139.5	1.64	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.74	F	
Construction of new buildings	CCM 7.1	303.9	3.57	Y	N/EL	N/EL	N/EL	N*	N/EL	Y	Y	Y	Y	Y	Y	Y	1.15		
Building rehabilitation	CCM 7.2	36.3	0.43	Y	N/EL	N/EL	N/EL	N*	N/EL	Y	Y	Y	Y	Y	Y	Y	0.13		T
Installation and maintenance of energy efficient equipment	CCM 7.3	56.4	0.66	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.62	F	
Installation and maintenance of instruments to measure, regulate and control the energy efficiency of buildings.	CCM 7.5	12.5	0.15	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.16	F	
Installation and maintenance of renewable energy technologies	CCM 7.6	5.1	0.06	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.02	F	
Turnover of environmentally sustainable activities (conforming to the taxonomy) (A.1)		2,789.1	32.76	33	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	25.02		
Of which: facilitators		1,948.4	69.86	69.86	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	78.14	F	
Of which: transitional		36.3	1.30	1.30						Y	Y	Y	Y	Y	Y	Y	0.52		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (activities that do not conform to the taxonomy)																			
Photovoltaic solar energy	CCM 4.1	0.6	0.01	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.27		
District Heating and Cooling Distribution	CCM 4.15	0.0	0.00	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.01		
Concentrated solar power	CCM 4.2	6.7	0.08	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.04		
Wind energy	CCM 4.3	1.2	0.01	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00		
Hydroelectric power	CCM 4.5	2.8	0.03	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.84		
Electricity transmission and distribution	CCM 4.9	16.5	0.19	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00		
Construction Cogeneration operation with biogas, biomass or bioliquids.	CCM 4.20	0.0	0.00	EL	N/EL												0.03		
Construction and operation of DWTPs and IDAMs	CCM 5.1	21.2	0.25	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.40		
Renovation of ETAPs and IDAMs	CCM 5.2	0.7	0.01	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.02		
Construction and operation of WWTPs	CCM 5.3/ WTR 2.2	172.9	2.03	EL	N/EL	EL	N/EL	N/EL	N/EL								2.31		
Renovation of WWTPs	CCM 5.4	0.2	0.00	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00		
Regound and transportation of non-hazardous waste	CCM 5.5 CE 2.3/ PPC 2.1	20.5	0.24	EL	N/EL	N/EL	EL	EL	N/EL								1.75		
Bio-waste composting	CCM 5.8	1.8	0.02	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.05		
Recovery of non-hazardous waste material	CCM 5.9	74.2	0.87	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00		
Desalination	CCA 5.13	9.3	0.11	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0.00		
Pedestrian infrastructure	CCM 6.13	17.1	0.20	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.58		
Railroad construction and maintenance	CCM 6.14	85.7	1.01	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.52		
Construction and maintenance of ports and waterways	CCM 6.16	6.3	0.07	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.23		

Airport construction and maintenance	CCM 6.17	22.9	0.27	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.16
Construction of new buildings	CCM 7.1 / CE 3.1	611.4	7.18	EL	N/EL	N/EL	N/EL	EL	N/EL	6.98
Building rehabilitation	CCM 7.2 / CE 3.2	38.4	0.45	EL	N/EL	N/EL	N/EL	EL	N/EL	0.52
Installation and maintenance of energy efficient equipment	CCM 7.3	0.0	0.00	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.13
Installation and maintenance of recharging stations for electric vehicles in buildings	CCM 7.4	0.1	0.00	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.00
Installation and maintenance of instruments to measure, regulate and control the energy efficiency of buildings.	CCM 7.5	15.2	0.18	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.00
Data processing, hosting and related activities	CCM 8.1	15.4	0.18	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.32
Turnover of taxonomy-eligible but not environmentally sustainable activities (activities that do not conform to the taxonomy) (A.2)		1,140.9	13.40	13	0	0	0	0	0	15.16
A. Turnover of eligible activities according to taxonomy (A.1+A.2)		3,930.0	46.16	46	0	0	0	0	0	40.21
B. INELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY										
Turnover of ineligible activities according to taxonomy		4,583.4	53.84							
TOTAL		8,513.5	100.0							

*The alignment analysis has not been carried out as it is not mandatory in this exercise for the four objectives not related to climate change (adaptation and mitigation).

	Turnover/Total Turnover ratio	
	that conforms to the Taxonomy by objective (aligned and eligible).	eligible according to taxonomy by objective
CCM	32.8 %	46.1 %
CCA	0.0 %	0.1 %
WTR	0.0 %	3.8 %
CE	0.0 %	12.3 %
PPC	0.0 %	0.6 %
BIO	0.0 %	0.0 %

CAPEX

Financial year 2023	Year			Substantial contribution criteria						Criteria for no significant harm ("No significant harm").									
Economic activities	Codes	CAPEX (Mill. €)	Proportion of CapEx, year 2023 (%)	Climate change mitigation	Adaptation to climate change	Water	Contamination	Circular economy	Biodiversity	Climate change mitigation	Adaptation to climate change	Water	Contamination	Circular economy	Biodiversity	Minimum guarantees	Proportion of CapEx conforming to taxonomy (A.1) or eligible according to taxonomy (A.2), year 2022 (%)	Facilitating activity category	Transition activity category
A. ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																			
A.1. Environmentally sustainable activities (conforming to the taxonomy)																			
Photovoltaic solar energy	CCM 4.1	7.1	0.68	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3.35		
Wind energy	CCM4.3	0.2	0.02	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.70		
Hydroelectric power	CCM 4.5	0.9	0.08	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00		
Electricity transmission and distribution	CCM 4.9	105.7	10.06	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2.35	F	
Construction and operation of DWTPs and IDAMs	CCM 5.1	0.2	0.02	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.01		
Construction and operation of WWTPs	CCM 5.3	0.4	0.04	Y	N	N*	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00		
Regound and transportation of non-hazardous waste	CCM 5.5	0.2	0.01	Y	N	N/EL	N*	N*	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00		
Bio-waste composting	CCM 5.8	0.0	0.00	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00		
Recovery of non-hazardous waste material	CCM 5.9	0.1	0.01	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00		
Caputra and use of biogas from landfills	CCM 5.10	0.0	0.00	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00		
Pedestrian infrastructure	CCM 6.13	0.0	0.00	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00	F	
Railroad construction and maintenance	CCM 6.14	25.4	2.41	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.72	F	
Construction and maintenance of ports and waterways	CCM 6.16	0.0	0.00	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00	F	
Airport construction and maintenance	CCM 6.17	18.6	1.77	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.01	F	
Construction of new buildings	CCM 7.1	0.3	0.03	Y	N	N/EL	N/EL	N*	N/EL	Y	Y	Y	Y	Y	Y	Y	0.01		
Building rehabilitation	CCM 7.2	0.2	0.02	Y	N	N/EL	N/EL	N*	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00		T
Installation and maintenance of energy efficient equipment	CCM 7.3	8.1	0.77	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.15		
Installation and maintenance of instruments to measure, regulate and control the energy efficiency of buildings.	CCM 7.5	1.4	0.13	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.14	F	
CapEx of environmentally sustainable activities (conforming to the taxonomy) (A.1)		168.7	16.06	16.06	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	8.44		
Of which: facilitators		151.1	89.52	89.52	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	26.28	F	
Of which: transitional		0.2	0.10	0.10						Y	Y	Y	Y	Y	Y	Y	0.00		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (activities that do not conform to the taxonomy)																			
Photovoltaic solar energy	CCM 4.1 / CCA 4.1	1.8	0.17	EL	EL	N/EL	N/EL	EL	N/EL								0.02		
Concentrated solar power	CCM 4.2 /CCA 4.2	0.0	0.00	EL	EL	N/EL	N/EL	N/EL	N/EL								0.00		
Wind energy	CCM 4.3 / CCA 4.3	11.2	1.07	EL	EL	N/EL	N/EL	N/EL	N/EL								0.00		
Hydroelectric power	CCM 4.5/ CCA 4.5	0.0	0.00	EL	EL	N/EL	N/EL	N/EL	N/EL								0.15		
Construction and operation of DWTPs and IDAMs	CCM 5.1/ CCA 5.1	0.3	0.02	EL	EL	N/EL	N/EL	N/EL	N/EL								0.01		
Renovation of ETAPs and IDAMs	CCM 5.2/ CCA 5.2	0.1	0.01	EL	EL	N/EL	N/EL	N/EL	N/EL								0.00		
Construction and operation of WWTPs	CCM 5.3/ CCA 5.3/ CCW 2.2	0.7	0.06	EL	EL	EL	N/EL	N/EL	N/EL								0.01		
Regound and transportation of non-hazardous waste	CCM 5.5/CCA 5.5 / CE 2.3/ CC 2.1	4.7	0.44	EL	EL	N/EL	EL	EL	N/EL								0.00		
Bio-waste composting	CCM 5.8 / CCA 5.8	0.0	0.00	EL	EL	N/EL	N/EL	N/EL	N/EL								0.00		
Recovery of non-hazardous waste material	CCM 5.9 / CCA 5.9	4.2	0.40	EL	EL	N/EL	N/EL	N/EL	N/EL								0.00		
Pedestrian infrastructure	CCM 6.13 / CCA 6.13	0.1	0.01	EL	EL	N/EL	N/EL	N/EL	N/EL								0.00		
Railroad construction and maintenance	CCM 6.14 / CCA 6.14	6.0	0.57	EL	EL	N/EL	N/EL	N/EL	N/EL								0.01		
Construction and maintenance of ports and waterways	CCM 6.16 / CCA 6.16	0.6	0.05	EL	EL	N/EL	N/EL	N/EL	N/EL								0.03		
Airport construction and maintenance	CCM 6.17 / CCA 6.17	0.1	0.01	EL	EL	N/EL	N/EL	N/EL	N/EL								0.00		
Construction of new buildings	CCM 7.1 / CCA 7.1/ CE 3.1	1.0	0.10	EL	EL	N/EL	N/EL	EL	N/EL								0.04		

Building rehabilitation	CCM 7.2 / CCA 7.2/ CE 3.2	0.1	0.01	EL	EL	N/EL	N/EL	EL	N/EL								0.00		
Installation and maintenance of energy efficient equipment	CCM 7.3	0.0	0.00	EL	EL	N/EL	N/EL	N/EL	N/EL								0.46		
Installation and maintenance of recharging stations for electric vehicles in buildings.	CCM 7.4 / CCA 7.4	3.5	0.33	EL	EL	N/EL	N/EL	N/EL	N/EL								0.00		
Installation and maintenance of instruments to measure, regulate and control the energy efficiency of buildings.	CCM 7.5 / CCA 7.5	0.3	0.03	EL	EL	N/EL	N/EL	N/EL	N/EL								0.00		
Data processing, hosting and related activities	CCM 8.1 / CCA 8.1	0.1	0.01	EL	EL	N/EL	N/EL	N/EL	N/EL								0.00		
CapEx of taxonomy-eligible but not environmentally sustainable activities (activities that do not conform to the taxonomy) (A.2)		34.6	3.30	3	0	0	0	0	0								0.73		
A. CapEx of eligible activities according to taxonomy (A.1+A.2)		203.4	19.36	19	0	0	0	0	0								9.17		
B. INELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
CapEx of ineligible activities according to taxonomy		847.3	80.64																
TOTAL		1,050.7	100.0																

*The alignment analysis has not been carried out as it is not mandatory in this exercise for the four objectives not related to climate change.

	CapEx/Total CapEx ratio	
	that conforms to the Taxonomy by objective (aligned and eligible).	eligible according to taxonomy by objective
CCM	16.2 %	19.5 %
CCA	0.0 %	19.5 %
WTR	0.0 %	0.1 %
CE	0.0 %	0.6 %
PPC	0.0 %	0.5 %
BIO	0.0 %	0.0 %

OPEX

Financial year 2023	Year			Substantial contribution criteria						Criteria for no significant harm ("No significant harm").									
Economic activities	Codes	OPEX (Mill. €)	Proportion of OPEX year 2023 (%)	Climate change mitigation	Adaptation to climate change	Water	Contamination	Circular economy	Biodiversity	Climate change mitigation	Adaptation to climate change	Water	Contamination	Circular economy	Biodiversity	Minimum guarantees	Proportion of OPEX conforming to taxonomy (A.1) or eligible according to taxonomy (A.2), year 2022 (%)	Facilitating activity category	Transition activity category
A. ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																			
A.1. Environmentally sustainable activities (conforming to the taxonomy)																			
OPEX of environmentally sustainable activities (conforming to the taxonomy) (A.1)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0								0		
Of which: facilitators		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0								0.00	F	
Of which: transitional		0.0	0.0	0.0													0.00		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (activities that do not conform to the taxonomy)																			
OPEX of taxonomy-eligible but not environmentally sustainable activities (activities that do not comply with the taxonomy) (A.2)		0.0	0.00	0	0	0	0	0	0								0.00		
A OPEX of eligible activities according to taxonomy (A.1+A.2)		0.0	0.00	0	0	0	0	0	0								0.00		
B. INELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
OPEX of ineligible activities according to the taxonomy		387.0	100																
TOTAL		387.0	100																

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

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

	CONTENTS	LOCATION
GOVERNANCE	Describe the board's overview of climate-related risks and opportunities.	Climate Strategy section (page 97 and 98).
		Corporate Governance section (page 152).
	Describe the role of management in assessing and managing climate-related risks and opportunities.	Risk Chapter (pages 229 and 230).
		Climate Strategy section (page 97 and 98).
STRATEGY	Describe the climate-related risks and opportunities identified by the organization in the short, medium and long term.	Strategy Chapter (pages 23-25).
		Risks and opportunities related to climate change (pages 102-103).
		Risks Chapter (pages 231-234).
	Describe the impact of climate-related risks and opportunities on the organization's business, strategy and financial planning.	Climate Strategy section (pages 25-25) and in each of the sections related to each of Ferrovial's divisions (pages 34-55).
	Describe the resilience of the organization's strategy, taking into account different future climate scenarios including a scenario of 2 °C or less.	Risks and opportunities related to climate change (pages 102-103).
RISKS	Describe the organization's processes for identifying and assessing climate-related risks.	Risk Chapter (pages 229 and 230).
		Risks and opportunities related to climate change (pages 102-103).
	Describe the organization's processes for managing climate-related risks.	Risk Chapter (pages 229 and 230).
		Risks and opportunities related to climate change (pages 102-103).
	Describe how the processes for identifying, assessing and managing climate-related risks are integrated with the organization's overall risk management.	Risk Chapter (pages 229 and 230).
		Risks and opportunities related to climate change (pages 102-103).
METRICS	Describe the metrics the organization uses to assess climate-related risks and opportunities and the risk management process.	Risk Chapter (pages 229 and 230).
		Risks and opportunities related to climate change (pages 102-103).
	Break down GHG emissions, Scope 1, Scope 2 and, if appropriate, Scope 3, and associated risks.	Environment Chapter (page 99).
		Annex of GRI Standards indicators (pages 324 and 325).
	Describe the organization's objectives for managing climate-related risks and opportunities and performance against those objectives.	Environment Chapter (page 97-107).

ESG SCOREBOARD

Environmental	2021	2022	2023
Absolute emissions Scope1 (tCO2eq)	438,807	420,761	300,648
Absolute emissions Scope2 market-based (tCO2eq)	37,885	40,394	26,926
Absolute emissions Scope3 (tCO2eq)	3,826,535	4,049,796	3,878,812
Relative emissions Scope1+2 (tCO2eq/M€)	67.48	42.91	43.26
Water consumption (Mm3)	6,909	6,808	6,152
Total energy consumption (MWh)	1,147,772	1,018,534	901,886
Electricity consumption from renewable sources (%)	-	66.6	68.5
Eligible revenues according to EU Taxonomy (%)	40	40.21	46.16
Aligned revenues according to EU Taxonomy (%)	-	-	32.73
Eligible CapEX according to EU Taxonomy (%)	23	9.19	19.36
Aligned CapEX according to EU Taxonomy (%)	-	-	16.06
ISO 14001 certified activity (%)	89	80	86
ISO 50001 certified activity (%)	-	69	69
Social	**2021**	**2022**	**2023**
Worforce at year-end	63,070	24,191	24,799
Average workforce	78,534.2	34,349.8	25,165.6
Total turnover rate (%)	24.37	41.17	38.95
Training hours (hours/employee)	9.98	14.40	15.50
Investment in training (€/employee)	209.60	264.20	347.40
Gender pay gap (average salary)%	25	3.24	-0.65
Number of employee fatal accidents	2	3	1
Number of contractors fatal accidents	6	2	0
Employee Lost-Time Injuries Frequency Rate	8.8	3.2	4.7
Severity rate	0.28	0.10	0.17
Investment in the community (M€)	4.2	4.8	4.7
Beneficiaries in drinking water and sanitation*	238,869	286,213	336,255
Governance	**2021**	**2022**	**2023**
Female representation on the Board of Directors (%)	33	33	33
Independence on the Board of Directors (%)	66.7	66.7	75.0
Customer satisfaction (out of 5)	4.3	4.2	4.2
User satisfaction (out of 5)	4.0	4.0	4.0
ISO 9001 certified activity	89	80	86
Purchases from local suppliers (%)	96.23	97.03	96.88

* Data accumulated since 2008 (31 projects performed in Colombia, Peru, Mexico, Tanzania, Ethiopia, Uganda and Ghana).

NON-FINANCIAL INFORMATION* AND DIVERSITY REFERENCE TABLE (DUTCH LAW)

Topic	Sub topic	Included (yes/no)	Page reference
Business model	Not applicable	Yes	Ferrovial in two minutes Chapter (qualitative information in Pages 18 and 19). Global strategy Chapter. Section Strategy (Pages 24 -25)
Relevant social and personnel matters (e.g. HR, safety etc.)	A description of the policies pursued, including due diligence	Yes	People Chapter. Section Integrated management of talent (Pages 86-87) Social value Chapter. Table of Page 132
	The outcome of those policies	Yes	People chapter. Section Diversity and inclusion (Page 87-88) Health, Safety and Wellbeing Chapter (Pages 91 - 92) Sections Leadership, Competency and Resilience (Pages 92-93) Human Rights Chapter. Section Human rights governance and management model (Page 132) Table GRI Standards (GRI 416-2) (Page 315)
	Principal risks in own operations and within value chain and how risks are managed	Yes	Risks Chapter. Section Ferrovial Risk Management (Pages 230 and 231 and ESG-related risks of the page 232 table).
	Non-financial key performance indicators	Yes	Appendix to GRI indicators 2-7. Employees (Pages 317-318) 2-30 Percentage of employees covered by collective bargaining agreements (Page 319) 401-1. New employee hires and employee turnover. Table The number of leaves and the turnover rate in 2023 and 2022 is as follows. (Page 329) 403-9. Injuries due to occupational accidents (Page 330) 403-10 Occupational diseases and illnesses (Page 330) 404-1. Average total training hours and average number of training hours per year per employee. (Page 330) 405-1. Diversity in governing bodies and employees (Page 331) 405-2 Ratio of basic salary and remuneration of women vs. Men (Pages 331-333)
Relevant environmental matters (e.g. climate-related impacts)	A description of the policies pursued, including due diligence	Yes	Value chain Chapter. Sections Supply chain (Page 123) and Quality (Page 127)
	The outcome of those policies	Yes	Creation Value, section Environmental (Page 29) Environment Chapter (Page 97) Sections Climate Strategy (Page 98-99) Carbon footprint (Page 99) and Offseting (Page 100) Appendix GRI Standards Indicators Table GRI Standards (GRI 2-27) (Page 311)
	Principal risks in own operations and within value chain and how risks are managed	Yes	Risks Chapter. Section Ferrovial Risk Management (Pages 230 and 231 and ESG-related risks of the page 232 table).
	Non-financial key performance indicators	Yes	Table GRI Standards (GRI 304-1) (Page 313) Table GRI Standards (GRI 304-3) (Page 313) Appendix to GRI indicators 301-1. Materials used by weight or volume (Page 321) 301-2. Recycled materials consumed (Page 322) 305-1. Direct (Scope 1) GHG emissions (Page 324) 305-2. Energy Indirect (Scope 2) GHG emissions (Page 324) 305-3. Other indirect GHG emissions (Scope 3) (Page 325) 305-5. Reduction of GHG emissions (Page 326) 305-7. Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions (Page 326) 303-5 Water consumption (Page 324) 306-3. Waste generated (Pages 326-327)

Relevant matters with respect to human rights (e.g. labour protection)	A description of the policies pursued, including due diligence	Yes	Social value Chapter. Table of Page 132
	The outcome of those policies	Yes	People chapter. Section Diversity and inclusion (Page 87-88) Social Value Chapter. Section Human rights governance and management model (Pages 132-133) Section Human and labor rights throughout the value chain (Pages 133-134) Section Dialogue and communication, key aspects. (Page 134) Social value chapter. Section Community investment, one more step in creating positive impact (Qualitative information on Pages 136-137) Ethical and Responsible management Chapter. Section Ethics channel (Page 189)
	Principal risks in own operations and within value chain and how risks are managed	Yes	Risks Chapter. Section Ferrovial Risk Management (Pages 230 and 231 and ESG-related risks of the page 232 table).
	Non-financial key performance indicators	Yes	Ethical and Responsible management Chapter. Section Ethics channel (Pages 189-190) Appendix to GRI indicators 2-30 Percentage of employees covered by collective bargaining agreements (Page 319)
Relevant matters with respect to anti-corruption and bribery	A description of the policies pursued, including due diligence	Yes	Social value Chapter. Table of Page 132 Ethical and Responsible management Chapter. Section Ferrovial's values: integrity (Page 186) Ethical and responsible management Chapter Section Anti-Corruption Policy (Page 188)
	The outcome of those policies	Yes	Creation of value Chapter. Governance section (Page 30) Taxonomy chapter. Section Social safeguards: (Pages 296)
	Principal risks in own operations and within value chain and how risks are managed	Yes	Risks Chapter. Section Ferrovial Risk Management (Pages 230 and 231 and ESG-related risks of the page 232 table).
	Non-financial key performance indicators	Yes	Ethical and Responsible management Chapter. Section Ethics channel (Page 189)
Insight into diversity (Supervisory Board and Executive Board)	A description of the policies pursued, including due diligence	Yes	People chapter. Section Diversity and inclusion (Page 87-88) Corporate Governance Chapter. Section 2.8.1 Diversity (Pages 161-162)
	The outcome of those policies	Yes	People chapter. Section Diversity and inclusion (Page 87-88) Corporate Governance Chapter. Section 2.8.1 Diversity (Pages 161-162)
	Principal risks in own operations and within value chain and how risks are managed	Yes	Risks Chapter. Section Ferrovial Risk Management (Pages 230 and 231 and ESG-related risks of the page 232 table).
	Non-financial key performance indicators	Yes	People chapter. Section Diversity and inclusion (Page 87-88) Corporate Governance Chapter. Section 2.8.1 Diversity (Pages 161-162) Appendix to GRI indicators: 2-7. Employees (Pages 317-319) 405-2 Ratio of basic salary and remuneration of women vs. Men (Pages 331-332)

* In compliance with 'Besluit bekendmaking niet-financiële informatie' which is the implementation of the EU Directive 2014/95/EU on Non-Financial information.

CONTENTS OF NON-FINANCIAL INFORMATION STATEMENTS (SPANISH LAW)

11/2018 Law contents			GRI Standard	Location / additional information
Business Model	Description of the Group's business model	Brief description of the group's business model, including its business environment, organization and structure, the markets in which it operates, its objectives and strategies, and the main factors and trends that may affect its future development	2-1, 2-6	Ferrovial in two minutes Chapter (qualitative information in Pages 18 and 19). Global strategy Chapter. Section Strategy. (Pages 24 -25)
Policies	Policies applied by the Group	Policies applied by the group, including due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, as well as the measures that have been adopted	3-3	Creation of value Chapter. Governance section (Page 30) Value chain Chapter. Sections Supply chain (Page 123) and Quality (Page 127) Social value Chapter. Table of Page 132 Ethical and Responsible management Chapter. Section Ferrovial's values: integrity (Page 186) Table GRI Standards (GRI 2-17) (Page 311)
Main risks	Main risks related to issues linked to the group's activities	Key risks related to issues linked to the group's activities, including, where relevant and proportionate, its business relationships, products or services that could have an adverse effect on those areas, and how the group manages those risks, explaining the procedures used to identify and assess them in accordance with national, European or international frameworks of reference for each subject. Information on the impacts that have been identified should be included, providing a breakdown of these impacts, in particular the main short, medium and long-term risks	3-3, 2-12, 201-2	Creation of value Chapter. Governance section. Page 30 Risks Chapter. Section Ferrovial Risk Management (Pages 230 and 231 and ESG-related risks of the page 232 table).
Information on environmental issues	Pollution	Current and foreseeable effects of the company's activities on the environment and, where appropriate, on health and safety	2-69, 2-12	Creation Value, section Environmental. Page 29 Appendix GRI Standards Indicators Table GRI Standards (GRI 2-27) (Page 311)
		Environmental assessment or certification procedures	3-3, 2-69 and 2-12	Value Chain Chapter. Sections Quality and Integrated Management System (Page 127)
		Resources dedicated to environmental risk prevention	2-12	Currently 251 people (276 in 2022) work in the different Quality and Environment departments of Ferrovial and its subsidiaries, which implies an approximate expenditure of 15.94 million euros (16.06 in 2022).
		Application of the precautionary principle	3-3	Risks Chapter. Section Ferrovial Risk Management (Page 230) Creation Value, section Environmental (Page 29)
		Number of provisions and safeguards for environmental risks	307-1	See note 6.3 of the Consolidated Financial Statements.
		Measures to prevent, reduce or remediate CO2 emissions that seriously affect the environment	3-3, 302-4, 302-5, 305-5, 305-7	Environment Chapter. Sections climate strategy, carbon footprint and offsetting (Page 98 - 100) Appendix to GRI indicators 305-5. Reduction of GHG emissions (Page 326)
		Measures to prevent, reduce or remediate emissions of all forms of air pollution (including noise and light pollution)	416-1	Value chain chapter, section Legal requirements and technical standards (Page 128) Appendix to GRI indicators 305-7. Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions (Page 327)
	Circular economy and waste prevention and management	Measures for waste prevention, recycling, reuse and other forms of waste recovery and disposal	3-3, 301-1, 301-2, 301-3, 303-3, 306-1, 306-2, 306-3	Environment Chapter, Section Circular economy (Pages 104 and 105) Appendix to GRI indicators 306-3. Waste generated (Pages 326-327)
		Actions to combat food waste	Not applicable	Due to the nature of Ferrovial's activities, this indicator is considered non-material.
	Sustainable use of resources	Water consumption and supply in accordance with local constraints	303-1, 303-2, 303-3	Environment Chapter. Section Water Footprint section (Page 105) Appendix to GRI indicators 303-5 Water consumption (Page 324)
		Consumption of raw materials and measures taken to improve the efficiency of their use	301-1, 301-2, 301-3	Environment Chapter, Section Circular economy (Pages 104 and 105) Appendix to GRI indicators 301-1. Materials used by weight or volume (Page 321) 301-2. Recycled materials consumed (Page 322)
		Consumption, direct and indirect; Measures taken to improve energy efficiency, use of renewable energies	302-1, 302-2, 302-3, 302-4, 302-5	Creation Value. Section Environmental. Page 29 Environment Chapter. Section Climate Strategy and Carbon footprint. (Pages 98 – 99) Appendix to GRI indicators 302-1. Energy consumption within the organization (Page 322)

		Significant elements of greenhouse gas emissions generated as a result of the company's activities (including goods and services produced)	305-1, 305-2, 305-3, 305-4	Environment Chapter, section Carbon footprint (Pages 98), Appendix to GRI indicators 305-1. Direct (Scope 1) GHG emissions (Page 324) 305-2. Energy Indirect (Scope 2) GHG emissions (Page 324) 305-3. Other indirect GHG emissions (Scope3) (Page 325)
	Climate change	Measures taken to adapt to the consequences of climate change	3-3, 201-2, 305-5	Environment Chapter, Climate Strategy section (Page 98 - 99)
		Voluntary reduction targets established in the medium and long term to reduce GHG emissions and the means implemented to this end	3-3	Environment Chapter, Climate Strategy section (Page 98 - 99)
	Biodiversity protection	Measures taken to conserve or restore biodiversity	304-3	Environment Chapter, Biodiversity and natural capital section (Pages 103 and 104) Table GRI Standards (GRI 304-3) (Page 313)
		Impacts of activities or operations on protected areas	304-1, 304-2 y 304-4	Environment Chapter, Biodiversity and natural capital section (Pages 103 and 104) Table GRI Standards (GRI 304-1) (Page 313) Table GRI Standards (GRI 304-3) (Page 313)
		Total number and distribution of employees by gender, age, country, and occupational classification	2-6, 2-7, 405-1	Appendix to GRI indicators 2-7. Employees (Pages 317-318) 405-1. Diversity in governing bodies and employees (Page 331)
		Total number and distribution of employment contracts	2-7	Appendix to GRI indicators. 2-7. Employees (Pages 317-318)
		Average annual number of permanent, temporary, and part-time contracts by gender, age, and occupational classification	2-7	Appendix to GRI indicators. 2-7. Employees (Pages 317-318) Data is provided at the end of the year. Ferrovial's information systems do not allow segregation of contracts by age as this is not considered material information.
		Number of dismissals by gender, age and occupational classification	401-1	Appendix to GRI indicators, 401-1. New employee hires and employee turnover. Table The number of leaves and the turnover rate in 2023 and 2022 is as follows. (Page 329)
		Average salaries and their evolution broken down by gender, age and occupational classification	405-2	Appendix to GRI indicators, 405-2 Ratio of basic salary and remuneration of women vs. Men (Pages 331-332)
	Employment	Gender pay gap	405-2	Appendix to GRI indicators, 405-2 Ratio of basic salary and remuneration of women vs. Men (Pages 331-332)
		Remuneration for equal or average positions in the company	202-1	Appendix to GRI indicators, 405-2 Ratio of basic salary and remuneration of women vs. Men (Pages 331-332)
		Average remuneration of directors and executives (including variable remuneration, allowances, indemnities, payments to long-term savings schemes and any other payments broken down by gender)	2-19, 2-20, 201-3	Average remuneration of executives Chapter Remuneration Report. Section 3.4. Evolution of Remuneration of Executives (Page 215) Average remuneration of directors Chapter Remuneration Report. Section 6.4.Total remuneration of senior management (Pages 227)
		Implementation of policies of disconnection from work	402-1	Ferrovial has an internal policy for the exercise of the right to digital disconnection in the workplace, the purpose of which is to regulate Ferrovial's internal policy regarding the right to digital disconnection in the workplace of its professionals, as well as the methods for exercising this right and the training and awareness actions for personnel on the reasonable use of technological tools, in the context of exercising this right.
		Employees with disabilities	405-1	The number of employees with disabilities in 2023 amounted to 121 (107 in 2022).
Information on social and personnel issues		Organization of working time	2-7	The company has the tools to adapt working time management to the business needs and demands of employees, with the aim of improving both business competitiveness and the well-being of its workforce, enabling a results-oriented company culture to be generated. In addition, it facilitates the adoption of flexibility and conciliation measures according to the needs of each employee, taking into account their life cycles.

Work organization	Number of hours of absenteeism	403-9	Appendix to GRI indicators 403-9. Injuries due to occupational accidents (Page 330) 403-10 Occupational diseases and illnesses (Page 330)
	Measures aimed at facilitating the enjoyment of work-life balance and encouraging the co-responsible exercise of work-life balance by parents	401-3	Ferrovial has an internal Policy on Flexibility and Reconciliation, to which all employees have access and whose main objective is to promote an appropriate balance between the personal and professional lives of its employees, while encouraging co-responsibility.
Health and safety	Health and safety conditions at work	3-3, 403-1, 403-3	Health, Safety and Wellbeing Chapter (Pages 91 - 92) Sections Leadership, Competency and Resilience (Pages 92-93) Table GRI Standards (GRI 416-2) (Page 320)
	Occupational accidents, in particular their frequency and severity, as well as occupational diseases; disaggregated by gender	403-9, 403-10	Appendix to GRI indicators 403-9. Injuries due to occupational accidents (Page 330) 403-10 Occupational diseases and illnesses(Page 330) Ferrovial makes no distinction in its accident rates by gender, as health and safety measures are applied equally throughout the company, without differentiating between genders.
Social relations	Organization of social dialogue, including procedures for informing, consulting, and negotiating with employees	3-3	Social Value Chapter. Dialogue and communication, key aspects. (Page 134)
	Percentage of employees covered by collective bargaining agreements by country	2-30	Appendix to GRI indicators 2-30 Percentage of employees covered by collective bargaining agreements (Page 319)
	Balance of collective bargaining agreements (particularly in the field of occupational health and safety)	403-1, 403-4	The number of company collective bargaining agreements signed in 2023 was 134 (147 in 2022). In the aforementioned collective bargaining agreements there are provisions, articles, chapters or even specific titles that regulate different obligations in terms of occupational risk prevention (occupational health and safety), thus complying with and adapting to the regulations in each country. In the collective bargaining held during the year 2023, the matters and obligations relating to occupational health and safety have been renewed, or even improved in some cases, as a result of Ferrovial's commitment to the welfare of its employees and their health and safety at work.
	Mechanisms and procedures available to the company to promote employee involvement in the management of the company, in terms of information, consultation and participation	2-30	Social Value Chapter. Section Dialogue and communication, key aspects. (Page 134)
Training	Policies implemented in the field of training	404-2	People Chapter. Section Integrated management of talent (Pages 86-87)
	Total number of hours of training by professional category	404-1	Appendix to GRI indicators 404-1. Average total training hours and average number of training hours per year per employee. (Page 330)
Accessibility	Universal accessibility of people	3-3	In order to promote integration in the workplace, all work centers are adapted to be accessible spaces in accordance with the commitments to the inclusion strategy as well as to any particular demands that may exist due to the diversity of the workforce.
Equality	Measures taken to promote equal treatment and opportunities for women and men	103-2	People chapter. Section Diversity and inclusion (Page 87-88) Human Rights Chapter. Section Human rights governance and management model (Page 132)
	Equality plans (Chapter III of Organic Law 3/2007, of March 22, for the effective equality of women and men).	103-2	Social Value Chapter. Section Human rights governance and management model (Page 132)
	Measures adopted to promote employment	103-2, 404-2	Social Value Chapter. Section Human rights governance and management model (Page 132)
	Policy against all types of discrimination and, where appropriate, integration of protocols against sexual and gender-based harassment	103-2	Social Value Chapter. Section Human rights governance and management model (Page 132)
	Protocols against all types of discrimination and, where appropriate, diversity management protocols	103-2, 406-1	Social Value Chapter. Section Human rights governance and management model (Page 132)
	Implementation of human rights due diligence procedures	414-2	Social Value Chapter. Section Human and labor rights throughout the value chain. (Pages 129-130)

Information on respect for human rights		Prevention of risks of Human Rights violations and, where appropriate, measures to mitigate, manage and remedy possible abuses committed	410-1, 412-1	Social Value Chapter. Section Human rights governance and management model (Pages 132-133) Section Human and labor rights throughout the value chain (Pages 133-134)
		Reporting of human rights abuses	102-17, 419-1, 411-1	Taxonomy chapter. Section Social safeguards: (Pages 296)
		Promotion and enforcement of the provisions of core ILO conventions concerning respect for freedom of association and the right to collective bargaining, elimination of discrimination in respect of employment and occupation, elimination of forced or compulsory labor, and the effective abolition of child labor	3-3	Social Value Chapter. Section Human rights governance and management model (Pages 132-133) Section Human and labor rights throughout the value chain (Pages 133-134)
Information on anti-corruption and anti-bribery issues		Measures taken to prevent corruption and bribery	3-3	Ethical and responsible management Chapter Section Anti-Corruption Policy (Page 188)
		Measures to combat money laundering	3-3	Ethical and responsible management Chapter Section Anti-Corruption Policy (Page 188)
		Contributions to foundations and non-profit organizations	103-2, 201-1, 203-2, 415-1	Contributions to non-profit entities in 2023 amounted to 1.51 million euros (1.76 million euros in 2022).
Information on society	Relationships with local community stakeholders and the methods of dialogue with them	Impact of the company's activities on employment and local development, local populations and the territory	203-1, 203-2, 204-1, 413-1, 413-2	Social value chapter. Section Community investment, one more step in creating positive impact (Qualitative information on Pages 136-137)
		Relationships with local community stakeholders and methods of dialogue with them	2-28, 413-1	Most of the projects developed by Ferrovial require the prior completion of an environmental impact study. Furthermore, in certain cases, their execution entails certain impacts on the local communities where they are carried out. In these circumstances, the company promotes a two-way dialogue, informing those affected of the possible implications of each of the phases, and also in the provision of communication channels to collect complaints, suggestions or reports. The company also carries out a biennial consultation with its stakeholders as part of its materiality study, and also has an Ethics Channel available to anyone on its website.
		Partnership or sponsorship actions	102-13, 203-1, 201-1	All donation, sponsorship, patronage and partnership projects are subject to analysis under the internal regulations that establish the Procedure for the approval and monitoring of Sponsorship, Patronage and Donation projects. In 2023, sponsorship actions were linked to the promotion of the arts, culture, innovation or education. The company is a member of SEOPAN and of various national and international associations in the construction and infrastructure sector.
	Subcontracting and suppliers	Inclusion of social, gender equality and environmental issues in purchasing policies	3-3	Value Chain Chapter . Section Integrating ESG principles (Page 124)
		Consideration of social and environmental responsibility in relations with suppliers and subcontractors	2-6, 308-1, 308-2, 407-1, 409-1, 414-1, 414-2	Value Chain Chapter . Section Integrating ESG principles (Page 124)
		Monitoring and auditing systems and their resolution	308-1, 308-2, 414-2	Value Chain Chapter. Section Supply chain (Pages 123-124). In 2023, 7,562 suppliers were evaluated (12,189 in 2022).
	Consumers	Measures for the health and safety of consumers	416-1, 416-2, 417-1	Value Chain Chapter. Sections Quality and Integrated Management System (Page 127)
		Complaint and grievance systems received and resolution of complaints	2-26, 418-1	Ethical and responsible management Chapter. Section Ferrovial's values: integrity (Page 186) and Section Ethics Channel (Page189-190). In 2023, 495 (416 in 2022) customer complaints were recorded, of which 94% (83% in 2022) were resolved during the year.
	Tax information	Country-by-country profitability	201-1	Consolidated Financial Statements, note 2.7.
		Profit taxes paid	201-1	Consolidated Financial Statements, note 2.7.
		Government subsidies received	201-4	Consolidated Financial Statements, note 6.1.
Requirements of the Taxonomy Regulation (EU) 2020/852				298-305-307

* To identify the information related to each GRI indicator, the GRI Standards Indicator tables should be used (page 319).

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDICATORS

The SASB indicators for the Engineering and Construction Services sector are presented below:

TOPIC	METRIC	SASB CODE	REFERENCE / DIRECT ANSWER
Environmental Impacts of Project Development	Number of incidents of non-compliance with environmental permits, standards, and regulations	IF-EN-160a.1	See GRI indicator 2-27
	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	IF-EN-160a.2	See Environment section, pages 96-107
Structural Integrity & Safety	Amount of defect- and safety-related rework costs	IF-EN-250a.1	Not available
	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	IF-EN-250a.2	13.098 euros
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	IF-EN-320a.1	See Annex to GRI indicators, indicators 403-9 and 403-10
Lifecycle Impacts of Buildings & Infrastructure	Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification	IF-EN-410a.1	See Annex to GRI indicators, indicator CRE8
	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	IF-EN-410a.2	See Environment section, pages 96-107
Climate Impacts of Business Mix	Amount of backlog for (1) hydrocarbon related projects and (2) renewable energy projects	IF-EN-410b.1	The portfolio of projects related to hydrocarbons amounts to 35,9 million euros, mainly corresponding to gas pipelines. As for the portfolio of renewable energy projects, mainly photovoltaic solar energy, it amounted to 111,8 million euros.
	Amount of backlog cancellations associated with hydrocarbon-related projects	IF-EN-410b.2	There were no portfolio cancellations associated with hydrocarbon projects.
	Amount of backlog for non-energy projects associated with climate change mitigation	IF-EN-410b.3	See Taxonomy section (page 298-305).
Business Ethics	(1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	IF-EN-510a.1	Ferrovial does not develop projects in any of the 20 countries ranked in the bottom 20 of the Corruption Perception Index.
	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anticompetitive practices	IF-EN-510a.2	See Consolidated Financial Statements, note 6.5.
	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behavior in the project bidding processes	IF-EN-510a.3	See Ethical and Responsible management section, pages 186-188

GRI STANDARDS INDICATORS

GRI Standard	Page / reference	Scope
GRI 2: General Disclosures 2021		
1. The organization and its reporting practices		
2-1 Organizational details	13, 22-24 Note 1.1 to Ferrovial's Consolidated Financial Statements 2023	Ferrovial
2-2 Entities included in the organization's sustainability reporting	Appendix I and II to Ferrovial's Consolidated Financial Statements 2023	Ferrovial
2-3 Reporting period, frequency and contact point	The period covered by the report is the 2023 financial year, and it is presented on an annual basis. The point of contact is indicated on the back cover of the report.	Ferrovial
2-4 Restatements of information	285	Ferrovial
2-5 External assurance	340-342	Ferrovial
2. Activities and workers		
2-6 Activities, value chain, and other business relationships	11-19, 22-24, 127-130 Notes 1.1, 1.2 and 1.3 to Ferrovial's 2023 Consolidated Financial Statements	Ferrovial
2-7 Employees	11-19, 84-88 and Appendix to GRI Indicators	Ferrovial
2-8 Workers who are not employees	84-88	Ferrovial
3. Governance		
2-9 Governance structure and composition	144-150	Ferrovial
2-10 Nomination and selection of the highest governance body	151	Ferrovial
2-11 Chair of the highest governance body	145	Ferrovial
2-12 Role of the highest governance body in overseeing the management of impacts	151-152	Ferrovial
2-13 Delegation of responsibility for managing impacts	151	Ferrovial
2-14 Role of the highest governance body in sustainability reporting	156-157	Ferrovial
2-15 Conflicts of interest	163-164	Ferrovial
2-16 Communication of critical concerns	189-190, 286	Ferrovial
2-17 Collective knowledge of the highest governance body	The Board of Directors is regularly informed of issues related to the company's environmental management and health and safety, as well as the monitoring of the Corporate Responsibility Strategic Plan. In addition, the Board reserves, either directly or through its Committees, knowledge of a series of matters on which it must express an opinion. These include approving policies on various matters	Ferrovial
2-18 Evaluation of the performance of the highest governance body	163	Ferrovial
2-19 Remuneration policies	198-207	Ferrovial
2-20 Process to determine remuneration	208-217	Ferrovial
2-21 Annual total compensation ratio	Appendix to GRI indicators	Ferrovial
4. Strategy, policies and practices		
2-22 Statement on sustainable development strategy	7, 26-29	Ferrovial
2-23 Policy commitments	135-139, 183	Ferrovial
2-24 Embedding policy commitments	182-187	Ferrovial
2-25 Processes to remediate negative impacts	129-132	Ferrovial
2-26 Mechanisms for seeking advice and raising concerns	186-187	Ferrovial
2-27 Compliance with laws and regulations	The amount of the most significant environmental fines paid in fiscal 2023 for non-compliance with environmental legislation was 72,828 euros (147,585 euros in 2022), corresponding to four proceedings imposed during fiscal 2023, and 1,341 euros corresponding to proceedings imposed in previous fiscal years (21,361 euros in 2022). The main fines are related to the use of unsuitable material in an embankment and the storage of waste in unsuitable areas. In fiscal year 2023, no proceedings and litigation related to the safety of workers, subcontractors and users have been closed with penalties (0 in 2022). Notes 6.3 and 6.5 of Ferrovial's 2023 Consolidated Financial Statements	Ferrovial
2-28 Membership associations	286	Ferrovial
5. Stakeholder participation		
2-29 Approach to stakeholder engagement	278, 286-288	Ferrovial
2-30 Collective bargaining agreements	137, Appendix to GRI indicators and Table of Contents of Non-financial reporting	Ferrovial

GRI Standard	Indicator and description	Page / Reference	Scope
GRI 103 Management approach 2016	103-1 Explanation of material issue and its limitations	287-288	Ferrovial
	103-2 Management approach and components	23-25, 287-288	Ferrovial
	103-3 Evaluation of the management approach	23-25, 287-288	Ferrovial
THEMATIC CONTENTS			
Economic Performance			
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	See Appendix to GRI Indicators	Ferrovial
	201-2 Financial implications and other risks and opportunities due to climate change	102, 232-234 In addition, Ferrovial publicly reports on risks and opportunities in the CDP report. Information relating to 2023 will be available during 2024.	Ferrovial
	201-3 Defined benefit plan obligations and other retirement plans	Note 6.6.4. of Ferrovial's Consolidated Financial Statements 2023 Note 6.2. of Ferrovial's Consolidated Financial Statements 2023	Ferrovial
	201-4 Financial assistance received from government	Note 6.1. of Ferrovial's Consolidated Financial Statements 2023 Note 6.4. of Ferrovial's Consolidated Financial Statements 2023	Ferrovial
Market presence			
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	The ratio between the starting wage and the local minimum wage in countries with significant presence by gender (Male / Female) is as follows: Spain: 1.1 / 1.1 (1.2 / 1.2 in 2022) United States: 1.66 / 1.66 (1.66 / 1.66 in 2022) Poland: 1 / 1 (1 / 1 in 2022) Chile:1 / 1 (1 / 1 in 2022)	Ferrovial
	202-2 Proportion of senior management hired from the local community	In 2023, the proportion of local managers was 97% (96% in 2022).	Ferrovial
Indirect economic impacts			
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	131-138	Ferrovial
	203-2 Significant indirect economic impacts	14, 35-39	Ferrovial
Procurrent practices			
GRI 204: Procurrent practices 2016	204-1 Proportion of spending on local suppliers	96.9%	Ferrovial
Anti-corruption			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	185-190	Ferrovial
	205-2 Communication and training about anti-corruption policies and procedures	185-190	Ferrovial
	205-3 Confirmed incidents of corruption and actions taken	185-190	Ferrovial
Anti-competitive			
GRI 206: Anti-competitive 2016	206-1 Legal actions for anti-competitive behavior. anti-trust. and monopoly practices	In 2023, two cases and litigations related to monopoly practices were open (two in 2022). Note 6.5 of Ferrovial's Consolidated Financial Statements 2023	Ferrovial
GRI 207: Tax 2019	207-1 Approach to tax	191-195	Ferrovial
	207-2 Tax governance. control. and risk management	191-195	Ferrovial
	207-3 Stakeholder engagement and management of concerns related to tax	191-195	Ferrovial
	207-4 Country-by-country reporting	Appendix to GRI Indicators	Ferrovial

GRI Standard	Indicator and descriptio n	Page / Reference	Scope
GRI 103 Management approach 2016	103-1 Explanation of material issue and its limitations	287-288	Ferrovial
	103-2 Management approach and components	97-106	Ferrovial
	103-3 Evaluation of the management approach	97-106	Ferrovial
Materials			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	See Appendix to GRI Indicators	Ferrovial
	301-2 Recycled input materials used	See Appendix to GRI Indicators	Ferrovial
	301-3 Reclaimed products and their packaging materials	The activity of the company does not include the production of goods destined for sale with packaging	Ferrovial
Energy			

GRI 302: Energy 2016	302-1 Energy consumption within the organization	See Appendix to GRI Indicators	Ferrovial
	302-2 Energy consumption outside of the organization	See Appendix to GRI Indicators	Ferrovial
	302-3 Energy intensity	Energy intensity is 105.9 MWh/M€ (105.5 MWh/M€ in 2022)	Ferrovial
	302-4 Reduction of energy consumption	Energy consumption with respect to 2022 has decreased by 11% (1,018,534 MWh).	Ferrovial
	302-5 Reductions in energy requirements of products and services	Energy consumption compared to 2022 has decreased by 11% (1,018,534 MWh).	Ferrovial
Water			
GRI 303: Water 2016	303-1 Interactions with water as a shared resource	105-106	Ferrovial
	303-2 Management of water discharge-related impacts	105-106	Ferrovial
	303-3 Water withdrawal	See Appendix GRI Indicators	Ferrovial
	303-4 Water discharge	See Appendix GRI Indicators	Ferrovial
	303-5 Water consumption	See Appendix GRI Indicators	Ferrovial
Biodiversity			
GRI 304: Biodiversity 2016	304-1 Operational sites owned. leased. managed in. or adjacent to. protected areas and areas of high biodiversity value outside protected areas	In 2023, Ferrovial worked on 54 new projects (34 in 2022) subject to Environmental Impact Statements (or equivalent figures), according to the legal framework of each country.	Construction business in Spain
	304-2 Significant impacts of activities. products. and services on biodiversity	The most significant impacts on protected areas are: land occupation, habitat disturbance and possible disturbance to protected species (due to atmospheric, noise and light pollution). These impacts have been contemplated in the respective Environmental Impact Statements or equivalent figures, according to the legal framework of each country, of the activities that so require, carrying out preventive and/or corrective actions. Likewise, compensation actions are carried out in those cases in which this has been required according to the provisions of said declarations or equivalent figures.	Ferrovial
	304-3 Habitats protected or restored	Ferrovial carries out the ecological restoration of habitats affected by the construction and operation of its infrastructures in accordance with the regulations in force in each country, introducing wherever possible improvements over the minimum requirements as well as ecological restoration criteria that ensure better long-term results.	Ferrovial
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	See Appendix GRI Indicators	Ferrovial
Emissions			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	99. See Appendix GRI Indicators	Ferrovial
	305-2 Energy indirect (Scope 2) GHG emissions	99. See Appendix GRI Indicators	Ferrovial
	305-3 Other indirect (Scope 3) GHG emissions	99. See Appendix GRI Indicators. Scope 3 emissions are limited to the scope described in table 305-3 of the GRI Indicators Appendix	Ferrovial
	305-4 GHG emissions intensity	The intensity of greenhouse gas emissions is 43.26 tCO_2/M€ in 2023 (42.91 tCO_2/M€ in 2022)	Ferrovial
	305-5 Reduction of GHG emissions	98-99. See GRI Indicators Appendix.	Ferrovial
	305-6 Emissions of ozone-depleting substances (ODS)	This data is not considered material because Ferrovial does not have operational control over centers using refrigeration equipment, which use refrigerants based on fluorinated gases or ozone depleting substances	Ferrovial
	305-7 Nitrogen oxides (NOX). sulfur oxides (SOX). and other significant air emissions	See Appendix to GRI Indicators.	Ferrovial
Effluents and Waste			

GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	104-105	Ferrovial
	306-2 Management of significant waste-related impacts	104-105	Ferrovial
	306-3 Waste generated	See Appendix to GRI Indicators.	Ferrovial
	306-4 Waste diverted from disposal	See Appendix to GRI Indicators.	Ferrovial
	306-5 Waste directed to disposal	See Appendix to GRI Indicators.	Ferrovial Construction
Supplier Environmental Assessment			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	123-124	Ferrovial
	308-2 Negative environmental impacts in the supply chain and actions taken	123-126 In Construction. the negative environmental impacts had by the supply chain are evaluated. identifying potential risks and substandard work. The measures adopted range from expulsion from the project and/ or rejection of the supplier. to warnings that improvements are required in less serious cases.	Ferrovial

GRI Standard	Indicator and descriptio n	Page / Reference	Scope
GRI 103 Management approach 2016	103-1 Explanation of material issue and its limitations	287-288	Ferrovial
	103-2 Management approach and components	85-89	Ferrovial
	103-3 Evaluation of the management approach	85-89	Ferrovial
Employment			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	See Appendix to GRI Indicators	Ferrovial
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	89 Social benefits for each country and business are offered equally to full-time employees and part-time employees. In some cases. employees need to have held their posts for at least one year to be eligible for certain social benefits.	Ferrovial
	401-3 Parental leave	Ferrovial does not consider this a risk. as the countries where it operates have protectionist legislation in place for such matters. Such information is therefore not subject to specific managerial procedures.	Ferrovial
Labor Relations			
GRI 402: Labor Relations 2016	402-1 Minimum notice periods regarding operational changes	Ferrovial complies with the advance notice periods established in labor legislations or those enshrined. if applicable. in the collective agreements pertinent to each business. with no corporate advance notice periods having been established.	Ferrovial
Occupational Health and Safety			
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	91-95	Ferrovial
	403-2 Hazard identification. risk assessment. and incident investigation	91-95	Ferrovial
	403-3 Occupational health services	91-95	Ferrovial
	403-4 Worker participation. consultation. and communication on occupational health and safety	91-95	Ferrovial
	403-5 Worker training on occupational health and safety	91-95	Ferrovial
	403-6 Promotion of worker health	91-95	Ferrovial
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Risk of developing occupational diseases is detected through risk assessments conducted by the Safety and Health Department and controlled through the health surveillance, where relevant relevant protocol according to the risk exposure of the workers are defined and applied.	Ferrovial
	403-8 Workers covered by an occupational health and safety management system	See Appendix to GRI Indicators	Ferrovial
	403-9 Work-related injuries	See Appendix to GRI Indicators	Ferrovial
	403-10 Work-related ill health	See Appendix to GRI Indicators	Ferrovial
Training and education			

GRI 404 Training and education 2016	404-1 Average hours of training per year per employee	See Appendix to GRI Indicators	Ferrovial
	404-2 Programs for upgrading employee skills and transition assistance programs	All training and development programs are aimed at improving the employability of the candidate. In the case of early retirement or restructuring plans (e.g. redundancy packages) specific training plans may be negotiated as part of other outplacement plans	Ferrovial
	404-3 Percentage of employees receiving regular performance and career development reviews	The percentage of employees receiving regular assessments of Ferrovial's performance and professional development is 29.77% (30,44% in 2022)	Ferrovial
Diversity and Equality of Opportunities			
GRI 405: Diversity and equality of opportunities 2016	405-1 Diversity of governance bodies and employees	87-88, 161-162 See Appendix to GRI Indicators	Ferrovial
	405-2 Ratio of basic salary and remuneration of women to men	See Appendix to GRI Indicators	Ferrovial
No discrimination			
GRI 406: No discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	189-190 Information about complaints received through the Corporative Whistleblowing Channel is given	Ferrovial
Freedom of association			
GRI 407 Freedom of association 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	131-135	Ferrovial
Child Labor			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	131-135	Ferrovial
Forced or compulsory labor			
GRI 409 Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	131-135	Ferrovial
Security practices			
GRI 410 Security practices 2016	410-1 Security personnel trained in human rights policies or procedures	Security guards at Ferrovial offices are hired via a company that certifies that said personnel have received the due training	Ferrovial headquarters
Rights of indigenous people			
GRI 411: Rights of indigenous people 2016	411-1 Incidents of violations involving rights of indigenous peoples	During 2022 and 2023 there hasn't been detected incidents of violations involving rights of indigenous people	Ferrovial
Local Communities			
GRI 413:Local Communities 2016	413-1 Operations with local community engagement. impact assessments. and development programs	136-138	Ferrovial
	413-2 Operations with significant actual and potential negative impacts on local communities	During 2022 and 2023 there has not been detected situations in which Ferrovial activities had caused a negative impact on local communities.	Ferrovial
Supplier Social Assessment			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	123-124	Ferrovial
	414-2 Negative social impacts in the supply chain and actions taken	123-124	Ferrovial
Public Policy			
GRI 415: Public Policy 2016	415-1 Political contributions	286	Ferrovial
Customer Health and Safety			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	91-95	Ferrovial
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	In 2023, no cases and litigation related to the safety of workers subcontractors and users were open (0 in 2022). Note 6.3 and 6.5 of Ferrovial's Consolidated Financial Statements 2023	Ferrovial
Marketing and labeling			

GRI 417: Marketing and labeling 2016	417-1 Requirements for product and service information and labeling	76-77	Ferrovial
	417-2 Incidents of non-compliance concerning product and service information and labeling	There has not been identified non-compliance incidents on this subject in 2022 and 2023	Ferrovial
	417-3 Incidents of non-compliance concerning marketing communications	There has not been identified non-compliance incidents on this subject in 2022 and 2023	Ferrovial
Customer Privacy			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	There has not been identified non-compliance incidents on this subject in 2022 and 2023	Ferrovial

REPORTING PRINCIPLES

GRI STANDARDS GUIDELINES

The GRI Guidelines principles applied are:

Establishing report contents:

• **Materiality**: Aspects that reflect the significant social, environmental and economic impacts had by the organization or those that could have a substantial influence on stakeholder decisions.

• **Stakeholder engagement**: Identifying stakeholders and describing in the report how their expectations and interests have been addressed.

• **Sustainability context**: Presenting the company's performance within the broader context of sustainability.

• **Completeness**: Coverage should enable stakeholders to assess the performance of the reporting organization

Establishing the quality of the report:

• **Balance**: The report must reflect both the positive and the negative aspects of the company's performance.

• **Comparability**: Stakeholders should be able to compare the information over time and with other companies.

• **Accuracy**: The published information must be accurate and detailed.

• **Clarity**: The information must be presented in a way that is clear and accessible to everyone.

• **Reliability**: The information must be of high quality and it should establish the company's materiality.

APPENDIX TO GRI INDICATORS

2-7. EMPLOYEES

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

		2022		2023	
Full Time	Men	19,660	23,598	20,415	24,566
	Women	3,938		4,151	
Part Time	Men	480	593	144	233
	Women	113		89	
TOTAL			**24,191**		**24,799**

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

		2022		2023	
Temporary contract	Men	4,960	5,670	3,268	3,860
	Women	710		592	
Undefined contract	Men	15,180	18,521	17,291	20,939
	Women	3,341		3,648	
TOTAL			**24,191**		**24,799**

Number of employees at year-end by age group

		2022		2023	
<30	Men	3,484	4,447	3,607	4,642
	Women	963		1,035	
30-45	Men	8,429	10,458	8,388	10,471
	Women	2,029		2,083	
>45	Men	8,227	9,286	8,563	9,686
	Women	1,059		1,123	
TOTAL			**24,191**		**24,799**

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

Category 2023	Permanent		Temporary		Total		Total 2023
	Men	Women	Men	Women	Men	Women	
Executive Committee	4.0	0.0	0.0	0.0	4.0	0.0	4.0
BU Executive Committee and Corporate Director	45.2	12.3	9.9	0.4	55.1	12.8	67.9
Affiliate Executive Committee & Head of Department	257.2	81.4	5.0	0.8	262.2	82.2	344.3
Business Positions Leads	277.6	17.6	4.8	0.2	282.4	17.8	300.2
Manager	2,089.2	565.5	125.1	21.4	2,214.2	586.9	2,801.2
Senior Professional / Supervisor	1,453.4	664.7	44.2	23.0	1,497.6	687.6	2,185.2
Professional	2,319.9	1,214.9	381.6	251.5	2,701.5	1,466.4	4,167.9
Administratives / Support	607.3	612.4	134.5	164.3	741.8	776.7	1,518.5
Blue Collar	10,535.7	546.4	2,560.0	134.4	13,095.7	680.9	13,776.5
Total	**17,589.5**	**3,715.2**	**3,265.0**	**595.9**	**20,854.5**	**4,311.1**	**25,165.6**

Category 2022	Permanent		Temporary		Total		Total 2022
	Men	Women	Men	Women	Men	Women	
Manager y categoría superior (Executive, Senior Manager, Head of Department, etc)	2,490.7	616.6	121.3	19.7	2,612.0	636.3	3,248.3
Senior Professional / Supervisor	2,551.7	991.5	56.8	29.3	2,608.4	1,020.8	3,629.2
Professional	5,621.8	1,953.5	446.3	262.8	6,068.1	2,216.4	8,284.4
Administratives / Support	506.4	789.4	138.3	152.3	644.6	941.7	1,586.3
Blue Collar	11,703.4	2,291.4	3,391.6	215.2	15,095.0	2,506.6	17,601.6
Total	**22,874.0**	**6,642.5**	**4,154.1**	**679.3**	**27,028.1**	**7,321.7**	**34,349.8**

Number of employees at year-end by region and gender

	2022			2023		
	Men	Women	Total	Men	Women	Total
Poland	4,568	1,534	6,102	4,706	1,643	6,349
Spain	4,502	911	5,413	4,829	1,000	5,829
Chile	4,468	376	4,844	4,412	405	4,817
United States	3,579	599	4,178	3,781	584	4,365
United Kingdom	867	293	1,160	856	284	1,140
Germany	880	4	884	785	4	789
Canada	548	67	615	483	70	553
Colombia	202	106	308	161	68	229
Türkiye	158	23	181	157	27	184
Australia	97	45	142	120	55	175
Portugal	119	60	179	105	61	166
Puerto Rico	94	15	109	117	19	136
France	19	7	26	20	10	30
Netherlands	4	1	5	8	4	12
Peru	5	4	9	4	4	8
Slovakia	15	4	19	4	0	4
Saudi Arabia	7	0	7	4	0	4
Ireland	0	0	0	1	1	2
Italy	0	2	2	0	2	2
Oman	5	0	5	2	0	2
Tunisia	1	0	1	1	0	1
Brazil	1	0	1	1	0	1
India	0	0	0	1	0	1
Lithuania	1	0	1	0	0	0
TOTAL	**20,140**	**4,051**	**24,191**	**20,558**	**4,241**	**24,799**

2-21 ANNUAL TOTAL COMPENSATION RATIO*

	2021	2022	2023
TOTAL Ferrovial	142.84	112.08	116.12
USA	8.61	8.99	9.66
Spain	24.93	13.18	14.67
Poland	17.95	17.26	17.84
United Kingdom	22.99	10.58	5.25
Chile	16.69	16.31	16.44

PERCENTAGE INCREASE IN ANNUAL TOTAL COMPENSATION RATIO*

	2021	2022	2023
TOTAL Ferrovial	-5.85%	-0.49%	-0.32%
USA	-0.66%	-0.94%	236.44%
Spain	18.64%	-0.13%	0.25%
Poland	38.81%	0.65%	0.80%
United Kingdom	2.34%	2.89%	0.08%
Chile	18.54%	0.75%	0.98%

*90.54% of the average workforce is covered

2-30 PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

	Total Workforce	Employees represented	% 2023	% 2022
Spain	5,829	5,827	100.0%	99.8%
United States	4,365	14	0.3%	0.0%
Canada	553	77	13.9%	0.0%
United Kingdom	1,140	68	6.0%	4.6%
Poland	6,349	5,009	78.9%	79.9%
Latin America	5,191	4,358	84.0%	73.4%
Other countries	1,372	138	10.1%	8.7%
TOTAL	**24,799**	**15,491**	**62.5%**	**59.2%**

201-1. DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

GENERATED(M€)	2021	2022	2023
a) Revenues:			
Sales revenue	6,910	7,551	8,514
Other operating income	1	2	1
Financial income	24	104	216
Income from companies accounted for by the equity method	1,198	180	215
TOTAL	**8,133**	**7,837**	**8,946**

DISTRIBUTED (M€)	2021	2022	2023
b) Consumption and expenses (1)			
Consumption	1,085	1,197	1,047
Other operating expenses	3,922	4,182	4,885
c) Salaries and employee benefits			
Personnel expenses	1,293	1,446	1,599
d) Financial expenses and dividends			
Dividends to shareholders	190	132	136
Treasury stock transactions (2)	434	446	114
Financial expenses	334	320	184
e) Taxes			
Corporate income tax	-9	30	25
TOTAL	**7,249**	**7,753**	**7,990**
€)	884	84	956

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

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

The following table reflects the amounts paid by Ferrovial in 2022 in euros.

The data for 2022 are published and not those for 2023, in accordance with the obligation to communicate the Country-by-Country Report to the Spanish Tax Agency (in November of each year the report corresponding to the previous year is communicated).

2022 (M€)								
Jurisdiction[1]	Number of employees[2]	Revenue[3] Third parties	Revenue[3] Associated	Revenue[3] Total	Profit before income tax[3]	Income tax (paid)[3]	Income tax (accrued)[3]	Tangible Assets[3]
Argentina	0	0.00	0.00	0.00	-0.01	0.00	0.00	0.00
Australia	154	183.09	1.93	185.02	0.41	-0.02	0.00	20.87
Bolivia	0	0.03	0.00	0.03	0.22	0.00	0.00	0.00
Brazil	1	1.93	0.00	1.93	1.63	0.30	0.51	0.00
Canada	621	390.22	2.68	392.90	278.89	13.72	11.80	52.01
Chile	4,870	354.26	52.69	406.95	-14.43	-3.94	0.28	164.75
Colombia	315	15.64	0.05	15.70	-19.52	0.00	0.50	3.51
Czech Republic	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dominican Republic	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
France	28	15.65	0.07	15.72	0.21	0.86	0.05	0.01
Germany	884	52.81	0.00	52.81	4.57	1.98	1.39	0.05
Greece	0	0.00	0.00	0.00	-0.04	0.00	0.00	0.01
India	3	2.17	0.00	2.17	0.83	0.01	0.00	0.00
Ireland	1	0.10	0.15	0.25	-100.32	0.11	0.49	0.00
Italy	2	0.29	0.00	0.29	0.22	0.00	0.00	0.00
Lithuania	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Luxembourg	0	3.12	0.02	3.14	2.09	0.00	0.00	0.00
Mexico	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Morocco	0	0.00	0.00	0.00	0.00	0.02	0.00	0.00
Netherlands	12	0.32	20.40	20.72	122.22	2.35	1.08	0.00
New Zealand	0	0.01	0.00	0.01	0.00	0.00	0.00	0.90
Oman	5	30.37	0.00	30.37	37.74	0.00	2.15	0.00
Peru	12	17.99	0.11	18.10	1.91	0.45	1.15	0.71
Poland	6,102	1,814.17	-0.05	1,814.12	133.71	37.61	40.64	277.36
Portugal	178	135.84	1.94	137.78	6.74	1.52	2.26	262.00
Puerto Rico	113	23.45	0.60	24.05	0.76	0.00	0.20	1.83
Qatar	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Saudi Arabia	7	7.58	0.55	8.12	5.22	0.00	0.76	0.06
Slovakia	20	15.66	2.20	17.86	2.19	0.96	0.00	0.18
Spain	29,568	1,232.32	519.93	1,752.24	-109.15	13.53	-4.14	701.27
Tunisia	1	0.00	0.00	0.00	-1.26	0.00	0.00	0.00
Türkiye	181	43.72	0.00	43.72	18.08	0.00	0.00	632.84
United Arab Emirates	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
United Kingdom	11,744	703.07	19.14	722.21	-65.12	2.40	-1.83	45.82
United States of America	4,350	2,422.49	267.54	2,690.04	15.07	0.83	2.17	7,103.23
Uruguay	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**59,172**	**7,466.30**	**889.95**	**8,356.26**	**322.87**	**72.69**	**59.46**	**9,267.41**

(1) In the Consolidated Financial Statements for fiscal year 2023, Appendix I and II, the entities comprising the business group, their residence, as well as the activities they carry out are detailed.
(2) Regarding the number of employees, an approximate calculation has been made of the total number of employees in full-time equivalence. The employees of the entities belonging to Serveo and Amey, whose shareholding was transferred by Ferrovial during the 2022 financial year, have been included.
(3) The average exchange rate for the year is used for revenues, income and taxes in foreign currencies and the year-end exchange rate for tangible assets.

INCOME TAX: STATUTORY VS. EFFECTIVE RATE BY JURISDICTION

The following table reflects the qualitative explanation of the differences between the statutory and effective income tax rates with respect to the jurisdictions in which Ferrovial paid income tax in 2022 and 2021. Unlike the previous table, the following table only reflects the amounts paid for income tax by fully consolidated companies.

	2022			
	Income tax			
Jurisdiction	Legal tax rate	Effective tax rate	Difference	Explanation
Argentina	35%	0%	35%	Country in which no activity has been developed.
Australia	30%	0%	30%	The effective rate is lower than the nominal rate because losses not capitalized in accounting are included in the calculation basis.
Bolivia	25%	0%	25%	Country in which no activity has been developed.
Brazil	34%	31%	3%	Effective rate and nominal rate are aligned.
Canada	27%	4%	22%	The effective rate is lower than the nominal rate because exempt income (dividends) is included in the calculation basis. Without considering such exempt income, the effective rate coincides with the nominal rate at the jurisdictional level.
Chile	27%	-2%	29%	There are companies with profits that are taxed on the amount accrued, and others that are in loss and do not accrue current tax expense. These profits and losses are not offset against each other as there is no tax consolidation. In any case, the overall result in the jurisdiction is an overall loss.
Colombia	35%	-3%	38%	There are companies with profits that are taxed on the amount accrued, and others that are in loss and do not accrue current tax expense. These profits and losses are not offset against each other as there is no tax consolidation. In any case, the overall result in the jurisdiction is an overall loss.
France	25%	25%	0%	Effective and nominal rates are aligned.
Germany	30%	30%	0%	The effective and nominal rates are aligned.
Greece	29%	0%	29%	Country in which losses have been generated and therefore no tax payable is generated.
India	30%	0%	30%	The tax expense is recorded at the end of the fiscal year, which is different from the calendar year.
Ireland	12%**	0%	12%	The effective rate is distorted by the inclusion of an impairment in profit or loss.
Italy	28%	0%	28%	The effective rate is lower than the nominal rate because losses not capitalized in accounting are included in its calculation basis.
Luxembourg	25%	0%	25%	There are tax adjustments that result in no taxable income.
Morocco	31%	0%	31%	Country in which no activity has been carried out.
Netherlands	25.8%***	1%	25%	No tax expense is accrued for the generation of losses in the consolidated tax group. The current tax expense recorded corresponds to a tax inspection report.
New Zealand	28%	0%	28%	Country with losses from previous years in which, in addition, no activity has been carried out.
Oman	15%	6%	9%	The effective rate is lower than the nominal rate because losses not capitalized in accounting are included in the calculation base.
Peru	30%	60%	-31%	The Consortiums in Peru are taxed separately from their parent company for corporate income tax purposes. The accrued expense corresponds to the Consortiums with a positive taxable base while the Branches have tax losses that cannot be offset.
Poland	19%	30%	-15%	The effective rate is much higher than the nominal rate because it includes in its calculation base non-deductible expenses that constitute permanent differences.
Portugal	23%	33%	-11%	The effective rate is higher than the nominal rate mainly due to the limitation on the deductibility of financial interest in the concessionaires and the limitation on the use of tax losses.
Puerto Rico	29%	27%	2%	Effective and nominal rates are aligned.
Saudi Arabia	20%	15%	5%	The effective rate is lower than the nominal rate because losses not capitalized in accounting are included in its calculation basis.
Slovakia	21%	0%	21%	The effective rate is lower than the nominal rate due to the generation of tax losses in the year.
Spain	25%	4%	21%	The effective rate is lower than the nominal rate due to the generation of losses not capitalized in the tax consolidation. The accrued tax income corresponds to the partial estimation of tax assessments in our favor.
Tunisia	25%	0%	25%	Country in which losses have been generated and therefore no tax payable is accrued.
Türkiye	25%	0%	25%	Country in which tax losses have been generated and therefore no tax payable is accrued.
United Kingdom	19%	3%	16%	Country in which losses have been generated. The receivable recorded is for the right to collect the assignment of losses to companies that are not consolidated for accounting purposes because they are available for sale (discontinued operations).
United States of America	21%*	14%	7%	Current tax is recorded for state taxes. There is no federal current tax expense due to the generation of tax loss carryforwards in the tax consolidated group.

* The federal/national tax rate is considered.
** Investment income is taxed at a rate of 25%.
*** The first 395,000 euros are taxed at a rate of 15%.

301-1. MATERIALS USED BY WEIGHT OR VOLUME

	2021	2022	2023
Bitumen (t)	464,342	106,329	48,279
Concrete (t)	7,178,860	6,177,323	5,338,501
Corrugated steel (t)	182,651	128,921	121,552
Aggregates (t)*	-	9,509,101	9,187,753
Cement (t)*	-	168,752	148,874
Asphaltic agglomerate (t)*	-	765,162	782,783

*The verification of this three materials was out of the scope in 2021.

301-2. RECYCLED MATERIALS CONSUMED*

	2021	2022	2023
Total recycled material (t)	355,853	1,129,600	1,338,467

*Data for 2021 and 2022 have been restated to match the organization's perimeter at the end of 2023.

302-1. ENERGY CONSUMPTION WITHIN THE ORGANIZATION*

			2009	2021	2022	2023
Fuels used in Stationary and Mobile sources (total) (MWh)	Stationary	Diesel	230,581	355,972	262,837	307,599
		Fuel	95,607	21,442	14,124	9,401
		Gasoline	5,630	3,982	3,593	3,472
		Natural Gas	115,180	11,242	14,204	18,336
		Coal	0	85,941	75,602	58,013
		Kerosene	1,138	224	364	0
		Propane	1,082	738	1,441	679
		LPG	53	22	879	40
	Mobile	Diesel	569,111	247,279	229,209	141,998
		Fuel	0	0	0	0
		Gasoline	207,218	188,038	204,349	187,113
		Natural Gas	1,425	1,425	1,425	811
		Ethanol	2,575	2,575	2,575	0
		LPG	16	702	0	48
	TOTAL		**1,229,616**	**919,582**	**810,602**	**727,510**
Electricity Consumption from Non-Renewable Sources (MWh)	Corporation		1,489	1,090	1,078	0
	Toll Roads		63,909	4,555	4,097	4,446
	Airports		18,415	18,415	18,423	18,596
	Construction		220,246	41,519	42,711	28,090
	Energy Infrastructures and Mobility		30,656	480	3,239	3,741
	TOTAL		**334,713**	**66,059**	**69,549**	**54,872**
Electricity Consumption from Renewable Sources (MWh)	Corporation		0	0	0	1,024
	Toll Roads		665	8,330	8,611	8,787
	Airports		0	0	0	0
	Construction		167	98,430	94,327	98,595
	Energy Infrastructures and Mobility		7,159	55,371	35,444	11,097
	TOTAL		**7,990**	**162,131**	**138,383**	**119,504**

Energy consumption by region (MWh)	Non-renewable source	Renewable source
Spain	5,452	75,589
United States	5,728	8,255
United Kingdom	4,350	12,175
Poland	8,643	20,678
Latin America	101	266
Others	30,599	2,541
TOTAL	**54,872**	**119,504**

ENERGY PRODUCED (MWh)	2021	2022	2023
Electrical energy generated in Water Treatment Plants	143,106	136,123	104,852
Electrical energy generated in thermal drying plants	408,248	221,837	255,786
TOTAL	**551,354**	**357,960**	**360,638**

*Data for the base year, 2021 and 2022 have been restated to match the organization's perimeter at the end of 2023.

302-2. ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION*

		2021	2022	2023
Consumption of energy acquired, by primary sources (GJ)	Coal	36,720	37,304	52,796
	Diesel	11,334	11,338	10,152
	Gas	38,080	38,181	39,556
	Biomass	3,956	3,958	3,768
	Waste	1,102	1,095	910
	Others	135,256	134,242	116,062
	TOTAL	**226,447**	**226,117**	**223,244**

**Data for the base year, 2021 and 2022 have been restated to match the organization's perimeter at the end of 2023.

303-3 WATER WITHDRAWAL*

	2021		2022		2023	
	Total water withdrawa	Water withdrawal in water-stressed areas	Total water withdrawa	Water withdrawal in water-stressed areas	Total water withdrawa	Water withdrawal in water-stressed areas
Supply network (m3)	1,216,616	651,338	845,468	583,447	1,115,436	911,877
Fresh surface water (m3)	293,066	293,066	576,586	576,586	42,292	42,292
Groundwater (m3)	617,519	617,519	658,167	658,167	629,316	627,423
Rainwater (m3)	0	0	6,580	6,580	181	181
Water from wastewater (m3)	0	0	0	0	0	0
Pre-treated water in Cadagua (m3)	4,775,762	4,775,762	4,699,448	4,699,448	4,321,764	4,321,764
Recycled - reused water (m3)	6,179	6,179	21,899	21,899	43,765	43,765
TOTAL (m3)	6,909,142	6,343,864	6,808,148	6,546,127	6,152,754	5,947,303

*Data for 2021 and 2022 have been restated to match the organization's perimeter at the end of 2023

303-4 WATER DISCHARGE*

	2021		2022		2023	
	Total water discharge	Water discharge in water-stressed areas	Total water discharge	Water discharge in water-stressed areas	Total water discharge	Water discharge in water-stressed areas
TOTAL (m3)	211,775	163,958	217,820	174,777	178,108	156,479

*Data for 2021 and 2022 have been restated to match the organization's perimeter at the end of 2023.

303-5 WATER CONSUMPTION*

	2021	2022	2023
Total water consumption (m3)	6,697,367	6,590,328	5,974,646
Total relative water consumption (m3/M€)	786.11	773.55	701.28
Water consumption in water-stressed areas (m3)	6,179,906	6,371,350	5,790,824

*Data for 2021 and 2022 have been restated to match the organization's perimeter at the end of 2023.

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

	2022		2023	
Conservation status of the species	IUCN Red List	Regional list	IUCN Red List	Regional list
Critically endangered (CR)	10		8	
Endangered (EN)	17		11	
Vulnerable (VU)	14		12	
Near Threatened (NT)	24		21	
Least Concern (LC)	202		292	
Other categories		52		33
TOTAL	**267**	**52**	**344**	**33**

305-1. DIRECT (SCOPE 1) GHG EMISSIONS (tCO_2 EQ)*

BY BUSINESS	2009 (base-year)	2021	2022	2023
Corporation	375	166	54	154
Toll Roads	6,593	2,353	2,918	3,765
Airports	1,296	1,296	1,296	1,014
Construction	202,652	209,155	184,418	193,104
Energy Infrastructures and Mobility	253,040	225,837	232,076	102,611
TOTAL	**463,957**	**438,807**	**420,761**	**300,648**

BY SOURCE	2009 (base-year)	2021	2022	2023
Mobile	201,823	114,113	112,847	85,145
Stationary	221,817	259,457	235,558	150,482
Fugitive	185	243	124	180
Diffuse	40,131	64,994	72,232	64,841
TOTAL	**463,957**	**438,807**	**420,761**	**300,648**

*Data for the base year, 2021 and 2022 have been restated to match the organization's perimeter at the end of 2023.

305-2. ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS (tCO_2 EQ)*

BY BUSINESS	2009 (base-year)	2021	2022	2023
Corporation	521	373	319	0
Toll Roads	20,006	1,745	1,631	1,788
Airports	7,624	7,624	7,624	7,695
Construction	95,492	28,041	30,194	16,719
Energy Infrastructures and Mobility	14,295	102	626	724
Total market-based emissions	**137,937**	**37,885**	**40,394**	**26,926**
Total location-based emissions	**142,543**	**87,257**	**79,935**	**74,579**

*Data for the base year, 2021 and 2022 have been restated to match the organization's perimeter at the end of 2023.

GHG EMISSIONS (SCOPE 1 + SCOPE 2) (tCO_2 EQ/REVENUES (M€))*

	2009 (base-year)	2021	2022	2023
Relative emissions (tCO2 eq/M€)	162.36	67.48	42.91	43.26

*For Scope2 emissions, market-based emissions have been considered.

GHG EMISSIONS (SCOPE 1 + SCOPE 2) (tCO_2 EQ)*

	2009 (base-year)	2021	2022	2023	2023vs2009	2023vs2022
Absolute emissions Scope 1&2 (tCO2eq)	601,893	476,692	461,156	327,574	-45.58%	-28.97%

*For Scope2 emissions, market-based emissions have been considered.

305-3. Other indirect GHG emissions (Scope3) (tCO_2 eq) *

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

- Purchased goods and services: include emissions related to the life cycle of materials purchased by Ferrovial that have been used in products or services that the company offers. This is limited to emissions derived from the purchase of water and other relevant materials (concrete and asphalt) described in indicator 301-1. Data from subcontractors are not included.
- Capital goods: Includes all upstream emissions (i.e. cradle-to-gate) from the production of capital goods purchased or acquired by the company in the year, based on the information contained in the Consolidated Financial Statements.
- Fuel and energy related activities: this section includes the energy required to produce the fuels and electricity consumed by the company and the loss of electricity in transportation.
- Upstream transportation and distribution: includes emissions from the transportation and distribution of the main products acquired.
- Waste generated in operations: emissions in this section are related to waste generated by the company's activities.
- Business travel: Includes emissions associated with business travel: train, plane and cabs reported by the main travel agency with which the group works in Spain.
- Employee commuting: includes emissions from employee commuting from their homes to their workplaces in the central offices in Spain.
- Investments: investments include emissions related to investments in British airports and toll roads over which the Group does not have operational control. All airports carry out independent external verification of their emissions. At the date of publication of this report, data for 2023 is not available, so emissions for 2022 have been considered.
- Use of sold products: Ferrovial calculates emissions from the use of land transport infrastructures managed by Cintra.
- End of life treatment of sold products: this category includes only emissions from the disposal of waste generated at the end of the useful life of products sold by Ferrovial in the reporting year. Only emissions derived from products (asphalt and concrete) reported in the Purchased goods and services category have been taken into consideration.
- Upstream leased assets: includes emissions related to electricity consumption in those customer buildings where Amey carries out maintenance and cleaning and manages consumption.

	2012 (base-year)	2021	2022	2023
Purchased goods and services**	1,756,724	1,144,190	867,951	726,585
Capital Goods**	569,407	191,884	761,835	454,202
Fuel and energy related activities	124,282	65,458	69,525	72,449
Upstream transportation and distribution	560,420	552,731	454,426	386,948
Waste generated in operations	191,948	94,059	122,540	186,121
Business travel	5,065	1,964	3,805	3,147
Employee commuting	792	1,673	1,245	1,219
Upstream leased	1,405	0	0	0
Downstream transportation and distribution	0	0	0	0
Processing of sold products	0	0	0	0
Use of sold products	686,941	473,640	498,782	564,484
End of life treatment of sold products	57,368	59,894	19,224	13,205
Downstream leased assets	0	0	0	0
Franchises	0	0	0	0
Investments	2,167,571	1,241,041	1,250,462	1,470,452
TOTAL ESTIMATED	**6,121,922**	**3,826,535**	**4,049,796**	**3,878,812**

*Data for the base year, 2021 and 2022 have been restated to match the organization's perimeter at the end of 2023.
**Category of emissions out of the SBTi Scope.

	2015	2021	2022	2023
SBTi target	3,795,791	2,490,461	2,490,461	2,698,025

Sustainability Linked Bond target	2015	2021	2022	2023
Purchased goods and services	1,746,399	1,144,190	867,951	726,585
Upstream transportation and distribution	605,289	552,731	454,426	386,948
Waste generated in operations	226,828	94,059	122,540	186,121
Scope 3 SLB	**2,578,515**	**1,790,980**	**1,444,917**	**1,299,654**

Biogenic CO2 (tCO2/eq)	2009 (base-year)	2021	2022	2023
Construction	768	62,404	60,240	61,464
Thalia	704,104	611,752	822,703	150,644
TOTAL	**704,872**	**674,156**	**882,943**	**212,108**

305-5. REDUCTION OF GHG EMISSIONS*

	2021	2022	2023
Renewable electricity purchase (t CO2eq)	38,010	36,952	37,050
For biogas capture in water treatment plants (t CO2eq)	553,059	529,337	518,353
For energy generation in water treatment plants (t CO2eq)	52,435	29,326	29,625
TOTAL	**643,504**	**595,615**	**585,028**

*Data for 2021 and 2022 have been restated to match the organization's perimeter at the end of 2023.

305-7. NITROGEN OXIDES (NOx), SULFUR OXIDES (SOx), AND OTHER SIGNIFICANT AIR EMISSIONS

			2023		
	NOx (Tn)	CO (t)	COVNM (t)	SOx (t)	Particles (t)
Emissions from boilers	113.71	45.30	11.10	153.30	30.14
Emissions caused by motor vehicles	350.03	2,029	222.43		20.95
Emissions caused by electricity	16.12	6.29	0.12	24.49	1.38
	NOx (g/Kg)	CO (g/Kg)	COVNM (g/Kg)	SOx (g/kg)	Particles (g/Kg)
Emissions caused by mobile equipment used in construction works	5.80	1.90	0.60	0	0.37

			2022		
	NOx (Tn)	CO (t)	COVNM (t)	SOx (t)	Particles (t)
Emissions from boilers	40.37	15.99	3.80	51.35	10.11
Emissions caused by motor vehicles	380.12	1,934	214.78		27.71
Emissions caused by electricity	16.01	6.22	0.12	25.08	1.36
	NOx (g/Kg)	CO (g/Kg)	COVNM (g/Kg)	SOx (g/kg)	Particles (g/Kg)
Emissions caused by mobile equipment used in construction works	1,260.69	3,834.33	388.84	0	46.28

306-3. WASTE GENERATED*

306-4. WASTES DIVERTED FROM DISPOSAL*

306-5. WASTE DIRECTED FOR DISPOSAL*

Type of waste	Treatment	2021	2022	2023
Construction and demolition waste	**VALORIZATION (t)**	**3,257,616**	**2,649,625**	**2,414,162**
	Reuse (t)	1,023,527	1,126,243	1,335,109
	Recycling (t)	2,234,090	1,523,383	1,079,053
	Other valorization (t)	0	0	0
	DISPOSAL or unknown treatment (t)	**1,605,685**	**852,229**	**143,203**
	Landfill (t)	1,605,685	852,229	143,203
	Incineration (t)	N/A	N/A	N/A
	Other disposal or unknown treatment (t)	0	0	0
Non-hazardous waste	**VALORIZATION (t)**	**473,080**	**475,963**	**457,170**
	Reuse (t)	3,358	3,358	3,358
	Recycling (t)	314,210	314,428	314,347
	Other valorization (t)	155,512	158,178	139,465
	DISPOSAL or unknown treatment (t)	**115,151**	**128,273**	**123,881**
	Landfill (t)	94,729	94,874	94,840
	Incineration (t)	20,422	33,399	29,041
	Other disposal or unknown treatment (t)	0	0	0
Hazardous waste	**VALORIZATION (t)**	**17,103**	**17,114**	**18,575**
	Reuse (t)	0	0	0
	Recycling (t)	5,630	5,635	7,385
	Other valorization (t)	11,473	11,479	11,190
	DISPOSAL or unknown treatment (t)	**5,098**	**3,839**	**2,503**
	Landfill (t)	N/A	N/A	N/A
	Incineration (t)	N/A	N/A	N/A
	Other disposal or unknown treatment (t)	5,098	3,839	2,503
TOTAL	**VALORIZATION (t)**	**3,747,799**	**3,142,702**	**2,889,906**
	Reuse (t)	1,026,884	1,129,600	1,338,467
	Recycling (t)	2,553,929	1,843,445	1,400,785
	Other valorization (t)	166,985	169,656	150,655
	DISPOSAL or unknown treatment (t)	**1,725,933**	**984,341**	**269,587**
	Landfill (t)	1,700,414	947,103	238,043
	Incineration (t)	20,422	33,399	29,041
	Other disposal or unknown treatment (t)	5,098	3,839	2,503
TOTAL (t)		**5,473,732**	**4,127,043**	**3,159,493**
TOTAL RELATIVE WASTE GENERATION (t/M€)		**642.48**	**484.42**	**370.85**

Soil	2021	2022	2023
Soil moved (m3)	26,211,950	17,723,746	21,754,579
Soil reused (m3)	24,550,580	15,925,402	19,222,416

*Data for 2021 and 2022 have been restated to match the organization's perimeter at the end of 2023.

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

Sustainable construction certifications obtained in Spain, Poland and Chile:

2023						
Region	BREEAM	CES	LEED	LEED + WELL	Energy certification A	Energy certification B
Chile						
Spain	11		5	1	9	5
Poland	1		1			
TOTAL	**12**	**0**	**6**	**1**	**9**	**5**

2022						
Region	BREEAM	CES	LEED	LEED + WELL	Energy certification A	Energy certification B
Chile		1				
Spain	10		8	1	12	7
Poland	2		1			
TOTAL	**12**	**1**	**9**	**1**	**12**	**7**

401-1. NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

Throughout 2023, the total number of new hires was 10,495 (14,466 in 2022), which corresponds to a total hiring rate of 41.70% (42.11% in 2022), compared to the year-end workforce. The breakdown by country, gender and age is as follows:

		<30	30 - 45	>45	Subtotal	TOTAL 2023	TOTAL 2022
Spain	Men	389	440	586	1,415	**1,604**	**1,012**
	Women	86	76	27	189		
USA	Men	761	560	433	1,754	**1,940**	**2,204**
	Women	74	63	49	186		
Canada	Men	153	140	259	552	**640**	**491**
	Women	26	37	25	88		
United Kingdom	Men	54	55	43	152	**201**	**2,547**
	Women	27	17	5	49		
Poland	Men	278	422	239	939	**1,234**	**1,069**
	Women	166	106	23	295		
Latin America	Men	1,029	1,786	929	3,744	**4,031**	**6,258**
	Women	87	152	48	287		
Rest of countries	Men	143	314	331	788	**845**	**885**
	Women	19	24	14	57		
TOTAL	Men	2,807	3,717	2,820	9,344	**10,495**	**14,466**
	Women	485	475	191	1,151		
	Subtotal	3,292	4,192	3,011			

The number of leaves and the turnover rate in 2023 and 2022 is as follows:

Leaves	2023																		
	Voluntary						Involuntary						Total						Total by category
	Men			Women			Men			Women			Men			Women			
	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	
Executive Committee	0	0	0	0	0	0	1	0	1	0	0	0	1	0	1	0	0	0	2
BU Executive Committee and Corporate Director	0	0	2	0	0	1	0	0	2	0	0	1	0	0	4	0	0	2	6
Affiliate Executive Committee & Head of Department	1	5	8	0	4	4	0	3	9	0	1	3	1	8	17	0	5	7	38
Business Positions Leads	0	1	8	0	1	0	0	5	10	0	0	0	0	6	18	0	1	0	25
Manager	11	99	69	2	35	11	3	82	55	0	20	10	14	181	124	2	55	21	397
Senior Professional / Supervisor	20	81	27	11	26	16	5	36	38	2	12	7	25	117	65	13	38	23	281
Professional	121	145	78	71	98	26	46	113	67	30	63	21	167	258	145	101	161	47	879
Administratives / Support	20	73	16	57	52	18	13	31	14	23	23	10	33	104	30	80	75	28	350
Blue Collar	956	1,312	1,153	59	90	59	971	1,834	1,245	47	64	33	1,927	3,146	2,398	106	154	92	7,823
Subtotal by age	**1129**	1,716	1,361	200	306	135	1,039	2,104	1,441	102	183	85	2,168	3,820	2,802	302	489	220	
Subtotal by gender			4,206			641			4,584			370			8,790			1,011	9,801
Total						4,847						4,954						9,801	

Turnover rate (%)	2023																	
	Voluntary						Involuntary						Total					
	Men			Women			Men			Women			Hombres			Mujeres		
	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45
Subtotal by age	4.49	6.82	5.41	0.79	1.22	0.54	4.13	8.36	5.73	0.41	0.73	0.34	8.61	15.18	11.13	1.20	1.94	0.87
Subtotal by gender		16.71			2.55			18.22			1.47			34.93			4.02	
TOTAL TURNOVER RATE			19.26						19.69						38.95			

Leaves	2022																		
	Voluntary						Involuntary						Total						Total by category
	Men			Women			Men			Women			Men			Women			
	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	
Manager and higher categories	8	112	67	1	51	10	0	27	58	0	10	3	8	139	125	1	61	13	347
Senior Professional / Supervisor	30	107	70	9	47	18	2	19	16	0	6	6	32	126	86	9	53	24	330
Professional	328	387	257	121	316	51	31	84	51	15	40	5	359	471	308	136	356	56	1,686
Administratives / Support	66	24	16	54	64	37	17	30	11	22	26	17	83	54	27	76	90	54	384
Blue Collar	1,174	1,471	1,018	114	187	165	1,705	2,818	2,384	67	180	112	2,879	4,289	3,402	181	367	277	11,395
Subtotal by age	1,606	2,101	1,428	299	665	281	1,755	2,978	2,520	104	262	143	3,361	5,079	3,948	403	927	424	
Subtotal by gender		5,135			1,245			7,253			509			12,388			1,754		14,142
TOTAL						6,380						7,762						14,142	

Turnover rate (%)	2022																	
	Voluntary						Involuntary						Total					
	Men			Women			Men			Women			Hombres			Mujeres		
	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45
Subtotal by age	4.68	6.12	4.16	0.87	1.94	0.82	5.11	8.67	7.34	0.30	0.76	0.42	9.78	14.79	11.49	1.17	2.70	1.23
Subtotal by gender		14.95			3.62			21.12			1.48			36.06			5.11	
TOTAL TURNOVER RATE			18.57						22.60						41.17			

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

	2021	2022	2023
Percentage of employees represented in Health and Safety Committees	74.6	85.0	73.0

403-8 WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM (ISO 45001)

	2021	2022	2023
403-8 Workers covered by an occupational health and safety management system (%)	93	87	77

403-9. INJURIES DUE TO OCCUPATIONAL ACCIDENTS

403-10 OCCUPATIONAL DISEASES AND ILLNESSES

	2021	2022	2023
Frequency rate	8.8	3.2	4.7
Frequency rate (including contractors)	6.7	3.3	4.3
Total recordable frequency rate	1.9	0.8	1.1
Total recordable frequency rate (including contractors)	1.4	0.7	0.9
Severity rate	0.28	0.10	0.17
Absenteeism rate	6.64	5.61	4.40
Occupational Disease Frequency Rate	0.29	0.65	0.22
Absenteeism hours (mill.hours)	9.28	4.12	2.08
Number of employee fatalities	2	3	1
Number of contractor fatalities	6	2	0

The number of cases of occupational diseases was 11 in 2023 (48 in 2022).
Frequency rate = number of accidents with sick leave*1,000,000/No. hours worked
Total recordable frequency rate = total recordable accidents*200,000/No. hours worked
Severity rate = number of lost days*1,000,000/no. hours worked
Note: accident rate data are given as ratios only, as they are a reliable representation of the company's health and safety performance. The significant variations in the indicators shown are mainly due to the divestment processes undertaken by the company in the last two years.

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

				2023											
	2021	2022		Executive Committee	BU Executive Committee and Corporate Director	Affiliate Executive Committee & Head of Department	Business Positions Leads	Manager	Senior Professional/ Supervisor	Professional	Admin / Support	Blue Collar	Subtotal	Hours by empl. And categ. 2023	Hours by business line 2023
Corporation	18,770	17,718	Men	0	385	1,085	0	711	3,104	154	0	0	5,439	**18.6**	**19.5**
			Women	0	59	846	0	679	3,285	158	687	0	5,713	**20.4**	
Toll Roads	9,629	13,304	Men	0	228	304	383	1,044	658	546	39	2,265	5,467	**8.1**	**9.6**
			Women	0	30	294	0	474	744	695	611	406	3,254	**14.0**	
Airports	1,014	6,297	Men	0	66	402	4	427	1,033	2,808	422	2,973	8,135	**41.7**	**42.7**
			Women	0	31	41	61	136	0	217	1,276	213	1,975	**47.1**	
Construction	118,857	205,527	Men	13	775	4,228	7,873	46,046	24,014	33,618	5,941	36,306	158,814	**9.9**	**11.6**
			Women	0	215	1,220	527	15,641	13,715	27,334	5,817	1,443	65,912	**19.7**	
Energy Infrastructures and Mobility	635,263	257,237	Men	0	9	196	91	897	1,100	3,445	886	121,094	127,718	**35.3**	**33.7**
			Women	0	0	114	99	398	332	1,477	1,371	4,533	8,324	**20.2**	
Subtotal by gender and category 2023			Men	13	1,464	6,215	8,351	49,124	29,909	40,571	7,288	162,638	305,573	**14.7**	
			Women	0	335	2,514	687	17,328	18,076	29,881	9,762	6,595	85,178	**19.8**	**15.5**
Subtotal by category 2023				13	1,798	8,730	9,038	66,452	47,985	70,452	17,049	169,233			
Subtotal by gender and category 2022			Men			68,027			57,805	80,262	11,317	177,910			
			Women			17,429			23,455	29,617	11,730	22,532			
Subtotal by category 2022						85,456			81,260	109,879	23,047	200,442			
TOTAL	**783,532**	**500,084**						**390,751**							

405-1. DIVERSITY IN GOVERNING BODIES AND EMPLOYEES

Workforce at year-end data by professional category, line of business and gender is as follows:

Workforce at year-end		2023											
		Executive Committee	BU Executive Committee and Corporate Director	Affiliate Executive Committee & Head of Department	Business Positions Leads	Manager	Senior Professional / Supervisor	Professional	Administratives / Support	Blue Collar	Subtotal	TOTAL 2023	TOTAL 2022
Corporation	Men	8	16	45	0	39	128	22	7	0	265	508	511
	Women	2	5	28	0	46	113	19	30	0	243		
Toll Roads	Men	0	0	28	12	67	51	60	6	260	484	677	632
	Women	0	1	10	0	23	44	35	23	57	193		
Airports	Men	0	5	16	0	10	13	55	16	76	191	231	239
	Women	0	2	3	0	4	1	6	21	3	40		
Construction	Men	3	35	153	255	2,053	1,188	2,441	584	9,298	16,010	19,362	17,608
	Women	0	5	35	13	497	477	1,343	621	361	3,352		
Energy Infrastructures and Mobility	Men	0	4	13	6	65	62	125	57	3,276	3,608	4,021	5,201
	Women	0	1	7	3	19	15	79	71	218	413		
TOTAL 2023	**Men**	11	60	255	273	2,234	1,442	2,703	670	12,910	20,558	24,799	24,191
	Women	2	14	83	16	589	650	1,482	766	639	4,241		
TOTAL 2022	**Men**			2,594			1,547	2,570	565	12,864	20,140		
	Women			636			720	1,324	668	703	4,051		

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

Gender pay gap 2023 (expressed in local currency) by country. Data as of 12.31.2023 - Base Salary + Salary Supplements (*):

Country	Gender	Nº employees	% employees	Median salary	Average salary	% gender pay gap (median salary)	% gender pay gap (average salary)
Spain	Women	1,000	17.0%	40,708 €	50,179 €	-23.41%	-4.45%
	Men	4,829	83.0%	32,984 €	48,041 €		
United Kingdom	Women	284	25.0%	£41,971	£49,660	16.79%	13.27%
	Men	856	75.0%	£50,441	£57,257		
USA	Women	584	13.0%	$75,056	$89,311	-25.78%	-10.67%
	Men	3,781	87.0%	$59,673	$80,699		
Poland	Women	1,643	26.0%	108,480 zł	126,162 zł	-19.10%	1.66%
	Men	4,706	74.0%	91,080 zł	128,287 zł		
Chile	Women	405	8.0%	16,204,457 CLP	19,635,969 CLP	-0.85%	-2.96%
	Men	4,412	92.0%	16,068,561 CLP	19,071,390 CLP		
Canada	Women	70	13.0%	$79,738	$101,644	-0.22%	-10.50%
	Men	483	87.0%	$79,565	$91,987		

(*) Salary supplements are understood to be those remunerations received by employees which, together with the base salary, make up the total salary structure. These amounts are related to the work performed by employees (night work, overtime, etc.), to their personal or professional conditions (such as languages or productivity), or to the company's results (such as the annual variable).

Gender pay gap 2023 (expressed in euros) by country. Data as of 12.31.2023 - Base Salary + Salary Supplements (*):

Country	Gender	Nº employees	% employees	Median salary	Average salary	% gender pay gap (median salary)	% gender pay gap (average salary)
Spain	Women	1,000	17.0%	40,708 €	50,179 €	-23.41%	-4.45%
	Men	4,829	83.0%	32,984 €	48,041 €		
United Kingdom	Women	284	25.0%	48,264 €	57,105 €	16.79%	13.27%
	Men	856	75.0%	58,004 €	65,842 €		
USA	Women	584	13.0%	69,402 €	82,583 €	-25.78%	-10.67%
	Men	3,781	87.0%	55,178 €	74,619 €		
Poland	Women	1,643	26.0%	23,888 €	27,782 €	-19.10%	1.66%
	Men	4,706	74.0%	20,056 €	28,250 €		
Chile	Women	405	8.0%	17,832 €	21,608 €	-0.85%	-2.96%
	Men	4,412	92.0%	17,682 €	20,986 €		
Canada	Women	70	13.0%	54,645 €	69,657 €	-0.22%	-10.50%
	Men	483	87.0%	54,526 €	63,040 €		
GLOBAL GENDER PAY GAP 2023	**Women**	**3,986**	**17.0%**	**36,438 €**	**43,627 €**	**-12.73%**	**-0.65%**
	Men	**19,067**	**83.0%**	**32,323 €**	**43,345 €**		
GLOBAL GENDER PAY GAP 2022	**Women**	**3,780**	**21.0%**	**36,424 €**	**42,199 €**	**-8.87%**	**3.24%**
	Men	**18,532**	**79.0%**	**33,457 €**	**43,610 €**		

Note: the Global Pay Gap has been reduced from 2023 to 2022. The main reason why the Gender Pay Gap is in favor of women is due to the fact that the majority of Blue Collar positions are occupied by men, being this category the one that includes the lowest paid employees in the company (being this distribution composed of 95% of men and 5% of women). In addition, this category has a large weight within the company's total workforce, as Blue Collars represent 54% of the total workforce. The workforce included in the analysis represents 92.96% of the total workforce at the end of the year.
(*) Salary supplements are understood to be those remunerations received by employees which, together with the base salary, make up the total salary structure. These amounts are related to the work performed by employees (night work, overtime, etc.), to their personal or professional conditions (such as languages or productivity), or to the company's results (such as the annual variable).

Global Gender Pay Gap 2023 (expressed in €) by professional category. Data as of 12.31.2023 - Base Salary + Salary Supplements (*)

	Professional category	Gender	Nº Employees	% Employees	Average salary in € 2023	% Average gender pay gap 2023	Average salary in € 2022	% Average gender pay gap 2022
TOTAL WORKFORCE BY PROFESSIONAL CATEGORY	Manager and superiors (**)	Women	691	20.0%	100.134 €	13.90%	91.965 €	15.11%
		Men	2,745	80.0%	116.300 €		108.340 €	
	Senior Professionals/ Supervisors	Women	634	32.0%	66.888 €	8.59%	62.676 €	12.18%
		Men	1,371	68.0%	73.177 €		71.366 €	
	Professionals	Women	1,405	36.0%	48.087 €	17.06%	44.753 €	17.87%
		Men	2,462	64.0%	57.978 €		54.488 €	
	Administratives/ Support	Women	677	52.0%	35.956 €	-4.45%	36.020 €	-0.92%
		Men	619	48.0%	34.423 €		35.691 €	
	Blue Collars	Women	579	5.0%	27.361 €	12.78%	29.314 €	13.21%
		Men	11,870	95.0%	31.370 €		33.776 €	
	TOTAL 2023	**Women**	**3,986**	**17.0%**	**43.627 €**	**-0.65%**	**42.199 €**	**3.24%**
		Men	**19,067**	**83.0%**	**43.345 €**		**43.610 €**	

NOTE: The workforce included in the analysis represents 92.96% of the total workforce at the end of the year.
(*) Salary supplements are understood to be those remunerations received by employees which, together with the base salary, make up the total salary structure. These amounts are related to the work performed by employees (night work, overtime, etc.), to their personal or professional conditions (such as languages or productivity), or to the company's results (such as the annual variable).
(**)This category includes: BU Executive Committee and Corporate Director, Affiliate Executive Committee & Head of Department, Business Positions Leads y Managers.

Gender pay gap 2023 (expressed in local currency) by professional category. Data as of 12.31.2023 - Base Salary + Salary Supplements (*)

Country	Professional category	Gender	Nº employees	% employees	Average salary	% Gender pay gap
Spain	Manager and superiors (**)	Women	200	20.0%	92,454 €	18.47%
		Men	822	80.0%	113,395 €	
	Senior Professionals/Supervisors	Women	242	30.0%	52,583 €	10.21%
		Men	555	70.0%	58,563 €	
	Professionals	Women	229	25.0%	40,592 €	12.58%
		Men	680	75.0%	46,434 €	
	Administratives/Support	Women	143	33.0%	33,723 €	-5.88%
		Men	284	67.0%	31,850 €	
	Blue Collars	Women	186	7.0%	26,492 €	-0.46%
		Men	2,488	93.0%	26,370 €	
	TOTAL 2023	**Women**	**1,000**	**17.0%**	**50,179 €**	**-4.45%**
		Men	**4,829**	**83.0%**	**48,041 €**	
	TOTAL 2022	**Women**	**911**	**17.0%**	**49,637 €**	**0.32%**
		Men	**4,502**	**83.0%**	**49,795 €**	
United Kingdom	Manager and superiors (**)	Women	51	27.0%	£91,267	18.17%
		Men	139	73.0%	£111,525	
	Senior Professionals/Supervisors	Women	42	22.0%	£63,861	11.18%
		Men	151	78.0%	£71,896	
	Professionals	Women	88	31.0%	£41,196	11.53%
		Men	197	69.0%	£46,564	
	Administratives/Support	Women	63	68.0%	£32,857	0.23%
		Men	30	32.0%	£32,933	
	Blue Collars	Women	40	11.0%	£26,781	27.18%
		Men	339	89.0%	£36,776	
	TOTAL 2023	**Women**	**284**	**25.0%**	**£49,660**	**13.27%**
		Men	**856**	**75.0%**	**£57,257**	
	TOTAL 2022	**Women**	**293**	**25.0%**	**£45,627**	**15.58%**
		Men	**867**	**75.0%**	**£54,047**	
USA	Manager and superiors (**)	Women	92	21.0%	$170,234	9.97%
		Men	351	79.0%	$189,078	
	Senior Professionals/Supervisors	Women	93	32.0%	$103,712	19.82%
		Men	196	68.0%	$129,344	
	Professionals	Women	153	22.0%	$84,684	18.89%
		Men	532	78.0%	$104,405	
	Administratives/Support	Women	164	69.0%	$57,211	21.97%
		Men	73	31.0%	$73,322	
	Blue Collars	Women	82	3.0%	$49,646	12.68%
		Men	2,629	97.0%	$56,855	
	TOTAL 2023	**Women**	**584**	**13.0%**	**€89,311**	**-10.67%**
		Men	**3,781**	**87.0%**	**€80,699**	
	TOTAL 2022	**Women**	**599**	**14.0%**	**€82,726**	**1.02%**
		Men	**3,579**	**86.0%**	**€83,577**	
Poland	Manager and superiors (**)	Women	330	20.0%	201,484 PLN	13.24%
		Men	1,361	80.0%	232,223 PLN	
	Senior Professionals/Supervisors	Women	234	44.0%	161,389 PLN	12.09%
		Men	300	56.0%	183,593 PLN	
	Professionals	Women	848	51.0%	102,792 PLN	4.94%
		Men	820	49.0%	108,129 PLN	
	Administratives/Support	Women	195	64.0%	72,307 PLN	9.26%
		Men	108	36.0%	79,689 PLN	
	Blue Collars	Women	36	2.0%	56,946 PLN	10.34%
		Men	2,117	98.0%	63,512 PLN	
	TOTAL 2023	**Women**	**1,643**	**26.0%**	**126,162 PLN**	**1.66%**
		Men	**4,706**	**74.0%**	**128,287 PLN**	
	TOTAL 2022	**Women**	**1,534**	**25.0%**	**118,472 PLN**	**1.94%**
		Men	**4,568**	**75.0%**	**120,812 PLN**	

Chile	Manager and superiors (**)	Women	11	19.0%	65,525,925 CLP	24.20%
		Men	47	81.0%	86,440,142 CLP	
	Senior Professionals/Supervisors	Women	21	11.0%	35,707,134 CLP	9.88%
		Men	166	89.0%	39,621,224 CLP	
	Professionals	Women	65	25.0%	23,442,873 CLP	19.89%
		Men	191	75.0%	29,264,990 CLP	
	Administratives/Support	Women	101	45.0%	14,744,005 CLP	7.34%
		Men	121	55.0%	15,911,407 CLP	
	Blue Collars	Women	207	5.0%	16,556,737 CLP	2.15%
		Men	3,887	95.0%	16,921,003 CLP	
	TOTAL 2023	**Women**	**405**	**8.0%**	**19,635,969 CLP**	**-2.96%**
		Men	**4,412**	**92.0%**	**19,071,390 CLP**	
	TOTAL 2022	**Women**	**376**	**8.0%**	**21,963,069 CLP**	**-12.45%**
		Men	**4,468**	**92.0%**	**19,530,994 CLP**	
Canada	Manager and superiors (**)	Women	7	22.0%	$164,939	10.99%
		Men	25	78.0%	$185,306	
	Senior Professionals/Supervisors	Women	2	40.0%	$161,528	17.48%
		Men	3	60.0%	$195,744	
	Professionals	Women	22	34.0%	$136,052	3.50%
		Men	42	66.0%	$140,979	
	Administratives/Support	Women	11	79.0%	$81,581	37.43%
		Men	3	21.0%	$130,373	
	Blue Collars	Women	28	6.0%	$64,848	19.43%
		Men	410	94.0%	$80,487	
	TOTAL 2023	**Women**	**70**	**13.0%**	**€101,644**	**-10.50%**
		Men	**483**	**87.0%**	**€91,987**	
	TOTAL 2022	**Women**	**67**	**11.0%**	**€77,202**	**3.97%**
		Men	**548**	**89.0%**	**€80,398**	

NOTE: The workforce included in the analysis represents 92.96% of the total workforce at the end of the year.
(*) Salary supplements are understood to be those remunerations received by employees which, together with the base salary, make up the total salary structure. These amounts are related to the work performed by employees (night work, overtime, etc.), to their personal or professional conditions (such as languages or productivity), or to the company's results (such as the annual variable).
(**)This category includes: BU Executive Committee and Corporate Director, Affiliate Executive Committee & Head of Department, Business Positions Leads y Managers.

Global Gender Pay Gap 2023 (expressed in €) by age group. Data as of 12.31.2023 - Base Salary + Salary Supplements*

	Age Group	Gender	Nº employees	% employees	Average salary 2023	% Gender pay gap 2023	Average salary 2022	% Gender pay gap 2022
TOTAL WORKFORCE BY AGE GROUP	0-30	Women	980	22.0%	31.692 €	3.40%	31.677 €	1.26%
		Men	3,392	78.0%	32.806 €		32.083 €	
	30-45	Women	1,952	20.0%	42.826 €	-4.20%	40.691 €	4.88%
		Men	7,767	80.0%	41.098 €		42.777 €	
	>45	Women	1,054	12.0%	55.955 €	-11.92%	54.361 €	-10.01%
		Men	7,908	88.0%	49.995 €		49.417 €	
	TOTAL 2023	**Women**	**3,986**	**17.0%**	**43.627 €**	**-0.65%**	**42.199 €**	**3.24%**
		Men	**19,067**	**83.0%**	**43.345 €**		**43.610 €**	

NOTE: The workforce included in the analysis represents 92.96% of the total workforce at the end of the year.
(*) Salary supplements are understood to be those remunerations received by employees which, together with the base salary, make up the total salary structure. These amounts are related to the work performed by employees (night work, overtime, etc.), to their personal or professional conditions (such as languages or productivity), or to the company's results (such as the annual variable).

Gender pay gap 2023 (expressed in local currency) by age group. Data as of 12.31.2023 - Base Salary + Salary Supplements (*)

Country	Age group	Gender	Nº employees	% employees	Average salary	% Gender pay gap
Spain	0-30	Women	183	27.0%	33,084 €	-14.48%
		Men	492	73.0%	28,900 €	
	30-45	Women	359	20.0%	49,579 €	-16.14%
		Men	1,404	80.0%	42,690 €	
	>45	Women	458	14.0%	57,120 €	-6.20%
		Men	2,933	86.0%	53,785 €	
	TOTAL 2023	**Women**	**1,000**	**17.0%**	**50,179 €**	**-4.45%**
		Men	**4,829**	**83.0%**	**48,041 €**	
	TOTAL 2022	**Women**	**911**	**17.0%**	**49,637 €**	**0.32%**
		Men	**4,502**	**83.0%**	**49,795 €**	
United Kingdom	0-30	Women	79	34.0%	£37,851	4.16%
		Men	150	66.0%	£39,495	
	30-45	Women	136	27.0%	£56,833	4.78%
		Men	365	73.0%	£59,688	
	>45	Women	69	17.0%	£49,041	21.50%
		Men	341	83.0%	£62,468	
	TOTAL 2023	**Women**	**284**	**25.0%**	**£49,660**	**13.27%**
		Men	**856**	**75.0%**	**£57,257**	
	TOTAL 2022	**Women**	**293**	**25.0%**	**£45,627**	**15.58%**
		Men	**867**	**75.0%**	**£54,047**	
USA	0-30	Women	154	13.0%	$71,882	-22.36%
		Men	1,060	87.0%	$58,745	
	30-45	Women	239	16.0%	$96,852	-11.16%
		Men	1,274	84.0%	$87,130	
	>45	Women	191	12.0%	$93,284	-2.80%
		Men	1,447	88.0%	$90,740	
	TOTAL 2023	**Women**	**584**	**13.0%**	**$89,311**	**-10.67%**
		Men	**3,781**	**87.0%**	**$80,699**	
	TOTAL 2022	**Women**	**599**	**14.0%**	**$82,726**	**1.02%**
		Men	**3,579**	**86.0%**	**$83,577**	
Poland	0-30	Women	450	41.0%	87,944 zł	-4.96%
		Men	650	59.0%	83,785 zł	
	30-45	Women	969	28.0%	129,783 zł	8.29%
		Men	2,458	72.0%	141,518 zł	
	>45	Women	224	12.0%	187,582 zł	-48.74%
		Men	1,598	88.0%	126,117 zł	
	TOTAL 2023	**Women**	**1,643**	**26.0%**	**126,162 zł**	**1.66%**
		Men	**4,706**	**74.0%**	**128,287 zł**	
	TOTAL 2022	**Women**	**1,534**	**25.0%**	**118,472 PLN**	**1.94%**
		Men	**4,568**	**75.0%**	**120,812 PLN**	
Chile	0-30	Women	101	10.0%	16,156,156 CLP	-7.83%
		Men	959	90.0%	14,983,337 CLP	
	30-45	Women	216	9.0%	21,546,225 CLP	-11.32%
		Men	2,128	91.0%	19,355,210 CLP	
	>45	Women	88	6.0%	18,852,619 CLP	12.48%
		Men	1,325	94.0%	21,540,020 CLP	
	TOTAL 2023	**Women**	**405**	**8.0%**	**19,635,969 CLP**	**-2.96%**
		Men	**4,412**	**92.0%**	**19,071,390 CLP**	
	TOTAL 2022	**Women**	**376**	**8.0%**	**21,963,069 CLP**	**-12.45%**
		Men	**4,468**	**92.0%**	**19,530,994 CLP**	
Canada	0-30	Women	13	13.0%	$91,926	-4.91%
		Men	81	87.0%	$87,623	
	30-45	Women	33	13.0%	$119,002	-16.54%
		Men	138	87.0%	$102,111	
	>45	Women	24	9.0%	$83,358	5.27%
		Men	264	91.0%	$87,997	
	TOTAL 2023	**Women**	**70**	**13.0%**	**$101,644**	**-10.50%**
		Men	**483**	**87.0%**	**$91,987**	
	TOTAL 2022	**Women**	**67**	**11.0%**	**$77,202**	**3.97%**
		Men	**548**	**89.0%**	**$80,398**	

NOTE: The workforce included in the analysis represents 92.96% of the total workforce at the end of the year.
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GLOSSARY OF TERMS

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

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

Alignment: an activity is considered aligned according to the EU Taxonomy if it demonstrates a substantial contribution to one of the six EU environmental objectives without having a detrimental impact on any of the other five, and also meets the minimum social safeguards and technical screening criteria.

APS: Announced Pledges Scenario. A scenario in which it is assumed that all climate commitments set by governments around the world, including nationally determined contributions and long-term net zero targets, will be met on time and on form. This scenario would imply a global temperature increase of 1.9/2.3°C in 2100.

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

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

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

BuildUp!: Ferrovial's initiative to promote entrepreneurial talent and provide sustainable solutions to the company's internal needs.

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

CAA: Civil Aviation Authority. The Civil Aviation Authority is the statutory corporation which oversees and regulates all aspects of civil aviation in the United Kingdom.

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

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

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

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

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

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

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

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

DBF: Design, Build and Finance

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

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

EIT KICs: Knowledge and Innovation Communities (Innovation Communities) EIT Innovation Communities are partnerships that bring together companies, research centers and universities that harness European innovation and entrepreneurship to find solutions to major societal challenges in areas with high innovation potential and create jobs and quality growth.

Eligibility: an activity is considered eligible under the EU Taxonomy if it demonstrates that it makes a substantial contribution to one of the six EU environmental objectives without having a detrimental impact on any of the other five.

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

EU Taxonomy: is a new classification system designed by the European Commission to describe whether an activity or business investment can be considered sustainable in terms of climate change adaptation or mitigation.

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

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

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

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

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

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

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

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

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

IAGC: Informe Anual de Gobierno Corporativo. Annual Corporate Governance Report

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

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

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

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

IPCC: The Intergovernmental Panel on Climate Change is the United Nations body for assessing the science related to climate change. It provides regular assessments of the scientific basis of climate change, its impacts and future risks, and options for adaptation and mitigation.

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

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

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

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

NTO: New Terminal One. Ferrovial, through its Airports division, has agreed to acquire in 2022 a stake in New Terminal One, the consortium appointed to design, build and operate New Terminal 1 at New York's JFK International Airport (which includes Terminals 1 and 2, and the former T3 and potential extensions).

NZE: Net Zero Emissions by 2050 Scenario. Scenario showing a difficult but achievable path in which the global energy sector achieves net CO2 emissions by 2050, with advanced economies reaching that goal before the others. This scenario would imply a global temperature increase of 1.3/1.5°C in 2100.

OMEGA: Optimization of Equipment Maintenance and Asset Management.

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

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

RCE: Risk Control Effectiveness.

Representative Concentration Pathways (RCP) 4.5. Scenario in which emissions peak around 2040 and then decline. In this scenario the temperature could reach 2.6°C in 2100.

Representative Concentration Pathways (RCP) 8.5. Scenario in which emissions continue to increase until they double by 2050. This is known as the business as usual scenario. The global average temperature exceeds 4.4°C in 2100.

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

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

SCOPE 1: Emissions from sources owned or controlled by the company. They come mainly from the combustion of fuels in stationary equipment (boilers, furnaces, turbines, etc.) to produce electricity, heat or steam; fuel consumption in fleet vehicles owned or controlled by the company; diffuse emissions, those not associated with a specific source, such as biogas emissions from landfills; and channeled emissions, GHG emissions generated through a source, excluding those from fuel combustion. The source of the emission factors is the GHG Protocol, while for UK operations DEFRA is being used by country requirement and the EPER methodology for diffuse emissions at landfills.

SCOPE 2: Emissions generated because of the consumption of electricity purchased from other companies that produce or control it. The GHG Protocol Scope 2 Guidance standard has been followed and the emissions reported are based on the market-based method, which reflects the effort being made by the company to use and purchase renewable electricity. However, emissions are also calculated on a location-based basis (see more information in the GRI Annex). Emission factor sources: electricity supplier. When the supplier's emission factors are not available, following GHG Protocol recommendations, the country's energy mix factors according to the International Energy Agency are used.

SCOPE 3: Indirect emissions occurring in the value chain. Ferrovial estimates Scope 3 emissions following the guidelines set out in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard published by the GHG Protocol Initiative, the WRI and the WBCSD. Categories 9, 10, 13 and 14 of this protocol are not material to Ferrovial, as they would not apply according to the activities it carries out. The sources of emission factors are GHG Protocol, DEFRA, CEDA and the International Energy Agency.

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

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

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

STEPS: Stated Policies Scenario. Scenario that considers current policies defined at the sectoral level, as well as those that have been announced by the countries. This scenario would imply a global temperature increase of 2.4/2.8ºC in 2100.

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

TNFD: Task Force on Nature-related Financial Disclosures. This is a global market-driven initiative with a mission to develop and provide a risk management and disclosure framework for organizations to report and act on evolving nature-related risks and opportunities, with the ultimate goal of supporting a shift in global financial flows away from negative outcomes for nature and towards positive ones. A series of recommendations and guidelines have been developed for organizations to report and act on evolving nature-related dependencies, impacts, risks and opportunities.

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

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

UTE: Unión Temporal de Empresas. Temporary Joint Venture

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

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

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

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

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

Amsterdam, 27 February 2024.

BOARD OF DIRECTORS

Mr. Rafael del Pino y Calvo-Sotelo, Executive Director (Chairman)

Mr. Óscar Fanjul Martín, Non-Executive Director (Vice-Chairman)

Mr. Ignacio Madridejos Fernández, Executive Director (Chief Executive Officer)

Ms. María del Pino y Calvo-Sotelo, Non-Executive Director

Mr. José Fernando Sánchez-Junco Mans, Non-Executive Director

Mr. Philip Bowman, Non-Executive Director

Ms. Hanne Birgitte Breinbjerg Sørensen, Non-Executive Director

Mr. Bruno Di Leo, Non-Executive Director

Mr. Juan Hoyos Martínez de Irujo, Non-Executive Director (Lead Director)

Mr. Gonzalo Urquijo Fernández de Araoz, Non-Executive Director

Ms. Hildegard Wortmann, Non-Executive Director

Ms. Alicia Reyes Revuelta, Non-Executive Director


AGUADO

Building a better working world

Limited assurance report of the independent auditor on selected sustainability information

To: the shareholders and board of directors of Ferrovial SE

Our conclusion

We have performed a limited assurance engagement on selected sustainability information in the accompanying integrated annual report for the year 2023 of Ferrovial SE at Amsterdam.

Based on our procedures performed and the assurance information obtained, nothing has come to our attention that causes us to believe that the selected sustainability information is not prepared, in all material respects, in accordance with the applicable criteria as included in the section Criteria.

The selected sustainability information in the scope of our assurance engagement consists of the sustainability information included and referred to in the tables in appendixes Non-financial information and diversity reference table (Dutch Law) and Contents of Non-Financial Information Statements (Spanish Law) of the integrated annual report 2023.

Basis for our conclusion

We have performed our limited assurance engagement on the selected sustainability information in accordance with Dutch law, including Dutch Standard 3000A "Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)" (Assurance engagements other than audits or reviews of historical financial information [attestation engagements]). Our responsibilities in this regard are further described in the section Our responsibilities for the assurance engagement on the selected sustainability information of our report.

We are independent of Ferrovial SE in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Criteria

The criteria applied for the preparation of the selected sustainability information are the requirements as set forth by:

- Dutch law: Decision of 22 April 2022, to amend the Decision on the content of the management report in connection with the temporary obligation for large companies to report on the male-female ratio at the top and sub-top and on the target figures in the management report.
- Dutch law: Decision of 22 December 2016 amending the Decision of 23 December 2004 laying down further provisions on the content of the annual report (Government Gazette 2004, 747) implementing Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards the disclosure of non-financial information and diversity information by certain large companies and groups (OJEU 2014, L 330) (Diversity Disclosure Decision).
- Spanish law 11/2018, of 28 December, which amends the Commercial Code, the revised text of the Capital Companies Law approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on Auditing of Accounts, in relation to non-financial information and diversity.

The Sustainability Reporting Standards of the Global Reporting Initiative (GRI) used are included by reference in the column "GRI Standard" in the appendix Contents of Non-Financial Information Statements (Spanish Law) of the integrated annual report 2023. Furthermore, supplemental reporting criteria have been applied as disclosed in the appendix Reporting principles of the integrated annual report 2023.

The criteria applied for the appendix EU Taxonomy are the Regulation (EU) 2020/852 as supplemented with Commission Delegated Regulation (EU) 2021/2139, Commission Delegated Regulation (EU) 2021/2178, Commission Delegated Regulation (EU) 2022/1214 complementary to the EU climate taxonomy that amends Commission Delegated Regulations (EU) 2021/2139 and (EU) 2021/2178, Commission Delegated Regulation (EU) 2023/2485 and Commission Delegated Regulation (EU) 2023/2486.

The comparability of sustainability information between entities and over time may be affected by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques. Consequently, the selected sustainability information needs to be read and understood together with the criteria applied.

Limitations to the scope of our assurance engagement

Our assurance engagement is restricted to the selected sustainability information. We have not performed assurance procedures on any other information as included in the integrated annual report 2023 in light of this engagement.

The selected sustainability information includes prospective information such as ambitions, strategy, plans, expectations and estimates. Prospective information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the assumptions and achievability of this prospective information.

The references to external sources or websites are not part of our assurance engagement on the selected sustainability information. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect of these matters.

Responsibilities of the board of directors for the selected sustainability information

The executive directors of the board of directors are responsible for the preparation of the selected sustainability information in accordance with the criteria as included in the section Criteria. The executive directors are also responsible for selecting and applying the criteria and for determining that these criteria are suitable for the legitimate information needs of the intended users, considering applicable law and regulations related to reporting. The choices made by the executive directors regarding the scope of the selected sustainability information and the reporting policy are summarized in the appendix Reporting principles of the integrated annual report 2023.

Furthermore, the executive directors are responsible for such internal control as they determine is necessary to enable the preparation of the selected sustainability information that is free from material misstatement, whether due to fraud or error.

The non-executive directors of the board of directors are responsible for overseeing the reporting process of the selected sustainability information of Ferrovial SE.

Building a better working world

Our responsibilities for the assurance engagement on the selected sustainability information

Our responsibility is to plan and perform the assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance to determine the plausibility of the selected sustainability information. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance that is obtained when a reasonable assurance engagement is performed.

We apply the "Nadere voorschriften kwaliteitssystemen" (NVKS, regulations for quality management systems) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our assurance engagement included amongst others:

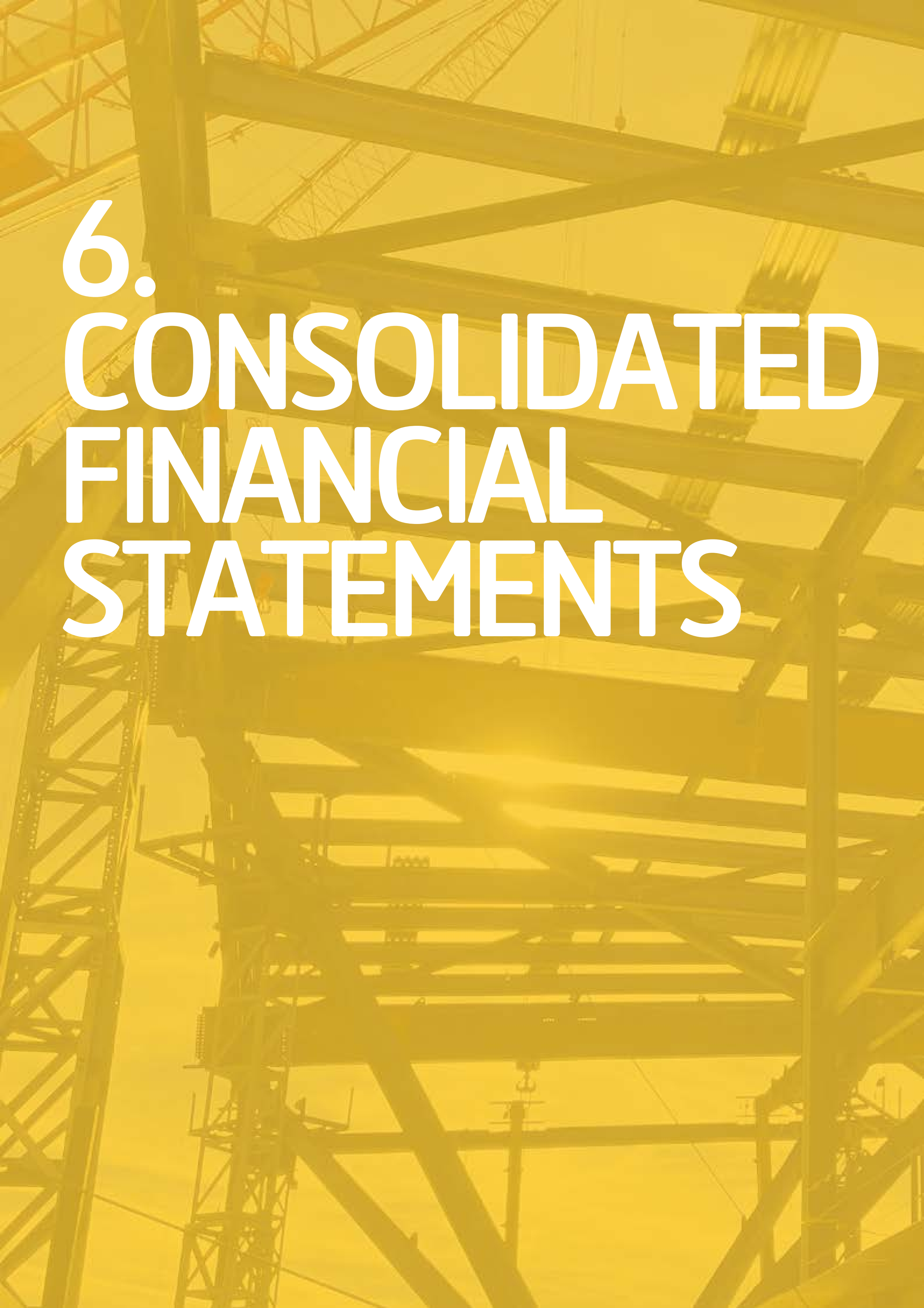
- Performing an analysis of the external environment and obtaining an understanding of the sector, insight into relevant sustainability themes and issues and the characteristics of the company as far as relevant to the selected sustainability information
- Evaluating the appropriateness of the criteria applied, their consistent application and related disclosures on the selected sustainability information. This includes the evaluation of the reasonableness of estimates made by the executive directors
- Obtaining through inquiries a general understanding of the internal control environment, the reporting processes, the information systems and the entity's risk assessment process relevant to the preparation of the selected sustainability information, without obtaining assurance information about the implementation or testing the operating effectiveness of controls
- Identifying areas of the selected sustainability information where misleading or unbalanced information or a material misstatement, whether due to fraud or error, is likely to arise. Designing and performing further assurance procedures aimed at determining the plausibility of the selected sustainability information responsive to this risk analysis. These procedures consisted amongst others of:
  - Interviewing relevant staff responsible for providing the information for, carrying out controls on, and consolidating the data in the selected sustainability information
  - Obtaining assurance evidence that the selected sustainability information reconciles with underlying records of Ferrovial SE
  - Reviewing, on a limited sample basis, relevant internal and external documentation
  - Considering the data and trends in the information submitted for consolidation at corporate level
- Reconciling the relevant financial information with the financial statements
- Reading the information in the integrated annual report 2023 that is not included in the scope of our assurance engagement to identify material inconsistencies, if any, with the selected sustainability information
- Considering whether the selected sustainability information is presented and disclosed free from material misstatement in accordance with the criteria applied.

Amsterdam, 27 February 2024

Ernst & Young Accountants LLP

signed by J.J. Vernooij

6. CONSOLIDATED FINANCIAL STATEMENTS



CONTENTS

A. FERROVIAL SE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2023 AND 2022

Assets (Million euro)	Note	2023	2022 (*)
Non-current assets		**19,328**	**18,925**
Goodwill	3.1	475	480
Intangible assets	3.2	122	138
Fixed assets in infrastructure projects	3.3	13,495	13,667
Intangible asset model		13,333	13,504
Financial asset model		162	163
Property, plant and equipment	3.4	594	479
Right of use assets	3.7	196	183
Investments in associates	3.5	2,038	1,951
Non-current financial assets	3.6	1,148	1,095
Loans granted to associates		262	246
Non-current restricted cash	5.2	628	597
Other non-current receivables		258	252
Deferred tax assets	2.7	1,006	784
Long-term financial derivatives at fair value	5.5	254	148
Current assets		**6,990**	**7,419**
Inventories	4.1	458	476
Current income tax assets		35	19
Short-term trade and other receivables	4.2	1,677	1,608
Trade receivables for sales and services		1,353	1,300
Other short-term receivables		324	308
Other short-term financial assets		–	–
Cash and cash equivalents	5.2	4,789	5,130
Infrastructure project companies		204	168
Restricted cash		31	38
Other cash and cash equivalents		173	130
Ex-infrastructure project companies		4,585	4,962
Short-term financial derivatives at fair value	5.5	31	184
Assets held for sale	1.1.5	–	2
TOTAL ASSETS		**26,318**	**26,344**

Liabilities and equity (Million euro)	Note	2023	2022 (*)
Equity	5.1	**5,879**	**6,353**
Equity attributable to shareholders		3,766	4,113
Equity attributable to non-controlling interests		2,113	2,240
Non-current liabilities		**14,664**	**14,612**
Deferred income	6.1	1,334	1,410
Employee benefit plans	6.2	3	2
Long-term provisions	6.3	268	416
Long term lease liabilities	3.7	141	120
Borrowings	5.2	10,423	10,776
Debentures and borrowings of infrastructure project companies		7,852	7,893
Debentures and borrowings of ex-infrastructure project companies		2,571	2,883
Other payables	6.4	1,310	898
Deferred taxes	2.7	1,086	924
Long-term financial derivatives at fair value	5.5	99	66
Current liabilities		**5,775**	**5,379**
Short-term lease liabilities	3.7	59	64
Borrowings	5.2	942	877
Debentures and borrowings of infrastructure project companies		63	74
Debentures and borrowings of ex-infrastructure project companies		879	803
Financial derivatives at fair value	5.5	34	47
Current income tax liabilities		83	30
Short-term trade and other payables	4.3	3,646	3,431
Trade payables		1,698	1,663
Advance payments from customers and work certified in advance		1,529	1,364
Other short-term payables		419	404
Short-term provisions	6.3	1,011	930
TOTAL LIABILITES AND EQUITY		**26,318**	**26,344**

(*) Restated figures (Note 1.1.7)

The accompanying notes are an integral part of the consolidated statement of financial position as of December 31, 2023 and 2022.

B. FERROVIAL SE CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021.

Income statement (Million euro)	Note		2023	2022 (*)	2021
Revenue			8,514	7,551	6,910
Other operating income			1	2	1
Revenues and other operating income	2.1		**8,515**	**7,553**	**6,911**
Materials consumed			1,047	1,197	1,085
Other operating expenses	2.2		4,878	4,182	3,923
Personnel expenses	2.3		1,599	1,446	1,293
Total operating expenses			**7,524**	**6,825**	**6,301**
Fixed asset depreciation			401	299	270
Impairment and disposal of fixed assets	2.4		35	(6)	1,139
Operating profit/(loss)			**625**	**423**	**1,479**
Net financial income/(expense) from financing			(328)	(243)	(220)
Profit/(loss) on derivatives and other net financial income/(expense)			(44)	(122)	(87)
Net financial income/(expense) from infrastructure projects			**(372)**	**(365)**	**(307)**
Net financial income/(expense) from financing			111	1	(27)
Profit/(loss) on derivatives and other net financial income/(expense)			77	44	(1)
Net financial income/(expense) from ex-infrastructure projects			**188**	**45**	**(28)**
Net financial income/(expense)	2.5		**(184)**	**(320)**	**(335)**
Share of profits of equity-accounted companies	2.6		215	165	(178)
Profit/(loss) before tax from continuing operations			**656**	**268**	**966**
Income/(expense) tax	2.7		(42)	(30)	9
Profit/(loss) net of tax from continuing operations			**614**	**238**	**975**
Profit/(loss) net of tax from discontinued operations			16	64	361
Net profit/(loss)			**630**	**302**	**1,336**
Net profit/(loss) for the year attributed to non-controlling interests	2.9		(170)	(117)	(138)
Net profit/(loss) for the year attributed to the parent company			**460**	**185**	**1,198**
Net earnings per share attributed to the parent company (in euros)	2.10	Diluted	0.62	0.24	1.63
		Basic	0.62	0.24	1.63
Net earnings per share attributed to the parent company´s Continuing Operations (in euros)		Diluted	0.60	0.16	1.14
		Basic	0.60	0.16	1.14

(*) Restated figures (Note 1.1.7)

The accompanying notes are an integral part of the consolidated income statement for the years ended December 31, 2023, 2022, and 2021.

C. FERROVIAL SE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021.

(Million euro)	Note	2023	2022 (*)	2021
a) Net profit/(loss)		**630**	**302**	**1,336**
Attributed to parent company		460	185	1,198
Attributed to non-controlling interests		170	117	138
b) Income and expense recognized directly in equity	5.1	**(119)**	**456**	**180**
Fully-consolidated companies		(98)	333	131
Impact on hedge reserves	5.5	20	193	11
Impact on defined benefit plan reserves		–	–	–
Currency translation differences		(92)	160	114
Tax effect		(26)	(20)	6
Companies held for sale		(5)	(8)	27
Impact on hedge reserves		(6)	–	4
Impact on defined benefit plan reserves		–	–	–
Currency translation differences		–	(8)	24
Tax effect		1	–	(1)
Equity-accounted companies		(16)	131	22
Impact on hedge reserves		12	236	45
Impact on defined benefit plan reserves		–	–	33
Currency translation differences		(33)	(29)	(32)
Tax effect		5	(76)	(24)
c) Transfers to income statement	5.1	**8**	**131**	**1**
Fully-consolidated companies		(3)	(47)	12
Transfers to income statement	5.5	(4)	(62)	16
Tax effect		1	15	(4)
Companies held for sale		11	178	3
Transfers to income statement		13	179	4
Tax effect		(2)	(1)	(1)
Equity-accounted companies		–	–	(14)
Transfers to income statement		–	–	(14)
Tax effect		–	–	–
a)+ b)+ c) TOTAL COMPREHENSIVE INCOME		**519**	**889**	**1,517**
Attributed to the parent company		**388**	**707**	**1,395**
Attributed to non-controlling interests		131	182	122

(*) Restated figures (Note 1.1.7)

The accompanying notes are an integral part of the consolidated statements of comprehensive income for the years ended December 31, 2023, 2022 and 2021.

D. FERROVIAL SE CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

(Million Euro)	Share capital	Share/ Merger premium	Treasury shares	Other equity instruments	Measurement adjustments	Retained earnings and other reserves	Attributed to shareholders	Attributed to non-controlling interest	Total Equity
Balance at 12.31.20	**147**	**647**	**(13)**	**506**	**(1,496)**	**3,359**	**3,150**	**640**	**3,790**
Consolidated profit/(loss) for the year 2021	–	–	–	–	–	1,198	1,198	138	1,336
Income and expense recognized directly in equity	–	–	–	–	196	–	196	(16)	180
Transfers to income statement	–	–	–	–	1	–	1	–	1
Total income and expenses recognized for the year	**–**	**–**	**–**	**–**	**197**	**1,198**	**1,395**	**122**	**1,517**
Scrip dividend agreement	3	3	–	–	–	(34)	(28)	–	(28)
Other dividends	–	–	–	–	–	–	–	(270)	(270)
Treasury share transactions	(3)	(432)	(111)	–	–	111	(435)	–	(435)
Shareholder remuneration	**–**	**(429)**	**(111)**	**–**	**–**	**77**	**(463)**	**(270)**	**(733)**
Share capital increases/reductions	–	–	–	–	–	–	–	28	28
Share-based remuneration schemes	–	–	–	–	–	(22)	(22)	–	(22)
Other movements	–	–	–	–	–	(5)	(5)	–	(5)
Other transactions	**–**	**–**	**–**	**–**	**–**	**(27)**	**(27)**	**28**	**1**
Perpetual subordinated bond issuances (Note 5.1.1)	**–**	**–**	**–**	**1**	**–**	**(8)**	**(7)**	**–**	**(7)**
Scope changes	**–**	**–**	**–**	**–**	**–**	**(9)**	**(9)**	**1,270**	**1,261**
Balance at 12.31.2021	**147**	**218**	**(124)**	**507**	**(1,299)**	**4,590**	**4,039**	**1,790**	**5,829**
Consolidated profit/(loss) for the year 2022	–	–	–	–	–	185	185	117	302
Income and expense recognized directly in equity	–	–	–	–	391	–	391	65	456
Transfers to income statement	–	–	–	–	131	–	131	–	131
Total income and expenses recognized for the year	**–**	**–**	**–**	**–**	**522**	**185**	**707**	**182**	**889**
Scrip dividend agreement	3	–	–	–	–	(135)	(132)	–	(132)
Other dividends	–	–	–	–	–	–	–	(160)	(160)
Treasury share transactions	(5)	(218)	98	–	–	(321)	(446)	–	(446)
Shareholder remuneration	**(2)**	**(218)**	**98**	**–**	**–**	**(456)**	**(578)**	**(160)**	**(738)**
Share capital increases/reductions	–	–	–	–	–	–	–	356	356
Share-based remuneration schemes	–	–	–	–	–	–	–	–	–
Other movements	–	–	–	–	–	41	41	5	46
Other transactions	**–**	**–**	**–**	**–**	**–**	**41**	**41**	**361**	**402**
Perpetual subordinated bond issuances (Note 5.1.1)	**–**	**–**	**–**	**1**	**–**	**(9)**	**(8)**	**–**	**(8)**
Scope changes	**–**	**–**	**–**	**–**	**–**	**(88)**	**(88)**	**67**	**(21)**
Balance at 12.31.2022 (*)	**145**	**–**	**(26)**	**508**	**(777)**	**4,263**	**4,113**	**2,240**	**6,353**
Merger impact (June 16th)	(138)	4,426	–	–	–	(4,288)	–	–	–
Consolidated profit/(loss) for the year 2023	–	–	–	–	–	460	460	170	630
Income and expense recognized directly in equity	–	–	–	–	(80)	–	(80)	(39)	(119)
Transfers to income statement	–	–	–	–	8	–	8	–	8
Total income and expenses recognized for the year	**–**	**–**	**–**	**–**	**(72)**	**460**	**388**	**131**	**519**
Scrip dividend agreement	–	(58)	–	–	–	(78)	(136)	–	(136)
Other dividends	–	–	–	–	–	–	–	(379)	(379)
Treasury share transactions	–	(52)	(52)	–	–	(10)	(114)	–	(114)
Shareholder remuneration	**–**	**(110)**	**(52)**	**–**	**–**	**(88)**	**(250)**	**(379)**	**(629)**
Share capital increases/reductions	–	–	–	–	–	–	–	117	117
Share-based remuneration schemes	–	–	–	–	–	12	12	–	12
Other movements	–	–	–	–	–	16	16	2	18
Other transactions	**–**	**–**	**–**	**–**	**–**	**28**	**28**	**119**	**147**
Perpetual subordinated bond issuances (Note 5.1.1)	**–**	**–**	**–**	**(508)**	**–**	**(5)**	**(513)**	**–**	**(513)**
Scope changes	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2**	**2**
Balance at 12.31.2023	**7**	**4,316**	**(78)**	**–**	**(849)**	**370**	**3,766**	**2,113**	**5,879**

(*) Restated figures (Note 1.1.7)

The accompanying notes are an integral part of the consolidated statements of changes in equity for the years ended December 31, 2023, 2022 and 2021.

E. FERROVIAL SE CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

(Million euro)	Note	2023	2022 (*)	2021
Net profit/(loss) attributable to parent company		**460**	**185**	**1,198**
Adjustments to profit/(loss)		531	698	(256)
Net profit/(loss) for the year attributed to non-controlling interests		170	117	138
Profit/(loss) net of tax from discontinued operations		(16)	(64)	(361)
Income tax / (expense)		42	30	(9)
Share of profits of equity-accounted companies		(215)	(165)	178
Net financial income/(expense)		184	320	335
Impairment and disposal of fixed assets		(35)	6	(1,139)
Fixed asset depreciation		401	299	270
Operating profit/(loss) discontinued operations ex - depreciation/amortization & impairment	2.8	–	155	332
Tax payments	2.7	(170)	(82)	(155)
Change in working capital (receivables, payables and other)		118	(83)	(249)
Dividends received from infrastructure project companies	3.5	324	284	272
Cash flows from operating activities		**1,263**	**1,002**	**810**
Investments in property, plant and equipment/intangible assets	3.4	(86)	(95)	(124)
Investments in infrastructure projects	3.3.3	(319)	(809)	(285)
Non-refundable grants		9	25	46
Investments in associates and non-current financial assets/acquisition of companies		(257)	(347)	(923)
Interest received		236	47	3
Investment of long-term restricted cash		(51)	18	119
Divestment of infrastructure projects		–	–	–
Divestment/sale of companies	1.1.6	43	429	1,621
Cash flows from investing activities		**(425)**	**(732)**	**457**
Cash flows before financing activities		**838**	**270**	**1,267**
Capital cash flows from non-controlling interests		130	350	57
Scrip dividend		(136)	(132)	(31)
Treasury share purchases		(114)	(446)	(432)
Shareholder remuneration	5.1	(250)	(578)	(463)
Dividends paid to non-controlling interests of investees	5.1	(377)	(161)	(270)
Other movements in shareholder's funds	5.1	(506)	(69)	–
Interest paid		(432)	(329)	(295)
Lease payments	3.7	(87)	(72)	(131)
Increase in borrowings		964	1,207	603
Decrease in borrowings		(747)	(665)	(1,671)
Net change in borrowings from discontinued operations		–	1	(51)
Cash flows from (used in) financing activities		**(1,305)**	**(316)**	**(2,221)**
Effect of exchange rate on cash and cash equivalents		**160**	**(283)**	**99**
Change in cash and cash equivalents due to consolidation scope changes		**(34)**	**4**	**(109)**
Change in cash and cash equivalents from discontinued operations	**5.3**	**–**	**(81)**	**(26)**
Change in cash and cash equivalents	**5.2**	**(341)**	**(406)**	**(990)**
Cash and cash equivalents at beginning of year		5,130	5,536	6,526
Cash and cash equivalents at year end		4,789	5,130	5,536

(*) Restated figures (Note 1.1.7)

The accompanying notes are an integral part of the consolidated cash flow statements for the years ended December 31, 2023, 2022 and 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

SECTION 1: BASIS OF PRESENTATION AND CONSOLIDATION SCOPE

The information deemed necessary before reading Ferrovial SE consolidated financial statements is set out in this section.

BASIS OF PRESENTATION

Group reorganization

On February 28, 2023, Ferrovial's Board of Directors approved the common terms of the cross-border merger of Ferrovial, S.A., the Spanish listed company and ultimate parent company of the Ferrovial Group, into its wholly-owned Dutch subsidiary Ferrovial International SE, which was also approved by the general shareholders' meeting of both entities held on April 13, 2023 and finally completed on June 16, 2023. As a result of this transaction, the new parent company of the Ferrovial Group is Ferrovial SE (or "FSE"), a European public limited company ("Societas Europaea") domiciled in the Netherlands and currently listed on both Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V. (the "Dutch Stock Exchange") and the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, regulated markets of Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A (the "Spanish Stock Exchanges").

This type of reorganization is not considered a business combination under IFRS 3 and is not specifically covered under IFRS. Therefore, pooling of interest or predecessor accounting is applied. This has been the approach adopted because the combined entity is considered a continuation of the Group headed by Ferrovial S.A., and it has only changed the location of its resources within the Group. Moreover, this approach provides useful information about the combined company and allows for users of financial information to understand the performance of the underlying business (Note 1.1.2).

Basis of presentation

The consolidated financial statements of Ferrovial SE and its subsidiaries and investees (hereinafter referred to as "Ferrovial", the "Ferrovial Group", the "Group" or "FSE Group") have been prepared in accordance with the International Financial Reporting Standards (hereinafter, "IFRS") as adopted by the European Union. Accounting policies applied are explained in Note 1.3.

The Company's activities

The disclosures presented in these financial statements mostly distinguish between infrastructure project companies and other companies (as defined in Note 1.1.4). Also noteworthy are the Group's main assets: the 25% ownership interest in Heathrow Airports Holdings (HAH), the owner of Heathrow Airport; the 43.23% ownership interest in the company that owns the 407 ETR toll road in Toronto (Canada); the indirect 49% interest in the share capital of JFK NTO LLC, responsible for the remodeling, construction, financing and operation of the New Terminal One facilities at New York's John F. Kennedy International Airport; the 50% stake in AGS, which owns Aberdeen, Glasgow and Southampton airports in UK; and its 24,86% ownership interest in IRB Infrastructure Developers Limited, one of India's leading infrastructure companies, listed in Bombay.

Assets and liabilities held for sale and discontinued operations

As stated in Note 1.1.5, during 2022 and 2021 Ferrovial completely divested the Services Division by selling the infrastructure upkeep and maintenance business in Spain and in the UK.

Going concern evaluation

Note 1.2 analyses the Group´s capacity to continue operating under the going concern principle, analyzing liquidity, future cash requirements as well as other external factors that could compromise this principle, concluding that no material uncertainties exist about the group´s ability to continue on a going concern basis.

Judgements and estimates

Ferrovial's main estimates when measuring its assets, liabilities, revenues, expenses and commitments are detailed in Note 1.3.4.

Foreign exchange effect

While euro is Ferrovial's functional currency, most of its activities are carried out in countries outside the eurozone. Note 1.4 analyses the impact on the consolidated financial statements of changes in the main currencies where it operated in 2023, 2022 and 2021.

1.1. BASIS OF PRESENTATION, THE COMPANY'S ACTIVITIES AND CONSOLIDATION SCOPE

1.1.1. Basis of presentation

These consolidated financial statements of Ferrovial SE have been signed-off by the Board of Directors on February 27, 2024, and have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The consolidated financial statements include the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flow and the accompanying notes (referred to collectively as the "Consolidated Financial Statements").

For presentation of the consolidated income statement, the Group uses a classification method based on the nature of expenses, as it is more representative of the format used by management for internal reporting purposes and able to provide reliable information to investors.

The Group's presentation currency is the Euro, which is also the functional currency of the Company, and unless otherwise stated amounts are presented in millions of Euros.

1.1.2 Business reorganization

On February 28, 2023, Ferrovial's Board of Directors approved the common terms of the cross-border merger of Ferrovial, S.A., the Spanish listed company and ultimate parent company of the Ferrovial Group, into its wholly-owned Dutch subsidiary Ferrovial International SE, which was also approved by the General Shareholders' Meetings of both entities held on April 13, 2023 and finally completed on June 16, 2023. As a result of this transaction, the new parent company of the Ferrovial Group is Ferrovial SE, a European public limited company ("Societas Europaea") domiciled in the Netherlands and currently listed on both the Dutch Stock Exchange and the Spanish Stock Exchange.

This business reorganization was driven, among other reasons, by the growing internationalization of Ferrovial (in 2023, 83% of the group's revenues and nearly 92% of its value came from activities outside Spain) and with the final aim of being listed in the United States of America.

Accounting treatment

In the merger, all shareholders of the former parent company of the Group, Ferrovial, S.A., were allotted shares in the new parent company of the Group, Ferrovial SE, except for a small group of shareholders who received cash in lieu of shares in connection with the merger in compliance with the applicable laws and regulations. The companies that are part of the Group remain the same without any type of change in terms of shareholding percentages.

This type of reorganization is not considered a business combination under IFRS 3, and is not specifically covered by IFRS. Following IAS 8 guidance, the Company has analyzed other accounting rules treating similar transactions (such as chapter 19.7 of FRS 102 in UK, DAS 216.503 in the Netherlands, or ASC 805.50.05 in US GAAP) in order to develop a policy that reflects the substance of the transaction. After that analysis, the Group has decided to apply the "pooling of interest" or "predecessor accounting" approach as it better reflects its substance.

As a result of this approach all the information included in the different reporting periods corresponds with the historical consolidated information of the Ferrovial group, without any adjustments in the value of assets and liabilities, as the combined entity is considered a continuation of the former Ferrovial, S.A., and it has only changed the location of its resources within the Group. Moreover, this approach provides useful information about the combined company and is the best way for users of financial information to understand the performance of the underlying business.

The only accounting impact as a consequence of the merger was the modification of the share capital and share premium figures of the new legal parent entity. Considering this change is a reclassification among the legal share capital and share premium of the former parent entity, any difference is being included as a movement within equity reserves in 2023, the year that the merger formally took place.

1.1.3 Preparation of the consolidated financial statements

The accompanying consolidated financial statements have been prepared including the relevant consolidated financial information as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021.

1.1.4 The Company's activities

Ferrovial comprises the parent company, Ferrovial SE, incorporated in the Netherlands, and its subsidiaries and investees, which are detailed in Appendix I. Its registered office is at Kingsfordweg 151, 1043GR, Amsterdam, Netherlands.

Through these companies, Ferrovial engages in the following four business lines, which are its reporting segments under IFRS 8:

- Construction: Design and execution of all manner of public and private works, including most notably the construction of public infrastructure.
- Toll roads: Development, financing and operation of toll roads.
- Airports: Development, financing and operation of airports.
- Energy Infrastructures and Mobility: This area was reported as a business segment for the first time in 2022. It focuses on development, financing and operation of power transmission lines and renewable energy generation plants, mobility, waste management plants and services to the mining industry in Chile.

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

In order to aid understanding of the Group's financial performance, these consolidated financial statements disclose separately the impact of projects of this nature in "fixed assets in infrastructure projects" in long-term financial assets (distinguishing those to which the intangible asset model is applied from those to which the financial asset model is applied – Note 3.3) and, in particular, in the cash and cash equivalents and borrowings (Note 5.2).

Following competitive bidding processes, these projects are conducted through long-term contracts entered with public authorities ("the grantor") which grant the right to build or upgrade, operate and maintain the infrastructure. The contract is awarded to a legal entity, the concessionaire entity, whose sole purpose is the performance of the project, where the Group has an ownership interest, together with other shareholders.

The concessionaire has to finance the construction or upgrade of the public infrastructure mainly with borrowings guaranteed by the future cash flows coming from the project term; as a result, these projects usually have cash restrictions established in the financing agreements to ensure repayment of borrowings. The shareholders also make capital contributions. Borrowings are generally secured at the time of entering into the service concession arrangement, and have no recourse to the shareholder or, in some cases, the recourse to the shareholders is limited to the guarantees issued (see Note 6.5.2 b.1).

Once construction or upgrade is complete, the concessionaire starts to operate and maintain the infrastructure, and in return, collects tolls or regulated charges for the use of the infrastructure, or through amounts paid by the grantor based on the availability for use of the related asset. These inflows allow to recover the initial investment. In most cases the construction and subsequent maintenance of the infrastructure is subcontracted by the concession operators to the Group's Construction Division.

From an accounting standpoint, most of these arrangements are within the scope of application of IFRIC 12. A list of the companies regarded as infrastructure project companies in included in Appendix I.

It should also be noted that the Group's main assets, which are equity accounted, are the 25% ownership interest in Heathrow Airport Holdings (HAH), the company that owns Heathrow Airport in London (UK), the 43.23% ownership interest in 407 ETR, the concession operator of the 407 ETR toll road in Toronto (Canada), the 49% indirect ownership interest in the share capital of the company JFK NTO LLC, the concession company of New Terminal One at the International John F. Kennedy Airport in New York, the 50% stake in AGS, which owns Aberdeen, Glasgow and Southampton airports in UK, and finally, the 24,86% ownership interest in IRB Infrastructure Developers Limited, one of India's leading infrastructure companies, listed in Bombay. Note 3.5 on investments in equity-accounted companies includes information relating to the changes in these companies' balance sheets and income statements, which is complemented by information considered to be of interest in other notes to the financial statements.

1.1.5. Assets and liabilities held for sale and discontinued operations

Assets and liabilities held for sale

Divestments made during 2023 are described below:

The held-for-sale assets balance as of December 2023 is nil. The balance of EUR 2 million in 2022 related to land owned by the company Southern Crushed Concrete (SCC), a Webber subsidiary (Construction Division), which was sold in the first week of February 2023 to the company BCG Investment Group for a price of USD 2.3 million.

The agreement reached for the sale of the Azores toll road in Portugal (Note 1.1.6) has no effect on the held for sale heading as it was classified as such and also divested during 2023.

Divestments made during 2022 are described below:

In August 2022, the sale of the remaining 20% of the Vía do Infante (Algarve) toll road to DIF Capital Partners was completed for EUR 23 million, as part of the sale of Ferrovial's 49% ownership interest in this concession arranged in 2020. The impact on the income statement was immaterial.

Divestments made during 2021 are described below:

During 2021 Ferrovial sold 20% of the Portuguese toll road Norte Litoral and the Group's shares in Concesionaria de Prisiones Figueras, S.A.U. and in Urbs Iudex Et Causidicus, S.A., as explained in Note 1.1.6

Discontinued operations

As indicated, discontinued operations relate to the Services Division, the divestment of which was completed in 2022, once the infrastructure upkeep and maintenance business in Spain and in the UK (Amey) were sold.

During 2023

Profit from discontinued operations amounted to EUR 16 million and relates mainly to the update of the indemnities and earn-outs associated with the Services Business disposal in Spain and Portugal as well as other adjustments related to the Amey business divestment in the UK.

Divestments made during 2022 are described below:

On January 31, 2022, the sale agreement between Ferrovial and Portobello Capital for the acquisition of the infrastructure upkeep and maintenance business in Spain was completed once all the conditions precedent had been fulfilled. The total price received by Ferrovial reached EUR 175 million. According to the sale agreement, a Ferrovial subsidiary acquired the 24.99% of the buyer's capital for a price of EUR 17.5 million. The impact on the income statement was immaterial.

On December 31, 2022, the Amey business in the United Kingdom, related to full life-cycle engineering and infrastructure upkeep and maintenance services, was sold to a company controlled by funds managed by One Equity Partners, which completed the transaction in association with its shareholder Buckthorn Partners. The net consideration (equity value) received by Ferrovial was GBP 264.6 million (EUR 301.3 million), as per the final agreement reached on April,17 2023, with no further applicable price adjustments. The net consideration was in the form of cash (GBP 112.8 million (EUR 128.5 million)) and a vendor loan note of GBP 151.8 million (EUR 172.8 million) to the seller, arranged on the completion date, repayable over the coming five years and accruing 6% annual interest (increasing to 8% after year three). The capital gain generated totaled EUR 58.3 million and was accounted for under Profit/(loss) from discontinued operations in the income statement, which also included the transfer to the income statement of currency translation differences (EUR -155.6 million) and changes in the fair value of derivatives (EUR -15.4 million) accumulated in equity (Note 5.1.1).

Previously, the business activity providing financial management services for PFI (Project Finance Initiative) project companies in the United Kingdom through the subsidiary Amey was sold for GBP 5 million in the first half of 2022, while Amey's business area engaged in energy and water infrastructure maintenance was also sold (to British fund Rubicon) for a total price of GBP 20.3 million, including a deferred payment of GBP 18 million arranged through a loan to the buyer (Note 3.6.2). The impact on the income statement was immaterial.

Divestments made during 2021 are described below:

In November 2021, the agreement to sell the US Services business related to oil and gas industry infrastructure maintenance was completed for a total price of USD 16 million (EUR 14 million). The impact on the income statement was a loss of EUR 28 million, recognized under Profit/(loss) from discontinued operations.

On December 1, 2021, the sale agreement reached between Ferrovial and PreZero (company of the Schwarz Group) on July 26, 2021 for the Environment Services business in Spain and Portugal was completed once all the conditions precedent had been fulfilled. The total price of the shares received by Ferrovial was EUR 1,032 million. This transaction generated a profit of EUR 335 million, which is carried under Profit/(loss) from discontinued operations in the income statement.

Additionally, in 2021 the UK waste treatment business (reported in Energy Infrastructures and Mobility), the contract to maintain and operate the section of the A2 toll road and the contract to maintain and operate Madrid Calle 30 (reported in "Toll Roads"), together with the US infrastructure maintenance business and the energy efficiency services business (both reported in "Construction") were reclassified as continuing operations. This decision was taken following the progress made in the divestment processes and considering that certain contracts included in the Services division could fit strategically into other divisions of the Group, facilitating the execution of the divestment processes.

1.1.6. Consolidation scope changes and other divestments of investees

There follows a description of the most significant movements in the consolidation scope in 2023, 2022 and 2021.

Airports

During the year 2023:

There have been no changes in the consolidation scope during 2023.

During the year 2022:

Investment in the company JFK NTO LLC, holding the concession for the new Terminal One at New York's JFK Airport

On June 10, 2022, the agreement whereby Ferrovial invested in the capital of JFK NTO LLC, so as to remodel, build, finance, operate and maintain the facilities of the New Terminal One at New York's John F. Kennedy International (JFK) Airport, came into effect. Ferrovial holds a 49% indirect ownership interest in the project. The other shareholders are JLC and Ullico, which have direct interests of 30% and 19%, respectively, and Carlyle with an indirect ownership interest of 2%.

The terminal is expected to come into operation in 2026. The concession agreement is for the operation of the terminal until 2060.

Also on June 10, 2022, the concession agreement between JFK NTO and the Port Authority of New York and New Jersey and the financing and construction contracts between the concession operator, the financing banks and the design and build contractor all came into force.

The forecast investment in the project stands at USD 10,800 million (Phases A and B) and will be funded by a capital contribution of USD 2,330 million from the project partners, of which Ferrovial will contribute USD 1,142 million (USD 294 million contributed at December 2023) and the remainder will be funded by non-recourse borrowings obtained by the shareholders.

In June 2022, the loan signed by JFK NTO LLC reached USD 6,630 million with a banking syndicate (USD 1,430 million drawn down at December 2022). The first debt refinancing took place in December 2023, when NTO issued USD 2.0 billion in series 2023 bonds designated as green bond by Kestrel. This milestone mitigates nearly one-third of the refinancing risk with still three years still left to refund the initial bank loan. A portion of the issuance (USD 800 million) was insured by Assured Guaranty Municipal Corp. ("AGM"). JFK NTO, in the course of its ongoing business operations, continues monitoring the refinancing market for its bank facility and may refinance any outstanding amounts thereunder when market conditions are deemed appropriate by the lessee (Note 3.5.3).

In connection with this transaction, the Ferrovial agreed with Carlyle Group on the payment of earn-out consideration should Carlyle divest its outstanding 4% interest in Mars NTO LLC. This earn-out payment would be triggered either if Carlyle transfers its stake to a third party or to Ferrovial. This payment depends on the value creation by the project. An estimation of the earn-out payment was included in our valuation of the investment as presented in the audited financial statements. Any future changes in the valuation of the earn-out may affect our results.

In addition, a call/put option was agreed between Carlyle Group and Ferrovial over the shares that the former indirectly holds in the project. It is exercisable by Carlyle from June 2028 to June 2032 and by Ferrovial from January 2031 to June 2034. The strike price will be based on an estimate of the fair value at the exercise date. The call/put option does not meet the requirements included in the definition of a liability.

As required by IFRS 10, the shareholder agreements and the other project contracts were analyzed and the conclusion was drawn that the qualified majorities and minority shareholders' veto rights set out in the aforementioned agreements for the approval of most of the relevant decisions means that they must be taken, de facto, with the agreement of the other shareholders, entailing a situation of joint control. As it is a joint venture, the ownership interest in the project is consolidated using the equity method, in accordance with IFRS 11.

On a different note, the analysis of the concession agreement with the Port Authority indicates that it comes under the scope of IFRIC 12 for the intangible asset model, since there are no secured payments (see point 1.3.3.2. which details the treatment of this type of concessions). Therefore, the costs incurred during the construction phase are mostly capitalized and carried as intangible assets to be amortized during the operating phase, which will end in 2060.

Acquisition and takeover of Dalaman International Airport

a. Description of the transaction

On July 19, 2022, the Group acquired 60% of the voting shares in YDA Havalimanı (Dalaman International Airport) as part of the strategy of diversifying the airport portfolio when growth opportunities are identified. This Turkish company was awarded the concession agreement to refurbish and operate Dalaman International Airport. The total nominal price stood at EUR 144 million, of which EUR 119.2 million was paid as of December 2022. A further EUR 15.2 million relates to a deferred payment made in October 2023, and the remaining EUR 9.9 million corresponds to the earn-out, that was paid in December 2023.

The YDA Group, which currently holds a 40% stake, was awarded the 28-year concession to operate the airport until 2042.

Fees per passenger are set and collected in euros under the concession agreement; also, the financing agreements are denominated in euros, therefore, Dalaman´s airport functional currency is euro.

The acquisition of the 60% stake means that Ferrovial holds the majority of voting rights on the concession operator's Board and can therefore direct its relevant activities. Therefore, Ferrovial has control over the company in accordance with IFRS 10, paragraph 10. Accordingly, the ownership interest in the concession company is fully consolidated.

b. Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Dalaman Airport as at the date of acquisition were the following (for simplicity, the June 30, 2022 balance sheet was used, since the effect of 19 days to the transaction date is immaterial, as indicated later on):

(Million euro)	FAIR VALUE RECOGNIZED ON ACQUISITION
Property, plant and equipment	1
Intangible assets (Note 3.3.1.)	638
Deferred tax assets	18
TOTAL ASSETS	**671**
Long-term borrowings	115
Other long-term payables	281
Short-term borrowings	17
Trade and other payables	18
Deferred tax liability (Note 2.8.3)	46
TOTAL LIABILITIES	**476**
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE 100%	**196**
Total identifiable net assets at fair value 60%	117
Goodwill associated with deferred tax liability (Note 3.1.1)	27
PURCHASE CONSIDERATION TRANSFERRED	**145**

The main fair value adjustments made are explained below:

i. Intangible assets:

It represents the fair value of the concession calculated using the discounted cash-flows resulting from the economic model. The adjustment for the intangible asset identified at the acquisition date stood at EUR 79 million.

ii. Bank borrowings:

In October 2016, the concession company arranged a loan of EUR 162 million from the European Bank for Reconstruction and Development (EBRD) to fund the new international terminal. This loan accrues an interest rate of Euribor plus a spread of +4.2%.

Fair value was calculated by discounting cash flows at a rate representing acquisition date financial conditions. The resulting adjustment reduced the carrying amount of the debt by EUR 9 million.

iii. Tax effects of the transaction

Under paragraphs 19 and 20 of IAS 12, if a balance sheet item is recognized at fair value in a business combination when its tax value has not changed, a deferred tax asset or liability must be recorded. A 20% tax rate was applied, this being the corporate tax rate in Turkey at the acquisition date. The net deferred tax effect was a deferred tax liability of EUR 46 million.

The goodwill recognized on the acquisition stood at EUR 27 million, netting the tax effects resulting from the fair value adjustment on intangible assets and borrowings described above and recognized pursuant to IAS 12.

The carrying amount of other assets and liabilities is equal to their fair value. No contingent assets or liabilities were recognized in relation to this business combination.

In July 2023, the valuation was completed and the fair value of the net assets acquired are considered definitive.

c. Purchase consideration

	Amount fair value
Shares issued, at fair value	104
Deferred payment	30
Contingent consideration liability	11
TOTAL CONSIDERATION	**145**

Transaction costs of EUR 3 million were expensed.

d. Contingent consideration

As part of the purchase agreement a contingent consideration was agreed with the previous owner of YDA Group. There would be an additional cash payment to the previous owners if the total number of international passengers departing from Dalaman Airport from the period between October 1, 2021 until September 30, 2023 exceeded the threshold set by the share purchase agreement. As at the acquisition date, the fair value of the contingent consideration was estimated, determined using the present value technique, to be EUR 11 million. This figure was revised in line with the latest available traffic information (EUR 9.9 million) and was finally paid as of December, 2023, being the difference of both amounts recognized as a financing result through the income statement.

Toll roads

During the year 2023:

Azores toll road

Ferrovial, through its Toll Roads subsidiary, has reached an agreement to sell 89.2% of the Azores toll road, in Portugal, to infrastructure funds Horizon and RiverRock. The price of the transaction, which is in line with the company's asset rotation strategy, reached EUR 42.6 million.

The sale has provided EUR 39 million before taxes in capital gains for Ferrovial (reported in the income statement under Impairment and disposal of fixed assets). Ferrovial will continue to provide technical services to the concession company for two years, which may be extended by mutual agreement.

During the year 2022:

Ferrovial, through its toll road subsidiary Cintra acquired a further 7.135% interest in the I-77 toll road in North Carolina, USA, in November 2022. The transaction was valued at USD 109 million (EUR 104 million). Ferrovial's stake in the asset has thus increased from 65.1% to 72.24%. Since the Company was already fully consolidating this asset, the difference between the price paid and the book value of the acquired stake was recorded against the reserves of the parent company (EUR -88 million) and by reducing the amount of minority interests (EUR-15 million as per Note 5.1.1).

During the year 2021:

I-66 acquisition and takeover

a. Description of the transaction

Cintra, a Ferrovial subsidiary and the indirect owner of 50% of the concession operator I-66 Express Mobility Partners Hold. LLC (I-66), acquired an additional 5.704% ownership interest in that company for USD 182 million (approximately EUR 162 million) on 17 December 2021, together with a commitment to inject additional capital until construction phase completion (EUR 36 million, approximately). Payment was made in cash.

As a result, Ferrovial's total shareholding stands at 55.704% of the concession awarded by the Virginia Transport Department. It is a transformation project to design, build, finance, operate and maintain the 36-km I-66 toll road. Construction was completed at the end of 2022 and the toll road has been operational since then.

The acquisition of this additional ownership interest means that Ferrovial holds the majority of voting rights on the concession operator's Board and can therefore direct its relevant activities. Since then, Ferrovial has had control of the company pursuant to IFRS 10, paragraph 10. Consequently, the interest in the concession operator, which was equity-accounted, is now fully consolidated.

On taking control of the company and in accordance with IFRS 3.42, the equity-accounted interest (50%) was derecognized and measured at fair value, a capital gain being recorded in the amount of the difference.

Fair value was calculated by extrapolating the price offered by a third party to purchase 10% of the shares, which was accepted by all the minority shareholders, to all the shares. In addition, a control premium estimated at 2% was added on top of that extrapolated value. The fair value of the prior 50% interest calculated as described stood at EUR 1,448 million (USD 1,628 million), including the control premium.

This valuation entailed recognizing a gain of EUR 1,101 million in the amount of the difference between the fair value of Ferrovial's pre-existing 50% ownership interest in the company (EUR 1,448 million) and its carrying amount (EUR 348 million); this gain was recognized in "Impairment and disposals of fixed assets".

Ferrovial also recorded an additional gain on the sale of EUR 16 million corresponding to the I-66 related currency translation differences that existed at the date of the transaction, that pursuant to IFRS 3 and IAS 28 were reclassified to the income statement under the heading "impairment and disposals of fixed assets". Therefore, the total result of the operation reached EUR 1,117 million.

b. Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the concession operator I-66 Express Mobility Partners Hold. as at the date of acquisition of the additional 5.704% ownership interest in that company were (for simplicity, the November balance sheet was used, since the effect of 17 days to the transaction date is immaterial, as indicated later on):

(Million euro)	FAIR VALUE RECOGNIZED ON ACQUISITION
NON-CURRENT ASSETS	**4,432**
Fixed assets in infrastructure projects (Note 3.3)	4,432
CURRENT ASSETS	109
Receivables	108
Cash and cash equivalents	1
TOTAL ASSETS	**4,542**
NON-CURRENT LIABILITIES	1,527
Long-term borrowings	1,527
CURRENT LIABILITIES	118
Short-term borrowings	27
Trade and other payables	90
TOTAL LIABILITIES	**1,654**
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	**2,897**

The fair value of the trade receivables amounted to EUR 108 million and it was expected that the full contractual amounts would be collected.

The fair value adjustments are briefly explained below:

a. Fixed assets in infrastructure projects: The fair value of this asset was calculated using the discounted cash-flows resulting from the economic model, reaching EUR 4,432 million.
b. Deferred grant income. This balance sheet item did not represent an actual liability for the company. Therefore, in accordance with IFRS 3, fair value was deemed to be zero and the amount was adjusted (EUR 65 million).
c. Borrowings: The concession operator entered into two debt agreements in November 2018 in order to finance the toll road's construction: a senior loan comprising four fixed-rate listed bonds accruing quarterly interest payments and a subordinated loan obtained under the 1998 Transportation Infrastructure Finance and Innovation Act (TIFIA), which accrues interest of 2.8% per annum. The fair value of the bond debt was calculated based on the quoted price at the acquisition date. In the case of the TIFIA loans, the fair value was obtained by discounting flows. The resulting adjustment reduced the carrying amount of the debt by EUR 317 million.
d. The carrying amount of other assets and liabilities was equal to their fair value.

<u>Tax effect of the transaction</u>

The concession operator acquired is taxed under pass-through tax rules, meaning that deferred taxes are only recognized based on the shareholding percentage. According to IAS 12, paragraphs 19 and 20, if a balance sheet item is recognized in a business combination at fair value when the tax base has not changed, deferred tax must be recorded considering the amount of this difference.

The tax effects recognized by the parent company (Cintra 2 I66 Express Mobility Partners LLC) were as follows:

- Deferred tax liability related to the debt: the fair value adjustment to the debt reached EUR -317 million million, giving rise to a deferred tax liability of EUR 37 million. The deferred tax is being recognized through the income statement as per the debt repayment schedule.
- Deferred tax liability related to the intangible asset and the deferred income (grant): the fair value adjustment to the intangible asset reached EUR 1,820 million, giving rise to a deferred tax liability of EUR 212 million in the shareholder. Another deferred tax liability of EUR 8 million was also recognized due to the derecognition of deferred income (grant). These taxes are being taken to the income statement as the asset is amortized.

The goodwill recognized on the acquisition reached EUR 254 million, netting the tax effects described above and recognized by the parent company pursuant to IAS 12, paragraph 66.

No goodwill was attributed to non-controlling interests and transaction costs were immaterial.

c. Purchase consideration

	Amount fair value (EUR)
Shares issued, at fair value	162
Commitment to inject additional capital	36
TOTAL CONSIDERATION	**198**

Acquisition of 24.86% of the Indian company IRB Infrastructure Developers Limited

On December, 29 2021, Ferrovial completed the acquisition, through its Dutch subsidiary Cintra INR Investments BV, of 24.86% of the Indian company IRB Infrastructure Developers Limited by subscribing a preferred capital increase. The amount paid reached EUR 369 million. The transaction price was established by considering the average price weighted by the trading volume for the two weeks prior to the closing.

IRB Infrastructure Developers was founded in 1998, is listed on the Bombay Stock Exchange and is one of India's leading infrastructure companies. It has 24 toll road concessions representing a share of around 20% of the so-called Golden Quadrilateral, the road network that connects the country's main economic development hubs, with a total of 11,930 kilometers of portfolio toll roads. The most significant assets include the Mumbai-Pune toll road, regarded as one of India's most important highways. Revenue stood at EUR 828 in 2023).The company's construction division, which currently works exclusively for its own concession projects, had a total of 11,930 kilometers of portfolio toll roads (15,444 km in 2023).

The ownership interest acquired together with Ferrovial's presence on the Board of Directors, awards Ferrovial significant influence in IRB (IAS 28.5 and 28.6). Consequently, under AS 28.10, the shareholding is equity accounted.

Construction

During the year 2021:

In February 2021, 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, which was completed in June for the sum of PLN 1,513 million (EUR 330 million, net of transaction costs), entailed recognizing a capital gain, before non-controlling interests, of EUR 107 million on the profit/(loss) net of tax from discontinued operations line.

In addition, 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 17 million. This transaction was completed in the second quarter of 2021 and entailed recognizing a capital gain of EUR 17 million on the impairment and disposals line.

Services

During the year 2022:

As explained in Note 1.1.5 about held-for-sale assets and liabilities and discontinued operations, 2022 saw the completion of the Services business divestment process thanks to the sale of the infrastructure upkeep and maintenance businesses in Spain and the services business in the UK (Amey).

During the year 2021:

As indicated in the notes on results of discontinued operations (Note 2.9), during 2021, sale agreements were reached for the Environmental Services business in Spain and Portugal and for infrastructure maintenance in the oil and gas industry business in the United States.

Energy infrastructures and Mobility

During the year 2021

On September, 20 2021 Ferrovial, through its subsidiary Ferrovial Infraestructuras Energéticas, acquired 100% of the assets of Parque Solar Casilla S.L.U., which held permits to build a 49.9 MWp solar photovoltaic plant in Gerena (Seville). The plant's energy output matched Ferrovial's energy consumption in Spain and Portugal and was destined for the wholesale market in this geographic area. The investment amounted to EUR 10.3 million.

In this case, the difference between the price paid (EUR 10.3 million) and the net value of the assets (EUR 1.2 million) was EUR 9.1 million, an amount that was allocated entirely to an intangible asset comprising the permits and licenses obtained by the company to build and operate the plant, which will be amortized over the plant's lifetime.

1.1.7. Restatement of the comparative financial statements

The consolidated statement of financial position as of December 2022 was reexpressed to reflect changes related to JFK NTO in equity-accounted investments, driven by the update allowed by IFRS 3 within the 12-month period from the acquisition moment, based on new information about facts and circumstances that already existed at the point the investment was made.

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

Balance Sheet

	2022		2022
(Million euro)	**Audited**	**Adjusted**	**Restated**
Non-current assets	**18,865**	**60**	**18,925**
Investments in associates	1,892	59	1,951
Other non-current assets	16,973	1	16,974
Current assets	**7,419**	**0**	**7,419**
TOTAL ASSETS	**26,284**	**60**	**26,344**

	2022		2022
(Million euro)	**Audited**	**Adjusted**	**Restated**
Equity	**6,354**	**-1**	**6,353**
Non-current liabilities	**14,552**	**60**	**14,612**
Other long-term payables	838	60	898
Other non-current liabilities	13,714	0	13,714
Current liabilities	**5,378**	**1**	**5,379**
TOTAL LIABILITIES	**26,284**	**60**	**26,344**

Income Statement

The impact on the income statement (EUR -1 million) disclosed in the Equity balance sheet heading in the previous table, was recognized as a financial result, in the caption Profit/(loss) on derivatives and other net financial income/(expense).

1.2. GOING CONCERN ASSESSMENT

Ferrovial began 2024 in a very strong cash position. On December 31, 2023, our cash and cash equivalents of ex-infrastructure project companies reached EUR 4,585 million. Ferrovial also has additional liquidity lines available in the amount of EUR 650 million related to corporate debt, and EUR 139 million related to other borrowings balances at December 31, 2023. It should also be noted that the Group's short-term assets and liabilities, including cash and debt, show a positive balance at end-December 31, 2023. Ferrovial believes that this strong cash position should be sufficient to comply with its future obligations, including expected shareholder distributions for an accumulated amount of EUR 1.7 billion during the period 2024-2026. Also worthy of note are the expected dividends from infrastructure assets in the existing portfolio (excluding dividends from Heathrow), amounting to EUR 2.2 billion for 2024-2026.

As in prior financial years, in order to conclude as to the Company's capacity to continue as a going concern, the Group has analyzed future cash needs, focusing on the financial years 2024 and 2025, also including a pessimistic scenario with a series of stress assumptions regarding the Company's cash flow, most notably:

- Reduction in dividends from infrastructure project companies in 2024 and 2025 (50% in the case of airports and toll roads and all dividends in the case of energy).
- Construction business cash flows for 2024 and 2025 projected to fall at around EUR -115 million per annum, explained by worse working capital evolution and lower business profitability.
- Elimination of the asset divestments expected for the period 2024-2025, including the possible divestment of our current 25% stake in Heathrow Airport and our minority stake in certain financial assets held by toll roads concessions.
- Contingent capital contributions of around EUR 100 million per annum.

The conclusion drawn from the analysis demonstrates that, although the scenario would entail a 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 twelve months following the date these financial statements are signed.

1.3. ACCOUNTING POLICIES

1.3.1. New accounting standards

1.3.1.a) New standards, amendments and interpretations adopted by the European Union that must be first-time adopted in 2023

At December 31, 2022 none of the standards, interpretations or amendments that are applicable for the first time in the current year have had a significant impact on the measurement, recognition or presentation of any items in the Group's financial statements. The following paragraphs explain the amendments to standards that have had an impact on disclosures in the financial statements:

Disclosure of Accounting Policies

Amendments to IAS 1 and IFRS Practice Statement 2 "Making Materiality Judgements": The amendments to IAS 1 and IFRS Practice Statement 2 aim to help entities to provide more useful accounting policy disclosures by replacing the requirement to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The disclosures contained in these financial statements have been reviewed in line with these Amendments to IAS 1 and IFRS Practice Statement 2.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's Base Erosion and Profit Shifting (BEPS) Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements, which apply for annual reporting periods beginning on or after January 1, 2023, have been included in Note 2.7.4.

Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12

These amendments narrow the scope or the initial recognition exception under IAS 12, so it no longer applies to transactions that give rise to equal taxable and deductible temporary. Differences". The impact of these amendments on these financial statements has been immaterial.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

1.3.1.b) New standards, amendments and interpretations mandatorily applicable in financial years after December 31, 2023

The new standards, amendments and interpretations approved by the IASB but not yet mandatorily applicable at December 31, 2023 that might have an effect on the Group are as follows:

Standard, interpretation or amendment	Date published in the EU Official	Date applicable in the EU	IASB applicable date
Amendment to IAS 1 Presentation of financial statements: Classification of financial liabilities as current or non-current	December 19, 2023	January 1, 2024	January 1, 2024
Amendment to IFRS 16 – Lease Liability in a Sale and Leaseback	November 20, 2023	January 1, 2024	January 1, 2024
Amendment to IAS 7 and IFRS 7 - Characteristics of financing arrangements and new disclosures to help users of financial statements understand the effects of these arrangements on liabilities, cash flows and exposure to liquidity risk.	Pending	Pending	January 1, 2024
Amendment to IAS 21 – Clarifications to assess whether a currency is convertible and how they should determine the spot rate when there is no convertibility.	Pending	Pending	January 1, 2025

Although the Group is currently analyzing the impact of the above amendments, the preliminary analyses carried out to date do not indicate that first- time adoption will have a material impact on the consolidated financial statements.

1.3.2. Basis of consolidation

In 2023 and 2022, the reporting dates of the individual financial statements of all the companies included in the consolidation scope were either the same as, or were temporarily brought into line with, that of the parent company. In this regard, in order to calculate the degree of control, joint control or significant influence in each Group company, the consistency of the ownership interest held with the number of votes controlled in each company under their Bylaws and shareholder agreements is reviewed.

In the case of business activities with companies in which joint control is identified, the general basis of consolidation is the equity method. In relation to these businesses, besides situations in which there are two venturers, each with a 50% ownership interest, cases requiring a more in-depth analysis are those relating to infrastructure projects in which Ferrovial is the shareholder with the largest ownership interest (less than or equal to 50%) and has the right to propose the Chief Executive Officer or other executives of the investee, while the other shareholders, mainly infrastructure funds, sit directly on the Board of Directors.

Notable cases in this regard are the ownership interests held in the companies that own the following Toll Road projects (the percentage interest held in each is shown in brackets): 407 ETR (43.23%), Slovakia (35%), Toowoomba (40%) and OSARs (50%), as well as the interest in JFK NTO (49%), which was incorporated into the Airports Division in 2022, as described in point 1.1.4.

Contracts that are undertaken through temporary consortia (JVs) or similar entities that meet IFRS 11 requirements to be classified as "joint operations" are proportionately consolidated.

It is considered that, in such joint operations, the shareholders have direct control over the assets, liabilities, income and expenses of these entities. Operations of this nature contributed to the consolidated Group assets, profit/(loss) and revenue totaling EUR 517 million, EUR 36 million and EUR 1,437 million, respectively (EUR 428 million, EUR 40 million and EUR 1,242 million in 2022). The following companies stand out as being involved in construction projects:

PROJECT	COUNTRY	ACTIVITY	% SHARE	REVENUE (EUR M)
HS2 Main works	UK	Works on 80 km of the HS2 between Chilterns and Warwickshire, including 15 viaducts, 5 km of green tunnels, 22 km of road diversions.	15.00 %	289
Sydney Metro West	Australia	Metro design and construction on an 11-kilometre stretch of twin railway tunnels between Sydney Olympic Park and The Bays.	50.00 %	224
Riverlinx	UK	Design, construction, financing, operation and maintenance of the Silvertown Tunnel in East London.	50.00 %	158
Ontario Transit Group Constructor GP	Canada	Design, build and financing of the Ontario Line Subway: Construction of a 6.7 km, seven-station rapid transit system.	50.00 %	92
Coffs Harbour Bypass	Australia	Design and build contract for14 km of road, three tunnels and a service road.	50.00 %	68
Undergrounding of Murcia Station	Spain	Burying of the arterial railway network in the city of Murcia. New high-speed railway access to the east. Madrid-Castilla La Mancha-Comunidad Valenciana-Region of Murcia.	50.00 %	47
Linha Circular, A.C.E	Portugal	Ferrovial will build a new circular metro line in Oporto, the Pink Line, which will be 3.1 kilometres long. The work on the Pink Line includes the construction of four new stations, three ventilation shafts and the installation of the track and catenary.	65.00 %	43
Linha Amarela, A.C.E.	Portugal	Construction of the Yellow metro line in Oporto, with a new 3.15-kilometre section of double-track light rail. The work also includes the construction of a viaduct, a 770-metre tunnel and three stations, among other tasks.	65.00 %	41
Metro Paris Ligne 3A JV	France	Metro Paris with 6,7 KM tunnel. The work includes building three stations and eight ancillary infrastructures.	50.00 %	14
				977

Finally, the companies over which Ferrovial, S.E. exercises significant influence and which do not meet the requirements of IFRS 11 to be classified as "joint operations" are also equity accounted.

A breakdown of the equity-accounted companies can be found in Note 3.5 and in Appendix I.

Intragroup balances and transactions are eliminated on consolidation. However, the transactions recognized in the income statement in relation to construction works undertaken by the Construction Division for infrastructure project concession operators are not eliminated on consolidation, since it is considered that the Group performs work for the concession awarding entity or regulator in exchange for the right to operate the infrastructure under the terms pre-established by the granting entity or regulator.

The awarding entity or regulator thus controls the asset from inception and grants the above-mentioned right in exchange for the work performed and, therefore, the conclusion may be reached that, at the Group level, the work is performed for third parties. This approach is in line with IFRIC 12.

The non-elimination of these transactions had an impact of EUR -34 million on the 2023 income statement, after taxes and non-controlling interests (EUR -60 million in 2022 and EUR 5 million in 2021).

Appendix I contains a list of subsidiaries and associates.

Finally, as regards to transactions for the purchase or sale of an ownership interest that does not entail a change of control in the company in question, the non-controlling interest is measured at the proportional value of the net identifiable assets of the company acquired or sold. Changes in the parent's ownership interest in a subsidiary that do not give rise to a loss of control are equity transactions.

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

Set forth below is a breakdown reflecting only those accounting policies applied by the consolidated Group when preparing these consolidated financial statements that include an option permitted by IFRS or, as the case may be, on the basis of the specific nature of the industry in which it operates or of materiality.

1.3.3.1. Intangible assets, property, plant and equipment and investment property

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

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

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

1.3.3.2. Investments in infrastructure projects

This heading includes infrastructure investments made by the project companies within the scope of IFRIC 12 (mainly toll roads), where remuneration consists of an unconditional right to receive cash or other assets, or a right to charge fees for the use of the public -infrastructure.

The assets acquired by the concession operator to provide the concession services but which do not form part of the infrastructure (such as vehicles, furniture or computer hardware) are not included under this heading because they do not revert to the concession awarding entity. Assets of this nature are carried under "Property, plant and equipment" and are depreciated over their useful life using a financial method.

IFRIC 12 Intangible asset model assets

All initial investments relating to the infrastructure that subsequently reverts to the awarding entity, including compulsory purchase costs and borrowing costs capitalized during construction, are amortized on the basis of the applicable pattern of consumption in each case (generally traffic forecasts in the case of toll roads) over the term of the concession.

Investments contractually agreed at concession inception on a final and irrevocable basis that will be made at a later date during the concession term, provided they are not investments made to upgrade the infrastructure, are treated as initial investments. For investments of this kind, an asset and an initial liability are recognized for the present value of the future investment, applying a discount rate equal to the borrowing costs associated with the project to calculate present value. The asset is amortized based on the pattern of consumption over the entire term of the concession and the provision is updated to reflect interest expense until the investment is made.

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

A provision is recognized systematically for replacement investments over the period in which the related obligations accrue and must be fully funded by the time the replacement becomes operational. The provision is recognized based on the pattern of consumption over the period in which the obligation accrues using a financial method.

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

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

In case that just part of the upgrade is expected to be recovered through an increase in future revenue, the general accounting treatment used for investments that will be recovered over the concession term will be applied. The main assumptions employed in relation to these arrangements relate to traffic and replacement investment estimates, which are updated each year by the technical departments.

Set out below is a breakdown of the main concession agreements in force to which the intangible asset model is applied for both toll roads and airports, highlighting the aforementioned acquisitions of Dalaman International Airport and the New Terminal One at JFK NTO in 2022 (see Note 1.1.6) showing the term, status and consolidation method:

Intangible asset model concessions:

CONCESSION OPERATOR	COUNTRY	STATUS	START YEAR (*)	END YEAR	CONSOLIDATION METHOD
407 International Inc.	USA	Operation	1999	2098	Equity consolidation
NTE Mobility Partners, LLC	USA	Operation	2014	2061	Full consolidation
NTE Mobility Partners Seg 3 LLC	USA	Operation	2018	2061	Full consolidation
LBJ Infr. Group LLC	USA	Operation	2014	2061	Full consolidation
I-66 Mobility Partners LLC	USA	Operation	2016	2066	Full consolidation
I-77 Mobility Partners LLC	USA	Operation	2019	2069	Full consolidation
Eurolink Motorway Operations (M4-M6)	Ireland	Operation	2005	2033	Equity consolidation
Autopista Terrassa Manresa, S.A.	Spain	Operation	1989	2036	Full consolidation
Autovía de Aragón, S.A. (**)	Spain	Operation	2007	2026	Full consolidation
Dalaman International Airport	Turkey	Operation	2022	2042	Full consolidation
JFK NTO LLC	USA	Construction	2022	2060	Equity method

(*) First year of the concession (if in service) or year construction began (if it is in the construction phase).

(**) In 2021, the maintenance and operation contract for the A2 Highway section was classified as a continuing operation.

IFRIC 12 Financial asset model assets

This heading reflects service concession arrangements related to infrastructures in which the consideration consists of an unconditional contractual right to receive cash or another financial asset, either because the awarding entity guarantees payment of specific amounts or because it guarantees recovery of the shortfall between amounts received from public service users and the specified amounts. Therefore, these are concession agreements in which demand risk is borne in full by the awarding entity. In such cases, the amount due from the awarding entity is accounted for as a financial asset in the balance sheet.

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

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

This financial return from such concessions is recognized as revenue, since it forms part of the concession activity and is accrued on a regular, periodic basis.

At December 31, 2023 and 2022, financial returns recognized as revenue amounted to EUR 10 million and EUR 10 million, respectively.

Also, the borrowing costs associated with the financing of concessions to which the financial asset model is applied amounted to EUR 7 million in 2023, EUR 9 million in 2022 and EUR 12 million in 2021.

The main concession contracts that apply the account receivable model correspond to the Construction and Waste Treatment businesses (Thalia):

CONCESSION OPERATOR	COUNTRY	STATUS	START YEAR (*)	END YEAR	CONSOLIDATION METHOD
Concesionaria de Prisiones Lledoners	Spain	Operation	2008	2038	Full consolidation
Depusa Aragón, S.A.	Spain	Operation	2017	2037	Full consolidation
Wroclaw Budimex Car Park	Poland	Operation	2012	2042	Full consolidation
UK Waste Treatment (Thalia)	UK	Operation	2008	2036	Full consolidation

(*) First year of operation (if the project is in operational status) or First year of concession/construction period (if the project is in the construction phase)

In addition, within the companies accounted for by the equity method, the following toll road concession contracts also apply the account receivable model:

CONCESSION OPERATOR	COUNTRY	STATUS	START YEAR (*)	END YEAR	CONSOLIDATION METHOD
Eurolink M3	Ireland	Operation	2010	2052	Equity consolidation
A66 Benavente - Zamora	Spain	Operation	2015	2042	Equity consolidation
407 East Extension	Canada	Operation	2016	2045	Equity consolidation
Scot Roads Partnership Project Limited	UK	Operation	2017	2047	Equity consolidation
Nexus Infr. Unit Trust (Toowoomba)	Australia	Operation	2019	2043	Equity consolidation
Blackbird Infr. Group (407 East Phase 2)	Canada	Operation	2019	2047	Equity consolidation
Ruta del Cacao S.A.S	Colombia	Construction	2015	2040	Equity consolidation
Zero Bypass Ltd.	Slovakia	Operation	2016	2050	Equity consolidation
Netflow OSARs Western	Australia	Construction	2017	2040	Equity consolidation
Riverlinx, Ltd.	UK	Construction	2019	2050	Equity consolidation

(*) First year of the concession (if in service) or year construction began (if it is in the construction phase).

1.3.3.3. Other balance sheet and income statement items

Impairment and disposal of fixed and intangible assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indicator exists, the asset's recoverable amount is compared with its carrying value (i.e. net of accumulated depreciation). A provision for impairment is recognized in the income statement if the recoverable amount is lower than the carrying value. The provision is reversed in future years if the recoverable amount exceeds the carrying value.

The Group also assesses at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist.

The line "Impairment and disposal of fixed assets" primarily includes asset impairment and gains or losses on the purchase, sale and disposal of investments in Group companies and associates. When any such acquisitions or disposals of assets results in a takeover or loss of control, the capital gain relating to the updating of the fair value in respect of the stake maintained is recognized in the column showing fair value adjustments.

Leases

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets which are expensed. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets (Note 3.7).

The Group recognizes right-of-use assets at lease inception (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Group applies the exception set forth in the IFRS 16 paragraph 5(a), based on which leases that have a term of less than twelve months are treated as operating leases.

Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

Deferred tax assets and liabilities are not offset in these financial statements, as Ferrovial´s subsidiaries do not have a clear intention to settle current tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously.

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

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

Fair value measurement

When measuring derivatives, the credit risk of the parties to the agreement is taken into account. The impact of credit risk will be taken to the income statement unless the derivatives qualify as effective cash flow hedges, in which case the effect will be recognized in reserves.

The Group uses appropriate measurement methods based on the circumstances and on the volume of inputs available for each item, attempting to maximize the use of relevant observable inputs and avoiding the use of unobservable inputs. According to IFRS 13, the Group establishes a fair value band that categorizes the inputs to measurement methods used to measure fair value into the following three levels:

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

As explained in Note 5.5 Financial derivatives, all the Group's financial derivatives are on Level 2.

Financial instruments

Impairment of financial assets

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

This model applies to all financial assets, including commercial assets contracted under IFRS 15, non-trade assets and receivables under the IFRIC 12 model. For this calculation, the Group has developed a method whereby certain rates are applied to financial asset balances that reflect expected credit losses based on the credit profile of the counterparty (the customer, in the case of trade and other receivables and the awarding entity for financial assets under IFRIC 12).

These percentages reflect probability of default (receivables not being cashed) and loss in case default materializes.

The assignment of ratings and rate trends is overseen by the Financial Risk department, which performs an update at each year-end based on credit risks. If during the analysis a significant increase in risk is identified with respect to that initially recognized, the expected loss is calculated considering lifetime probability of default.

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

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

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

Classification and measurement of financial assets.

Under IFRS 9, the classification and measurement method are based on two aspects: the characteristics of the contractual cash flows from the financial asset and the entity's business approach to managing financial assets.

This entails three potential measurement methods: amortized cost, fair value through other comprehensive income (equity) and fair value through profit or loss. The Group's financial assets are mainly assets held to maturity, the cash flows of which only comprise payments of principal and interest, so financial assets are carried at amortized cost. It should be noted that there is an option to report fair value changes in other comprehensive income from the outset in the case of equity instruments measured by default at fair value through profit or loss. This decision is irrevocable and must be made for each individual asset.

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

Other equity instruments

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

Non-refundable grants related to assets

Non-repayable capital grants are measured at the amount granted under "Deferred income" (Note 6.1) in the consolidated statement of financial position and are progressively released to the income statement in proportion to the depreciation charged during the year on the assets financed by the grants. From a cash flow standpoint, the investments made are presented separately from the non-refundable grants received during the year.

Trade payables

The heading "Trade payables" also includes the liability to pay for goods or services acquired from suppliers under reverse factoring arrangements with banks.

These balances are classified as trade payables and the related payments as cash flows from operating activities in line with IAS 1, as they are part of the working capital used in the entity's normal operating cycle. Payments are made to the banks on the same terms agreed with the suppliers and with no extensions beyond the due dates agreed with the suppliers, and there are no special guarantees securing the payments to be made.

Provisions

This heading includes provisions covering risks arising in the course of business (see Note 6.3). The accounting treatment of each type of provision is as follows:

i. Litigation provisions and taxes: These provisions are recognized and reversed against operating profit/(loss), against net financial income/(expense) and/or against corporate income tax, depending on the nature of the tax for which the provision has been recognized (penalties, related interest, and/or contested tax assessments).
ii. Provisions for replacements under IFRIC 12: These provisions are recognized and reversed against depreciation charged during the period in which the obligations accrue, until the replacement becomes operational. The net depreciation charges amounted to EUR -6 million and EUR 28 million in 2023 and 2022, respectively.
iii. Provisions for other long-term risks: They are recognized and reversed against changes to provisions in operating profit/(loss), as and when the landfill closure costs are incurred
iv. Trade provisions: These provisions are recognized and reversed against changes to provisions in operating profit/(loss).

Share-based remuneration schemes

Share-based remuneration scheme are accounted for as a future and therefore the value of the foreseeable dividends up to the date is discounted to the value of the shares at the grant date using a rate of return equal to the average cost of borrowings over the share award period.

1.3.3.4 Revenue recognition

Ferrovial has a common revenue recognition policy adapted to IFRS 15 "Revenue from contracts with customers" so as to ensure a consistent approach across all lines of business.

i) General revenue recognition approach

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

A single performance obligation is generally identified in construction contracts due to the high degree of integration and customization of the various goods and services forming a combined output that is transferred to the customer over time.

In general, performance obligations in Construction activities carried out by Ferrovial are satisfied over time rather than at a point in time, since the customer simultaneously receives and consumes the benefits of the Company's work as the service is provided.

As regards the approach to recognizing revenue over time (a way of measuring the progress of a performance obligation), Ferrovial has established certain criteria that are applied consistently to similar performance obligations.

In this regard, the Group has chosen the output method as its preferred approach when measuring goods and services the control of which is transferred to the customer over time.

In contracts for goods and services that are different but closely interrelated when making a combined product, which often occurs under construction contracts, the applicable output method consists of measuring the work carried out or surveying performance completed to date, in which the revenue recognized reflects the work units executed and the unit price. Under this method, the units completed under each contract are measured and the relevant output is recognized as revenue.

Costs of works or services are recognized on an accrual basis, expensing amounts actually incurred (Note 1.3.3.4.IV on provisions for deferred expenses).

For recurring and routine services (involving substantially the same services) such as maintenance, showing the same pattern over time and remuneration consisting of a recurring fixed amount over the contract term (e.g. monthly or annual payments), such that the customer benefits from the services as they are provided, the Group opted for the time-elapsed output method to recognize revenue. Under this method, revenue is recognized on a straight-line basis over the term of the contract and costs are recognized on an accrual basis.

The costs-incurred input method only is applied to contracts that are not for recurring and routine services and for which the unit price of the units to be executed cannot be determined. Under this method, the Company recognizes revenue based on costs incurred as a percentage of the total costs forecast to complete the work, taking account of the expected profit margins for the whole project, based on the most recently updated budget.

This method entails measuring the costs incurred as a result of the work completed to date as a proportion of the total costs forecast and recognizing them as revenue in proportion to the total revenues expected.

As indicated above, this method only applies to lump-sum construction or service contracts in which it is not possible to break down the price and the measurement of units to be completed.

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

In the case of concession agreements in which Ferrovial both builds and operates the infrastructure, the construction company is the principal if it is ultimately responsible for fulfilling the contractual obligation to execute the work in accordance with the concession agreement specifications and therefore assumes the consequences in the event of a claim or delay. Revenues and results of those construction services are therefore recognized by the Construction Division. Conversely, the concession company acts as an agent in connection with the construction performance obligation and does not therefore recognize revenues or results in this regard.

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

Modifications are understood as changes to the initial contract's scope of works that could result in a change to the contract revenues. Changes to the initial contract require the customer's technical and financial approval prior to the issuance of billings and collection of the amounts relating to additional work.

The Group generally does not recognize any revenue from such additional work until it has been approved by the customer. When the scope of work has been approved but the impact on revenue has yet to be valued, the "variable consideration" requirement (as explained below) will apply. This entails recognizing revenue in an amount that is highly unlikely to be reversed.

Any costs associated with the units completed or services rendered will be recognized when they are incurred, regardless of whether or not the modification has been approved.

A claim is a request for payment or compensation to the customer (e.g., compensation events, reimbursement of costs, legally mandated inflation adjustment) subject to an application procedure directly to the customer. The general criterion followed by the Group is not to recognize revenue until the request has been approved by the customer. In the event that the work is approved but the valuation is pending, the requirement mentioned below for the case of "variable consideration" in accordance with IFRS 15 is applied, recording the amount for which it is highly probable that there will not be a significant reversal. This treatment is also applied in exceptional cases where no approval has been received from the customer, recording revenue provided there is a legal report justifying that the disputed rights are clearly enforceable, as well as a technical report supporting the technical basis of the request or claim in question and approval from the Division's CFO and General Counsel.

A dispute is the result of an incident of non- compliance or rejection after a claim has been made to the customer under the terms of the contract, the result of which is pending in a procedure being pursued directly with the customer or in court or arbitration proceedings.

In line with the criteria followed by the Group, in the event that the revenues relating to a dispute in which the enforceability of the amount being claimed are in doubt, these revenues will not be recognized and any amount recognized earlier will be cancelled, since the dispute shows that the customer has not given its approval for the completed work.

In the event that the customer questions the value of the work completed, revenues will be recognized on the basis of the criteria applied in cases of "variable consideration", as explained below.

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

iii) Determination of the transaction price

The transaction price must allocate a price to each performance obligation (or distinct good or service) in an amount that represents the consideration to which the entity expects to be entitled in exchange for the transfer of committed goods or services to the customer. To this end, the transaction price of each performance obligation identified in the contract is allocated as a separate selling price in relative terms.

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

Variable consideration

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

Financing component

In general, when more than one year elapses between the date on which the good or service is delivered and the date on which the customer is expected to make payment, an implicit financing component is included when calculating the price of a performance obligation. This component is treated as financial income.

Where a performance obligation relates to a period of less than one year between the date on which the company transfers a good and the date on which the customer makes payment, the practical expedient permitted by the accounting standard is applied to avoid adjusting the amount of the consideration.

In cases in which there is a contractual or legal right to charge late-payment interest based on the contractually agreed terms, the late-payment interest is only recognized when it is highly probable that it will be effectively received.

iv) Balance sheet items related to revenue recognition

Completed work pending certification/work certified in advance

Unlike revenue recognition, amounts billed to the customer are based on the various milestones reached under the contract and on acknowledgement thereof by the customer by means of a contractual document referred to as a progress billing certificate. Therefore, the amounts recognized as revenue for a given year do not necessarily match those billed to or certified by the customer.

For contracts in which the revenue recognized exceeds the amount billed or certified, the difference is recognized in an asset account named "Completed work pending certification" (as a contract asset) under "Trade receivables for sales and services", while for contracts in which the revenue recognized is lower than the amount billed or certified, the difference is recognized in a liability account named "Work certified in advance" (as a contract liability) under "Short-term trade and other payables".

Bidding and mobilization costs

In addition to the balance sheet items described above, the Group also recognizes assets reflecting costs of obtaining contracts (bidding costs), costs incurred to fulfil contracts or start-up costs (mobilization costs) directly related to the main contract, provided they are recoverable during the performance of the contract. These balances are included in a separate asset account in the balance sheet under "Inventories" (Note 4.1).

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

Bidding costs incurred before a contract is awarded or the contractor selected as preferred bidder are recognized as an expense, unless they are explicitly recoverable from the customer in any event (whether or not the contract is obtained). They are amortized systematically as the goods and services related to the asset are transferred to the customer.

Any costs that are necessary to start up a contract or mobilization costs are capitalized whenever it is probable that they will be recoverable in the future, excluding any expenses that would have been incurred if the contract had not been obtained. They expensed based on the proportion of actual output to estimated output under each contract. Otherwise, they are taken directly to the income statement.

v) Provisions for contracts with customers

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

- Provisions for deferred expenses. They cover expenses that are expected to be incurred at contract close-out, such as for the removal of construction machinery or decommissioning, as well as estimated repairs to be carried out during the warranty period. These provisions reflect an existing obligation stipulated in the contract on the basis of which the company is likely to allocate resources to satisfy the obligation, the amount of which can be reliably estimated. The provisions are based on the best available information. They may be calculated as a percentage of the total revenue expected from the contract, if there is historical information for similar contracts.

Warranty obligations included in this type of provisions are not treated as a separate performance obligation, unless the customer has the option of contracting the warranty separately, therefore they are recognized in accordance with IAS 37.

These provisions are classified as current liabilities since they relate to the operating construction projects cycle, in line with IFRS 1.

- Provisions for budgeted losses. These provisions are recognized when it becomes apparent that the total costs expected to fulfil a contract exceed expected contract revenues. For the purpose of determining, where appropriate, the amount of the provision, budgeted contract revenue will include the forecast revenue that is considered probable, in line with IAS 37 (paragraph 14 (b) as well as incremental costs and those directly related to the contract. General costs are not directly attributable to a contract and are therefore excluded from the calculation unless they are explicitly passed on to the counterparty in accordance with the contract, in line with paragraph 68 (a) of IAS 37.

This differs from the IFRS 15 approach described above in Note 1.3.3.4 "Revenue recognition", according to which revenue is only recognized when considered highly probable.

Should the total profit expected from a contract be lower than the amount recognized applying the above-mentioned revenue recognition approach, the difference is reflected as a negative margin provision.

vi) Segment-specific revenue recognition approach

Toll Roads business

The contracts included in this line of business are accounted for in accordance with IFRIC 12, which provides for the classification of contract assets on the basis of the intangible asset model and the financial asset model (mixed models could also be applied) (Note 1.3.3.2).

In the case of contracts classified as intangible assets, the customer is the infrastructure user and therefore each use of the infrastructure by users is deemed a performance obligation and the revenue is recognized at a point in time. In the case of contracts accounted for using the financial asset model, in which the public administration is the customer, revenue recognition depends on the various services provided (e.g. operation or maintenance), which are recognized as separate performance obligations to which market prices must be allocated.

Where a separate selling price is not directly observable, the best possible estimate is employed, applying the forecast business margin.

As mentioned above in point 1.3.3.4.i, in the case of concession agreements in which Ferrovial both builds and operates the infrastructure, the construction company is the principal if it is ultimately responsible for fulfilling the contractual obligation to execute the work in accordance with the concession agreement specifications and therefore assumes the consequences in the event of a claim or delay.

Airports business

Generally speaking, these are short-term services rendered to the customer (airlines or airport users), in which revenues will be recognized at a point in time.

It should be noted that JFK NTO LLC is acting as an agent in relation to the construction performance obligation. In this case, the design and construction services are the responsibility of a third-party company, contracted for this purpose by the former (such third party, the construction company). The conclusion that it was acting as an agent for the construction activity was reached after performing an assessment following the provisions of IFRS 15, especially considering paragraphs B35 and B37.

Energy Infrastructures and Mobility business

These contracts cover a number of services that are substantially the same and are transferred based on the same pattern. The monthly rate reflects the value of the services rendered. This type of contract includes a single performance obligation that is transferred over time for which revenues are recognized using the output method.

1.3.4. Accounting estimates and judgments

These financial statements are prepared in accordance with IFRS-IASB and with IFRS as adopted by the European Union, which require the use of estimates, judgments and assumptions that affect the carrying amount of assets and liabilities, the disclosure of contingent assets and liabilities and the amount of income and expenses recognized. The estimates and associated assumptions are based on management´s best judgement of aspects that are known when the financial statements are prepared, on historical experience and on any other factor that is deemed to be relevant.

The estimations of items for which there is a risk that a material difference could arise in the future in respect of the carrying amounts of assets and liabilities, involves significant analysis and estimation and requires management to make judgments when determining the assumptions, as discussed in the following paragraphs:

i) Revenue from long-term construction contracts with customers (Note 1.3.3.4), particularly as regards to:

- Application of the output method to recognize revenue over time, measuring the work carried out or surveying performance completed to date, in which the revenue recognized reflects the work units executed. Under this method, the units completed in each contract are the basis used to recognize revenue. Those units are calculated by each project team based on the technical progress made up to the financial statements date. The revenue recognized reflects the work units executed valued applying the unit price established in the contract.
- Application of the input method to recognize revenue over time on those contracts where the output method cannot be applied, estimating the total costs forecast to complete the work, using most recent contract budgets approved for each project by the relevant members of management, making assumptions on future prices of materials and subcontractors' work. Prices included in future materials supply arrangements and subcontractors' contracts are used. In case no supply contracts are in place, materials or subcontractors' costs are calculated based on market evidence or supply arrangements recently signed for other contracts.
- Provisions for deferred expenses: Management bases its calculations on historic experience and bears in mind the different countries and contract requirements.
- Provisions for contractual losses: They are recognized when the probable budget scenario, adjusted for internal fees, shows a loss.
- Recognition of revenue for variable consideration, for a modification, for a claim or for a dispute. In this regard, management bases its calculation on the specific clauses included in each contract and also considers past experience in other contracts. Management needs to make assumptions regarding the amount of incurred costs that will give rise to these additional sources of revenue and whether those costs meet the conditions for variable considerations, modifications, claims or disputes arising in connection with the contract.

ii) Toll Roads and Airports financial information under IFRIC-12 (Note 3.3 on Investments in infrastructure projects; Note 6.3 on Provisions) and the related impairment test (Note 3.1. on Goodwill and acquisitions) performed based on a discounted cash flow model, which involves management assumptions, mainly related to:

- Future traffic volumes (vehicles and passengers for toll roads and airports, respectively): For concessions already in operation, traffic estimates are built on actual traffic and growth patterns are derived from macroeconomic data, external studies in certain cases and any other information and plans that may impact future traffic. For concessions under construction, external projections (e.g. airports traffic forecast from international agencies) and researches (e.g. impact of e-commerce on heavy vehicles traffic or home working habits on the use of private vehicles for toll roads) are used.

- Pricing: Specific pricing arrangements included in concession contracts are considered. In case the arrangements do not include a fixed price, internal estimates of elasticity of demand regarding prices and other related inputs are used.
- Future operating expenses: Estimates of future prices of materials, subcontractors and other costs required to operate the concessions are based on historical experience, estimating price index grow and considering related requirements established in the concession agreements.
- Discount rates: Management calculates weighted average cost of capital based on external information sourced obtained from banks reports and converts it into a pre-tax discount rate for impairment test purposes.

iii) Fair value of assets held for sale related to discontinued operations (Note 1.1.5.), which only applies to 2021 and 2022: If the divestment process is in an advanced stage, non-binding and binding offers received from potential buyers are the main input. Where there are no offers in place, calculations based on publicly available multiples of similar transactions are also used.

iv) Allocation of the consideration transferred on the acquisition of I-66 at December 2021 and Dalaman at June 2022 to the fair value of its assets and liabilities and calculation of the corresponding goodwill, as well as calculation of the fair value of the previously held 50% stake in I-66 (Note 1.1.6).

Fair value of the toll road, which is accounted for in the "Fixed asset infrastructure projects-Intangible asset model" caption of the consolidated statement of financial position, was calculated based on the enterprise value implicit in the acquisition of the above mentioned 5,704%, as the toll road is the only relevant asset in the acquired company.

1.3.5. Disclosures

It should also be noted that information or disclosures that need not be included on the basis of qualitative significance have been omitted from these consolidated financial statements due to being immaterial under the IFRS Conceptual Framework.

1.4. EXCHANGE RATE

As indicated previously, Ferrovial has business outside the eurozone through various subsidiaries. The exchange rates used to translate their financial statements for Group consolidation purposes are as follows:

For balance sheet items (exchange rates at December 2023 and at December 2022 for the comparative period):

Closing exchange rate	2023	2022	Change 23/22 (*)
Pound sterling	0.8669	0.8853	(2)%
US dollar	1.1039	1.0705	3 %
Canadian dollar	1.4606	1.4506	1 %
Australian dollar	1.6206	1.5717	3 %
Polish zloty	4.3430	4.6852	(7)%
Chilean peso	967.7800	908.1600	7 %
Indian rupee	91.9427	88.1544	4 %

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

For items in the income statement and cash flow statement (cumulative average rates in December 2023, December 2022 and December 2021 for the comparative period):

Average exchange rate	**2023**	**2022**	**2021**	**Change 23/22 (*)**	**Change 22/21(*)**
Pound sterling	0.8696	0.8527	0.8586	1.98%	-0.69%
US dollar	1.0815	1.0533	1.1796	2.67%	-10.70%
Canadian dollar	1.4592	1.3698	1.4790	6.52%	-7.38%
Australian dollar	1.6288	1.5169	1.5785	7.38%	-3.91%
Polish zloty	4.5412	4.6847	4.5656	-3.06%	2.61%
Chilean peso	908.7522	917.5334	901.4610	-0.96%	1.78%
Indian rupee	89.3135	82.7262	87.2774	7.96%	-5.21%

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

The impact recorded in equity attributable to the parent company for this reason is EUR -83 million in 2023 and EUR 43 million in 2022 (see Note 5.1.1 Changes in equity).

The exchange rate effects are also analyzed in the notes to the financial statements, where relevant.

1.5. SEGMENT REPORTING

For management purposes, the Group is organized into business units based on its activities and services and has four reportable segments, as follows (Note 1.1.4):

- Construction, which undertakes the design and/or build of all sorts of public and private works, including most notably the construction of public infrastructures.
- Toll Roads, which carries out the development, financing and operation of toll roads.
- Airports, which is engaged in developing, financing and operating airports.

- Energy Infrastructures and Mobility, which basically focuses on developing energy transmission and renewable energy infrastructures, and also on the Mobility businesses and some services related to waste treatment in the UK.

No segments have been aggregated to form the above reportable segments.

The global Chief Executive Officer is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Furthermore, information reported to the market is also broken down into the above four segments.

The income statement is shown below by segment for 2023, 2022 and 2021. The “Other” column includes the income and/or expenses of companies not assigned to any of the business segments, including most notably the parent company Ferrovial SE and its other smaller subsidiaries. The “Adjustments” column reflects inter-segment consolidation eliminations.

As can be seen in the following tables, Construction and Toll Roads revenues account for more than 10% of the Group’s consolidated revenue. The Airports segment used to exceed that threshold, but temporarily, and as a result of the pandemic, does not. Nevertheless, it is a distinct business line, managed separately and therefore disclosed as a reporting segment. The Energy and Infrastructures Mobility segment is a relatively new business area on which the Group is focusing. The CEO assesses its performance separately based on an income statement measured consistently with profit or loss in the consolidated financial statements and with a similar presentation.

Income statement by business segment: 2023, 2022 and 2021 (Million euro).

	Construction	Toll Roads	Airports	Energy and mobility	Other	Adjustments	Total 2023
Revenue	7,070	1,085	80	334	181	(236)	8,514
Total operating expenses	6,853	286	58	324	239	(236)	7,524
Fixed asset depreciation	141	213	20	20	7	–	401
Impairment and disposal of fixed assets	–	37	–	(2)	–	–	35
Operating profit/(loss)	**77**	**623**	**2**	**(12)**	**(65)**	**–**	**625**
Profit/(loss) on derivatives and other net financial income/(expense)	(29)	5	(12)	9	62	(2)	33
Net financial income/(expense) from financing	117	(224)	3	(4)	(111)	2	(217)
Net financial income/(expense)	**88**	**(219)**	**(9)**	**5**	**(49)**	**–**	**(184)**
Share of profits of equity-accounted companies	–	198	11	6	–	–	215
Profit/(loss) before tax from continuing operations	**165**	**602**	**4**	**(1)**	**(114)**	**–**	**656**
Income/(expense) tax	(61)	(54)	(20)	6	87	–	(42)
Profit/(loss) net of tax from continuing operations	**104**	**548**	**(16)**	**5**	**(27)**	**–**	**614**
Profit/(loss) net of tax from discontinued operations	–	–	–	–	16	–	16
Net profit/(loss)	**104**	**548**	**(16)**	**5**	**(11)**	**–**	**630**
Net profit/(loss) for the period attributed to non-controlling interests	(51)	(126)	7	–	–	–	(170)
Net profit/(loss) for the period attributed to the parent company	**53**	**422**	**(9)**	**5**	**(11)**	**–**	**460**

	Construction	Toll Roads	Airports	Energy and mobility	Other	Adjustments	Total 2022 (*)
Revenue	6,463	780	54	296	178	(220)	7,551
Total operating expenses	6,289	230	56	283	189	(222)	6,825
Fixed asset depreciation	113	160	7	12	7	–	299
Impairment and disposal of fixed assets	–	(3)	–	(3)	–	–	(6)
Operating profit/(loss)	**63**	**387**	**(9)**	**(2)**	**(16)**	**–**	**423**
Profit/(loss) on derivatives and other net financial income/(expense)	(34)	(110)	19	1	48	(2)	(78)
Net financial income/(expense) from financing	35	(240)	–	(9)	(30)	2	(242)
Net financial income/(expense)	**1**	**(350)**	**19**	**(8)**	**18**	**–**	**(320)**
Share of profits of equity-accounted companies	1	158	7	(1)	–	–	165
Profit/(loss) before tax from continuing operations	**65**	**195**	**17**	**(11)**	**2**	**–**	**268**
Income/(expense) tax	(5)	(39)	2	(4)	16	–	(30)
Profit/(loss) net of tax from continuing operations	**60**	**156**	**19**	**(15)**	**18**	**–**	**238**
Profit/(loss) net of tax from discontinued operations	–	–	–	–	64	–	64
Net profit/(loss)	**60**	**156**	**19**	**(15)**	**82**	**–**	**302**
Net profit/(loss) for the period attributed to non-controlling interests	(42)	(65)	(9)	–	–	(1)	(117)
Net profit/(loss) for the period attributed to the parent company	**18**	**91**	**10**	**(15)**	**82**	**(1)**	**185**

	Construction	Toll Roads	Airports	Energy and mobility	Other	Adjustments	Total 2021
Revenue	6,077	588	2	252	157	(166)	6,910
Total operating expenses	5,833	173	28	264	168	(165)	6,301
Fixed asset depreciation	112	141	–	12	5	–	270
Impairment and disposal of fixed assets	22	1,117	–	–	1	(1)	1,139
Operating profit/(loss)	**154**	**1,392**	**(26)**	**(24)**	**(16)**	**(1)**	**1,479**
Profit/(loss) on derivatives and other net financial income/(expense)	(24)	(86)	(6)	4	23	1	(88)
Net financial income/(expense) from financing	(6)	(198)	–	(7)	(36)	–	(247)
Net financial income/(expense)	**(30)**	**(284)**	**(6)**	**(3)**	**(13)**	**1**	**(335)**
Share of profits of equity-accounted companies	–	81	(254)	(6)	1	–	(178)
Profit/(loss) before tax from continuing operations	**124**	**1,189**	**(286)**	**(33)**	**(28)**	**–**	**966**
Income/(expense) tax	(49)	(71)	7	5	116	1	9
Profit/(loss) net of tax from continuing operations	**75**	**1,118**	**(279)**	**(28)**	**88**	**1**	**975**
Profit/(loss) net of tax from discontinued operations	115	–	–	–	246	–	361
Net profit/(loss)	**190**	**1,118**	**(279)**	**(28)**	**334**	**1**	**1,336**
Net profit/(loss) for the period attributed to non-controlling interests	(105)	(29)	–	–	(3)	(1)	(138)
Net profit/(loss) for the period attributed to the parent company	**85**	**1,089**	**(279)**	**(28)**	**331**	**–**	**1,198**

SECTION 2: PROFIT/(LOSS) FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

This section comprises the notes relating to the profit/(loss) for the year.

For the year ended December 31, 2023:

Net profit for the year reached EUR 460 million thanks to traffic and revenue per transaction growth in the Toll Roads business in US, as well as by the Construction Division's results, particularly the contributions from the businesses in Spain and Poland (Budimex).

In addition, net profit/(loss) for the year was impacted by several positive tax effects, highlighting the Spanish Supreme Court judgment (Note 6.5.1) on the application of the deduction for export activities regarding the 2006 investment made in the former BAA (Heathrow) with a positive impact of EUR 119 million.

Also noteworthy is the sale of the Azores toll road in Portugal (EUR 41 million) and the positive impact of financial derivatives (EUR 43 million), highlighting equity swaps impact due to the positive performance of the Company´s shares and Autema toll road interest rate swaps positive variation.

For the year ended December 31, 2022:

Net profit for 2022 reached EUR 185 million, primarily on the back of traffic growth in Toll Roads, explained due to the lifting of the COVID-19 restrictions and revenue per transaction growth in the US, as well as by the positive Construction Division's results, highlighting the business contributions in Spain and Poland (Budimex).

In addition, net profit/(loss) for the year was impacted by a profit of EUR 64 million from discontinued operations relating mainly to the divestments of the business operated in the UK through the subsidiary Amey (Note 1.1.5).

Finally, of particular note is the recognition of EUR 26 million in deferred tax liabilities, in addition to the EUR 41 million recognized in December 2021, for deferred taxes on the repatriation of future dividends from Canada (Note 2.7.2).

For the year ended December 31, 2021:

Net profit for the year stood at EUR 1,198 million was primarily affected by the capital gain in the concession operator I-66 Express Mobility Partners Hold. LLC (EUR 1,117 million), due to the revaluation of the pre-existing shareholding following the acquisition of an additional 5.704% (Note 1.1.6).

In addition, net profit/(loss) for the year was impacted by a profit of EUR 361 million (EUR 299 million impact on net income) from discontinued operations relating to two divestment transactions:

- Profit of EUR 246 million from the Services business (Notes 1.1.5 and 2.8), primarily derived from the Environment activity (Spain and Portugal) sold on December 1, 2021, with an impact of EUR 335 million.
- Profit from the sale of the Budimex Group's Polish real estate business (B.N.I.) on February 22, 2021 at a gain of EUR 115 million (EUR 53 million in net profit/(loss, after non-controlling interests).

Other non-recurring effects on the impairment and disposals line reaching EUR 22 million relate basically to sale transactions in the Construction Division, particularly the gain on the divestment of the 19.86% ownership interest in Nalanda, the sale of 22% ownership of Urbicsa and the divestment in Figueras.

These 2021 results were still affected by the impact of COVID-19 on the Airports business, particularly on Heathrow Airport (HAH) and AGS airport, both being equity-accounted investment, for which losses of EUR 238 million and EUR 20 million were recognized respectively through the income statement at December 31, 2020, reducing the ownership interests to zero.

NOTES ON PROFIT/(LOSS) FROM CONTINUING OPERATIONS

2.1. OPERATING INCOME

The Group's revenue as of and for the years ended December 31, 2023, 2022 and 2021 from contracts with customers, as interpreted by IFRS 15, amounted to EUR 8,339 million, EUR 7,385 million and EUR 6,810 million, respectively (Note 4.4).

Revenue includes financial income from services provided by the concession operators that apply the financial asset model, totaling EUR 10 million, EUR 10 million and EUR 15 million in 2023, 2022 and 2021, respectively.

Set out below is a breakdown of revenue by segment and comparative figures for 2023, 2022 and 2021:

For the year ended December 31, 2023 :

(Million euro)	External sales	Inter-segment sales	Total	Var. %
Construction	6,581	489	7,070	9 %
Toll Roads	1,084	1	1,085	39 %
Airports	80	-	80	59 %
Energy and mobility infrastructures	334	-	334	13 %
Other activities (*)	25	156	181	2 %
Adjustments	-	(236)	(236)	7 %
Total	**8,104**	**410**	**8,514**	**13 %**

(*) Corresponds to support services provided by the Corporation Division to the rest of the Group's businesses, which are eliminated in the consolidation process.

For the year ended December 31, 2022 (**):

(Million euro)	External sales	Inter-segment sales	Total	Var. %
Construction	5,432	1,031	6,463	6 %
Toll Roads	779	1	780	33 %
Airports	54	-	54	2600 %
Energy and mobility infrastructures	296	-	296	17 %
Other activities (*)	39	139	178	13 %
Adjustments	-	(220)	(220)	33 %
Total	**6,600**	**951**	**7,551**	**9 %**

(*) Corresponds to support services provided by the Corporation Division to the rest of the Group's businesses, which are eliminated in the consolidation process.

(**) Restated figures (Note 1.1.7)

For the year ended December 31, 2021 :

(Million euro)	External sales	Inter-segment sales	Total
Construction	5,044	1,033	6,077
Toll Roads	587	1	588
Airports	1	1	2
Energy and mobility infrastructures	252	-	252
Other activities (*)	3	154	157
Adjustments	-	(166)	(166)
Total	**5,887**	**1,023**	**6,910**

(*) Corresponds to support services provided by the Corporation Division to the rest of the Group's businesses, which are eliminated in the consolidation process.

The inter-segment sales that are not eliminated in the Group's consolidated financial statements relate to works completed by the Construction Division for the infrastructure concession operators (Note 1.3.2 and Note 6.8).

The breakdown of sales by geographic area is as follows:

(Million euro)	2023	2022 (*)	Var. 23/22	2021	Var. 22/21
USA	2,879	2,906	(27)	2,639	267
Poland	2,160	1,842	318	1,735	107
Spain	1,475	1,154	321	1,092	62
UK	771	708	63	644	64
Canada	161	100	61	80	20
Other	1,068	841	227	720	121
TOTAL	**8,514**	**7,551**	**963**	**6,910**	**641**

(*) Restated figures (Note 1.1.7)

The Ferrovial Group's sales in its five main markets accounted for 87% of total sales in 2023 (89% in 2022 and 90% in 2021).

2.2. OTHER OPERATING EXPENSES

Set out below is a breakdown of other operating expenses:

(Million euro)	2023	2022 (*)	Var. 23/22	2021	Var. 22/21
Subcontracted work	3,337	2,975	362	2,824	151
Leases (Note 3.7)	250	256	(6)	235	21
Repairs and maintenance	82	89	(7)	70	19
Independent professional services	485	449	36	331	118
Changes in provisions for liabilities (Note 6.3)	53	(68)	121	51	(119)
Other operating expenses	671	481	190	412	69
Total other operating expenses	**4,878**	**4,182**	**696**	**3,923**	**259**

(*) Restated figures (Note 1.1.7)

2.3. PERSONNEL EXPENSES

Set out below is a breakdown of personnel expenses:

(Million euro)	2023	2022(*)	Var.23/22	2021	VAR 22/21
Wages and salaries	1,350	1,111	239	1,006	105
Social security contributions	179	158	21	148	10
Pension plan contributions	15	13	3	10	2
Share-based payments	11	8	4	-9	17
Other welfare expenses	43	156	-113	138	18
TOTAL	**1,599**	**1,446**	**153**	**1,293**	**153**

(*) Restated figures (Note 1.1.7)

The trend in the number of employees at December 31, 2023, 2022 and 2021 by professional category and gender is as follows:

				12.31.2023
CATEGORY	**MEN**	**WOMEN**	**TOTAL**	**VAR. 23/22**
Executive directors	2	0	2	— %
Senior managers	11	2	13	— %
Executives	2,819	703	3,522	10 %
Managers/Professionals/Supervisors	4,145	2,132	6,277	2 %
Administrative/Support personnel	670	766	1,436	16 %
Manual workers	12,910	639	13,549	— %
Total	**20,558**	**4,241**	**24,799**	**3 %**

				12.31.2022(*)
CATEGORY	**MEN**	**WOMEN**	**TOTAL**	**VAR. 22/21**
Executive directors	2	0	2	— %
Senior managers	12	1	13	— %
Executives	2,580	635	3,215	8 %
Managers/Professionals/Supervisors	4,117	2,044	6,161	4 %
Administrative/Support personnel	565	668	1,233	11 %
Manual workers	12,864	703	13,567	(2)%
Total	**20,140**	**4,051**	**24,191**	**1 %**

(*) Restated figures (Note 1.1.7)

Discontinued operations included no workforce in 2023 and 2022. Set out below are the data for 2021, distinguishing between continuing and discontinued operations:

CONTINUED OPERATIONS			**12.31.2021**
CATEGORY	**MEN**	**WOMEN**	**TOTAL**
Executive directors	2	0	2
Senior managers	12	1	13
Executives	2,442	540	2,982
Managers/Professionals/Supervisors	3,995	1,930	5,925
Administrative/Support personnel	519	589	1,108
Manual workers	13,141	762	13,903
Total	**20,111**	**3,822**	**23,933**

DISCONTINUED OPERATIONS			**12.31.2021**
CATEGORY	**MEN**	**WOMEN**	**TOTAL**
Executive directors	0	0	0
Senior managers	0	0	0
Executives	1,450	437	1,887
Managers/Professionals/Supervisors	4,995	1,444	6,439
Administrative/Support personnel	110	497	607
Manual workers	13,717	16,488	30,205
Total	**20,272**	**18,866**	**39,138**

At December 31, 2023, 2022 and 2021, there were 121, 107 and 1,482 employees, respectively, with a disability rating of 33% or more, accounting for, 0.5%, 0.4% and 2.3% of the total workforce at the end of each period.

The average workforce by business division for the three periods is as follows:

BUSINESS				**12.31.2023**
	MEN	**WOMEN**	**TOTAL**	**VAR. 23/22**
Construction	16,067	3,345	19,412	5 %
Toll Roads	678	233	911	68 %
Airports	195	42	237	1 %
Energy infrastructures and mobility	3,622	411	4,033	2 %
Other	292	280	572	22 %
Total	**20,855**	**4,311**	**25,166**	**(27)%**

BUSINESS				**12.31.2022(*)**
	MEN	**WOMEN**	**TOTAL**	**VAR. 22/21**
Construction	15,316	3,135	18,451	(3)%
Toll Roads	373	169	542	— %
Airports	192	43	235	6 %
Energy infrastructures and mobility	3,541	415	3,956	1 %
Other	261	208	469	13 %
Total continuing operations	**19,683**	**3,970**	**23,653**	**—**
Total discontinued operations	**7,346**	**3,352**	**10,698**	**—**
Total	**27,029**	**7,322**	**34,351**	**(956)%**

(*) Restated figures (Note 1.1.7)

BUSINESS			**12.31.2021**
	MEN	**WOMEN**	**TOTAL**
Construction	16,059	3,042	19,101
Toll Roads	385	159	544
Airports	22	10	32
Energy infrastructures and mobility	3,564	374	3,938
Other	229	186	415
Total continuing operations	**20,259**	**3,771**	**24,030**
Total discontinued operations	**32,652**	**21,851**	**54,503**
Total	**52,911**	**25,622**	**78,533**

2.4. IMPAIRMENT AND DISPOSALS

There follows a breakdown of the main gains and losses due to impairment and disposals for the corresponding periods.

2023

(Million euro)	Impact on profit/(loss) before tax	Impact on profit/(loss) after tax
Azores sale	39	41
Capital gains and disposals	**39**	**41**
Aravia	(2)	(2)
Zity Sale	(2)	(2)
Impairment gains/(losses)	**(4)**	**(4)**
TOTAL IMPAIRMENT AND DISPOSALS	**35**	**37**

2022 (*)

(Million euro)	Impact on profit/(loss) before tax	Impact on profit/(loss) after tax
Algarve sale	(3)	(3)
Capital gains and disposals	**(3)**	**(3)**
Impairment of the ownership interest in MaaS Global	(3)	(3)
Impairment gains/(losses)	**(3)**	**(3)**
TOTAL IMPAIRMENT AND DISPOSALS	**(6)**	**(6)**

2021

(Million euro)	Impact on profit/(loss) before tax	Impact on profit/(loss) after tax
Acquisition of 5.704% of I-66	1,117	1,117
Nalanda sale	17	17
Urbicsa sale	17	17
Nevasa sale	1	1
Figueras sale	(9)	(9)
Capital gains and disposals	**1,142**	**1,141**
Fixed asset impairment losses FB Serwis	(3)	(3)
Impairment gains/(losses)	**(3)**	**(3)**
TOTAL IMPAIRMENT AND DISPOSALS	**1,139**	**1,139**

(*) Restated figures (Note 1.1.7)

2.5. NET FINANCIAL INCOME/(EXPENSE)

The following tables provide an itemized breakdown of changes in net financial income/(expense) in 2023, 2022 and 2021.

Net financial income/(expense) for these years from the infrastructure project companies is presented separately from that of ex-infrastructure project companies (see the definition in Note 1.1.4 and in each case a distinction is made between net financial income/(expense) from financing (which includes borrowing costs on bank borrowings and bonds, and returns on financial investments and loans granted) and net financial income/(expense) from derivatives and other items (including the effect of the fair value measurement of ineffective hedges, and other income and expenses not directly related to financing).

For 2023, as compared to 2022:

(Million euro)	2023	2022 (*)	Var. %
Financial income from infrastructure project financing	34	8	325 %
Financial expense from infrastructure project financing	(362)	(251)	44 %
Net financial income/(expense) from financing, infrastructure project companies	**(328)**	**(243)**	**35 %**
Net financial income/(expense) from derivatives and other fair value adjustments, infrastructure project companies	13	(105)	(112)%
Other net financial income/(expense), infrastructure project companies	(57)	(17)	235 %
Other net financial income/(expense), infrastructure project companies	**(44)**	**(122)**	**(64)%**
Net financial income/(expense) from infrastructure projects	**(372)**	**(365)**	**2 %**
Financial income, other companies	216	104	108 %
Financial expense, other companies	(105)	(103)	2 %
Net financial income/(expense) from financing, other companies	**111**	**1**	**11000 %**
Net financial income/(expense) from derivatives and other fair value adjustments, other companies	11	47	(77)%
Other net financial income/(expense), other companies	66	(3)	(2300)%
Other net financial income/(expense), other companies	**77**	**44**	**75 %**
Net financial income/(expense), other companies	**188**	**45**	**318 %**
Total net financial income/(expense)	**(184)**	**(320)**	**(43)%**

(*) Restated figures (Note 1.1.7)

For 2022, as compared to 2021:

(Million euro)	2022 (*)	2021	Var. %
Financial income from infrastructure project financing	8	-	— %
Financial expense from infrastructure project financing	(251)	(220)	14 %
Net financial income/(expense) from financing, infrastructure project companies	**(243)**	**(220)**	**10 %**
Net financial income/(expense) from derivatives and other fair value adjustments, infrastructure project companies	(105)	(84)	25 %
Other net financial income/(expense), infrastructure project companies	(17)	(3)	467 %
Other net financial income/(expense), infrastructure project companies	**(122)**	**(87)**	**40 %**
Net financial income/(expense) from infrastructure projects	**(365)**	**(307)**	**19 %**
Financial income, other companies	104	24	333 %
Financial expense, other companies	(103)	(51)	102 %
Net financial income/(expense) from financing, other companies	**1**	**(27)**	**(104)%**
Net financial income/(expense) from derivatives and other fair value adjustments, other companies	47	1	4600 %
Other net financial income/(expense), other companies	(3)	(2)	50 %
Other net financial income/(expense), other companies	**44**	**(1)**	**(4500)%**
Net financial income/(expense), other companies	**45**	**(28)**	**(261)%**
Total net financial income/(expense)	**(320)**	**(335)**	**(4)%**

(*) Restated figures (Note 1.1.7)

The following table provides a breakdown of financial expense from infrastructure project companies showing capitalized expenses relating to toll roads under construction:

Infrastructure project financing expenses from infrastructures (Million euro)	2023	2022	2021
Accrued financial expenses	(379)	(347)	(257)
Expenses capitalized during the construction period	17	96	37
Financial expenses in P&L	**(362)**	**(251)**	**(220)**

2.6. SHARE OF PROFITS OF EQUITY-ACCOUNTED COMPANIES

The share of profits of equity-accounted companies in 2023 amounted to EUR 215 million (EUR 165 million in 2022 and EUR (178) million in 2021). Set out below is a breakdown of the most significant companies:

Profit/(loss) of equity-accounted companies (Million euro)	2023	2022 (*)	2021
HAH	0	0	-238
407 ETR	154	124	52
AGS	0	0	-20
JFK	4	1	0
IRB	14	22	0
Serveo Group	11	6	0
Other	32	12	28
TOTAL	**215**	**165**	**(178)**

(*) Restated figures (Note 1.1.7)

Note 3.5 provides further details of these companies' profits/(losses).

2.7.CORPORATE INCOME TAX EXPENSE AND DEFERRED TAXES

2.7.1 Breakdown of current and deferred tax expense and tax paid for the year

The breakdown of income tax expense for 2023, 2022, and 2021, distinguishing between current tax, deferred tax, withholdings on a foreign operation and changes in prior year tax estimates and other items, is as follows.

(Million euro)	2023	2022 (*)	2021
Tax expense for the year	**-42**	**-30**	**9**
Current tax expense	-146	-64	-31
Deferred tax expense	65	42	50
Withholdings in a foreign operation	-50	-21	-3
Change to the prior-year tax evaluation and other	89	13	-7

(*) Restated figures (Note 1.1.7)

Corporate income tax paid during the year amounted to EUR 170 million (EUR 82 million in 2022, EUR 155 million in 2021), as shown in the note on cash flows (Note 5.3).

2.7.2. Explanation of corporate income tax expense for the year and the applicable tax rate

In 2023, corporate tax losses were recognized in the amount of EUR -42 million (income of EUR -30 million in 2022; income of EUR 9 million in 2021) as shown in the following table:

(Million euro)	2023	2022 (*)	2021
Profit/(loss) before tax on continuing operations	**656**	**267**	**964**
Results of associates	-215	-165	178
Pass-through tax rules (US & Canada)	-94	-71	-38
Adjusted profit/(loss) before tax on continuing operations adjusted	**348**	**31**	**1,104**
Theoretical income tax expense (25.8%)	**-90**	**-8**	**-285**
Recognition of previously unrecognized net operating losses and use of deductions	73	6	9
Unrecognized tax losses	-56	-44	-7
I-66 fair value reassessment after additional 5.704% stake acquisition	0	0	235
5% taxable dividends received in Spain and eliminated on consolidation	-3	-15	0
Non-deductible financial expense	-45	-1	-1
Derivatives associated with taxable dividends (eliminated at consolidated level)	17	11	0
Effect of different tax rates of subsidiaries operating in other jurisdictions	20	17	-21
Prior-year tax	87	14	65
Withholding tax	-50	-19	0
Other adjustments	3	8	15
Income tax expense	**-42**	**-30**	**9**
Effective tax rate (%)	**6.5 %**	**11.3 %**	**(1.0)%**

(*) Restated figures (Note 1.1.7)

For the analysis of the effective tax rate, these are the items previously adjusted:

- Results of associates: the results of the equity method companies already include the tax effect, so they must be adjusted for the analysis.
- Pass-through tax rule: Profit/(loss) on consolidation with no tax impact. Primarily relates to profit/losses in concession project companies in the US and Canada, which are fully consolidated. However, the associated tax credit was recognized based solely on Ferrovial's ownership interest, as these companies are taxed under pass-through tax rules, whereby the shareholders are the taxpayers.

The main adjustments to theoretical income tax expense excluding the items already discussed in relation to the results of associates and the pass-through tax rule for the year, are as follows:

- Recognition of previously unrecognized net operating losses and use of deductions, primarily in Spain, US and Canada (EUR 73 million in 2023).
- Unrecognized tax losses, primarily generated in the Netherlands and international construction business in Colombia, for which no tax credit had been recognized. Additionally, derecognition of previously recognized DTA in the UK.
- Positive result from the fair value reassessment of the previous 50% stake in I-66 Express Mobility Partners, which had no tax impact in 2021.
- 5% of dividends in Spain that are taxable but are eliminated on consolidation and treated as a permanent difference.
- Non tax deductible financial expenses primarily in the Netherlands, due to the limit applicable to this deduction to the lesser of two amounts: 20% of the operating profit or EUR 1 million.
- Derivatives associated with taxable dividends received in the Netherlands from Canada, which were eliminated on consolidation and treated as a permanent difference.
- Effect of different tax rates of subsidiaries operating in other jurisdictions, highlighting USA, Poland and the UK.

- Prior-years tax effects recognized in 2023 mainly include:
  - Deduction for export activities litigation. On September 12, 2023, the Spanish Supreme Court ruled in favor of Ferrovial regarding the assessment issued by the Spanish tax authorities for 2006 Corporate Income Tax. The dispute related to the application of a tax deduction for export activities connected to the investment made to acquire the ownership interest in the former BAA (now Heathrow Airport Holding Limited). The estimated amount claimed from Ferrovial by the Spanish tax authorities at December 2022 including interest, was EUR 119 million (EUR 73 million effect on corporate income tax and EUR 46 million on financial results, recorded in the line item "Profit/(loss) on derivatives and other net financial income/(expense)").
  - For the purpose of assessing the recoverability of tax-loss carryforwards in Spain, a model was designed based on the Group companies' latest available earnings projections, which implied the recognition of future net operating losses of EUR 36 million and tax credits EUR 27 million.
  - Provision for net operating losses recognized from previous years in the Netherlands in the amount of EUR -18 million as will not be recovered in the future.
  - Deferred tax movement during the year related to withholding tax on future dividends from Canada (EUR -22.5 million), as a net effect of EUR -72 million deferred tax recognition in 2023 corresponding to expected future dividends, partially offset by EUR 50 million deferred tax applied related to withholding tax on dividends paid during 2023 already recognized at December 2022, commented in the following item.
- EUR 50 million recognition related to withholding tax paid during 2023 from dividends received from Canada (EUR 19 million euros impact for 2022).

2.7.3. Movements in deferred tax assets and liabilities

Set out below is a breakdown of movements in deferred tax assets and liabilities in 2023:

ASSETS

(Million euro)	2022 (*)	Prior years, transfers and other	Charged/credited to income statement	Charged/credited to equity	Foreign exchange effect	2023
Tax credits	370	26	119	0	-13	503
Differences between tax and accounting criteria	274	46	87	4	11	422
Equity measurement adjustments	86	-1	11	-47	0	48
Other items	55	9	-31	1	0	33
TOTAL	**784**	**80**	**186**	**-42**	**-2**	**1,006**

LIABILITIES

(Million euro)	2022 (*)	Prior years, transfers and other	Charged/credited to income statement	Charged/credited to equity	Foreign exchange effect	2023
Deferred taxes on goodwill	21	0	1	0	0	22
Deferred fair value adjustments to acquisitions	315	13	-12	0	-8	308
Differences between tax and accounting criteria	378	65	131	0	-13	561
Equity measurement adjustments	64	2	1	3	-1	69
Other items	145	-22	0	0	2	126
TOTAL	**924**	**58**	**121**	**3**	**-20**	**1,086**

(*) Restated figures (Note 1.1.7)

Set out below is a breakdown of movements in deferred tax assets and liabilities in 2022 (*):

ASSETS

(Million euro)	2021 (*)	Prior years, transfers and other	Charged/credited to income statement	Charged/credited to equity	Foreign exchange effect	2022 (*)
Tax credits	192	21	145	2	10	370
Differences between tax and accounting	304	-2	-26	0	-3	274
Equity measurement adjustments	90	12	18	-34	0	86
Other items	-16	34	8	27	2	55
TOTAL	**570**	**66**	**145**	**-5**	**9**	**784**

LIABILITIES

(Million euro)	2021 (*)	Prior years, transfers and other	Charged/credited to income statement	Charged/credited to equity	Foreign exchange effect	2022 (*)
Deferred taxes on goodwill	20	0	1	0	0	21
Deferred fair value adjustments to acquisitions	255	44	0	0	16	315
Differences between tax and accounting	277	-10	99	2	10	378
Equity measurement adjustments	45	0	2	18	-1	64
Other items	90	55	1	0	-1	145
TOTAL	**687**	**89**	**103**	**20**	**25**	**924**

(*) Restated figures (Note 1.1.7)

Deferred tax assets

a) Tax credits

This item relates to tax credits that have not yet been used by the Group companies.

It does not include all the tax credits available, only those that the Group expects to be able to use in the short or medium term, based on a 10 year-period financial projections performed. The total balance recognized amounts to EUR 503 million, of which EUR 473 million relates to tax credits for tax-loss carryforwards and EUR 30 million to other tax credits.

Set out below is a breakdown of tax-loss carryforwards pending offset, and showing the maximum tax credit and the tax credit recognized:

2023

(Million euro) Country	Tax-loss carryforwards	Limitation period	Maximum tax credit	Tax credit recognized
US tax consolidated group	1,790	No expiry date	409	376
Spanish tax consolidated group	585	No expiry date	146	36
Netherlands tax consolidated group	227	No expiry date	59	0
UK	201	No expiry date	50	5
Canada	106	2024-2044	28	20
Turkey	81	2024-2028	20	0
Other	559	2024 - No expiry date	141	36
Total	**3,549**		**853**	**473**

2022 (*)

(Million euro) Country	Tax-loss carryforwards	Limitation period	Maximum tax credit	Tax credit recognized
Spanish tax consolidated group	642	No expiry date	160	0
US tax consolidated group	1,564	No expiry date	328	274
Turkey	105	2023-2028	21	0
Canada	137	2023-2042	36	11
UK	193	No expiry date	48	17
Other	461	2023-No expiry date	119	66
Total	**3,102**		**712**	**368**

(*) Restated figures (Note 1.1.7)

Spanish and US tax-consolidated groups:

In relation to the Spanish tax group, for the purpose of assessing the recoverability of tax-loss carryforwards, a model was designed based on the Group companies' latest available earnings projections, the decision having been taken not to recognize all the tax credits available, given the reasonable doubts regarding recovery in the short and medium term.

Regarding US tax group, similarly to what is indicated in the previous paragraph and in accordance with IAS 12, an amount of tax credits was recognized equal to the excess of liability temporary differences over asset temporary differences, amounting to EUR 26 million (EUR 17 million in 2022).

UK:

Considering that the tax-loss carryforwards generated after April 1, 2017 may be used by any UK Group company, tax credits were recognized for tax losses in the amount of EUR 5 million in respect of continuing operations. (EUR 17 million in 2021).

b) Assets arising from temporary differences between accounting and tax criteria

This item reflects the tax effects arising from the different timing of the recognition of certain expenses and income for accounting and tax purposes.

The recognition of an asset means that certain expenses have been recognized for accounting purposes before they may be recognized for tax purposes and therefore the company will recover the income or expense for tax purposes in future years.

The main deferred tax assets are set out below:

- Provisions recognized in the financial statements that do not have tax effects until they are applied (EUR 195 million) (EUR 145 million in 2022).
- Deferred tax assets of EUR 216 million due to differences between the tax and accounting approach to revenue recognition, mainly in the Construction Division. (EUR 133 million in 2022).
- Different between the tax and accounting depreciation/amortization (EUR 7 million) (EUR 3 million in 2022).

c) Deferred taxes arising from measurement adjustments recognized in reserves.

This reflects the cumulative tax effect of measurement adjustments to various items recognized in reserves. The effect is reflected as an asset or liability since there is generally no direct tax effect until the amount in reserves is taken to the income statement.

The deferred asset balance relates to losses accumulated in reserves that will have a tax effect when they are taken to the income statement. They relate mostly to deferred tax assets arising from financial derivatives, which amount to EUR 48 million (EUR 86 million in 2022).

Deferred tax liabilities

a) Deferred taxes relating to goodwill

These relate to deferred tax liabilities relating to the tax credit for goodwill amounting to EUR 21 million, which mainly include those related to the amortization of Webber, LLC goodwill. (EUR 21 million in 2022).

b) Deferred taxes due to the fair value adjustment to acquisitions

I-66 Mobility Partners

This reflects deferred tax liabilities due to differences between tax and accounting values:

- EUR 222 million recognized due to the difference between tax and accounting values following the restatement of the I-66 toll road assets on December 31, 2022. (EUR 231 million at December 31, 2022). EUR 35 million recognized as a result of measuring the concession debt at fair value on December 31, 2022 (EUR 38 million at December 31, 2022).

These amounts were recognized in 2021 with a balancing item in goodwill in the same amount, in accordance with IAS 12, paragraph 66.

Dalaman

EUR 51 million recognized as a result of the acquisition of the 60% interest held by the Group in the company, as deferred tax (see Note 1.1.4) in 2022 (EUR 46 million at December 31, 2022). The increase in deferred tax is a consequence of the change in the tax rate from 20% to 25% in Turkey.

According to paragraphs 19 and 20 of IAS 12, if in a business combination a balance sheet item is measured at fair value but its tax value does not change, a deferred tax asset or liability must be recognized.

c) Liabilities arising from temporary differences between accounting and tax criteria

A liability represents an expense that is recognized for tax purposes before it may be recognized for accounting purposes, or income recognized in the financial statements before it is declared in the tax return.

Deferred tax liabilities relate essentially to:

- Deferred tax liabilities for differences between tax and accounting amortization (EUR 242 million). (EUR 287 million in 2022).
- Deferred tax liabilities of EUR 201 million arising as a result of differences between the tax and accounting methods used to recognize revenue under IFRIC 12, mainly in the Toll Roads Division. (EUR 66 million in 2022).

d) Deferred taxes arising from equity measurement adjustments.

This reflects the cumulative tax effect of measurement adjustments to various items recognized in reserves. The effect is reflected as an asset or liability since there is generally no direct tax effect until the amount in reserves is taken to the income statement.

The deferred liability balance reflects profits not yet recognized for tax purposes. They relate mostly to deferred tax liabilities arising from financial derivatives, which amount to EUR 69 million. (EUR 64 million in 2022).

Other deferred taxes

e) Deferred tax liabilities relating to dividends pending payment by investees

The Group recognizes EUR 72,5 million in deferred tax liabilities in relation to withholding tax on the repatriation of future dividends from Canada, as shown on the “Other items” line in the above table. (EUR 50 million in 2022)

2.7.4. International Tax Reform - Pillar Two

The Organization for Economic Cooperation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) addresses the tax challenges arising from the digitalization of the global economy. The Pillar Two Global Anti-Base Erosion rules (GloBE Rules) represent the first substantial overhaul of international tax rules in almost a century. The GloBE Rules propose four new taxing mechanisms under which multinational enterprises (MNEs) would pay a minimum level of tax (Minimum Tax).

Substantially based on the GloBE Rules, the Council Directive (EU) 2022/2523 of December 14, 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union entered into force on December 23, the day following publication in the Official Journal of the European Union. Member States had to transpose the Directive into their domestic law by December 31, 2023.

In alignment with Council Directive (EU) 2022/2523, the legislative proposal of the Netherlands to transpose Pillar Two into the Dutch company tax system, entitled Minimum Tax Act 2024 proposal, was adopted by the Dutch Senate on December 19, 2023. The new legislation has therefore been substantively enacted as of that date.

Under IAS 12, a new tax law is effective when it is enacted or substantively enacted in a particular jurisdiction. MNEs need to monitor regulatory developments in respect of the (substantive) enactment of the GloBE Rules in all of the jurisdictions where they operate, whether through wholly- or partially-owned subsidiaries, joint ventures, flow-through entities or permanent establishments.

In May 2023, the IASB amended IAS 12 to provide timely relief for affected entities, avoid diverse interpretations of IAS 12 and improve disclosures. The amendments introduced a temporary exception to the requirements to recognize and disclose deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also brought in targeted disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

In this respect, Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The legislation is effective for the Group's financial year beginning January 1, 2024. The Group is within the scope of the enacted or substantively enacted legislation and has performed an assessment of its potential exposure to Pillar Two income taxes.

The assessment of potential exposure to Pillar Two income taxes is based on the Group companies' most recent tax filings, country-by-country reporting and financial statements. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where transitional safe harbor relief does not apply and the Pillar Two effective tax rate is close to 15%. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

2.7.5. Years open to tax inspection

In accordance with prevailing legislation, taxes may not be deemed to be finally settled until the returns filed have been inspected by the tax authorities or the legally stipulated limitation period has elapsed.

The following inspections are in progress, in the jurisdictions indicated:

Spain: The start of general tax audit for Ferrovial S.E. (successor Company of Ferrovial S.A) and its subsidiaries has been notified in June 2023, including Corporate Income Taxes FY 2017-2020, Withholding Tax FY 2019-2020, and VAT FY 2019-2020. Verification and investigation will be carried out in a single inspection procedure for the tax group. Documentation required is currently being submitted.

The last four financial years are generally open to inspection for the main applicable taxes.

Canada: The Canadian tax authorities (CRA) initiated a tax audit to Corporate Income Tax for fiscal years 2013 to 2019 in relation to Cintra 4352238 Investments Inc and in relation to Cintra 11200232 Investments Inc. in 2019. The CRA challenges the tax deductibility of intragroup charges made by Cintra Servicios de Infraestructuras, S.A. (Spanish company) for the provision of financial services and reclassifies the transaction as dividend for fiscal years 2013 to 2016.

No settlement proposal has yet been issued for fiscal years 2017 to 2019. As this tax audit involves intragroup transactions of a different nature to those that took place in the years already assessed, the inspectorate's stance in this regard is unknown. The regularization pending of payment for financial services is estimated at EUR 2 million (CAD 2.9 million), including the non-deductible expense, withholding tax per Double Taxation Treaty, interest and penalties.

The claim in the Canadian courts is held in abeyance until Mutual Agreement Procedure (MAP) initiated is resolved.

The Netherlands: The Dutch tax authorities have questioned the existence of Ferrovial International, S.E's horizontal tax consolidated group in the Netherlands in 2019 and the first two months of 2020. The potential impact of regularization in the event that the Dutch tax authorities consider that all the Group's Dutch companies should be taxed under the individual scheme has been estimated at EUR 2.5 million (for 2019 and 2020).

Chile - Transmission lines: The Chilean tax authorities have initiated an inspection of Transchile Charrua for 2018 and 2019, in which they have questioned the deductibility of financial expenses on third- party financing and the arm's length nature of intercompany financing. The potential impact is expected to be EUR 1.2 million. The tax audit proposal is awaiting a judicial ruling which is not expected until 2026. In January 2023, notification was received of the start of an inspection of the company Ferrovial Power Infrastructures for 2019 and 2020. The Chilean tax authorities have challenged the arm's length nature of an intercompany loan. The tax audit is currently under administrative review and the impact is estimated at EUR 0.9M.

Morocco: regarding the previous activity of Ferrovial in this country, the Moroccan tax authorities have sent a settlement proposal to the Ferrovial branch following the inspection of the period 2016 to 2021 carried out as part of the branch closure process. A settlement of EUR 5 million is proposed for corporate income tax, VAT and withholdings on payments to non-residents. An administrative appeal has been lodged against the proposal (partially provisioned).

The companies are subject to a statute of limitations of between three and five years in most of the countries in which the Group has operations.

In view of the different interpretations to which tax regulations lend themselves, any inspections that may be undertaken in the future by the tax authorities for the years open to inspection could give rise to tax liabilities the amount of which cannot currently be objectively quantified. Nonetheless, the likelihood that significant liabilities in addition to those recognized could have a material impact on the Ferrovial Group's equity is regarded as remote.

NOTES ON PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

2.8.PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

Profit from discontinued operations for 2023, 2022 and 2021 amounted to EUR 16 million, EUR 64 million and EUR 361 million, respectively, relating to the Services Division (amounting to EUR 16 million in 2023, EUR 64 million in 2022 and EUR 246 million in 2021) and the Construction Division (amounting to EUR 115 million in 2021).

Services Division

2022 saw the completion of the Services Division divestment process, as explained in Note 1.1.5, .

During 2023, profit from discontinued operations amounted to EUR 16 million and relates mainly to the update of the indemnities and earn-outs following the divestment of the Services Business in Spain and Portugal and other adjustments related to the Amey business divestment in the UK.

The main impact recognized in discontinued operations in 2022 relates to the divestment of the Amey business in the UK, completed in December 2022, generating a capital gain of EUR 58 million, including the transfer to the income statement of currency translation differences accumulated in equity (EUR -156 million) and the interest rate hedge derivatives (EUR -15 million) (see Note 5.1.1).

The main impact recognized in 2021 profit/(loss) from discontinued operations related to the divestments of the Environment Services business in Spain and Portugal completed at the end of 2021 at a net capital gain of EUR 335 million.

The Environment Services revenue for 2021 includes a profit for the year of EUR 119 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 these discontinued operations in 2022 and 2021.

(Million euro)	2023	2022	2021
Revenue	-	2,303	4,947
Operating profit/(loss)	**28**	**9**	**260**
Net financial income/(expense)	(15)	(1)	(23)
Share of profits of equity-accounted companies	-	5	9
Consolidated profit/(loss) before tax	**13**	**13**	**246**
Corporate income tax	3	(10)	(47)
Profit/(loss) after tax	**16**	**3**	**199**
Profit/(loss) for the year attributed to non- controlling interests	-	-	(3)
Profit/(loss) for the year attributed to the parent company	**16**	**3**	**196**
Adjustments to discontinued operations	-	61	50
Profit/(loss) from discontinued operations	**16**	**64**	**246**

Construction Division

On February 22, 2021, 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:

(Million euro)	2021
Revenue	56
Fixed asset depreciation	-
Operating profit/(loss) before impairment and disposal of fixed assets	**9**
Impairment and disposal of fixed assets	130
Operating profit/(loss)	**139**
Net financial income/(expense)	**-**
Share of profits of equity-accounted companies	-
Consolidated profit/(loss) before tax	**139**
Corporate income tax	(24)
Profit/(loss) from discontinued operations	**115**

These results of EUR 115 million include both the amount recognized up to the company's exclusion from the consolidation scope (EUR 8 million) and the capital gain (EUR 130 million) generated by the transaction (EUR 107 million net of tax), on the line impairment and disposal of fixed assets. The effect for Ferrovial was EUR 53 million net of non-controlling interests.

NOTES ON PROFIT/(LOSS) FROM NON-CONTROLLING INTERESTS, NET PROFIT/(LOSS) AND EARNINGS PER SHARE

2.9. PROFIT/(LOSS) FROM NON-CONTROLLING INTERESTS

In 2023, profit/(loss) attributed to non-controlling interests amounted to EUR -170 million (EUR -117 million at December 2022, EUR -138 million at December 2021)

This figure relates to the profits obtained by Group companies that are attributable to the company's other shareholders. Positive figures reflect loss-making companies and the negative figures refer to profit-making companies.

(Million euro)	2023	2022(*)	2021	NON-GROUP
Grupo Budimex	-83	-60	-109	49.86 %
Autopista Terrasa Manresa, S.A.	-8	19	14	23.72 %
LBJ Infraestructure Group	-20	-9	2	45.40 %
NTE Mobility Partners	-60	-47	-25	37.00 %
NTE Mobility Partners Segments 3 LLC	-41	-33	-20	46.30 %
FAM Construction LLC	34	26	7	30.00 %
Sugar Creek Construction LLC	0	-2	-1	30.00 %
I-77 Mobility Partners	-12	-6	-1	27.80 %
I-66 Mobility Partners	16	10	0	44.30 %
Yda Havalimani Yatrim Ve (Dalaman)	7	-8	0	40.00 %
Webber United LLC	1	0	0	40.00 %
Other companies	-4	-7	-1	
TOTAL continuing operations	**-170**	**-117**	**-134**	
TOTAL discontinued operations	**0**	**0**	**-3**	
TOTAL	**-170**	**-117**	**-138**	

(*) Restated figures (Note 1.1.7)

2.10. NET PROFIT/(LOSS) AND EARNINGS PER SHARE

The calculation of earnings per share attributed to the parent company for 2023, 2022 and 2021 is as follows:

(Million euro, except otherwise indicated)	2023	2022 (**)	2021
Net profit/(loss) attributable to ordinary equity holders of the parent:			
Continuing operations	444	121	840
Discontinued operations	16	64	358
Net cost of subordinated perpetual bond	-5	-8	-8
Profit/(loss) attributable to ordinary equity holders of the parent for basic earnings	**455**	**177**	**1,190**
Effects of dilution	0	0	0
Profit/(loss) attributable to ordinary equity holders of the parent adjusted for the effect of dilution	**455**	**177**	**1,190**
Weighted average number of ordinary shares for basic EPS (*) (thousands of shares)	**728,255**	**723,477**	**731,772**
Effects of dilution	0	0	0
Weighted average number of ordinary shares adjusted for the effect of dilution (thousands of shares)	**728,255**	**723,477**	**731,772**
Profit/(loss) attributable to ordinary equity holders of the parent from discontinued operations for the basic EPS calculations	**16**	**64**	**358**
Effects of dilution	0	0	0
Profit/(loss) attributable to ordinary equity holders of the parent from discontinued operations for the diluted EPS calculations	**16**	**64**	**358**

(*) The weighted average number of ordinary shares takes into account the weighted effect of changes in treasury shares during the year.

(**) Restated figures (Note 1.1.7)

Basic earnings per share have been calculated by dividing profit for the year attributed to the parent company's shareholders, adjusted for the net coupon for the year on the subordinated perpetual bonds issued by the Group and taken directly to equity (Note 5.1.2), by the weighted average number of ordinary shares outstanding, excluding the average number of treasury shares held during the year.

As regards diluted earnings per share, it should be noted that the Group did not have any dilutive potential ordinary shares, since no convertible debt instruments were issued and the share-based remuneration schemes will not give rise to any share capital increases in the Group. Consequently, no dilutive impact is envisaged when employee rights under the plans are exercised. Hence there was no difference between basic and diluted earnings per share, as shown in the following table:

		2023	2022 (*)	2021
Net earnings per share attributed to the parent company (in euros)	Diluted	0.62	0.24	1.63
	Basic	0.62	0.24	1.63
Net earnings per share attributed to the parent company, discontinued operations (in euros)	Diluted	0.02	0.09	0.49
	Basic	0.02	0.09	0.49

(*) Restated figures (Note 1.1.7)

Profit/(loss) per business segment is shown in Note 1.5 for 2023, 2022 and 2021.

SECTION 3: NON-CURRENT ASSETS

This section includes the notes on non-current assets in the balance sheet, excluding deferred tax assets (Section 2) and financial derivatives (Section 5).

The main components of Ferrovial's non-current assets at December 2023 are "Fixed assets in infrastructure projects" amounting to EUR 13,495 million (EUR 13,667 million in 2022) and accounting for 70% (71% in 2022) of total non-current assets (Note 3.3); "Investments in associates" totaling EUR 2,038 million (EUR 1,951 million in 2022) (relating mainly to the investments in 407 ETR, IRB and JFK NTO), accounting for 11% (10% in 2022) of total non-current assets (Note 3.5). "Goodwill on consolidation"of EUR 475 million (EUR 479 million in 2022) accounts for 2% (3% in 2022) of total non- current assets.

Investments in infrastructure projects

INVESTMENTS IN INFRASTRUCTURE PROJECTS (Million euro)	2023	2022 (*)
Opening balance at 01.01	**13,667**	**11,184**
Additions	695	1,398
Depreciation	-235	-145
Disposals	-4	-12
Exchange rate effect	-374	608
Changes in the scope of consolidation and others	-254	634
Closing balance at 12.31	**13,495**	**13,667**

(*) Restated figures (Note 1.1.7)

The variation under Investments in infrastructure projects during the year was EUR -172 million, mainly due to the scope changes following the sale of Euroscut Azores in Portugal for EUR -254 million in May 2023. There was also a positive variation as a result of the increase in the investments in the I-66 and NTE 3. These two projects increased infrastructure project fixed assets by EUR 695 million, net of foreign exchange effects. The foreign exchange effect during the year (EUR -374 million) was also significant, due primarily to the impact of the euro/US dollar exchange rate on the US toll roads, particularly the North Tarrant Express Extension, the I-77 Mobility Partners LLC toll road and the I- 66 Express Mobility Partners LLC toll road.

During 2022, the variation was EUR 2,482 million, mainly due to the increase in the investments in the I-66 and NTE3 toll roads. The foreign exchange effect during the year (EUR 608 million) was also significant, due primarily to the impact of the euro/US dollar exchange rate on the US toll roads.

Lastly, changes in the 2022 scope of consolidation are mainly due to the acquisition of Dalaman International Airport in Turkey for EUR 634 million in July 2022.

Investments in associates

INVESTMENTS IN ASSOCIATES (Million euro)	2023	2022 (*)
Opening balance at 01.01	**1,951**	**1,838**
Share of profit	215	164
Exchange rate effect	-43	-29
Dividends	-311	-258
Changes in share capital	214	77
Other movements	12	160
Closing balance at 12.31	**2,038**	**1,951**

(*) Restated figures (Note 1.1.7)

During 2023, the line "Investments in associates" increased by EUR 87 million due to the share capital increase in JFK NTO Airport (EUR 214 million), the share of these companies' profits (EUR 215 million), relating primarily to 407 ETR (EUR 154 million), the accounting hedge gains recognized under "Other movements" (EUR 12 million), mainly resulting from JFK, dividend payments of EUR -321 million (mainly 407 ETR) and the foreign exchange effect (EUR -33 million) of the euro's appreciation against the US dollar.

During 2022, the variation under "Investments in associates" was EUR 113 million due to the acquisition of 49% of JFK NTO Airport (EUR 59 million), the share of these companies' profits (EUR 164 million), relating primarily to 407 ETR (EUR 124 million), the accounting hedge gains recognized under "Other movements" (EUR 160 million), mainly resulting from the JFK NTO acquisition, dividend payments of EUR-258 million (mainly 407 ETR) and the foreign exchange effect (EUR -29 million) of the euro's depreciation against sterling and against the Indian rupee.

Goodwill

As regards changes in goodwill, in 2023 there was a decrease of EUR -5 million, primarily due to the exchange rate.

During 2022 there was an increase of EUR 48 million, primarily due to the acquisition of the 60% ownership interest in Dalaman International Airport (EUR 27 million) in July 2022.

3.1. GOODWILL AND ACQUISITIONS

Movements in goodwill during 2023 and 2022 are set out below:

(Million euro)	BALANCE AT 12.31. 2022	Changes in consolidation scope and other	Exchange rate	BALANCE AT 12.31. 2023
Construction	**132**	**0**	**3**	**135**
Budimex	65	0	5	70
Webber	67	0	-2	65
Toll Roads	**265**	**0**	**-6**	**259**
I-66 Express Mobility Partners Hold. LLC	265	0	-6	259
Airports	**27**	**0**	**0**	**27**
Dalaman	27	0	0	27
Energy Infrastructures	**56**	**0**	**-2**	**54**
Power Transmission Serv. Chile	45	0	-1	43
Mining Services Chile	11	0	-1	10
TOTAL	**479**	**0**	**-5**	**475**

(Million euro)	BALANCE AT 12.31. 2021	Changes in consolidation scope and other	Exchange rate	BALANCE AT 12.31. 2022
Construction	**127**	**2**	**3**	**132**
Budimex	64	2	-1	65
Webber	50	13	4	67
Ferrovial Services Infrastructure	13	-13	0	0
Toll Roads	**251**	**0**	**14**	**265**
I-66 Express Mobility Partners Hold. LLC	251	0	14	265
Airports	**0**	**27**	**0**	**27**
Dalaman	0	27	0	27
Energy Infrastructures	**52**	**0**	**3**	**56**
Power Transmission Services Chile	42	0	3	45
Mining Services Chile	10	0	1	11
TOTAL	**431**	**29**	**19**	**479**

Impairment test

The Group analyzes at least once a year (in December) whether its assets show signs of impairment, in which case it performs the corresponding impairment test, according to the applicable accounting standards IAS 36 "Impairment of assets" and IAS 38 "Intangible assets". The Group also systematically tests for impairment the cash-generating units that include goodwill.

The goodwill recovery is analyzed at the level of each cash generating unit. The projections used in the impairment tests coincide with the last available business projections approved by the Board and the conclusion was drawn that there is no impairment as at December 31, 2023. Sensitivity analyses were not performed due to the existing headroom (difference between the recoverable amount and the carrying amount).

A. Construction Division goodwill (Webber and Budimex):

Methodology

In the case of Webber, in 2023 the goodwill impairment test, based on a 5-year projection, reflects a headroom of 174% with respect to its carrying amount of EUR 362 million. The flows were discounted at a rate of 8.9% (9.6% before taxes), calculated using the CAPM based on current market input and in line with the method used in prior years.

As Budimex is listed on the Warsaw Stock Exchange and there is free float, we consider the share price is representative of its value. Therefore, the goodwill was tested for impairment by ascertaining whether Budimex’s closing market price at December 31, 2023 was higher than its carrying amount. Budimex’s share price at December 31, 2023 was 1,086% higher than its carrying amount of EUR 156 million; so there are no indications of impairment.

B. Toll Roads Division goodwill (I-66):

The I-66 toll road goodwill arose following the acquisition of an additional 5.704% of the concession operator I-66 Express Mobility Partners Hold. LLC in December 2021. The toll road became operational in the last quarter of 2022.

In 2023, traffic ramped up to reach 29 million transactions and a 76.9% EBITDA margin. Therefore, there are no indications that the recoverable amount is below its carrying amount.

The impairment test considers the whole concession term. As pointed out in Note 1.3.4, traffic estimates are based on internal projections and research (e.g. impact of e-commerce in traffic of heavy vehicles or working from home habits in the use of private vehicles); tariffs used are in line with traffic estimates and contract clauses. The 2023 impairment test reflects a headroom of 20% with respect to the carrying amount of EUR 1,971 million. The flows were discounted at a rate of 8.8% (9.7% before taxes).

C. Energy Infrastructures and Mobility Goodwill (Transchile and Ferrovial Services Chile):

The goodwill of Power Transmission Services, the company owning the power transmission lines in Chile, reached EUR 43 million in December 2023.

Based on the goodwill impairment test findings, which used long-term projections that go beyond one year after the first 20 years of the regulated period, when the concessionaire is remunerated based on availability payments, the headroom was 79% with respect to the carrying amount of EUR 34 million at December 31, 2023. The flows were discounted at a rate of 10.9% (11.3% before taxes) in 2023.

Goodwill was also recognized in Mining Services Chile, which is engaged mainly in providing mining industry operation and maintenance services, reclassified as a continuing operation in 2022 after being strategically allocated into the Group's Energy Infrastructures and Mobility Division.

The impairment test, based on a 5-year projection, identified a headroom of 12% in relation to the carrying amount, which was EUR 16 million at December 31, 2023). The flows were discounted at a rate (WACC) of 12.8% (17.9% before taxes).

D. Airports Goodwill (Dalaman):

The goodwill recognized on the acquisition in 2022 amounts to EUR 27 million in December 2023 (EUR 27 million in December 2022) and is essentially a balancing item for the tax effects.

The 2023 impairment test reflected a headroom of 26% in relation to the carrying amount which was EUR 146 million at December 31, 2023. The flows were discounted at a rate of 12.7% (13.5% before taxes).

3.2. INTANGIBLE ASSETS

At year-end 2023, the balance of intangible assets, excluding infrastructure project companies, amounted to EUR 122 million (EUR 138 million in 2022).

This heading includes mainly:

- "Concession rights", reflecting rights to operate the concessions that are not classified as Projects (see definition in Note 1.1.2). At December 31, 2023, the carrying amount of EUR 3 million (EUR 20 million at December 31, 2022) relates primarily to the UK Waste Treatment activity.
- "Computer software" with a net value of EUR 28 million (EUR 24 million at December 31, 2022).
- "Other intangible assets", different from IFRIC 12 intangible rights, amounting to EUR 90 million (EUR 90 million at December 31, 2022), relating essentially to the Budimex Services business included in the Construction Division (EUR 25 million), licenses for the Parque Solar Casilla photovoltaic plant amounting to EUR 9 million, and the easements of the Chilean power transmission lines amounting to EUR 44 million (EUR 40 million at December 31, 2022).
- No significant fully-depreciated assets were written off during 2023 and 2022.

3.3. INVESTMENTS IN INFRASTRUCTURE PROJECTS

3.3.1. Intangible asset model

(Million euro)	BALANCE AT 01/01/2023 (*)	TOTAL ADDITIONS	TOTAL DISPOSALS	FOREIGN EXCHANGE EFFECT	CONSOLIDATION SCOPE CHANGES AND TRANSFERS	BALANCE AT 12/31/2023
Spanish toll roads	714	7	0	0	0	721
US toll roads	12,547	670	-1	-393	0	12,823
Other toll roads	391	0	0	0	-387	4
Toll road investment	**13,653**	**677**	**-1**	**-393**	**-387**	**13,549**
Accumulated depreciation/amortization	-781	-201	0	16	132	-834
Net investment in toll roads	**12,872**	**476**	**-1**	**-377**	**-255**	**12,715**
Investment in other infrastructure projects	632	18	0	0	0	650
Depreciation/amortization of other infrastructure projects	0	-34	0	0	0	-34
Total net investment in other infrastructure projects	**632**	**-16**	**0**	**0**	**0**	**616**
TOTAL INVESTMENT	**14,285**	**695**	**-1**	**-393**	**-387**	**14,199**
TOTAL DEPRECIATION/AMORTISATION AND PROVISION	**-781**	**-235**	**0**	**17**	**132**	**-867**
TOTAL NET INVESTMENT	**13,504**	**460**	**-1**	**-376**	**-255**	**13,333**

(*) Restated figures (Note 1.1.7)

(Million euro)	BALANCE AT 01/01/2022	TOTAL ADDITIONS	TOTAL DISPOSALS	FOREIGN EXCHANGE EFFECT	CONSOLIDATION SCOPE CHANGES AND TRANSFERS	BALANCE AT 12/31/2022 (*)
Spanish toll roads	713	0	0	0	1	714
US toll roads	10,527	1,388	0	632	0	12,547
Other toll roads	391	0	0	0	0	391
Toll road investment	**11,632**	**1,388**	**0**	**632**	**1**	**13,653**
Accumulated depreciation/amortization	-617	-145	0	-19	0	-781
Net investment in toll roads	**11,014**	**1,244**	**0**	**613**	**1**	**12,872**
Investment in other infrastructure projects	0	0	0	0	632	632
Depreciation/amortization of other infrastructure projects	0	0	0	0	0	0
Total net investment in other infrastructure projects	**0**	**0**	**0**	**0**	**632**	**632**
TOTAL INVESTMENT	**11,632**	**1,388**	**0**	**632**	**633**	**14,285**
TOTAL DEPRECIATION/AMORTIS ATION AND PROVISION	**-617**	**-145**	**0**	**-19**	**0**	**-781**
TOTAL NET INVESTMENT	**11,014**	**1,243**	**0**	**613**	**633**	**13,504**

(*) Restated figures (Note 1.1.7)

The most significant changes in 2023 and 2022 were as follows:

- Toll road additions amounted to a gross EUR 677 million in 2023, relating to the US toll roads (EUR 1,388 million in 2022). Out of these, the most significant were the I-66 Express Mobility Partners LLC toll road for EUR 489 million (EUR 1,126 million in 2022) and the North Tarrant Express Extension for EUR 178 million (EUR 261 million in 2022).
- Exchange rate fluctuations resulted in a change of EUR -376 million in 2023 (EUR 613 million in 2022) in these asset balances, the full amount of which was attributed to the effect of the euro/US dollar exchange rate on the US toll roads (Note 1.4).
- At December 31, 2023 "consolidation scope changes and transfers" of EUR -255 million relate to the sale of the Euroscut Azores toll road. At December 31, 2022, they related essentially to the consolidation of the Dalaman International Airport assets acquired in July 2022 (Note 1.1.4).

All the concession assets of the infrastructure project companies are pledged to secure borrowings (Note 5.2).

Related borrowing costs capitalized in 2023 and 2022 are described in Note 2.6.

3.3.2. Financial assets from financial asset model concessions

They mainly relate to long-term receivables (more than twelve months) from public administrations in return for services rendered or investments made under concession arrangements, as a result of applying the IFRIC 12 financial asset model. Movements during 2023 and 2022 are set out below:

(Million euro)	INFRASTRUCTURE PROJECT RECEIVABLES 2023	INFRASTRUCTURE PROJECT RECEIVABLES 2022 (*)
OPENING BALANCE	**163**	**169**
Additions	9	9
Disposals	-12	-12
Transfers and other	0	0
Foreign exchange effect	2	-4
Other	0	0
Reclassified to held for sale	0	0
YEAR-END BALANCE	**162**	**163**

Note: Balances net of provisions

(*) Restated figures (Note 1.1.7)

The following tables show the financial assets by concession operator for 2023 and 2022:

	BALANCES AT 12/31/2023		
CONCESSION OPERATOR (Million euro)	**LONG-TERM RECEIVABLES**	**SHORT-TERM RECEIVABLES**	**TOTAL**
Concesionaria de Prisiones Lledoners	52	3	55
Depusa Aragón	22	1	23
Budimex Parking Wrocław	11	0	11
CONSTRUCTION	**85**	**4**	**89**
UK Waste Treatment (Thalia)	77	0	77
UK WASTE TREATMENT	**77**	**0**	**77**
GROUP TOTAL	**162**	**4**	**166**

CONCESSION OPERATOR (Million euro)	BALANCES AT 12/31/2022 (*)		
	LONG-TERM RECEIVABLES	SHORT-TERM RECEIVABLES	TOTAL
Concesionaria de Prisiones Lledoners	53	3	56
Depusa Aragón	23	1	24
Budimex Parking Wrocław	10	0	10
CONSTRUCTION	**86**	**3**	**89**
UK Waste Treatment (Thalia)	77	0	77
UK WASTE TREATMENT	**77**	**0**	**77**
GROUP TOTAL	**163**	**3**	**166**

(*) Restated figures (Note 1.1.7)

3.3.3 Cash flow effect

The cash flow effect of project additions primarily accounted for using the intangible asset model amounted to EUR -310 million (Note 5.3) (EUR -784 million in 2022), which differed from the additions recognized in the balance sheet for the following main reasons:

- Payments owed under the concession agreement on the I-66 toll road (Note 6.4).
- For projects in which the intangible asset model is applied, due to differences between the accrual basis and cash basis of accounting, as well as capitalized financial costs attributable to projects under construction, which do not give rise to cash outflows.
- For projects in which the financial asset model is applied, due to increases in receivables as a balancing entry for revenue from services rendered, which also do not give rise to cash inflows.
- The impact on cash flows also reflects movements on the held for sale line, related to the sale of Azores (Note 1.1.6).

3.4. PROPERTY, PLANT AND EQUIPMENT

Movements under property, plant and equipment in the consolidated statement of financial position for 2023 and 2022 are set out below:

Movements during 2023 (Million euro)	Land and buildings	Plant and machinery	Fixtures, fittings, tooling and furniture	Total
Investment: Balance at 01.01.2023 (*)	**94**	**480**	**395**	**969**
Additions	4	69	142	215
Disposals	(2)	(34)	(27)	(63)
Scope changes and transfers	8	3	(11)	-
Foreign exchange effect	2	5	(4)	3
Balances at 12.31.2023	**106**	**523**	**495**	**1,124**
Accumulated depreciation and impairment losses at 01.01.2023 (*)	**(29)**	**(297)**	**(164)**	**(490)**
Depreciation charge	(6)	(48)	(19)	(73)
Disposals	-	18	14	32
Scope changes and transfers	1	7	(5)	3
Foreign exchange effect	(1)	(3)	1	(3)
Impairment of property, plant and equipment	-	-	1	1
Balances at 12.31.2023	**(35)**	**(323)**	**(172)**	**(530)**
Carrying amount at 12.31.2023	**71**	**200**	**323**	**594**

(*) Restated figures (Note 1.1.7)

Movements during 2022 (Million euro) (*)	Land and buildings	Plant and machinery	Fixtures, fittings, tooling and furniture	Total
Investment: Balance at 01.01.2022	**100**	**445**	**287**	**832**
Additions	17	75	115	207
Disposals	-	(43)	(13)	(56)
Scope changes and transfers	(24)	(3)	5	(22)
Foreign exchange effect	1	6	1	8
Balances at 12.31.2022	**94**	**480**	**395**	**969**
Accumulated depreciation and impairment losses at 01.01.2022	**(31)**	**(297)**	**(150)**	**(478)**
Depreciation charge	(4)	(26)	(17)	(47)
Disposals	-	27	8	35
Scope changes and transfers	6	1	1	8
Foreign exchange effect	-	(2)	-	(2)
Impairment of property, plant and equipment	-	-	(6)	(6)
Balances at 12.31.2022	**(29)**	**(297)**	**(164)**	**(490)**
Carrying amount at 12.31.2022	**65**	**183**	**231**	**479**

(*) Restated figures (Note 1.1.7)

Significant changes in 2023 and 2022 by business division were as follows:

Additions:

(Million euro)	2023	2022 (*)
Construction	103	98
Toll Roads	9	17
Energy Infrastructures and Mobility	102	86
Other	1	6
TOTAL	**215**	**207**

(*) Restated figures (Note 1.1.7)

Additions in the Construction Division related to the acquisition of machinery and other equipment; in the Energy Infrastructures and Mobility Division, they primarily arose from the construction of the Centella electricity transmission infrastructure.

In 2022, additions totaled EUR 207 million, the most significant relating to the Construction Division (EUR 98 million) due to the acquisition of machinery and fixtures, fittings, tooling, furniture and vehicles, and to the Energy Infrastructures and Mobility Division (EUR 86 million), arising primarily from the construction of the Parque Solar Casilla renewable energy generation plant.

Cash flow effect:

The 2023 impact on cash flows arising from additions to property, plant and equipment amounted to EUR -77 million (EUR -80 million in 2022), of which EUR -73 million (EUR -74 million in 2022) relates to the Construction Division.

Disposals due to sales or retirement:

As of December 31, 2023, disposals due to sales or retirement amounted to EUR 63 million. Approximately EUR 52 million of this amount relates to Construction, mainly machinery and other equipment.

In 2022, disposals due to sales or retirements amounted to EUR 56 million. Approximately EUR 7 million of this amount relates to sales of Grand Parkway Infrastructure property, plant and equipment, specifically two four-track pavers (EUR 4 million) and two dump trucks (EUR 2.4 million), among other items. The remaining amount relates mainly to the disposal or retirement of fully-depreciated or obsolete assets, having no significant effect on the consolidated income statement.

Other disclosures relating to property, plant and equipment:

The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are subject and any claims that may be brought in the course of business. These policies are considered to provide sufficient coverage for the related risks.

Property, plant and equipment under construction totaled EUR 191 million in 2023 (EUR 150 million in 2022).

At December 31, 2023 and 2022, no significant property, plant or equipment were subject to ownership restrictions or pledged as collateral for liabilities.

3.5. INVESTMENTS IN ASSOCIATES

Due to their significance, the investments in HAH (25%), 407 ETR (43.23%), JFK NTO (49%), AGS (50%) and IRB (24.86%) are presented separately. The considerable losses posted in 2020 and 2021 in the Airports business reduced the investments in HAH and AGS to zero, as losses exceeded the amount of the shareholdings, there being no commitments to inject additional funds (pursuant to IAS 28). The following table shows the main items that explain the variation in these investments.

2023 (Million euro)	HAH (25%)	407 ETR (43,23%)	AGS (50%)	IRB (24,86%)	JFK (49%)	OTHER	TOTAL
Balance at 12.31.22 (*)	**-**	**1,063**	**-**	**377**	**235**	**276**	**1,951**
Changes in share capital	-	-	-	-	214	-	214
Share of profit/(loss)	-	154	-	14	4	43	215
Dividends	-	(281)	-	(1)	-	(39)	(321)
Foreign exchange differences	-	(8)	-	(14)	(12)	1	(33)
Derivatives	-	-	-	1	31	(15)	17
Other	-	-	-	(1)	(1)	(3)	(5)
Balance at 12.31.23	**-**	**928**	**-**	**376**	**471**	**263**	**2,038**

(*) Restated figures (Note 1.1.7)

2022 (Million euro) (*)	HAH (25%)	407ETR (43,23%)	AGS (50%)	IRB (24,86%)	JFK (49%)	OTHER	TOTAL
Balance at 12.31.21	**-**	**1,181**	**-**	**378**	**-**	**280**	**1,838**
Share capital contributions	-	-	-		59	17	77
Share of profit/(loss)	-	124	-	22	1	18	165
Dividends	-	(237)	-	(2)	-	(19)	(258)
Foreign exchange differences	-	(4)	-	(18)	(4)	(3)	(29)
Derivatives	-	-	-	(4)	117	100	213
Changes in scope of consolidation	-	-	-	-	-	(111)	(111)
Other	-	-	-	2	61	(5)	58
Balance at 12.31.22	**-**	**1,063**	**-**	**377**	**235**	**276**	**1,951**

(*) Restated figures (Note 1.1.7)

3.5.1. Disclosures relating to HAH

Possible divestment of Heathrow stake

At December 31, 2023 the completion of the transaction continues to be subject to the satisfaction of the tag-along condition, together with applicable regulatory conditions, and consequently, there can be no certainty that the transaction will be completed. Therefore, this possible divestment does not affect the 2023 Financial Statements.

On November 28, 2023 Ferrovial, through its subsidiary Hubco Netherlands B.V. ("Hubco"), entered into a share purchase agreement (the "Heathrow SPA") with InfraEuropa SCA represented by its managing general partner InfraEuropa Management S.a r.l (entities and funds managed or controlled by Ardian France SA and its affiliates) ("Ardian") and Alrahala First Investment Company (a wholly owned subsidiary of The Public Investment Fund) ("PIF", together with Ardian, the "Buyers"), pursuant to which Hubco agreed to sell and the Buyers agreed to purchase Hubco's full stake (approximately 25% interest) in FGP Topco Limited ("FGP"), which is a direct shareholder of Heathrow Airports Holdings Limited, the owner of the Heathrow airport in London, United Kingdom (the "Proposed Transaction").

Pursuant to the Heathrow SPA, Ardian is expected to acquire an approximately 15% interest in FGP and PIF is expected to acquire an approximately 10% interest in FGP. Ardian and PIF are entering into the transaction as individual buyers. However, neither the Hubco nor the Buyers are obliged to complete the transaction unless both Ardian and PIF acquire their respective stakes. The purchase price payable for Hubco's interest in FGP is comprised of: (i) GBP 2,165 million (the "Base Consideration"); plus (ii) an amount equal to the aggregate of the daily interest on the Base Consideration in the period from (and excluding) December 31, 2021 (the "Locked Box Date") to (and including) the completion of the Proposed Transaction, which will accrue from day to day and be compounded annually, assuming 365 days in a year. Under the Heathrow SPA, Hubco also undertakes to the Buyers that no Leakage, as defined in the Heathrow SPA, including any dividend or distribution to the Ferrovial Group, to Hubco or an affiliate of Hubco will occur from the Locked Box Date until completion of the Proposed Transaction and, if any such Leakage does occur, it shall be deducted from the purchase price or, if not deducted from the purchase price, Hubco will reimburse the Buyers for any such leakage. As at the date of entry into the SPA, no such Leakage had occurred.

The Proposed Transaction is expected to close in the second or third quarter of 2024 and is conditional upon: (i) the pre-emption and full tag-along rights in favor of the other FGP shareholders under FGP's Bylaw and/or shareholders' agreement; and (ii) the UK Government granting approval of each of the Buyers under the National Security and Investment Act 2021. Given the conditionality in points (i) and (ii), there can be no assurance that closing will occur.

In January 2024, in accordance with the tag-along process, some of FGP Topco's shareholders exercised their tag-along rights in respect of shares representing 35% of the share capital of FGP Topco (the "Tagged Shares"). It is a condition under the Heathrow SPA for the completion of the Proposed Transaction that the Tagged Shares are also sold. The parties are working towards satisfaction of such condition by exploring different options.

a. Balance sheet and income statement movements 2023-2022

The balance sheet figures shown reflect HAH's full balances and are presented in pound sterling (details of the exchange rate used in 2023 for the balance sheet and the income statement figures are provided in Note 1.4.).

Balance sheet 2023-2022

HAH (100%) Million GBP	2023	2022	Var.
Non-current assets	**16,478**	**16,506**	**(28)**
Fixed assets in infrastructure projects	12,384	12,369	15
Financial derivatives	952	1,145	(193)
Other non-current assets	3,142	2,992	150
Current assets	**2,904**	**3,317**	**(413)**
Financial derivatives	92	1	91
Other current assets	2,812	3,316	(504)
TOTAL ASSETS	**19,382**	**19,823**	**(441)**

HAH (100%) Million GBP	2023	2022	Var.
Equity	**(2,693)**	**(3,018)**	**325**
Non-current liabilities	**19,947**	**21,334**	**(1,387)**
Borrowings	16,913	18,025	(1,112)
Financial derivatives	2,010	2,436	(426)
Other non-current liabilities	1,024	873	151
Current liabilities	**2,128**	**1,507**	**621**
Borrowings	1,571	1,008	563
Financial derivatives	27	40	(13)
Other current liabilities	530	459	71
TOTAL LIABILITIES	**19,382**	**19,823**	**(441)**

Equity

As detailed previously, the ownership interest in this company had zero value in 2023 and 2022 since the prior-year losses caused by Covid-19 brought equity attributable to Ferrovial to zero.

The following table shows movements in the 25% equity interest in the company, including both results for the year and results not consolidated because losses for the year exceeded the investment's value, relating mainly to pensions and derivatives:

2023 (Million euro)	HAH (25%)
Balance at 12.31.2021 without IAS 28	**(176)**
Share of profit/(loss)	49
Derivatives	21
Pensions	(101)
Currency translation differences	10
Balance at 12.31.2022 without IAS 28	**(197)**
Share of profit/(loss)	97
Derivatives	1
Pensions	(6)
Currency translation differences	(4)
Balance at 12.31.2023 without IAS 28	**(108)**

Income statement 2023-2021

The following table shows HAH's income statement movements for 2023, 2022 and 2021 .

HAH (100%) Million GBP	2023	2022	2021
Operating income	3,687	2,913	1,214
Operating expenses	(1,456)	(1,210)	(858)
Fixed asset depreciation	(754)	(795)	(828)
Operating profit/(loss)	**1,478**	**909**	**(472)**
Net financial income/(expense)	(1,012)	(687)	(1,509)
Profit/(loss) before tax	**465**	**222**	**(1,981)**
Corporate income tax	(127)	(54)	319
Net profit/(loss)	**338**	**168**	**(1,662)**
25% Profit/(loss) attributed to Ferrovial (million euro)	**98**	**49**	**(484)**
Profit/(loss) attributed to Ferrovial under IAS 28 (EUR million)	**–**	**–**	**(238)**

Heathrow traffic experienced a strong recovery during 2023 as the aviation sector bounced back from the impact of the pandemic.

3.5.2. Disclosures relating to 407 ETR

Given that Ferrovial's ownership interest in 407 ETR was restated when control was lost in 2010, analyzing the implicit existence of goodwill, as stipulated paragraph 40 and following paragraphs of IAS 28, an impairment exercise is conducted on an annual basis.

a. Impairment analysis

This asset performed well in 2023, revenue having grown by 12.7% and operating profit by 12.7%. It should be noted that in both the in-house valuation of this concession carried out by Ferrovial and the average valuation of 407 ETR carried out by the stock market analysts that follow Ferrovial (more than 20 analysts), the value is more than nine times its carrying amount.

b. Balance sheet and income statement movements 2023-2022.

These figures reflect the company's full balances and are presented in millions of Canadian dollars (details of the exchange rate used in 2023 for the balance sheet and the income statement figures are provided in Note 1.4.).

Balance sheet 2023-2022

407 ETR (100%) (million CAD)	Dec. 2023	Dec. 2022	Var. 23/22
Non-current assets	**4,584**	**4,565**	**19**
Fixed assets in infrastructure projects	3,954	3,972	(18)
Non-current financial assets	568	533	35
Deferred taxes	62	60	2
Current assets	**1,014**	**883**	**130**
Short-term trade and other receivables	322	265	57
Cash and cash equivalents	691	618	73
Total assets	**5,598**	**5,448**	**150**
Equity	**(5,791)**	**(5,407)**	**(384)**
Non-current liabilities	**10,908**	**10,640**	**268**
Borrowings	10,318	10,060	258
Deferred taxes	590	580	11
Current liabilities	**481**	**216**	**265**
Borrowings	403	139	265
Short-term trade and other payables	77	77	-
Total liabilities	**5,598**	**5,448**	**150**

There follows a description of the main movements in 407 ETR's balance sheet at December 31, 2023 compared to the previous year:

Equity

Equity fell by CAD 384 million with respect to the previous year, primarily due to the payment of CAD 950 million in dividends to shareholders, which was offset by the profit for the year of CAD 567 million.

The 43.23% of the subsidiary's shareholders' funds does not reflect the consolidated carrying amount of the ownership interest, since the latter also includes the amount of the gain arising from the fair value measurement of the investment retained following the divestment of a 10% ownership interest in this company in 2010, recognized as an increase in the investment's value, and the goodwill that arose in 2009 as a result of the merger of Grupo Ferrovial, S.A. and Cintra Concesiones de Infraestructuras de Transportes, S.A.

Therefore, the consolidated carrying amount of 407 ETR (EUR 928 million, CAD 1,356 million) is calculated taking into account the 43.23% of the shareholder´s funds presented above (CAD -2,503 million) and the gain and goodwill related with the above-mentioned operations in 2009 and 2010 (CAD 3,859 million).

Borrowings

Overall financial debt (short and long term) increased in relation to December 2022 by CAD 500 million due to issuance of new borrowings.

Income statement 2023-2022

The following table shows movements in 407 ETR's income statement during the financial years ended December 2023, December 2022 and December 2021:

407 ETR (100%) (million CAD)	Dec.23	Dec.22	Dec.21
Operating income	1,495	1,327	1,023
Operating expenses	(212)	(188)	(164)
Fixed asset depreciation	(97)	(100)	(102)
Operating profit/(loss)	**1,187**	**1,039**	**757**
Net financial income/(expense)	(412)	(447)	(465)
Profit/(loss) before tax	**775**	**592**	**292**
Corporate income tax	(208)	(156)	(79)
Net profit/(loss)	**567**	**435**	**213**
Profit/(loss) attributable to Ferrovial (million CAD)	245	188	92
Intangible asset amortization adjustment (CAD million)	(21)	(19)	(15)
Adjusted net profit/(loss) attributable to Ferrovial (43.23%) (million CAD)	**225**	**169**	**77**
Adjusted net profit/(loss) attributable to Ferrovial (43.23%) (million euro)	**154**	**124**	**52**

Positive performance driven largely by the lifting of the COVID-19 restrictions by the province of Ontario and the resulting increases in traffic, with return-to-work policies in place and supported by rehabilitation construction works in competing Highway 401.

It should be noted that the profit/(loss) attributable to Ferrovial also includes the depreciation charged over the concession term on the remeasurement recognized following the loss of control of the company as a result of the sale in 2010 mentioned above.

3.5.3.Disclosures relating to JFK NTO LLC

As indicated in Note 1.1.6, the agreement whereby Ferrovial invested in the capital of JFK NTO LLC, which will remodel, build, finance, operate and maintain the facilities of the new terminal one at New York's John F. Kennedy International (JFK) Airport, came into effect on June 10, 2022. Ferrovial holds a 49% indirect ownership interest in the project.

As also commented in that note, Ferrovial agreed with Carlyle Group on the payment of earn-out consideration should Carlyle divest its outstanding 4% interest in Mars NTO LLC. This earn-out payment would be triggered either if Carlyle transfers its stake to a third party or to Ferrovial. This payment depends on the value creation by the project. An estimation of the earn-out payment was included in our valuation of the investment as presented in the audited financial statements. Any future changes in the valuation of the earn-out may affect our results.

The shareholders made a commitment to inject share capital of USD 2,330 million, of which Ferrovial will contribute USD 1,142 million. At December 31, 2023, USD 600 million had been disbursed (USD 294 million relates to Ferrovial).

Dividend payments by the company are restricted during the construction phase, which is estimated to end in mid-2026. Dividend payments are also subordinated to the payment of concession rent to the Airport Authority of New York and New Jersey.

The balance sheet resulting from the application of the intangible model (IFRIC 12) is shown below:

Balance sheet 2023

JFK (100%) Million USD	Dec. 2023	Dec. 2022
Non-current assets	**6,478**	**5,265**
Fixed assets in infrastructure projects	2,247	1,062
Right of use (Port Authority)	3,921	3,805
Non-current financial assets	178	270
Trade receivables	132	128
Current assets	**325**	**116**
Short-term trade and other receivables	178	13
Cash and cash equivalents	148	103
Total assets	**6,803**	**5,381**
Equity	**931**	**382**
Share capital	600	127
Share of profit/(loss)	11	3
Hedging instrument impact	321	252
Non-current liabilities	**5,559**	**4,940**
Long-term borrowings	1,740	1,137
Other long-term payables	3,819	3,802
Current liabilities	**313**	**59**
Short-term borrowings	40	54
Short-term trade and other payables	273	5
Total liabilities	**6,803**	**5,381**

JFK NTO's main assets and liabilities are described below:

- Fixed assets in infrastructures projects, which fundamentally comprise:
  - Intangible assets (USD 2,247 million), including all the expenses necessary to obtain the concession contract, as well as the project's construction and development costs.
  - Payments to the Port Authority (USD 3,921 million) related to the present value of the future payments, throughout the concession period, for the acquisition of the concession. Also, a liability of the same amount has been recorded, corresponding to the value of future payment obligations, under financial debt in non-current liabilities ("Other long-term payables").
- Long-term borrowings (USD 1,740 million) relating to the credit line carried at amortized cost under non-current liabilities, mainly the USD 2 billion nominal amount of the Munibond issued on December 6, 2023. This bond emission mitigates nearly one-third of the refinancing risk with still three years to refund the initial bank loan. A portion of the issuance (USD 800 million) was insured by Assured Guaranty Municipal Corp. ("AGM"). JFK NTO, as a matter of its ongoing business operations, continues monitoring the refinancing market for its bank facility and may refinance any outstanding amounts thereunder when market conditions are deemed appropriate by the lessee.
- In addition, JFK NTO has contracted interest rate swaps (IRS) associated with the project's bank borrowings and future debt issuances, for a notional amount of USD 3,005 billion, which have been treated as effective accounting cash flows hedges. During the year there has been an impact on the company's reserves in the amount of USD 69 million (EUR 31 million at Ferrovial's ownership interest).
- Equity (USD 931 million). Movements in equity are primarily explained by the capital contributions under this same heading in the amount of USD 473 million and USD 69 million reflecting the impact on reserves of the change in market value of the derivative associated with the current debt since the acquisition date.

3.5.4.Disclosures relating to AGS

Among the other equity-accounted businesses, the most noteworthy is the 50% ownership interest in the company AGS, which owns Aberdeen, Glasgow and Southampton airports in the UK.

The three airports were severely affected by Covid-19, although in 2023 passenger numbers reached 10.4 million (9.2 million in 2022). The airports are still below 2019 due primarily to the negative effect of the Flybe bankruptcy.

The consolidation of the resulting losses reduced the value of the ownership interest to zero at both December 2023 and December 2022.

The following table shows movements in the 50% equity interest in the company, including both results for the year and results not consolidated because losses for the year exceeded the investment's value, relating mainly to pensions and derivatives:

2023 (Million euro)	AGS (50%)
Balance at 12.31.2021 without IAS 28	**(60)**
Share of profit/(loss)	(17)
Derivatives	10
Pensions	(4)
Other	(1)
Currency translation differences	14
Balance at 12.31.2022 without IAS 28	**(58)**
Share of profit/(loss)	(13)
Derivatives	(7)
Pensions	(3)
Currency translation differences	23
Balance at 12.31.2023 without IAS 28	**(59)**

Agreement to amend and extend the AGS syndicated loan

AGS closed the agreement with a syndicate of banks to amend 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 negotiation of a refinancing operation with the financial institutions was progressing at year-end 2023 and is expected to be closed in the first months of 2024.

The Company has reassessed the recoverability of the shareholder loan, concluding that it is recoverable on the basis of projections updated to account for the refinancing agreement.

3.5.5 Consolidation of IRB

As indicated in Ferrovial's 2021 consolidated financial statements, the Group (through Cintra) acquired a 24.86% stake in the Indian listed company IRB Infrastructure Developers Ltd on December 29, 2021. The deal was completed after a preferential share issue by IRB Infrastructure Developers. The amount paid totaled EUR 369 million. The transaction price was set in accordance with applicable legislation, taking into account the average price weighted by the trading volume during the two-week period prior to the year-end.

The price of IRB's stock at December 31, 2023 is INR (Indian Rupee) 41.55 per share (29.09 at December 31, 2022).

The company's fiscal year runs from April through March. IRB's latest audited available financial statements are those of March 2023. IRB contributed a profit of EUR 14.5 million to Ferrovial for the period between January to December 2023.

3.5.6. Other disclosures relating to associates

a) Movements relating to the remaining associates

The associates breakdown, showing consolidated ownership interests and the main data, is disclosed in Appendix I.

A summary is presented in the following table:

Million euro	2023	2022 (*)
Madrid Calle 30	52	51
Riverlinx Limited – Silvertown Tunnel	52	55
Netflow OSARS (Western)	42	50
Ruta del Cacao	22	8
FMM Company LLC	19	19
A66 Benavente - Zamora	17	17
Other	59	76
TOTAL	**263**	**276**

(*) Restated figures (Note 1.1.7)

b) Other information

There are no significant restrictions on the capacity of associates to transfer funds to the parent company in the form of dividends, debt repayments or advances, other than such restrictions as might arise from the financing agreements of those associates or from their own financial position, and there are no contingent liabilities relating to associates that might ultimately be assumed by the Group.

There are no significant companies in which the ownership interest exceeds 20% that are not equity-accounted.

The guarantees provided by Group companies to equity-accounted companies are detailed in Note 6.5.2.

3.6. NON-CURRENT FINANCIAL ASSETS

Set out below is a breakdown of movements at December 31, 2023 and December 31, 2022:

MOVEMENTS (Million euro)	LONG-TERM LOANS TO ASSOCIATES	RESTRICTED CASH FROM INFRASTRUCTURE PROJECT COMPANIES AND OTHER FINANCIAL ASSETS	FINANCIAL INVESTMENTS CARRIED AT FAIR VALUE	LOANS ASSOCIATED WITH DIVESTMENT TRANSACTIONS	OTHER LONG-TERM RECEIVABLES	TOTAL
BALANCE AT 01/01/2022	**228**	**580**	**41**	**-**	**33**	**882**
Additions	36	153	12	192	1	394
Disposals	(4)	(172)	-		(35)	(211)
Transfers and other	-	-	(19)	(3)	21	(1)
Foreign exchange	(13)	36	1	-	7	31
BALANCE AT 12/31/2022 (*)	**247**	**597**	**35**	**189**	**27**	**1,095**
Additions	40	432	9	10	6	497
Disposals	(37)	(381)	-	-	(5)	(423)
Transfers and other	-	-	1	(13)	-	(12)
Foreign exchange	12	(20)	-	-	(1)	(9)
BALANCE AT 12/31/2023	**262**	**628**	**45**	**186**	**27**	**1,148**

Note: Balances net of provisions

(*) Restated figures (Note 1.1.7)

Long-term loans to associates

Ferrovial granted a subordinated loan amounting to GBP 121 million (EUR 139 million) to the company AGS, not including the provision for expected losses recognized under IFRS 9, which stands at GBP 9 million (EUR 11 million). The company's other shareholder has granted loans on the same terms.

In addition, a subordinated debt loan is granted to Concesionaria Ruta del Cacao, S.A.S., in the amount of EUR 62 million. The increase in the year corresponds to the capitalization of interest.

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:

<u>Future asset trends</u>: AGS 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. The assumptions in this model are consistent with forecasts of air traffic trends obtained from different sources. The model shows a total value for AGS that is above the carrying amount of the current investment.

<u>Liquidity</u>: The contingency plans adopted during 2021 and 2022 allowed the Company to end the year in a positive liquidity position. Projections show that the available liquidity would be sufficient to keep the business running based on estimated traffic levels.

<u>Bank borrowings</u>: Following the agreement in 2021 to amend and extend the loan granted by a syndicate of banks, AGS will have until June 2024 to repay it. The company is, at the end of 2023, in the last steps of agreeing a new refinancing of its external debt with a new syndicate of banks.

On the basis of the three factors analyzed, the amounts borrowed by the company are likely to be recovered, in view of the information currently available. The above notwithstanding, an expected loss provision of GBP 9 million (EUR 11 million) was set up in its balance sheet in accordance with IFRS 9.

Restricted cash from infrastructure project companies

The item "Restricted cash from infrastructure project companies and other financial assets" (EUR 432 million) relates primarily to the NTE Mobility Partners toll road (EUR 336 million) and the I-77 Mobility Partners toll road (EUR 62 million).

The 2023 variation is related mainly to NTE Mobility Partners Segments 3 LLC (EUR -374 million), due primarily to dividend payments. The note on the net cash position provides details of the main balances and changes recognized in relation to this line item.

Loans associated with divestment transactions

The item relates to the debt generated by divestments made on deferred payment terms in connection with the sale of Amey debt, as discussed in Note 1.1.5 of these notes to the financial statements.

As explained in the above-mentioned notes, the business carried on in the United Kingdom through the subsidiary Amey was sold in 2022. The purchase consideration was received partly in cash and partly in the form of loans granted to the buyers for an amount of GBP 151.8 million (EUR 172.8 million), to a company controlled by funds managed by One Equity Partners, in association with its shareholder Buckthorn Partners. At December 2023, and derived from the agreement reached with Buckthorn to repay the loan, an impairment loss of GBP 13 million has already been recorded through the income statement.

Additionally, the energy and water infrastructure maintenance services business was sold to the British fund Rubicon for the amount of GBP 18 million (EUR 20 million). In the final quarter of the year, Rubicon repaid GBP 2 million based on the agreed repayment schedule.

Following the divestment operation, the Company assessed the recoverability of the loans, concluding that they are recoverable on the basis of the latest projections.

Other long-term receivables

Interests in investment funds amounting to EUR 20 million and relating to the Credit Suisse (Lux) Supply Chain Finance Fund, which invested in supplier invoices insured by companies with an investment grade rating (average of AA-). This fund is currently in the process of liquidation. The amount invested is regarded as recoverable and is expected to be recovered after more than one year.

3.7. RIGHT-OF-USE ASSETS AND ASSOCIATED LIABILITIES

Set out below are movements in right-of-use assets in the balance sheet:

MOVEMENTS (Million euro)	LAND	BUILDINGS	VEHICLES	PLANT AND MACHINERY	OFFICE EQUIPMENT AND OTHER	TOTAL
BALANCE AT 12/31/2021	**12**	**67**	**70**	**23**	**4**	**176**
Additions	6	25	21	15	3	70
Disposals	(2)	(6)	(8)	(2)	(3)	(21)
Transfers and other	(2)	3	(8)	2	1	(4)
Depreciation/amortization	(1)	(13)	(15)	(10)	(2)	(41)
Scope changes	-	-	-	-	-	-
Foreign exchange effect	-	1	1	1	-	3
BALANCE AT 12/31/2022 (*)	**13**	**77**	**61**	**29**	**3**	**183**
Additions	2	16	34	30	5	87
Disposals	2	3	1	(2)	(1)	3
Transfers and other	(2)	6	-	(2)	-	2
Depreciation/amortization	(1)	(15)	(27)	(20)	(2)	(65)
Scope changes	(2)	(4)	(5)	(1)	-	(12)
Foreign exchange effect	-	-	(1)	(1)	-	(2)
BALANCE AT 12/31/2023	**12**	**83**	**63**	**33**	**5**	**196**

(*) Restated figures (Note 1.1.7)

The most significant variations under this heading relate to additions totaling EUR 87 million (EUR 70 million in 2022), of which EUR 72 million (EUR 64 million in 2022) is associated with Construction Division leases.

Movements in lease liabilities are set out below:

	LEASE LIABILITIES
BALANCE AT 12.31.2021	**173**
Additions under new leases	86
Associated financial expenses	12
Disposals due to payments	(72)
Foreign exchange effect	1
Consolidation scope change and other	(15)
BALANCE AT 12/31/2022 (*)	**184**
Additions under new leases	97
Associated financial expenses	14
Disposals due to payments	(87)
Foreign exchange effect	(1)
Consolidation scope changes and other	(7)
BALANCE AT 12/31/2023	**200**
Short-term lease liabilities 2023	**59**
Long-term lease liabilities 2023	**141**

(*) Restated figures (Note 1.1.7)

Financial expenses associated with lease agreements amounted to EUR 14 million at December 31, 2023 (EUR 12 million at December 31, 2022). Lease payments in 2023 amounted to EUR -87 million (EUR -72 million in 2022) (Note 5.3).

Set out below are future maturities of lease liabilities in each business area at December 31, 2023:

	2024	2025	2026	2027	2028	2029 AND BEYOND	TOTAL
Corporation	2	3	3	3	3	13	27
Construction	47	35	23	12	7	27	151
Toll Roads	2	1	1	-	-	-	4
Energy and mobility infrastructures	8	4	2	1	-	3	18
TOTAL LEASE LIABILITIES	**59**	**43**	**29**	**16**	**10**	**43**	**200**

At December 31, 2023 lease expenses recognized in operating profit/(loss) reached EUR 250 million (EUR 256 million in 2022 and EUR 236 million in 2021) and relate to the following items:

a. Expenses under agreements that, though meeting the definition of a lease under IFRS 16 are using the exemptions granted by the standard for short-term leases and leases for which the underlying asset is of low value. Given the nature of the Group's business, assets are normally leased to carry out various phases of a project for periods of less than one year or are considered to have a low value (below EUR 5,000).

b. Agreements that are not leases as defined in IFRS 16 as they do not convey the right to control the use of an identified asset or even if an asset is specified, the supplier has the substantive right to substitute the asset throughout the period of use. This is especially frequent in construction projects.

SECTION 4: TRADE CURRENT ASSETS AND LIABILITIES AT DECEMBER 31, 2023 AND 2022

This section contains the notes on Inventories (Note 4.1), Short-term trade and other receivables (Note 4.2) and Short-term trade and other payables (Note 4.3). The net balance of these items is referred to as working capital.

Million euro	2022 (*)	Exchange rate	Consolidation scope changes	Other	2023
Inventories	476	5	–	(23)	458
Short-term trade and other receivables	1,609	19	(12)	62	1,677
Short-term trade and other payables	(3,430)	(23)	1	(194)	(3,646)
TOTAL	**(1,346)**	**1**	**(11)**	**(155)**	**(1,511)**

Million euro	2021	Exchange rate	Consolidation scope changes	Other	2022
Inventories	404	9	–	63	476
Short-term trade and other receivables	1,344	(10)	15	260	1,609
Short-term trade and other payables	(2,813)	(4)	(6)	(608)	(3,430)
TOTAL	**(1,065)**	**(4)**	**9**	**(285)**	**(1,346)**

(*) Restated figures (Note 1.1.7)

Section 4.4 contains a more detailed analysis of the balance sheet items relating to the recognition of revenue from contracts with customers in the Construction business, including the disclosures required by IFRS 15 in relation to those contracts.

4.1.INVENTORIES

Inventories break down as follows at December 31, 2023 y 2022:

Million euro	2022 (*)	Exchange rate	Consolidation scope changes	Other	2023
Goods purchased for resale	24	–	–	(4)	20
Raw materials and other supplies	322	8	–	(27)	303
Bidding and mobilization costs	129	(2)	–	8	135
Inventories	**476**	**5**	**–**	**(23)**	**458**

(*) Restated figures (Note 1.1.7)

Goods purchased for resale relates primarily to the Construction business (EUR 19 million in 2023, compared to EUR 24 million in 2022).

EUR 303 million in 2023 (compared to EUR 322 million in 2022) in raw materials and other supplies relates mainly to the Construction Division, primarily the Poland activity reaching EUR 140 million (EUR 159 million in 2022) and the US activity standing at EUR 101 million (EUR 96 million in 2022).

Bidding and mobilization costs are written off systematically as the goods and services relating to the assets are transferred to customers. In 2023, EUR 14 million of bidding costs and EUR 0.02 million of mobilization costs were amortized. The increase in the year (EUR 8 million) is mainly in US.

4.2. SHORT-TERM TRADE AND OTHER RECEIVABLES

Set out below is a breakdown of this heading at December 31, 2023 and 2022:

Million euro	2022 (*)	Exchange rate	Consolidation scope changes	Other	2023
Trade receivables for sales and services	1,300	15	(12)	51	1,353
Other receivables	309	4	–	11	324
TOTAL RECEIVABLES	**1,609**	**19**	**(12)**	**62**	**1,677**

(*) Restated figures (Note 1.1.7)

a) Trade receivables for sales and services

Trade receivables break down as follows at December 31, 2023 and 2022:

Million euro	2022 (*)	Exchange rate	Consolidation scope changes	Other	2023
Trade receivables	962	13	(12)	1	963
Bad debt provisions	(209)	(1)	–	(6)	(216)
Net trade receivables	**753**	**12**	**(12)**	**(5)**	**748**
Completed work pending certification	406	2	–	38	446
Retentions	141	1	–	18	160
TRADE RECEIVABLES FOR SALES AND SERVICES	**1,300**	**15**	**(12)**	**51**	**1,353**

(*) Restated figures (Note 1.1.7)

The change under the heading "Other" (EUR 51 million) is explained primarily by the increase in Construction (EUR 43 million), particularly in Poland (EUR 61 million), as a result of business performance.

In addition, the scope changes during the year relate primarily to the Euroscut Azores toll road disposal.

Finally, there are no balance sheet items relating to factoring agreements at December 31, 2023 or 2022.

Set out below is a breakdown of the main trade receivables by debtor type:

At 12.31.2023 (Million euro)	CONSTRUCTION		OTHER AND ADJUSTMENTS		TOTAL	
Public sector	777	57 %	93	n.a.	870	64 %
Private sector	414	30 %	13	n.a.	427	32 %
Group companies and associates	171	13 %	(116)	n.a.	55	4 %
TOTAL	**1,363**	**100 %**	**(10)**	**N.A.**	**1,353**	**100 %**

At 12.31.2022 (Million euro)	CONSTRUCTION		OTHER AND ADJUSTMENTS		TOTAL	
Public sector	813	66 %	90	n.a.	904	70 %
Private sector	324	26 %	22	n.a.	346	27 %
Group companies and associates	97	8 %	(47)	n.a.	50	4 %
TOTAL	**1,235**	**100 %**	**65**	**N.A.**	**1,300**	**100 %**

The Group has pre- and post-contracting measures in place to manage customer credit risk, such as consulting debtor registers, ratings or solvency studies, and monitoring incidents and default while the work is in progress.

Changes to trade provisions are set out below:

(Million euro)	2023	2022 (*)
Opening balance	**209**	**209**
Amounts charged to the income statement:	5	(1)
Charges	12	5
Reversals	(8)	(4)
Applications	–	(2)
Foreign exchange effect	1	–
Transfers and other	1	1
Closing balance	**216**	**209**

(*) Restated figures (Note 1.1.7)

Group management considers that the carrying amount of trade receivables approximates fair value.

b) Other receivables

Other receivables breakdown is as follows at December 31, 2023 and 2022:

Million euro	2022 (*)	Exchange rate	Consolidation scope changes	Other	2023
Advance payments to suppliers	61	–	–	6	67
Sundry receivables	96	4	–	10	110
Infrastructure project receivables	3	–	–	–	4
Amounts receivable from Public Administrations	148	1	–	(5)	144
OTHER RECEIVABLES	**309**	**4**	**–**	**11**	**324**

(*) Restated figures (Note 1.1.7)

4.3. SHORT-TERM TRADE AND OTHER PAYABLES

Set out below is a breakdown of this heading at December 31, 2023 and 2022:

Million euro	2022 (*)	Exchange rate	Consolidation scope changes	Other	2023
Trade payables	1,663	13	(2)	24	1,698
Work certified in advance	962	(3)	–	165	1,124
Advance payments	402	5	–	(1)	406
Other non-trade payables	403	9	1	6	419
TRADE AND OTHER PAYABLES	**3,430**	**23**	**(1)**	**194**	**3,646**

(*) Restated figures (Note 1.1.7)

a) Trade payables

Set out below is a breakdown of trade payables at December 31, 2023 and 2022:

Million euro	2022 (*)	Exchange rate	Consolidation scope changes	Other	2023
Trade payables	1,187	7	(2)	(35)	1,158
Trade payables sent for reverse factoring	234	–	–	48	281
Withholdings made from suppliers	242	5	–	11	259
TRADE PAYABLES	**1,663**	**13**	**(2)**	**24**	**1,698**

(*) Restated figures (Note 1.1.7)

Trade payables increased by EUR 35 million compared to the balance recognized at December 31, 2022. Excluding the foreign exchange effect and scope changes, trade payables grew by EUR 24 million, primarily in the Construction Division (EUR 80 million), partially offset by the deferred payment for the acquisition of Dalaman airport in the previous year (EUR -26 million) and payments in the Energy Infrastructures and Mobility business (EUR -15 million).

Trade payables pending payment to suppliers under reverse factoring arrangements (Note 1.3.3.3 on accounting policies) increased by EUR 48 million compared to the balance at December 31, 2022.

Group management considers that the carrying amount of trade receivables approximates fair value.

b) Work certified in advance and advance payments from customers

This heading includes:

- Work certified in advance (see definition in Notes 4.4 and 1.2.3.4) increased by EUR 165 million against December 2022 (excluding the foreign exchange effect and scope changes), primarily in the US and Canada, relating particularly to the Ontario Metro project (EUR 72 million).
- The balance of advance payments from customers (see definition in point 4.4) decrease by EUR -1 million in relation to December 2022.

c) Other non-trade payables

"Other non-trade payables" breakdown is as follows:

Million euro	2022 (*)	Exchange rate	Consolidation scope changes	Other	2023
Accrued wages and salaries	190	5	–	32	227
Taxes payable	173	4	–	(14)	162
Other payables	41	–	1	(12)	30
OTHER NON- TRADE PAYABLES	**403**	**9**	**1**	**6**	**419**

(*) Restated figures (Note 1.1.7)

4.4. BALANCES FROM CONTRACTS WITH CUSTOMERS AND OTHER DISCLOSURES RELATING TO IFRS 15

Information on the balance sheet relating to IFRS 15

As indicated in Note 1.3.3.4 in relation to the policy for recognizing contract revenue (IFRS 15), for contracts in which the performance obligations are measured over time, the difference between the revenues recognized for services rendered and the amounts actually billed to the customer are systematically analyzed on a contract- by-contract basis.

If the amount billed is lower than the revenue recognized, the difference is recognized as an asset under "Trade receivables for sales and services - Completed work pending certification" (Note 4.2.a), whereas if the revenue recognized is lower than the amount billed, a liability is recognized under "Short-term trade and other payables - Work certified in advance" (Note 4.3).

For certain construction contracts, advances are agreed, paid by the customer at contract inception and offset against progress billings as the works are executed.

These balances are carried on the liabilities side of the balance sheet under the heading "Trade payables" (Note 4.3.a).

In contrast to the advance payments, under some contracts the customer retains a portion of the payment of each progress billing to guarantee certain contractual obligations are met, which is not reimbursed until the contract is definitively settled. These balances are carried on the assets side of the balance sheet under "Trade receivables for sales and services" (Note 4.2.a).

Unlike completed work pending certification and work certified in advance, advances and retentions are balances that will have an impact on future cash flows, since in the case of the advances a lower amount will be collected in the future as the advances are discounted from the progress billings, whereas the retentions will give rise to higher collections in the future, since the customer will reimburse the related amounts as and when the contract work is settled. Most of the Revenue recognised in the reporting period was included in the contract liability balance at the beginning of the period.

Set out below is a breakdown of these items at December 31, 2023 and 2022:

Million euro	2022 (*)	Exchange rate	Consolidation scope changes	Other	2023
Completed work pending certification	406	2	–	38	446
Retentions	141	1	–	18	160
Total customer contract assets	**547**	**3**	**–**	**56**	**605**
Work certified in advance	962	(3)	–	165	1,124
Advance payments	402	5	–	(1)	406
Total customer contract liabilities	**1,364**	**2**	**–**	**164**	**1,529**

(*) Restated figures (Note 1.1.7)

The balance of completed work pending certification at December 31, 2023 relates almost entirely to revenue under the main contract with the customer since, according to the Group's general policy, only work that is due and payable, i.e. has been approved by the customer, may be recognized in the financial statements. Claims only include cases in which it is deemed highly likely that there will be no reversal of revenue in the future.

In general, performance obligations in the construction business are fulfilled over time. Therefore, the balance relates basically to differences between work completed and work certified due to timing differences in the customer certification and review process, billing milestones or certification schedule.

Other disclosures relating to IFRS 15:

Revenue from contracts with customers:

EUR 8,339 million of the total revenue recognized in 2023 (Note 2.1 Operating income) relates to revenue from contracts with customers, which accounts for 97.9% of revenue recognized (97.8% and 98.6% in 2022 and 2021, respectively).

Million euro	2023	2022 (*)	2021
Construction	6,909	6,287	5,799
Toll Roads	1,071	765	570
Airports	8	5	2
Other segments	351	328	822
Revenue from contracts with customers	**8,339**	**7,385**	**6,810**

(*) Restated figures (Note 1.1.7)

The table below shows a breakdown of income pending recognition in relation to uncompleted performance obligations at year-end by business area and includes an estimate of the years in which it is expected to appear in income.

REVENUE	2024	2025	2026	2027	2028 and beyond	TOTAL
Construction	6,552	4,200	2,006	1,179	1,695	**15,632**
Energy Infrastructures and Mobility	179	137	88	76	446	**926**
Total	**6,731**	**4,337**	**2,094**	**1,255**	**2,141**	**16,558**

There are a total of 1,236 contracts in force in the Construction businesses (1,159 contracts in 2022) and 31 Energy Infrastructure contracts (29 contracts in 2022).

SECTION 5: CAPITAL AND FINANCING STRUCTURE AT DECEMBER 31, 2023 AND 2022

The notes in this section describe trends in Ferrovial's financial structure, at December 31, 2023 and 2022, addressing both changes in equity (Note 5.1) and cash and cash equivalents and borrowings (Note 5.2), broken down by project companies and ex-project companies. They also describe the Group's exposure to the main financial risks and risk management policies (Note 5.4), as well as derivatives contracted for such purposes (Note 5.5).

At December 31, 2023, the Company´s equity (Note 5.1) attributed to shareholders decreased in relation to the previous year, due essentially to the net profit for the year, partially offset by shareholder remuneration and the hybrid loan reimbursement.

EQUITY ATTRIBUTED TO SHAREHOLDERS	Million euro
Closing balance at 12.31.2022 (*)	**4,113**
Net profit/(loss)	460
Income and expenses recognized directly in equity	-80
Amounts transferred to the income statement	8
Shareholder remuneration	-250
Share-based remuneration scheme	12
Hybrid bond reimbursement	-513
Other	16
Closing balance at 12.31.2023	**3,766**

(*) Restated figures (Note 1.1.7)

Regarding infrastructure projects borrowings, the variation during 2023 was primarily due to the foreign exchange effect (EUR -211 million) and the impact of scope changes relating to the Azores Toll Road disposal (EUR -281 million). The increase of EUR 440 million is mainly explained by the US projects due to the debt drawn down by NTE Mobility Partners toll road, capitalization of interest and accrued unmatured interest.

BORROWINGS OF INFRASTRUCTURE PROJECTS	(Million euro)
Closing balance at 12.31.2022 (*)	**7,967**
Net drawdowns	440
Exchange rate effects	-211
Changes in scope of consolidation	-281
Closing balance at 12.31.2023	**7,915**

(*) Restated figures (Note 1.1.7)

Regarding ex-infrastructure projects borrowings, the variation during the year is primarily due to the net drawdowns on corporate debt.

BORROWINGS OF EX INFRASTRUCTURE PROJECTS	(Million euro)
Closing balance at 12.31.2022 (*)	**3,691**
Net drawdowns	-228
Exchange rate effects	0
Changes in scope of consolidation	0
Closing balance at 12.31.2023	**3,463**

(*) Restated figures (Note 1.1.7)

5.1.EQUITY

5.1.1 Changes in equity

There follows a breakdown of the main equity impacts in 2023, net of taxes, which explain the changes in equity from December 2022 to 2023:

	Attributed to shareholders	Attributed to non-controlling interest	Total equity
Equity at 01.01.2022	**4,039**	**1,790**	**5,829**
Consolidated profit/(loss) for the year	185	117	302
Impact on hedge reserves	348	(15)	333
Impact on defined benefit plan reserves	–	–	–
Currency translation differences	43	80	123
Income and expenses recognized directly in equity	391	65	456
Amounts transferred to the income statement	131	–	131
TOTAL RECOGNIZED INCOME AND EXPENSES	**707**	**182**	**889**
Scrip dividend/other dividends	(132)	(160)	(292)
Treasury share transaction	(446)	–	(446)
SHAREHOLDER REMUNERATION	**(578)**	**(160)**	**(738)**
Share capital increases/reductions	–	356	356
Share-based remuneration scheme	–	–	–
Hybrid bond	(8)	–	(8)
Scope changes	(88)	67	(21)
Other movements	41	5	46
OTHER TRANSACTIONS	**(55)**	**428**	**373**
Equity at 12.31.2022 (*)	**4,113**	**2,240**	**6,353**
Consolidated profit/(loss) for the year	460	170	630
Impact on hedge reserves	3	3	6
Impact on defined benefit plan reserves	–	–	–
Currency translation differences	(83)	(42)	(125)
Income and expenses recognized directly in equity	(80)	(39)	(119)
Amounts transferred to the income statement	8	–	8
TOTAL RECOGNIZED INCOME AND EXPENSES	**388**	**131**	**519**
Scrip dividend/other dividends	(136)	(379)	(515)
Treasury share transaction	(114)	–	(114)
SHAREHOLDER REMUNERATION	**(250)**	**(379)**	**(629)**
Share capital increases/reductions	–	117	117
Share-based remuneration scheme	12	–	12
Hybrid bond reimbursement	(513)	–	(513)
Scope changes	–	2	2
Other movements	16	2	18
OTHER TRANSACTIONS	**(485)**	**121**	**(364)**
Equity at 12.31.2023	**3,766**	**2,113**	**5,879**

(*) Restated figures (Note 1.1.7)

There follows a description of the main movements in shareholders' funds in 2023 and 2022, which resulted in a decrease of EUR -347 million in 2023 and an increase of EUR 74 million in 2022 in equity attributable to shareholders.

Consolidated profit/(loss) for 2023 and 2022 attributed to the parent company reached EUR 460 million and EUR 185 million, respectively.

Income and expense recognized directly in equity relate to:

- Hedging instruments: recognition of the changes in value of the effective portion of derivatives designated as hedges, as detailed in Note 5.5, with a positive impact of EUR 3 million in 2023, of which EUR -9 million related to fully-consolidated companies, EUR 17 million to equity-accounted companies and EUR -5 million to companies held for sale, as compared to EUR 348 million in 2022, of which EUR 187 million related to fully-consolidated companies and EUR 161 million to equity-accounted companies.
- Currency translation differences: in 2023, the currencies to which Ferrovial was most exposed in terms of equity (mainly the Canadian dollar, US dollar, pound sterling and Indian rupee), as detailed in Note 5.4.b, gave rise to currency translation differences of EUR -83 million attributed to the parent company, primarily the US dollar (EUR -52 million) and Canadian dollar (EUR -34 million). These translation differences are presented net of the effect of foreign currency hedging instruments contracted by the Group (Note 5.5).

  During 2022, the currencies to which Ferrovial was most exposed in terms of equity (mainly the Canadian dollar, US dollar, pound sterling and Indian rupee), as detailed in Note 5.4.b, gave rise to currency translation differences of EUR 43 million attributed to the parent company, so the appreciation of the Canadian dollar (EUR 29 million) and US dollar (EUR 59 million) against the euro was partially offset by the depreciation of the pound sterling (EUR -23 million) and the Indian rupee (EUR -18 million) against the euro. These translation differences are presented net of the effect of foreign currency hedging instruments contracted by the Group (Note 5.5).

Amounts transferred to the income statement:

At December 31, 2023

This reflects the impact of the reclassification from shareholders' funds to results (under IAS 21) of the effect accumulated in reserves of derivatives contracted to hedge the bank borrowings obtained by Ferrovial SE in 2022 (which were voluntarily repaid in September 2023), in the amount of EUR -9 million after tax (positive impact on the income statement). This was partially offset by the reclassification to the income statement of the impact accumulated in reserves of the derivatives used to hedge the debt of Euroscut Azores, the toll road sold in December 2023, as indicated in Note 1.1.6, and the pre-hedged bond issue initially planned for 2018 by Ferrovial Emisiones S.A. and cancelled in 2020 as indicated in Note 5.5, in the amounts of EUR 11 million and EUR 6 million after tax, respectively (negative effects on the income statement).

At December 31, 2022

This reflects the impact of the reclassification from shareholders' funds to results (under IAS 21) of the amounts accumulated in equity in respect of currency translation differences and the derivatives hedging divestment transactions and acquisitions, as mentioned in Note 1.1.6, with a special focus on derivatives hedging the borrowings of the Infrastructure Services business in Spain (EUR 7 million net of taxes), as well as the currency translation differences and debt hedging derivatives relating to the Amey business in the UK, amounting to EUR 156 million and EUR 15 million, respectively.

The aforementioned amounts were partially offset by the reclassification to the income statement of the impact accumulated in reserves of the pre-hedged bond issuance initially planned for 2022, which finally was not issued, in the amount of EUR -46 million after tax (positive impact on the income statement), as indicated in Note 5.5.

Shareholder remuneration:

- Scrip dividend: For the tenth consecutive year, Ferrovial approved a flexible shareholder remuneration scheme whereby the shareholders may freely choose to receive new shares or an amount in cash.
  - In July 2023, 5,051,417 new shares were issued (3,968,559 in May 2022). The amount paid in cash was EUR 58 million (EUR 108 million in May 2022).
  - In November 2023, 8,193,687 new shares were issued (12,116,333 new shares in November 2022). The amount paid in cash was EUR 78 million (EUR 24 million in 2022), representing a price per share of EUR 0.4276 (EUR 0.41 in 2022).
- The cash flow impact of shareholder remuneration in 2023 amounted to EUR 250 million (EUR 578 million in 2022).

Share-based remuneration schemes:

In 2023, no shares were acquired (315,000 shares in 2022 representing 0.043% of Ferrovial's share capital), for subsequent delivery, together with a part of the treasury shares recognized at the beginning of the year, under share-based remuneration schemes.

The total gain on these remuneration schemes recognized in the Company's equity was EUR 12 million in 2023 (with a counterparty impact through income statement EUR 11 million (Note 6.6.).

The total acquisition cost of the shares in 2022 was EUR 7.7 million and there was no equity impact since the effect of settling the plan falling due during the year was offset by the reversal of the provision recognized so as to reflect the degree of fulfillment of the plan that matured in 2023.

As explained in Note 5.5, the Company has equity swaps hedging against the possible equity impact of these share-based remuneration schemes. The equity swaps had a fair value effect of EUR 25 million in 2023 on net financial income/(expense) (EUR -9 million in 2022).

Subordinated hybrid bond:

In February 2023, and as a result of the reverse merger transaction described in Note 1.1.2, Ferrovial committed to repurchase its subordinated hybrid bond. As of June 2023, the company obtained acceptance of 94.28% of the amount of the issuance to which the offer was directed. Specifically, of the EUR 500 million that the placement amounted to, holders of a total of EUR 471.44 million accepted Ferrovial's early purchase proposal, leaving a balance of around EUR 29 million in short-term debt to be paid at end-June. The company executed the fully cancellation of the bond on August 7. Therefore, at the close of these financial statements, no balance is recorded in relation to this hybrid bond.

This subordinated hybrid bond was treated as an equity instrument (IAS 32.16), as mentioned in Note 1.3.3., because the issuer did not have a contractual obligation to (i) deliver cash or another financial asset to another entity; or (ii) exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the issuer.

Scope changes related to the following transactions:

The impact in 2023 is explained by the completion of the sale agreement reached in June 2023 to sell 89.2% of the Azores toll road (Note 1.1.6).

The impact in 2022 is due to the purchase of 7.135% of the I-77 Mobility Partners LLC toll road (Note 1.1.6) in December 2022. In accordance with IFRS 3, and since the company was already fully consolidated, the difference between the price paid and the book value of the acquired stake was recorded against the parent company reserves (EUR -88 million) and the amount of minority interests was reduced accordingly (EUR -15 million).

5.1.2 Equity components

There follows an explanation of each equity item reflected in the consolidated statement of changes in equity:

a) Share capital

As commented in Note 1.1.2, the merger between Ferrovial, S.A. and Ferrovial International SE (now Ferrovial SE) had no impact on a consolidated level, and only affected the breakdown of equity (see Consolidated Statement of Changes in Equity).

As a result of this transaction, the Ferrovial Group's new parent company is Ferrovial SE, a European public limited company ("Societas Europaea") domiciled in the Netherlands and currently listed on both the Dutch and the Spanish stock markets. Ferrovial SE´s opening share capital consists of 727,443,261 shares with a par value of 0.01 euros per share.

At December 31, 2023, share capital stood at EUR 7,406,883.65, fully subscribed and paid in, corresponding to Ferrovial SE as the parent holding company of the Group (see Consolidated Statement of Changes in Equity). Share capital consists of 740,688,365 ordinary shares in a single class with a par value of one euro cent (EUR 0.01) each. Movements during the year, broken down in the following table, relate to the share capital increase and reduction transactions mentioned in the preceding section.

SHARES	NUMBER	PAR VALUE
Opening balance	727,443,261	7,274,433
Scrip dividend	13,245,104	132,451
Share capital reduction	–	–
CLOSING SHARES	**740,688,365**	**7,406,884**

At December 31, 2022, share capital stood at EUR 145,488,652.20, fully subscribed and paid in, corresponding to the former parent company Ferrovial S.A. previous to the merger transaction, as commented at the beginning of this note (see Consolidated Statement of Changes in Equity). Share capital consisted of 727,443,261 ordinary shares in a single class with a par value of twenty euro cents each (EUR 0.20). Movements during the year 2022, broken down in the following table, relate to the share capital increase and reduction transactions mentioned in the preceding section.

SHARES	NUMBER	PAR VALUE
Opening balance	733,602,481	146,720,496
Scrip dividend	16,084,892	3,216,978
Share capital reduction	(22,244,112)	(4,448,822)
CLOSING SHARES	**727,443,261**	**145,488,652**

At December 31, 2023 and 2022, the only company with an ownership interest over 10% was Rijn Capital BV, which held 20.56% (20.42% in 2022) of the shares and is controlled by the Chairman of the Company's Board of Directors, Rafael del Pino y Calvo Sotelo.

At December 31, 2023 , as a result the business reorganization (as explained in Note 1), the new parent company's shares were traded on the Dutch Stock Exchange and the Spanish Stock Exchange.

At December 31, 2022 and 2021, prior to the business reorganization, the parent company's shares were traded on the Spanish Electronic Trading System (SIBE) and on the Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V. (the "Dutch Stock Exchange"). They all carried the same voting and dividend rights.

b) Share premium and merger premium

As commented in Note 1.1.2, the merger between Ferrovial, S.A. and Ferrovial International SE had no impact on a consolidated level, and only affected the breakdown of equity (see Consolidated Statement of Changes in Equity). This transaction gave rise to a merger share premium of EUR 4,426 million. The reduction in the share/merger premium in relation to the balance at January 1, 2023 is explained by the redemption of treasury shares agreed in the Buy-Back Program explained in the following section. Consequently, at December 31, 2023 the share/merger premium totaled EUR 4,316 million. They are both classed as unrestricted reserves.

The reduction during 2022 in the share premium and merger premium, which arose in 2009 as a result of the merger of Grupo Ferrovial, S.A. with Cintra Concesiones de Infraestructuras de Transporte, S.A. (formerly Ferrovial, S.A.), in relation to the previous year is explained by the redemption of treasury shares agreed in the Buy-Back Program explained in the following section. Consequently, at December 31, 2022 there was no share premium or merger premium. They are both classed as unrestricted reserves.

c) Treasury shares

Movements during 2023 and 2022 were as follows:

TRANSACTION PERFORMED/OBJECTIVE	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES APPLIED TO PURPOSE	TOTAL NUMBER OF SHARES
Balance at 12.31.2022			**1,168,290**
Share capital	3,900,000	–	3,900,000
Remuneration schemes	–	(308,980)	(308,980)
Shares received - scrip dividend	–	–	–
Balance at 12.31.2023			**4,759,310**

TRANSACTION PERFORMED/OBJECTIVE	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES APPLIED TO PURPOSE	TOTAL NUMBER OF SHARES
Balance at 12.31.2021			**5,072,018**
Share capital reduction	17,912,899	(22,244,112)	(4,331,213)
Remuneration schemes	315,000	(338,815)	(23,815)
Shares received - scrip dividend	451,300	–	451,300
Balance at 12.31.2022			**1,168,290**

On November 30, 2023 Ferrovial SE announced its decision to implement a buy-back program for its own shares for a maximum of up to 34 million shares and for a maximum amount of EUR 500 million, the purpose of which was a subsequent capital reduction by redeeming the shares. The Program has been authorised for the period from December 1, 2023 to May 1, 2024 (both inclusive), although the Company may extend the latter date in view of the prevailing circumstances and in the interest of the Company and its shareholders.

In December 2023 1,900,000 treasury shares were acquired at an average price of EUR 32.46 per share totaling EUR 62 million. Over the course of 2024, 5,510,954 treasury shares were acquired at an average price of EUR 34.45 per share totaling EUR 189 million.

On June 22, 2023 Ferrovial SE announced an interim scrip dividend of EUR 0.2871 per Ferrovial share. The dividend was payable in cash or shares at the choice of the shareholder, against Ferrovial's share premium reserve. There were no tradable rights in respect of the scrip dividend.

On October 16, 2023 Ferrovial SE announced a second interim scrip dividend of EUR 0.4276 per Ferrovial share. The dividend was payable in cash or shares at the choice of the shareholder, against Ferrovial's reserves. There were no tradable rights in respect of the scrip dividend.

Over the course of 2023, 3,900,000 treasury shares were acquired at an average price of EUR 29.17 per share giving rise to a payment of EUR 114 million (17,912,899 treasury shares at an average price of EUR 24.83 per share totaling EUR 446 million in 2022).

The market value of the treasury shares held by Ferrovial at December 31, 2023 (4,759,310 shares) was EUR 157 million (EUR 29 million in 2022).

d) Measurement adjustments

"Measurement adjustments" in the consolidated statement of changes in equity reached EUR -849 million in 2023 (EUR -777 million in 2022) and comprise adjustments to currency translation differences accumulated in reserves of EUR -405 million (EUR -322 million in 2022), pension plans of EUR -455 million (EUR -455 million in 2022) and derivatives of EUR 11 million (EUR -1 million in 2022).

e) Retained earnings and other reserves

This heading includes retained earnings and other reserves totaling EUR 370 million (EUR 4,263 million in 2022). Other reserves include the impact of the merger between Ferrovial, S.A. and Ferrovial International SE (EUR -4,288 million) which, although it does not have an impact on a consolidated level, does affect the breakdown of equity (see Consolidated Statement of Changes in Equity).

Adjustments relating to share-based remuneration schemes and the impact of the subordinated perpetual bond coupons and associated costs are also recognized under this heading.

5.1.3 Proposed distribution of 2023 profit/(loss)

The Company posted a profit for 2023 of EUR 428 million.

The Board of Directors proposed to the Company's Annual General Meeting the following distribution of Ferrovial's individual profit/(loss), at December 31, 2023:

Million EUR	2023
Profit/(loss) of Ferrovial SE. (individual company)	**428**
Distribution (million euros):	
Other reserves	428

5.1.4 Non-Group companies with significant ownership interests in subsidiaries.

At December 31, 2023 and 2022, non-controlling interests in the share capital of the most significant fully-consolidated Group companies were as follows:

At December 31, 2023:

FERROVIAL GROUP SUBSIDIARY	NON-GROUP %	NON-GROUP SHAREHOLDER
TOLL ROADS		
Autopista Terrassa-Manresa, S.A.	23.72 %	Acesa (Autopista Concesionaria Española, S.A.)
LBJ Infrastructure Group Holding LLC	28.33%-17.07%	LBJ Blocker (APG)- Meridiam Infr. S.a.r.l. (MI LBJ)
NTE Mobility Partners Holding LLC	37.03 %	Meridiam Infrastrucuture S.a.r.l.
NTE Mobility Partners SEG 3 Holding LLC	28.84%-17.49%	NTE Segments 3 Blocker, Inc. (APG) - Meridiam Infraestructure NTE 3A/3B LLC
I-77 Mobility Partners, LLC	24.58%-3.18%	John Laing I-77 Holco Corp./Aberdeen Infr. Invest.
I-66 Mobility Partners, LLC	29.75%-14.55%	Meridiam Infrastrucuture S.a.r.l. - I-66 Blocker (APG)
CONSTRUCTION		
Budimex S.A.	9.8%-6.3%-33.8%	AVIVA OFE Aviva BZ WBK-Nationale Nederlanden OFE-Traded
AIRPORTS		
Dalaman	40.00 %	YDA Group

The financial highlights of the most significant Group companies in which there are non-controlling interests are as follows (data on 100% terms):

2023 **(Millon euro)**	**ASSETS**	**LIABILITIES**	**SHAREHOLDERS' FUNDS**	**NET CASH POSITION**	**NET PROFIT/(LOSS)**
Autopista Terrassa-Manresa, S.A.	590	196	394	18	27
LBJ Infrastructure Group Holding LLC	2,084	2,296	(212)	(1,828)	24
NTE Mobility Partners Holding LLC	1,967	1,954	13	(1,144)	102
NTE Mobility Partners SEG 3 Holding LLC	2,019	1,735	284	(1,471)	48
I-77 Mobility Partners, LLC	775	509	266	(183)	31
I-66 Mobility Partners, LLC	6,108	2,567	3,542	(1,469)	(20)
Budimex	2,029	1,616	413	874	80
Dalaman	710	478	232	(86)	(10)

The main movements under "Equity attributable to non-controlling interests" in 2023 were as follows:

Company **(Million euro)**	**Balance at 12.31.2022**	**Profit/(loss)**	**Derivatives**	**Currency translation differences**	**Dividends**	**Capital contributions**	**Other movements**	**Balance at 12.31.2023**
Autopista Terrassa-Manresa, S.A.	94	8	4	–	(13)	–	–	93
LBJ Infrastructure Group Holding LLC	(89)	20	–	3	(31)	–	–	(96)
NTE Mobility Partners Holding LLC	9	60	–	–	(64)	–	–	5
NTE Mobility Partners Segments 3 LLC	282	41	–	(6)	(216)	30	–	131
I-77 Mobility Partners, LLC	64	12	–	(2)	–	–	–	74
I-66 Mobility Partners, LLC	1,610	(16)	–	(49)	–	26	–	1,571
FAM Construction LLC (I-66)	(28)	(34)	–	–	–	60	–	–
Budimex	192	83	–	13	(54)	–	–	234
Dalaman	94	(7)	(2)	–	–	–	1	86
Otros	11	2	–	(2)	(1)	–	4	15
TOTAL	**2,240**	**170**	**3**	**(43)**	**(379)**	**117**	**5**	**2,113**

The heading "Capital contributions" reflects the impact of the increase in funds attributable to non-controlling interests of the toll roads I-66 Mobility Partners LLC, FAM Construction LLC (I-66) and NTE Segment 3, amounting to EUR 26 million, EUR 60 million and EUR 30 million, respectively.

At December 31, 2022:

FERROVIAL GROUP SUBSIDIARY	**NON-GROUP %**	**NON-GROUP SHAREHOLDER**
TOLL ROADS		
Autopista Terrassa-Manresa, S.A.	23.72 %	Acesa (Autopista Concesionaria Española, S.A.)
LBJ Infrastructure Group Holding LLC	28.33%-17.07%	LBJ Blocker (APG)- Meridiam Infr. S.a.r.l. (MI LBJ)
NTE Mobility Partners Holding LLC	37.03 %	Meridiam Infrastrucuture S.a.r.l.
NTE Mobility Partners SEG 3 Holding LLC	28.84%-17.49%	NTE Segments 3 Blocker, Inc. (APG) - Meridiam Infraestructure NTE 3A/3B LLC
I-77 Mobility Partners, LLC	24.58%-3.18%	John Laing I-77 Holco Corp./Aberdeen Infr. Invest.
I-66 Mobility Partners, LLC	29.75%-14.55%	Meridiam Infrastrucuture S.a.r.l. - I-66 Blocker (APG)
CONSTRUCTION		
Budimex S.A.	9.8%-6.3%-33.8%	AVIVA OFE Aviva BZ WBK-Nationale Nederlanden OFE-Traded
AIRPORTS		
Dalaman	40.00 %	YDA Group

The main financial statement aggregates of the most significant Group companies in which other shareholders own interests are as follows (data on 100% terms):

2022 **(Millon euro)**	**ASSETS**	**LIABILITIES**	**SHAREHOLDERS' FUNDS**	**NET CASH POSITION**	**NET PROFIT/(LOSS)**
Autopista Terrassa-Manresa, S.A.	576	180	396	13	(60)
LBJ Infrastructure Group Holding LLC	2,168	2,363	(195)	(1,887)	10
NTE Mobility Partners Holding LLC	1,716	1,692	24	(1,142)	79
NTE Mobility Partners SEG 3 Holding LLC	2,327	1,719	608	(1,152)	38
I-77 Mobility Partners, LLC	753	522	231	(240)	12
I-66 Mobility Partners, LLC	5,804	2,177	3,627	(1,536)	(12)
Budimex	1,668	1,343	325	673	57
Dalaman	704	452	252	(103)	13

The main movements under "Equity attributable to non-controlling interests" in 2022 were as follows:

Company (Million euro)	Balance at 12.31.2021	Profit/(loss)	Derivatives	Currency translation differences	Dividends	Capital contributions	Other movements	Balance at 12.31.2022
Autopista Terrassa-Manresa, S.A.	147	(19)	(21)	–	(13)	–	–	94
LBJ Infrastructure Group Holding LLC	(68)	9	–	(4)	(26)	–	–	(89)
NTE Mobility Partners Holding LLC	11	47	–	1	(54)	–	4	9
NTE Mobility Partners Segments 3 LLC	196	33	–	11	–	39	3	282
I-77 Mobility Partners, LLC	70	6	–	3	–	–	(15)	64
I-66 Mobility Partners, LLC	1,288	(10)	–	76	–	256	–	1,610
FAM Construction LLC (I-66)	(59)	(26)	–	(4)	–	61	–	(28)
Budimex	202	60	–	(3)	(67)	–	–	192
Dalaman	–	8	3	–	–	–	83	94
Otros	3	9	3	–	–	–	(3)	12
TOTAL	**1,790**	**117**	**(15)**	**80**	**(160)**	**356**	**72**	**2,240**

5.2. CASH AND CASH EQUIVALENTS AND BORROWINGS

In order to aid understanding of the Group's financial performance, and as mentioned in Note 1.1.4, the Group analyzes cash and cash equivalents and borrowings for each corresponding period distinguishing between infrastructure project companies and ex infrastructure companies.

The main items forming the Group's cash and cash equivalents and borrowings, are described below.

5.2.1. Cash and cash equivalents

a) Cash and cash equivalents and restricted cash of infrastructure projects companies

The cash and cash equivalents of infrastructures project companies as at December 31, 2023 and December 31, 2022 stood at EUR 204 million and EUR 168 million, respectively.

Infrastructure project financing agreements often 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 borrowings and to infrastructure maintenance and operation.

Restricted cash is classified as short-term or long-term depending on whether it must remain restricted for less than or more than one year. These funds are invested in highly-liquid financial products earning floating interest. The type of financial product in which the funds may be invested is also restricted by the financing agreements or, where no restrictions are stipulated, the decision is made on the basis of the Group's policy for the placement of cash surpluses.

For 2023:

Short-term balances, which amounted to EUR 31 million, are recognized under cash and cash equivalents in the balance sheet, whereas long-term balances totaling EUR 596 million are registered as financial assets. Therefore, short- and long-term restricted cash recognized at December 31, 2023 amounts to EUR 627 million and relates to the NTE Segment 3, LBJ, I-77, I-66 and NTE Mobility Partners toll roads (EUR 23 million, EUR 7 million, EUR 99 million, EUR 134 million and EUR 333 million, respectively), as well as to other European concessions in the amount of EUR 31 million, primarily treatment plants in the United Kingdom and the Autovía de Aragón toll road in Spain (EUR 14 million and EUR 17 million, respectively). The variation of EUR 33 million compared with December 2022 is explained by:

- A net increase in the restricted cash amount of EUR 60 million (excluding exchange rate effects), essentially from the NTE Mobility Partners toll road (EUR 336 million), LBJ (EUR 5 million), I-66 (EUR 28 million), I-77 (EUR 62 million), the Autovía de Aragón toll road (EUR 3 million), which was partially offset by a decrease of EUR -374 million in the NTE Segment 3 toll road.
- The scope change during the year due to the Euroscut Azores toll road disposal (EUR -9 million).
- The exchange rate effect of EUR -18 million, caused mainly by US dollar fluctuations (Note 1.4).

Other cash and cash equivalents relate to bank accounts and highly-liquid investments subject to interest rate risk.

For 2022:

Short-term balances, which amounted to EUR 38 million, were recognized under cash and cash equivalents in the balance sheet, whereas long-term balances, of EUR 556 million, were classified as financial assets. Therefore, restricted cash recognized at December 31, 2022, both short and long -term, amounted to EUR 594 million, relating to the NTE Segment 3, LBJ, I-77, I-66 and NTE Mobility Partners toll roads (EUR 401 million, EUR 2 million, EUR 40 million, EUR 110 million and EUR 3 million, respectively), as well as to other European concessions in the amount of EUR 37 million, primarily treatment plants in the United Kingdom, the Autovía de Aragón toll road and other European Toll Roads (EUR 14 million, EUR 14 million and EUR 9 million, respectively).

Other cash and cash equivalents relate to bank accounts and highly-liquid investments subject to interest rate risk.

b) Cash and cash equivalents and restricted cash of ex-infrastructure projects

The cash and cash equivalents of ex-infrastructure project companies at December, 31 2023 and December, 31 2022 amounted to EUR 4,585 million and EUR 4,962 million, respectively. At December 2023, 1,479 million correspond to Canadian dollars and the exchange rate risk related to this cash and cash equivalents is fully hedged with forward derivatives.

The method generally used to classify cash and cash equivalents as short- and long-term balances matches the approach applied when preparing the 2023, 2022 and 2021 consolidated financial statements.

At December, 31 2023, certain accounts totaling EUR 4 million (EUR 29 million at December, 31 2022) were restricted due mainly to Thalia. This is cash but kept in escrow so that Thalia cannot access it without Environment Agency's consent. When there is a need to pay for aftercare of the landfill in the future the cash can be used at that time.

5.2.2. Borrowings

a) Infrastructure project companies

ab.1) Breakdown by project, significant changes during the year and main features of the borrowings

There follows a breakdown of borrowings guaranteed by the project cash flows, distinguishing between bonds and bank borrowings, short- and long-term, and changes during 2023 and 2022:

			2023			2022 (*)			Change 23/22
(Million euro)	Bonds	Bank borrowings	Total	Bonds	Bank borrowings	Total	Bonds	Bank borrowings	Total
Long term	**4,441**	**3,412**	**7,852**	**4,123**	**3,770**	**7,893**	**317**	**-358**	**-41**
Toll roads	**4,441**	**2,937**	**7,378**	**4,123**	**3,361**	**7,484**	**317**	**-424**	**-107**
US toll roads	4,441	2,307	6,748	4,123	2,438	6,561	317	-131	187
Spanish toll roads	0	611	611	0	626	626	0	-16	-16
Portuguese toll roads	0	0	0	0	264	264	0	-264	-264
Other concessions	0	19	19	0	33	33	0	-14	-14
Airports	**0**	**89**	**89**	**0**	**95**	**95**	**0**	**-5**	**-5**
Construction	**0**	**102**	**102**	**0**	**95**	**95**	**0**	**6**	**6**
Energy infrastructures and Mobility	**0**	**284**	**284**	**0**	**219**	**219**	**0**	**65**	**65**
Short term	**1**	**62**	**63**	**0**	**74**	**74**	**1**	**-12**	**-10**
Toll roads	**1**	**31**	**33**	**0**	**43**	**43**	**1**	**-12**	**-10**
US toll roads	1	0	1	0	0	0	1	0	1
Spanish toll roads	0	17	17	0	13	13	0	5	5
Portuguese toll roads	0	0	0	0	17	17	0	-17	-17
Other concessions	0	14	14	0	13	13	0	1	1
Airports	**0**	**15**	**15**	**0**	**18**	**18**	**0**	**-3**	**-3**
Construction	**0**	**5**	**5**	**0**	**4**	**4**	**0**	**1**	**1**
Energy infrastructures and Mobility	**0**	**11**	**11**	**0**	**9**	**9**	**0**	**2**	**2**
TOTAL	**4,442**	**3,473**	**7,915**	**4,123**	**3,844**	**7,967**	**319**	**-370**	**-52**

(*) Restated figures (Note 1.1.7)

The following table shows, for 2023 movements in 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.

(Million euro)	Dec. 2022 (*)	Increase/decrease with impact on cash flow	Foreign exchange effect	Impact of scope changes and other	Capitalized/accrued interest	Dec. 2023
Infrastructures project borrowings	**7,967**	**441**	**-211**	**-281**	**-1**	**7,915**

(*) Restated figures (Note 1.1.7)

Infrastructure project borrowings in 2023 decreased by EUR -52 million with respect to December 2022, mainly for the following reasons:

- Effect of scope changes due to the disposal of Euroscut Azores toll road (Note 1.1.4) totaling EUR -281 million.
- Exchange rate effect reaching EUR -211 million, mainly due to the depreciation of the US dollar against the euro.
- Increase of EUR 440 million in debt, excluding the foreign exchange effect and scope changes, with respect to year-end 2022, relating primarily to the US projects and attributable to the debt drawn down by the NTE Mobility Partners toll road, capitalization of interest and to accrued unmatured interest.

US toll roads

NTE Mobility Partners, LLC

The debt comprises a USD 871.1 million taxable bond issuance maturing in 2049 at a fixed interest rate of 3.92% and a USD 331.8 million issuance of PABs (Private Activity Bonds) at a fixed interest rate of 4.00% on USD 122.8 million and 5.00% on USD 209.1 million, repayable from 2030 to 2039.

Additional debt was raised in August, 2023, through the issuance of USD 397 million in bonds at a fixed interest of 5.50%, repayable from 2052 to 2058, for the funding of the Mandatory Capacity Improvement project.

NTE Mobility Partners Seg 3 LLC

The borrowings for the 3A-3B segments entailed issuing USD 265,9 million in PABs.

In November 2023, the Series 2013 3A-3B bonds were cancelled by a new issuance of PABs (Series 2023), repayable from 2033 to 2043 at a rate of 5.00% fixed interest on USD 32.4 million, 5.13% on USD 22.5 million, 5.25% on USD 23.7 million, 5.38% on USD 64.7 million and 5.50% on USD 122.6 million.

This company also has a TIFIA loan of USD 531 million bearing a fixed rate of 3.84%, against which USD 562.8 million had been drawn down at December 31, 2023 (USD 427.3 million of principal and USD 135.5 million of interest added to the principal), finally maturing in 2053.

On March 30, 2023, Cintra executed the financing transaction for NTE Mobility Partners Seg 3 LLC 5-year bonds to be used for the 2023 and 2024 principal prepayments of the TIFIA loan. Out of a total committed USD 221 million, USD 2.9 million were drawn on March 31, 2023 to cover the transaction costs, and USD 103.7 million were drawn on June 26, 2023 to be used for the partial prepayment of the TIFIA loan.

The 3C segment debt comprises a USD 653.9 million issuance of PABs (total of USD 750 million including the issuance premium) repayable from 2047 to 2058, at a fixed interest rate of 5.00%.

LBJ Infr. Group LLC

The debt structure comprises a USD 537.5 million issuance of PABs (total of USD 615 million including the premium) at a fixed interest rate of 4.00%, repayable from 2030 to 2040; and a USD 615.5 million taxable bond issuance (of which USD 7 million accrues a fixed interest rate of 2.75% and falls due in 2026, and USD 608.5 million accrues fixed interest of 3.80% and falls due in 2057).

It also has a TIFIA loan granted by the US Federal Government, the value of which at December, 31 2023 is USD 835.6 million with a repayment profile from 2035 to 2050, which bears interest at a fixed rate of 4.22%.

A credit line was arranged in December 2022 for future CAPEX investments. It falls due in 2027, has a limit of USD 72.65 million and accrues fixed interest of 4.51%. USD 6.9 million had been drawn at December 31, 2023.

I-77 Mobility Partners, LLC

This concession operator is financed through a USD 100 million issuance of PABs (5.00% fixed interest), of which USD 6.9 million have final maturities between 2026 and 2030, USD 13.1 million has a final maturity in 2037 and USD 80 million has a final maturity in 2054.

It also has a TIFIA loan of USD 189 million against which USD 220.9 million had been drawn down at December 31, 2023 (USD 189 million of principal and USD 31.8 million of capitalized interest). This loan bears interest at a fixed rate of 3.04% and finally matures in 2053.

I-66 Mobility Partners, LLC

The concession operator is funded by a USD 737 million PABs issuance (total of USD 800.4 million including the premium) at a fixed rate of 5.00%, of which USD 30.9 million falls due in 2047, USD 130.9 million in 2049, USD 222.4 million in 2052 and USD 352.8 million in 2056.

It also has a TIFIA loan balance of USD 1,362.6 million against which USD 1,229.1 million had been drawn down, USD 5.5 million has been prepaid and USD 139 million of interest capitalized as of December 31, 2023. This loan bears interest at a fixed rate of 2.80% and finally matures in 2057.

Spanish toll roads

Cintra Inversora Autopistas de Cataluña (Terrasa-Manresa toll road)

The company is funded by a loan consisting of tranche A and tranche B with limits of EUR 300 million and EUR 316 million, respectively, both of which accrue interest at the 6-month EURIBOR rate +3.930% +1.50% at the year-end. Both tranches were fully utilized and fall due in 2035. The respective balances at December 31, 2023 are EUR 283.5 million and EUR 298.7 million. The debt also includes a liquidity tranche (tranche C) with a balance of EUR 40.7 million at December 31, 2023, drawable up to a maximum of EUR 25 million (the year-end interest rate is the 6-month EURIBOR +3.930% +1.50%). It should also be noted that this company has a derivative with a notional amount of EUR 568.6 million, a guaranteed interest rate of 5.304% and maturity in 2035. The fair value of the derivative (recognized under “Derivative financial instruments”, Note 5.5) was EUR -90.6 million at the year- end 2023.

Breakdown of other projects:

	2023			2022 (*)			
(Million euro)	**Long term**	**Short term**	**Total**	**Long term**	**Short term**	**Total**	**Change 23/22**
Autovía de Aragón	19	14	33	33	13	46	-13
Pilum, S.A.	0	0	0	0	0	0	0
Dalaman International Airport	89	15	104	95	18	112	-9
Conc. Prisiones Lledoners,S.A.	63	2	65	65	2	67	-2
Depusa Aragón S.A.	24	1	25	25	1	26	-1
Budimex Group	15	1	16	5	0	5	10
Parque Solar Casilla	20	3	23	0	0	0	23
Transchile Charrúa Transmisión, S.A.	91	8	99	98	6	104	-5
Centella Transmisión, S.A.	125	0	125	73	0	73	52
UK Waste Treatment (Thalia)	48	1	49	48	3	51	-3
TOTAL Other infrastructure project company borrowings	**494**	**44**	**538**	**442**	**43**	**486**	**52**

(*) Restated figures (Note 1.1.7)

Other project borrowings increased by EUR 52 million against December 2022, mainly due to debt drawdowns for the Chilean Energy Infrastructure projects.

a.2) Maturities by currency and fair value of infrastructure project company borrowings

At December 31, 2023

(Million euro)	Currency	Fair value 2023	Carrying amount 2023	2024	2025	2026	2027	2028	2029+	Total maturities
Infrastructure project company obligations		**4,092**	**4,442**	**0**	**1**	**7**	**1**	**1**	**2,625**	**2,636**
TOLL ROADS		**4,092**	**4,442**	**0**	**1**	**7**	**1**	**1**	**2,625**	**2,636**
	USD	4,092	4,442	0	1	7	1	1	2,625	2,636
	EUR	0	0	0	0	0	0	0	0	0
Bank borrowings of infrastructure project companies		**3,473**	**3,473**	**76**	**60**	**285**	**61**	**169**	**4,782**	**5,434**
TOLL ROADS		**2,968**	**2,968**	**34**	**38**	**34**	**35**	**141**	**4,627**	**4,909**
	USD	2,307	2,307	3	0	0	0	97	4,154	4,253
	EUR	661	661	31	38	34	35	44	473	656
AIRPORTS		**104**	**104**	**10**	**14**	**16**	**18**	**20**	**37**	**115**
	EUR	104	104	10	14	16	18	20	37	115
CONSTRUCTION		**106**	**106**	**4**	**4**	**4**	**5**	**5**	**84**	**106**
	EUR	91	91	4	4	4	5	5	69	91
	PLN	15	15	0	0	0	0	0	15	15
ENERGY INFRASTRUCTURES AND MOBILITY		**295**	**295**	**28**	**5**	**230**	**3**	**4**	**34**	**304**
	EUR	22	22	23	0	0	0	0	0	23
	USD	224	224	2	2	228	0	0	0	232
	GBP	49	49	3	3	3	3	4	34	49
TOTAL INFRASTRUCTURE PROJECT COMPANY BORROWINGS		**7,565**	**7,915**	**76**	**61**	**292**	**62**	**171**	**7,407**	**8,070**

At December 31, 2022

(Million euro)	Currency	Fair value 2022	Carrying amount 2022 (*)	2023	2024	2025	2026	2027	2028+	Total maturities
Infrastructure project company obligations		**3,007**	**4,123**	**0**	**0**	**1**	**8**	**1**	**2,716**	**2,726**
TOLL ROADS		**3,007**	**4,123**	**0**	**0**	**1**	**8**	**1**	**2,716**	**2,726**
	USD	3,007	4,123	0	0	1	8	1	2,716	2,726
	EUR	0	0	0	0	0	0	0	0	0
Bank borrowings of infrastructure project companies		**3,844**	**3,844**	**107**	**68**	**81**	**257**	**79**	**4,820**	**5,412**
TOLL ROADS		**3,404**	**3,404**	**90**	**49**	**59**	**56**	**53**	**4,647**	**4,955**
	USD	2,438	2,438	49	0	0	0	0	3,944	3,994
	EUR	966	966	41	49	59	56	53	703	961
AIRPORTS		**112**	**112**	**9**	**10**	**14**	**16**	**18**	**57**	**124**
	EUR	112	112	9	10	14	16	18	57	124
CONSTRUCTION		**99**	**99**	**3**	**4**	**4**	**4**	**5**	**79**	**99**
	EUR	94	94	3	4	4	4	5	74	94
	PLN	5	5	0	0	0	0	0	5	5
ENERGY INFRASTRUCTURES AND MOBILITY		**228**	**228**	**4**	**5**	**5**	**181**	**3**	**37**	**234**
	USD	177	177	1	2	2	178	0	0	183
	GBP	51	51	3	3	3	3	3	37	51
TOTAL INFRASTRUCTURE PROJECT COMPANY BORROWINGS		**6,851**	**7,967**	**107**	**68**	**82**	**265**	**80**	**7,536**	**8,137**

(*) Restated figures (Note 1.1.7)

At December 31, 2023 the difference between the total maturities of bank borrowings of EUR 8,070 million (EUR 8,137 million in 2022) and the carrying amounts recognized at December 31, 2023 in the amount of EUR 7,915 million (EUR 7,967 million in 2022) is explained mainly by the difference between the nominal values and carrying amounts of the borrowings, as certain adjustments are made in accordance with applicable accounting rules. Thus, the accrued interest payable and the application of the amortized cost method had an impact of EUR 155 million (EUR 170 million in 2022), considering that the maturities of the borrowings do not include interest.

The fair value reflected in the table above is calculated as follows:

- For fixed-rate bonds, subject to changes in value due to fluctuations in market interest rates: since they are quoted in an active market, the related market value is used.
- For fixed-interest bank borrowings, also subject to changes in value due to fluctuations in rates: future cash flows are discounted using a market interest rate, calculated using an internal valuation model.
- Lastly, for floating-rate bank borrowings: no significant differences are deemed to exist between the fair value of the borrowings and their carrying amount and therefore the carrying amount is used.

a.3) Information on credit limits and credit drawable for infrastructure projects

Below is a comparative analysis of borrowings not drawn down at December 31, 2023 and 2022:

				2023				2022 (*)
(Million euro)	Limit	Utilized	Drawable	Debt recognized	Limit	Utilized	Drawable	Debt recognized
Toll Roads	**7,545**	**7,545**	**0**	**7,410**	**7,748**	**7,681**	**68**	**7,527**
US toll roads	6,889	6,889	0	6,749	6,787	6,719	68	6,561
Spanish toll roads	623	623	0	628	636	636	0	639
Other concessions	33	33	0	33	325	325	0	327
Energy Infrastructures and Mobility	**304**	**304**	**0**	**295**	**291**	**234**	**57**	**228**
Airports	**115**	**115**	**0**	**104**	**124**	**124**	**0**	**112**
Construction	**106**	**106**	**1**	**106**	**99**	**99**	**0**	**99**
TOTAL BORROWINGS	**8,070**	**8,070**	**1**	**7,915**	**8,262**	**8,137**	**125**	**7,967**

(*) Restated figures (Note 1.1.7)

At December 31, 2023, the entire drawable amount of EUR 1 million related to borrowings not utilized in the Polish energy projects.

At December 31, 2022, the entire drawable amount of EUR 125 million related to borrowings not utilized in the Chilean energy projects (EUR 57 million) and in the US toll road companies (EUR 68 million). It should be noted that this drawable amount is associated exclusively with the projects, based on the nature and performance thereof, as discussed below.

a.4) Guarantees and covenants for project borrowings

The borrowings classified as project borrowings are without recourse to the project shareholders or with recourse limited to the guarantees given. The guarantees given by Ferrovial subsidiaries for project borrowings are described in Note 6.5 Contingent liabilities.

At December 31, 2023 and 2022, all the fully-consolidated project companies fulfilled the significant covenants in force.

b) Ex-infrastructure projects

b.1) Breakdown of short- and long-term borrowings, changes during 2023 and main features

			2023			2022 (*)
(Million euro)	Long term	Short term	Total	Long term	Short term	Total
Corporate bonds and debentures	2,270	320	**2,590**	2,072	16	**2,088**
Euro Commercial Paper	0	500	**500**	0	696	**696**
Corporate liquidity lines	296	0	**296**	802	3	**805**
Other borrowings	5	58	**63**	9	88	**97**
TOTAL BORROWINGS EXCLUDING INFRASTRUCTURE PROJECT COMPANIES	**2,570**	**879**	**3,449**	**2,883**	**804**	**3,686**

(*) Restated figures (Note 1.1.7)

The following table shows changes to ex-infrastructure project 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 during 2023, which do not affect period cash positions:

(Million euro)	Dec. 2022 (*)	Increase/decrease with impact on cash flow	Foreign exchange effect	Impact of scope changes	Capitalized/accrued interest and other	Dec. 2023
Bank borrowings/ Project bonds	3,686	-224	-9	0	-4	3,449
Cross- currency swaps	5	0	9	0	0	13
Ex-infrastructure projects borrowings	**3,691**	**-224**	**0**	**0**	**-4**	**3,463**

(*) Restated figures (Note 1.1.7)

b.1.1) Corporate debt

Corporate debt comprises the following debt instruments:

Corporate bonds:

The carrying amount totals EUR 2,590 million at December 31, 2023 (EUR 2,088 million at December, 31 2022). The breakdown is as follows:

Issuance date	Nominal value (Million euro)	Maturity	Annual coupon
7/15/2014	300	7/15/2024	2.50%
3/29/2017	500	3/31/2025	1.375%
5/14/2020	780	5/14/2026	1.382%
11/12/2020	500	11/12/2028	0.54%
9/13/2023	500	9/13/2030	4.375%

All issuances completed as from 2014 to 2022 are traded on the AIAF Fixed Income Market (Spain). All of these are guaranteed by the Group's parent company Ferrovial SE.

In 2023, non-current bonds included a sustainability-linked bond amounting to EUR 500 million issued on September 10, 2023, with an interest rate of 4.375%, and maturing on September 13, 2030. The issuance price was 99.587%. This bond was fully subscribed and paid in by investors on that date and admitted to trading on the Irish Stock Exchange's regulated market.

Euro Commercial Paper:

In the first quarter of 2018, the Company arranged a Euro Commercial Paper (ECP) program for a maximum amount of EUR 1,000 million, with maturities between 1 and 365 days as from the issue date, allowing further diversification of capital market funding and more efficient liquidity management. At the end of 2019, the maximum limit was increased up to EUR 1,500 million.

This note issuance program has been renewed each year since 2018. Until March 30, 2023, Company´s ECPs were issued under the EUR 1.500 million ECP program admitted to trading on the Euronext Dublin regulated market.

Other corporate debt:

In July 2018, Ferrovial refinanced the liquidity facility and included sustainability criteria in the process for a maximum of EUR 1.100 million. This limit was reduced to EUR 900 million in 2023. The balance can be drawn down in EUR, USD, CAD and GBP. USD 260 million (EUR 236 million) had been utilized at December 31, 2023 and USD 260 million (EUR 245 million) had been utilized at December 31, 2022.

In order to hedge possible interest rate and foreign exchange fluctuations affecting the amount drawn, Ferrovial arranged cross currency swaps for USD 260 million, maturing in 2025 for an agreed equivalent value of EUR 250 million, the fair value of which amounts to EUR -13 million (EUR -5 million at December 31, 2022).

During the year 2023, Ferrovial has a loan for a total of EUR 60 million, which matures in 2027 at a fixed rate of 0.425%.

The variation in corporate debt compared to December 2022 (EUR -203 million) is explained mainly by the lower volume of ECPs issued (EUR -196 million) compared to the previous year, at an average rate of 3.13%.

The Group's liquidity stood at EUR 5,387 million and EUR 6,118 million (Note 5.4.d) at December 31, 2023 and 2022, respectively.

b.1.2) Information on corporate debt limits and drawable balances.

Set out below is a breakdown of corporate debt limits and drawable balances at December 31, 2023 and at December 31, 2022:

	2023				2022 (*)			
(Million euro)	Limit	Utilized	Drawable	Consolidated debt	Limit	Utilized	Drawable	Consolidated debt
Bonds	2,581	2,581	0	**2,590**	2,081	2,081	0	**2,088**
Syndicated facility	900	250	650	**236**	1,100	250	850	**245**
ECPs	500	500	0	**500**	696	696	0	**696**
Credit lines	60	60	0	**60**	560	560	0	**560**
TOTAL CORPORATE DEBT	**4,041**	**3,391**	**650**	**3,386**	**4,437**	**3,587**	**850**	**3,589**

(*) Restated figures (Note 1.1.7)

The Company's credit rating

The credit rating agencies Standard & Poor's and Fitch maintained their opinion regarding the financial rating of Ferrovial's corporate debt in 2023 and 2022, respectively rating it at BBB and BBB with stable outlook and, therefore, within the "Investment Grade" category.

b.1.3) Other borrowings

At December 31, 2023 "Other borrowings" of EUR 63 million (EUR 97 million at December 31, 2022) related primarily to the Energy Infrastructures and Mobility Division bank borrowings.

At December 31, 2022 "Other borrowings" of EUR 97 million mainly included Construction Division bank borrowings.

b.1.4) Information on limits and drawable balances of other borrowings:

Set out below is a breakdown of debt limits and drawable balances at December 31, 2023 and 2022:

	2023				2022 (*)			
(Million euro)	Limit	Utilized	Drawable	Consolidated debt	Limit	Utilized	Drawable	Consolidated debt
Construction	163	26	137	**13**	149	37	112	**33**
Airports	0	0	0	**31**	0	0	0	**41**
Energy Infrastructures and Mobility	22	20	2	**19**	24	22	2	**23**
OTHER BORROWINGS	**185**	**46**	**139**	**63**	**173**	**59**	**114**	**97**

(*) Restated figures (Note 1.1.7)

The differences between total bank borrowings and the carrying amount at December 31, 2023 and 2022 are explained mainly by the difference between the face values and carrying amounts of the borrowings, as certain adjustments are made in accordance with applicable accounting rules.

b.2) Maturities by currency and fair value of borrowings excluding infrastructure project companies

At December 31, 2023

Borrowings (Million euro)	Currency	Fair value 2023	Carrying amount 2023	2024	2025	2026	2027	2028	2029+	Total maturities
Corporate debt		**3,331**	**3,386**	**800**	**750**	**781**	**60**	**500**	**500**	**3,391**
	EUR	3,331	3,386	800	750	781	60	500	500	3,391
Other borrowings		**63**	**63**	**21**	**5**	**13**	**6**	**1**	**0**	**46**
	EUR	3	3	0	0	0	0	1	0	1
	PLN	9	9	1	5	2	1	0	0	9
	CLP	19	19	20	0	0	0	0	0	20
	Other	32	32	0	0	11	5	0	0	16
TOTAL BORROWINGS EXCLUDING INFRASTRUCTURE PROJECT COMPANIES		**3,394**	**3,449**	**821**	**755**	**794**	**66**	**501**	**500**	**3,437**

At December 31, 2022

Borrowings (Million euro)	Currency	Fair value 2022	Carrying amount 2022 (*)	2023	2024	2025	2026	2027	2028+	Total maturities
Corporate debt		**3,385**	**3,589**	**696**	**300**	**750**	**781**	**560**	**500**	**3,587**
	EUR	3,385	3,589	696	300	750	781	560	500	3,587
Other borrowings		**97**	**97**	**22**	**3**	**9**	**17**	**8**	**2**	**59**
	EUR	13	13	0	0	0	0	0	1	2
	PLN	14	14	0	1	9	3	1	1	14
	CLP	23	23	22	1	0	0	0	0	22
	Other	48	48	0	0	0	14	7	0	21
TOTAL BORROWINGS EXCLUDING INFRASTRUCTURE PROJECT COMPANIES		**3,482**	**3,686**	**718**	**303**	**759**	**798**	**568**	**502**	**3,646**

(*) Restated figures (Note 1.1.7)

The differences between the total maturities of borrowings and the carrying amounts of the debt at December 31, 2023 and 2022 are primarily explained by the difference between the nominal values and carrying amounts of the borrowings, as certain adjustments are made in accordance with applicable accounting legislation (basically accrued interest payable and the application of the amortized cost method).

The fair value of bank borrowings excluding infrastructure project companies matches the related carrying amount because the borrowings are tied to floating market interest rates and therefore changes to the benchmark interest rates do not affect fair value.

As corporate debts are quoted in an active market, the related market value is used.

On this basis, the estimated total fair value of bank borrowings and bonds excluding infrastructure project companies at December 31, 2023 and December 31, 2022 stood at EUR 3,394 million and EUR 3,482 million, respectively.

The 2024 maturities reached EUR 821 million and primarily relate to the ECPs (EUR 500 million) and corporate bonds (EUR 300 million). The debt maturities do not include interest.

5.3. CASH FLOW

The following table summarizes the cash flows from operating, investing and financing activities for each of the years ended December 31, 2023, 2022 and 2021.

(Million euro)	2023	2022 (*)	2021
Cash flows from operating activities ex tax payments	**1,433**	**1,084**	**965**
Tax payments	(170)	(82)	(155)
Cash flows from operating activities	**1,263**	**1,002**	**810**
Investment	(468)	(1,161)	(1,164)
Divestment	43	429	1,621
Cash flows from investing activities	**(425)**	**(732)**	**457**
Cash flows before financing activities	**838**	**270**	**1,267**
Cash flows from financing activities	**(1,305)**	**(316)**	**(2,221)**
Change in cash and cash equivalents	**(341)**	**(406)**	**(990)**

(*) Restated figures (Note 1.1.7)

Cash flows from discontinued operations:

The cash flows from discontinued operations are included in the Group's reported cash flows. The following table shows the disclosure corresponding to the period 2023, 2022 and 2021:

(Million euro)	2023	2022	2021
Cash flows from operating activities ex tax payments	**–**	**83**	**231**
Tax payments	–	(4)	(74)
Cash flows from operating activities	**–**	**78**	**157**
Investment	–	(2)	(67)
Divestment	–	9	–
Cash flows before financing activities	**–**	**86**	**90**

5.4. . FINANCIAL RISK AND CAPITAL MANAGEMENT

The Group's businesses are affected by changes to financial variables, such as interest rates, exchange rates, inflation, credit, liquidity and equities.

The following are specific data on the Group's exposure to each of these risks and an analysis of the sensitivity to a change in the various variables, together with a brief description of the way in which each risk is managed.

a. Exposure to interest rate fluctuations

Ferrovial's businesses are exposed to interest rate fluctuations, which may affect the Company's net financial expense due to the variable interest on financial assets and liabilities, as well as the measurement of financial instruments arranged at fixed interest rates.

Ferrovial manages interest rate risk so as to optimize the financial expense borne by the Group and achieve suitable proportions of fixed- and variable-rate debt based on market conditions. Therefore, when interest rates are low, the Group seeks to fix future amounts at the ex-infrastructure project company level, although such hedging can affect liquidity in the event of cancellation.

At the infrastructure project company level, banks and rating agencies require a higher percentage of fixed-rate debt. These strategies are implemented by issuing fixed-rate debt or by arranging financial derivative hedges, a breakdown of which is provided in Note 5.5 Financial derivatives at fair value.

The accompanying table shows a breakdown of the Group's borrowings, indicating the percentage considered to be hedged (either by a fixed rate or by derivatives).

BORROWINGS				**2023**				**2022 (*)**
(Million euro)	**Total debt**	**% debt hedged**	**Net exposed debt**	**Impact on profit/(loss) + 100 bps**	**Total debt**	**% debt hedged**	**Net exposed debt**	**Impact on profit/(loss) + 100 bps**
Ex-infrastructure project companies	**3,463**	**92%**	**260**	**3**	**3,691**	**79%**	**772**	**8**
Toll Roads	7,410	99%	51	1	7,527	98%	157	2
Construction	106	91%	10	0	99	97%	3	0
Energy Infrastructures and Mobility	295	93%	22	0	228	80%	46	0
Airports	104	100%	0	1	112	100%	0	3
Infrastructure project companies	**7,915**	**99%**	**83**	**1**	**7,967**	**96%**	**317**	**3**
Total borrowings	**11,378**	**97%**	**339**	**4**	**11,658**	**92%**	**962**	**11**

(*) Restated figures (Note 1.1.7)

Accordingly, in the fully-consolidated companies, a linear increase of 100 basis points in market interest rate curves at December 31, 2023 and 2022 would increase financial expenses in the income statement by an estimated EUR 4 million (EUR 11 million at December 31, 2022), of which EUR 1 million (EUR 3 million at December, 31 2022) relates to infrastructure project companies and EUR 3 million (EUR 8 million at December 31, 2022) to ex- infrastructure project companies, entailing a net effect on Ferrovial's results of EUR 3 million (EUR 7 million at December 31, 2022) (expense).

The Group's cash resources amounted to EUR 4,789 million in 2023, a large portion of which accrued variable rates, improving the financial result for the year.

It is also necessary to take into account changes in the fair value of the financial derivatives arranged, which are indicated in Note 5.5.

Regarding these interest rate hedging instruments, a linear increase of 100 basis points in the market yield curves at December 31, 2023 would, in the case of the effective hedges, have a positive impact of approximately EUR 109 million on shareholders' funds attributable to the parent from fully consolidated companies (EUR 55 million at December 31, 2022), while a decrease of 100 basis points would have a negative impact of approximately EUR 41 million (EUR 67 million at December 31, 2022).

As a balancing entry to this impact, should be noted that a drop in interest rates would trigger an increase in the value of the projects, through a lower discount rate.

b. Exposure to foreign exchange fluctuations

Ferrovial regularly monitors net exposure to each currency over the coming years for dividends receivable, investments in new projects and potential divestments.

Ferrovial establishes its hedging strategy by analyzing past fluctuations in both short- and long-term exchanges rates and has monitoring mechanisms in place, such as future projections and long-term equilibrium exchange rates. These hedges consist of foreign currency deposits or derivatives (Note 5.5 for more details).

The following tables show, by type of currency, the value of assets, liabilities, non-controlling interests and shareholders' funds attributed to the parent company at December 2023, adjusted to account for the above-mentioned currency forwards relating to each currency:

				DEC. 2023
Currency (Million euro)	**Assets**	**Liabilities**	**Parent company shareholders' funds**	**Non-controlling interests**
Euro	7,957	5,996	1,780	181
Pound sterling	715	477	237	1
US dollar	13,399	11,294	408	1,696
Canadian dollar	976	469	507	–
Australian dollar	269	225	44	–
Polish zloty	2,011	1,613	164	234
Chilean peso	301	191	110	–
Colombian peso	230	142	89	–
Indian rupee	380	4	376	–
Other	81	28	52	1
GROUP TOTAL	**26,318**	**20,439**	**3,766**	**2,113**

				DEC. 2022 (*)
Currency (Million euro)	**Assets**	**Liabilities**	**Parent company shareholders' funds**	**Non-controlling interests**
Euro	9,503	7,072	2,244	186
Pound sterling	1,126	638	487	1
US dollar	12,307	10,032	414	1,860
Canadian dollar	541	377	164	–
Australian dollar	186	141	45	–
Polish zloty	1,653	1,341	119	193
Chilean peso	342	244	98	–
Colombian peso	167	105	61	–
Indian rupee	380	1	379	–
Other	141	39	102	–
GROUP TOTAL	**26,344**	**19,991**	**4,113**	**2,240**

(*) Restated figures (Note 1.1.7)

Note 1.4 contains a breakdown of year-end exchange rates. As a result of these changes, the impact of currency translation differences on equity at December 31, 2023 was EUR -83 million (EUR 43 million at December 31, 2022) for the parent company. A breakdown by currency is set out in Note 5.1.1.

After analyzing sensitivity to exchange rate effects, for 2023 Ferrovial estimates that a 10% depreciation in the value of the euro at the year-end against the main currencies in which the Group holds investments would have an impact on the parent company shareholders' funds of EUR 215 million, of which 26% would relate to the effect of the Canadian dollar, 21% to the US dollar, 12% to the pound sterling and 19% to the Indian rupee.

Note 1.4 contains a breakdown of average exchange rates for 2023 and 2022. In this regard, the impact on the income statement of a 10% appreciation of the euro against other currencies would have amounted to a change of EUR 52 million in 2023 (EUR 35 million in 2022).

c. Exposure to credit and counterparty risk

The Group's main financial assets exposed to credit or counterparty risk are as follows:

	2023	2022 (*)	Var. 23/22
Investments in financial assets (1)	671	569	101
Non-current financial assets	1,310	1,258	52
Net financial derivatives (assets)	285	331	-46
Trade and other receivables	1,677	1,609	69

(1) Included in cash and cash equivalents

(*) Restated figures (Note 1.1.7)

- Ferrovial actively and continuously monitors counterparty risk affecting financial transactions and performs internal credit quality analyses on each of the financial institutions with which there is exposure.
- The internal rules for managing cash surpluses impose maximum investment limits for each counterparty, based on objective criteria: minimum acceptable risk requirements for the investment of cash surpluses and limits on the amounts invested in line with the defined risk in each case. In addition, the Risk Department monitors each counterparty's performance and proposes appropriate protective or corrective measures depending on the specific circumstances.
- Geographies: Ferrovial monitors trends in markets (geographies) where it has operations, as well as in its target markets. The Financial Risk Department proposes potential actions to be taken should changes in risk levels be expected in a particular geography or market.
- Customers: Ferrovial analyses and monitors customer credit risk by means of an internal method used by all the Group companies to assign credit ratings to Ferrovial's customers.

d. Exposure to liquidity risk

The Group has the necessary mechanisms in place to preserve the required liquidity through periodic procedures that take account of cash flow projections, cash needs, short-term collections and payments, and long-term obligations.

Ex-infrastructure project companies

At December 31, 2023, cash and cash equivalents reached EUR 4,585 million (EUR 4,962 million in 2022). At that date, undrawn credit lines totaled EUR 789 million (EUR 964 million in 2022), forwards hedging cash flows denominated in a currency other than the euro amounted to EUR -18 million (EUR 151 million in 2022) and long term restricted cash stood at EUR 32 million (EUR 41 million in 2022).

Therefore, liquidity totaled EUR 5,387 million (EUR 6,118 million in December 2022).

Infrastructure project companies

At December 31, 2023, cash and cash equivalents (including short- term restricted cash) amounted to EUR 204 million (EUR 168 million in 2022). Also, at that date undrawn credit lines stood at EUR 1 million (EUR 125 million in 2022), and were primarily arranged to hedge committed investment needs.

Liquidity (including long-term restricted cash) totaled EUR 817 million (EUR 841 million in December 2022).

e. Equity risk exposure

Ferrovial is exposed to the risk of fluctuations in its own share price. This exposure arises in equity swaps used to hedge against risks of appreciation of share-based remuneration schemes, the detail of which is shown in Note 5.5 to these consolidated financial statements.

As the equity swaps are not classified as accounting hedges, the market value has an impact on profit or loss. Accordingly, a EUR 1 increase/decrease in Ferrovial's share price would have a positive/negative impact of EUR 2.8 million on Ferrovial's net profit/(loss).

f. Exposure to inflation risk

Most of the revenue from infrastructure projects is associated with prices tied directly to inflation. This is the case of the prices of both the toll road concession contracts and those of Heathrow. Therefore, an increase in inflation as is currently the case will increase cash flows from assets of this kind.

The recent rise in inflation may have an adverse effect on operating margins under the construction contracts, therefore the risk is hedged by closing the main direct costs at the time of bidding.

The toll road concession operator Autema records a derivative linked to inflation in Spain. At year-end 2020, 37% of the derivative was cancelled as a result of the shift from the concession model to the intangible asset model. The remaining 63% is still treated as a hedge accounting instrument. An increase of 100 bps across the inflation curve would have a negative effect on reserves of EUR -95 million and EUR -56 million on profit/(loss)s.

g. Capital management

The Group aims to achieve a debt-equity ratio that makes it possible to optimize costs while safeguarding the capacity to continue managing recurring activities and the capacity to continue to grow through new projects in order to create shareholder value.

With regard to borrowings, the Ferrovial Group seeks to maintain a level of indebtedness, excluding infrastructure project companies, so as to retain an investment grade credit rating. To achieve this, a clear and consistent financial policy has been established in which a relevant metric refers to the maintenance of the Consolidated Net Debt of ex-infrastructure project companies (gross debt less cash) to EBITDA ratio, plus project dividends, of no more than 2x.

5.5. FINANCIAL DERIVATIVES AT FAIR VALUE

a) Breakdown by type of derivative, movements, maturity dates and main features

The table below includes the fair values of the derivatives arranged at December 31, 2023 and 2022, as well as the maturity dates of the notional amounts to which the derivatives relate (maturities of notional amounts are shown as positive figures and already-arranged future increases are presented as negative amounts):

TYPE OF INSTRUMENT	FAIR VALUE						NOTIONAL MATURITIES
(Million euro)	BALANCES AT 12/31/2023	2024	2025	2026	2027	2028 and beyond	TOTAL
ASSET BALANCES	**285**	**943**	**38**	**-1**	**-1**	**2,515**	**3,493**
Toll road index-linked swaps	115	-2	-3	-4	-3	78	66
Toll road cross-currency swaps	72	0	0	0	0	1,850	1,850
Transchile and Centella IRS	50	0	0	0	0	457	458
Dalaman interest rate swaps	3	0	0	0	0	100	100
Toll road interest rate swaps	1	0	0	0	0	5	5
Equity swaps - Corporate	20	73	0	0	0	0	73
Toll roads foreign exchange derivatives	11	766	0	0	0	0	766
Other derivatives	13	106	41	3	2	24	175
LIABILITY BALANCES	**132**	**2,065**	**338**	**42**	**37**	**523**	**3,004**
Toll Roads IRS	91	28	34	37	32	471	602
Corporate cross-currency swaps	13	0	250	0	0	0	250
Corporate interest rate swaps	0	0	50	0	0	0	50
Corporate foreign exchange derivatives	0	15	0	0	0	0	15
Toll roads foreign exchange derivatives	18	1,786	0	0	0	0	1,786
Other derivatives	9	237	4	5	5	52	302
NET BALANCES (ASSETS)	**153**	**3,008**	**376**	**41**	**36**	**3,037**	**6,497**

The maturities of cash flows comprising the fair value of the derivatives are set out below:

TYPE OF INSTRUMENT	FAIR VALUE						CASH FLOW MATURITIES
(Million euro)	BALANCES AT 12/31/2023	2024	2025	2026	2027	2028 and beyond	TOTAL
ASSET BALANCES	**285**	**41**	**1**	**-3**	**-5**	**252**	**285**
Toll road index-linked swaps	115	10	10	10	10	75	115
Toll road cross-currency swaps	72	-18	-18	-18	-17	143	72
Transchile and Centella IRS	50	6	4	4	2	33	50
Dalaman interest rate swaps	3	2	1	0	0	0	3
Toll road interest rate swaps	1	2	0	0	0	0	1
Equity swaps - Corporate	20	20	0	0	0	0	20
Toll roads foreign exchange derivatives	11	11	0	0	0	0	11
Other derivatives	13	8	4	0	0	1	13
LIABILITY BALANCES	**132**	**26**	**36**	**15**	**13**	**42**	**132**
Toll Roads IRS	91	10	15	14	12	40	91
Corporate cross-currency swaps	13	-6	20	0	0	0	13
Corporate interest rate swaps	0	0	0	0	0	0	0
Corporate foreign exchange derivatives	0	0	0	0	0	0	0
Toll roads foreign exchange derivatives	18	18	0	0	0	0	18
Other derivatives	9	5	1	1	1	2	9
NET BALANCES (ASSETS)	**153**	**14**	**-35**	**-18**	**-18**	**210**	**153**

Derivative project companies

Interest Rate Swaps

To hedge interest rate risk in infrastructure projects, the borrowings of which accrue variable interest (primarily Cintra Inversora Autopistas de Cataluña, S.A., Transchile, Centella, Autovía de Aragón, Depusa Aragón, Dalaman International Airport and the UK waste treatment businesses (Thalia)). The companies have contracted interest rate hedges on project debt, establishing a fixed or increasing interest rate, for a total notional amount of EUR 1,250 million at December 31, 2023. Overall, the fair value valuation of these hedges has decreased from EUR -10 million at December 2022 to EUR -39 million at December 2023.

In general, hedge effectiveness measurements performed periodically show that derivatives are effective, so changes in their fair value are recorded in reserves, amounting to EUR-36 million (EUR -30 million after taxes and minority interests attributable to the parent company).

The movement in settlements and accruals had an impact on net financial income/(expense) of EUR -8 million and on cash of EUR 6 million.

Index-linked swaps

They relate solely to Autema, which arranged an index-linked swap fixing the annual inflation rate at 2.5% in 2008 to hedge revenue variability. The underlying hedged items are the toll flows and price compensation flows received by the Catalan Regional Government, which are inflation-adjusted.

The reduction in the hedged item due to the change of concession scheme entailed the partial discontinuance of the hedge, so that 63% of the derivative is currently classed as a hedge and the remainder is classed as speculative. The rise in inflation during 2023 had an impact of EUR 25 million on reserves and a fair value impact of EUR 13 million on results.

Derivatives ex-project companies

Interest rate swaps

In September 2023, the Group cancelled the interest rate derivatives which were contracted (mainly by Ferrovial SE) to hedge bank borrowings, as the debt has been also cancelled. By the end of 2022 these IRS had a notional amount of EUR 359 million and a fair value of EUR 10 million.

In December, the Group closed new interest rate swaps. Ferrovial SE contracted a pre-hedge to hedge the refinancing of a future bond with a notional of EUR 50 million, and Parque Solar Casilla, one to hedge El Berrocal financing (an energy project), with a notional of EUR 23 million.

Cross-currency swaps

At December 31, 2023, Ferrovial SE recorded cross-currency swaps to hedge a corporate liquidity line in US dollars (Note 5.2.2). These instruments have a notional value of USD 260 million (EUR 250 million agreed equivalent value) and expire in 2025 and have a fair value of EUR -13 million (EUR -5 million in 2022).

The results of the effectiveness tests carried out show that the derivatives are effective. The change in fair value during the year had an impact on reserves of EUR -1 million, on the financial result of EUR 6 million and on cash of EUR -6 million.

On the other hand, the Cintra Infrastructure SE Company and 407 Toronto Highway BV have cross currency swaps (CCS) as fair value coverage of its net investment in the US in USD and the investment in Canada in CAD . These instruments have a notional amount of EUR 1,712 million and EUR 138 million, a maturity in 2032 and a fair value of EUR 72 million and EUR 0.01 million.

The result of the effectiveness tests carried out shows that the derivatives are effective. The interest rate component of these derivatives, considered as a hedging cost, amounts to -11 million euros and is recorded as reserves. As the coupons for the interest rate differential are paid, this cost will be transferred to income. In addition, the impact of the hedging of the investment was EUR 51 million recognized as translation differences.

Exchange rate derivatives

There are exchange rate risk hedges, designed to hedge the investment that the Group has in CAD. Its notional amounts to EUR 1,786 million at December 31, 2023 (CAD 2,639 million) (Note 1.3). Its fair value amounts to EUR -18 million.

Changes in their valuation are recorded under the conversion differences heading and amount to EUR 57 million in 2023. Additionally, the movement of settlements and accruals has had an impact on the financial result of EUR -19 million and on cash of EUR -140 million.

Additionally there are hedges of foreign currency risk, which aim is to protect against the volatility of future cash flows in foreign currencies (primarily US dollar, pound sterling and polish zloty). Their notional value amounted to EUR 1,149 million at December 31, 2023, of which EUR 229 million relate to pound sterling and EUR 777 million to the US dollar and EUR 142 million to zloty, they all expire in the short-term.

Value changes are recognized as translation differences and amounted to EUR 22 million in 2023 (for effective derivatives). Options, which are not classified as accounting hedges, are recognized in net financial income/(expense) at fair value, entailing an expense of EUR 9 million during the year.

Equity swaps

The Company has arranged equity swaps hedging the potential financial impact of the exercise of share-based remuneration schemes granted to employees. These swaps contracted by the Company generally hedge its own shares, therefore, they are treated as economic hedging derivatives but not as accounting hedges (speculative), so the change in fair value of these derivatives in recognized through the income statement as a fair value adjustment.

These contracts are described below:

- The calculation base comprises a given number of Ferrovial shares and a reference price, which is usually the share price on the execution date.
- During the swap term, Ferrovial pays interest at a given interest rate (EURIBOR plus a spread to be applied to the result of multiplying the number of shares by the strike price) and receives remuneration equal to the dividends on those shares.
- When the swap expires, if the share price has risen, Ferrovial will receive the difference between the arithmetic mean of the share price during the observation period and the reference price, by the number of shares contracted. Otherwise, Ferrovial would pay this differential to the financial institution.

Its fair value at December 31. 2023 is EUR 20 million. The change in value during the year was due to the increase in the Ferrovial share price from EUR 24.47 at December 31, 2022 to EUR 33.02 at December 31, 2023, entailing an impact of EUR 25 million under the income statement heading "Changes in the fair value of financial instruments". In the column "Impact on Net financial income/(expense)" includes the remuneration as income and the finance cost of these instruments as an expense in the amount of EUR -2 million (Note 2.6). The total impact of these instruments on cash resources amounted to EUR -6 million.

At December 2023 , these derivatives had a notional value equivalent to 2,796 thousand shares which, based on the strike price of the equity swaps (price at which they must be settled with the banks), represented a total notional amount of EUR 73 million.

b) Main effects on the income statement and equity

Set out below is a breakdown of the main derivatives arranged by fully-consolidated companies showing movements in fair values at December 31, 2023 and 2022 and the effect on reserves, profit/(loss) and other balance sheet items:

	FAIR VALUE								EFFECTS	
TYPE OF INSTRUMENT (Million euro)	**BALANCES AT 12/31/2023**	**BALANCES AT 12/31/2022**	**Var.**	**EFFECT ON RESERVES (I)**	**FAIR VALUE EFFECT ON PROFIT/(LOSS) (II)**	**EFFECT ON FINANCIAL PROFIT/ (LOSS) (III)**	**CASH (IV)**	**EXCHANGE RATE (V)**	**OTHER EFFECTS ON BALANCE SHEET OR INCOME**	**TOTAL**
Inflation derivatives	**115**	**77**	**38**	**25**	**13**	**4**	**-11**	**0**	**7**	**38**
Cash flow hedge	115	77	38	25	13	4	-11	0	7	38
Interest rate derivatives	**-39**	**0**	**-40**	**-39**	**12**	**-7**	**-5**	**-2**	**2**	**-40**
Cash flow hedge	-39	0	-40	-48	12	-7	-5	-2	11	-40
Fair value hedge	0	0	0	8	0	0	0	0	-8	0
Cross-currency swaps	**58**	**-32**	**91**	**30**	**-1**	**6**	**12**	**51**	**-7**	**91**
Cash flow hedge	-13	-5	-9	-1	0	6	-6	0	-7	-9
Hedge of net investment in foreign	72	-28	99	32	-1	0	18	51	0	99
Fair value hedge	0	0	0	0	0	0	0	0	0	0
Foreign exchange derivatives	**-1**	**172**	**-173**	**1**	**-3**	**-19**	**-166**	**12**	**2**	**-173**
Fair value hedge	0	3	-3	0	0	0	-12	9	0	-3
Hedge of net investment in foreign	-8	169	-177	0	-4	-19	-157	3	0	-177
Cash flow hedge	11	1	11	1	7	0	0	1	2	11
Speculative	-4	0	-4	0	-7	0	3	0	0	-4
Equity swaps	**20**	**2**	**17**	**0**	**25**	**-2**	**-6**	**0**	**0**	**17**
Speculative	20	2	17	0	25	-2	-6	0	0	17
TOTAL	**153**	**219**	**-66**	**16**	**46**	**-18**	**-175**	**61**	**4**	**-66**

(*) Restated figures (Note 1.1.7)

Derivatives are recognized at market value at inception and at fair value at later dates. Changes in the value of these derivatives are recognized for accounting purposes as follows:

- Fair value changes during the year to cash flow hedging derivatives are recognized, with a balancing entry in reserves by the effective portion (column I).
- Fair value changes to derivatives that do not qualify for hedge accounting or are deemed to be speculative are recognized separately as a fair value adjustment in the Group's income statement (column II).
- "Effect on net financial income/(expense)" (column III) reflects the effects from financing of interest flows accrued during the year.
- The "Cash" column (IV) refers to net settlements of receipts and payments during the year.
- The effect of foreign exchange fluctuations from December 31, 2023 to December 31, 2022 on currency translation differences is also presented separately (column V).
- The "Other effects" column shows the effects on operating profit/(loss), net financial income/(expense) (exchange rate) and other effects not previously mentioned (column VI).

c) Derivative measurement methods

All the Group's financial derivatives and other financial instruments carried at fair value are included in Level 2 of the fair value hierarchy since, though they are not quoted on regulated markets, they are based on directly or indirectly observable inputs.

Fair value measurements are made by the Company using a tool developed in-house based on market best practices. However, they are reconciled against the values indicated by the counterparty banks on a monthly basis.

Equity swaps are measured as the difference between the quoted share price on the calculation date and the unit settlement (strike) price agreed at inception, multiplied by the number of shares under the contract.

The other instruments are measured by quantifying net future flows of payments and receipts, discounted to present value, as specified below:

- Interest rate swaps (IRS): future flows tied to floating reference rates are estimated using market projections on the measurement date for each currency and settlement frequency. Each flow is discounted using the discount factors on the date of each settlement period and currency at the measurement date.
- Index-linked swaps (ILS): future flows are estimated by projecting the future behavior implicit in the market curves on the measurement date for each currency and settlement frequency, for both reference interest rates and reference inflation rates. As in the cases described above, the flows are discounted at rates obtained at the measurement date for each flow settlement period and currency.
- Cross-currency swaps (CCS): future flows tied to floating reference rates are estimated using market projections on the measurement date for each currency and settlement frequency. Each flow is discounted using the market zero-coupon rate corresponding to the settlement period and currency at the measurement date, taking account of cross-currency basis spreads. The present value of the flows in a currency other than the measurement currency is translated at the spot exchange rate prevailing at the measurement date.

- Foreign currency derivatives: as a general rule, future flows are estimated using the exchange rates and market curves associated with each currency pair (forward points curve), and each flow is discounted using the market discount rate corresponding to the settlement period and currency at the measurement date. For other more complex instruments (options, etc.), appropriate measurement methods are used for each instrument, taking into consideration the necessary market data.

Lastly, credit risk, which is included when measuring derivatives under IFRS 9, is estimated as follows:

- To calculate the adjustments associated with own and counterparty credit risk (CVA/DVA), Ferrovial applies a method based on calculating the future exposure of the various financial products using Monte Carlo simulations. A probability of default and a loss given default is applied to this potential exposure based on the parties' business and credit quality, as well as a discount factor based on the currency and term at the measurement date.
- To calculate probabilities of default for the Ferrovial Group companies, the Financial Risks Department assesses the counterparty's rating (company, project, etc.) using an in-house, rating agency-based method. This rating is used to obtain market spread curves for the currency and term in question (generic curves per rating level).
- Probability of counterparty default is calculated using the companies' CDS curves, if they are available. Otherwise, the CDS curves of a similar entity (proxy) or a generic spread curve per rating level are used.

SECTION 6: OTHER DISCLOSURES

This section includes other notes required under the applicable legislation.

Note 6.5 stands out on contingent liabilities and assets, as it describes the main lawsuits in which Group companies are involved and the guarantees given. Special emphasis is placed on the guarantees given by ex-infrastructure project companies on behalf of infrastructure project companies.

Movements in liabilities other than current liabilities and borrowings, such as provisions (Note 6.3), are also analyzed.

6.1. DEFERRED INCOME

Deferred income breaks down as follows at December 31, 2023 and 2022:

(Million euro)	2023	2022 (*)	Var. 23/22
Capital grants	1,317	1,377	(60)
Other deferred income	17	33	(16)
TOTAL DEFERRED INCOME	**1,334**	**1,410**	**(76)**

(*) Restated figures (Note 1.1.7)

Capital grants awarded by government bodies relate entirely to infrastructure projects in the Toll Roads Division at December 31, 2023 and 2022.

These grants are primarily found in the following Toll Road projects: EUR 407 million and EUR 425 million for LBJ Infrastructure Group in 2023 and 2022, respectively. EUR 486 million and EUR 512 million for NTE Mobility Partners, in 2023 and 2022, respectively. EUR 204 million and EUR 211 million for NTE Mobility Partners Segments 3 LLC, in 2023 and 2022, respectively and, lastly, EUR 205 million and EUR 214 million for I-77 Mobility Partners, in 2023 and 2022, respectively.

Amounts received by the US companies decreased by EUR -41 million and increased by EUR 86 million in 2023 and 2022 respectively, due to the dollar's appreciation against the euro.

These capital grants are released to the income statement for each year at the same rate as the depreciation charged on the assets. As the charge estimated for the following 12 months is not significant, the balance as at December 31, 2023 is presented as non-current in the balance sheet. The impact of the grants on cash flows are presented as an increase in investments for 2023, 2022 and 2021.

The effect of these grants on cash flows is presented net of cash flows from investing activities.

6.2. PENSION PLAN DEFICIT

This heading reflects the deficit in pension and other employee retirement benefit plans. At December 31, 2023, the provision recognized in the balance sheet amounted to EUR 3 million and solely related to Budimex (EUR 2 million at December 31, 2022).

6.3. PROVISIONS

The provisions recognized by the consolidated Group cover risks arising in the course of business. They are recognized using best estimates of the risks. This note provides a breakdown of all provisions disclosed separately on the liabilities side of the balance sheet. In addition to these items, other provisions net certain asset items and are disclosed in the specific notes on those assets.

Movements in long- and short-term provisions presented separately on the liabilities side of the balance sheet are set out below at December 31, 2023 and 2022:

(Million euro)	LITIGATION AND TAXES	REPLACEMENTS AND UPGRADES, IFRIC 12	OTHER LONG-TERM RISKS	TOTAL NON-CURRENT PROVISIONS	SHORT-TERM PROVISIONS	TOTAL
Balance at December 31, 2022 (*)	**272**	**97**	**47**	**416**	**930**	**1,346**
Scope changes and transfers	**5**	**-5**	**-9**	**-9**	**-6**	**-15**
Charges:						
Operating profit/(loss)	14	0	1	15	532	547
Net financial income/(expense)	3	7	0	10	2	12
Impairment and disposals	2	0	0	2	0	2
Corporate income tax	1	0	0	1	0	1
Fixed asset depreciation	0	24	0	24	0	24
Reversals:						
Operating profit/(loss)	-11	0	-7	-17	-292	-309
Net financial income/(expense)	-53	0	0	-53	0	-53
Impairment and disposals	0	0	-7	-7	-1	-8
Corporate income tax	-75	0	0	-75	0	-75
Fixed asset depreciation	-1	0	0	-1	0	-1
Applications with balancing entries in current accounts	**-4**	**0**	**0**	**-4**	**-201**	**-204**
Applications with balancing entries in other assets	**1**	**-34**	**0**	**-34**	**-6**	**-40**
Foreign exchange differences	**1**	**-2**	**1**	**-1**	**52**	**51**
Balance at December 31, 2023	**156**	**86**	**26**	**268**	**1,011**	**1,279**

(*) Restated figures (Note 1.1.7)

Litigation and tax provisions

This includes the following provisions:

- Provisions to cover the possible risks resulting from lawsuits and litigation in progress, amounting to EUR 71 million and EUR 68 million in 2023 and 2022, respectively, and largely relating to the Construction business. This provision is recognized and reversed against changes to provisions in operating profit/(loss).
- Provisions for tax claims amounting to EUR 85 million and EUR 204 million in 2023 and 2022, arising in relation to local or central government duties, taxes or other levies as a result of the different possible interpretations of tax legislation in the various countries in which the Group operates (Note 6.5.1).

Provision for replacements under IFRIC 12

This heading includes provisions for replacement investments under IFRIC 12 (Note 1.3.3.2), totaling EUR 86 million and EUR 97 million in 2023 and 2022, respectively.

Provisions for other long-term risks

This heading includes provisions recognized to cover certain long- term risks other than those attributable to litigation or tax claims, such as third-party liability resulting from the performance of contracts, guarantees given and exposed to enforcement risk, and other similar items, which amounted to EUR 26 million at December 31, 2023 (EUR 47 million at December 31, 2022).

At December 31, 2023, it also contains the estimated cost of landfill closure and post- closure activities relating to Budimex and UK waste treatment businesses (Thalia). The provision is calculated based on a technical estimate of total landfill capacity consumed to date. It is recognized and reversed against changes to provisions in operating profit/loss, as and when the landfill closure costs are incurred. The balance recognized for this item at December 31, 2023 amounted to EUR 14 million.

Short-term provisions

This heading relates essentially to provisions for contracts with customers, such as provisions for deferred expenses (relating to construction projects close-out costs under the contract), amounting to EUR 313 million and EUR 276 million in 2023 and 2022 respectively), and provisions for budgeted losses totaling EUR 604 million and EUR 567 million in 2023 and 2022 respectively.

Provisions for budgeted losses relate primarily to the Construction Division in the amount of EUR 561 million and EUR 497 million in 2023 and 2022 respectively, and UK waste treatment businesses (Thalia) in the amount of EUR 46 million and EUR 69 million at December 31, 2023 and 2022, respectively.

The change during 2023 is essentially explained by net provisions recognized in the Construction Division (EUR 150 million), basically in the Polish business, and to the application of provisions (EUR -119 million), relating particularly to budgeted losses in the US business.

For the accounting treatment of each provision, see Notes 1.3.3.3.and 1.3.3.4.v.

6.4. OTHER LONG-TERM PAYABLES

This heading mainly includes:

- Participating loans accruing interest granted by Spain's Central Government to various infrastructure project concession operators totaling EUR 53 million at December 31, 2023 and EUR 51 million at December 31, 2022 owed by "Autovía de Aragón"in the Toll Roads Division.
- Long-term loans from associates of the Toll Roads Division, amounting to EUR 21 million at December 31, 2023 and EUR 22 million at December 31, 2022.
- Debt owed by Dalaman International Airport to the administration for the concession fee, which amounted to EUR 276 million in the long term at the year-end (EUR 277 million at December 31, 2022).
- Mandatory payments owed under the concession agreement on the I-66, which amounted to EUR 865 million (EUR 485 million at December 31, 2022).

6.5.CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS

6.5.1.Litigation

The Group is exposed to risks derived from the resolution of lawsuits or litigation of different kinds arising in the course of its business. When such risks are deemed to be probable, provisions must be booked using the best estimate of the disbursements that are expected to be necessary to settle the obligations arising from those lawsuits and litigation. These provisions are set out in Note 6.3. When such risks are less likely to materialize, contingent liabilities arise. No significant liabilities are envisaged to have a material adverse effect on the Group other than those for which provisions have already been recognized.

There are also contingent assets, meaning assets that might arise from various proceedings in progress. Assets of this kind are not recognized in the financial statements unless it is virtually certain that they will materialize, as required by accounting legislation.

There follows a description of the most significant litigation, in terms of the amount, in the Group's various business divisions: This includes those that may generate both liabilities or assets.

a) Litigation and other contingent liabilities relating to the Toll Road business

Ongoing litigation at December 2023

US Toll roads: NTE 35W

On February 11, 2021 there was a multiple accident on the 35W Managed Lanes toll road in Dallas, Texas involving 133 vehicles and resulting in six deaths and several people injured.

As a result of this incident, the concession company NTE Mobility Partners Segment 3 LLC, which is 53.66% -owned by Ferrovial, together with several non-Group US companies, is a party in 29 of the claims that have been filed and are in the early stages of legal proceedings.

Following consultation with external legal advisors, the concession company expects no material impact even in the event of an unfavorable ruling due to the insurance policies in place.

Therefore, no provision has been recorded to date in relation to this risk.

Portugal- Auto-Estradas Norte Litoral, S.A.

The insolvency estate of J. Gomes - Construções do Cávado, S.A., (the "J. Gomes Parent") filed a civil lawsuit against Cintra Infrastructures SE ("CISE") seeking the invalidity of its purchase of shares of Auto-Estradas Norte Litoral, S.A. ("AENL") (the "AENL Shares") by CISE from J. Gomes – Concessões Norte, Unipessoal, Lda. (the "J. Gomes Subsidiary"), a fully-owned subsidiary of J. Gomes Parent. J. Gomes Parent initiated proceedings against both CISE and J. Gomes Subsidiary on the basis that the purchase price paid by CISE was lower than the fair market value of the AENL Shares. J. Gomes Subsidiary is not an insolvent entity (unlike the claimant, J. Gomes Parent). CISE acquired the AENL Shares from J. Gomes Subsidiary and the rest of the minority shareholders of AENL, paying the same price per share to all shareholders.

The claimant, J. Gomes Parent has requested that (i) CISE return to the claimant (a) the AENL Shares and (b) an amount corresponding to the total dividends received in connection with those shares since the date on which the sale took place; and (ii) the claimant is allowed to pay a small fraction of the price received by the J. Gomes Subsidiary from CISE for such AENL Shares, with the remainder of the price to be claimed by CISE as a common creditor under the J. Gomes Parent insolvency proceedings.

The Company estimates the value of the claim, including accrued legal interest, that although not yet claimed, may be requested in connection with the proceedings by J. Gomes Parent, to be an amount under EUR 10 million.

The Company believes, after consultation with external legal advisors, that its position is reasonable and therefore has not recorded a provision in relation to this risk.

Litigation ended during or before 2023

Court proceedings instigated by the financial institutions of the Radial 4 project:

In June 2013 a group of financial institutions forming part of the banking syndicate financing the Radial 4 project commenced court proceedings in Madrid Court of First Instance No. 61 against the shareholders of the concession company, Cintra Infrastructures, SE and Sacyr Concesiones, S.L. The concession shareholders had guaranteed a contingent capital contribution upon occurrence of certain events set forth in the relevant project financing agreement.

Specifically, the group of financial institutions sought enforcement of a EUR 23 million corporate guarantee put in place by the shareholders (of which Cintra Infrastructures, SE's proportional share is EUR 14.95 million), on the grounds of an alleged breach of certain financial agreement ratios.

Madrid Court of First Instance No. 61 dismissed the lawsuit, declaring the lack of legal standing of the bank syndicate to request an enforcement of such guarantee. The bank syndicate then lodged an appeal before the Madrid Provincial Court, which was also dismissed by the court that upheld the Madrid Court of First Instance No. 61 judgement. The group of financial institutions decided to lodge an extraordinary appeal for procedural infringement before the Spanish Supreme Court, which the court admitted. As a result, the Madrid Provincial Court heard and reviewed the merits of the case. The Madrid Provincial Court upheld the appeal lodged by the bank syndicate.

Following the Madrid Provincial Court's resolution in favor of the group of financial institutions, Cintra Infrastructures, SE and Sacyr Concesiones, S.L. filed a cassation appeal with the Spanish Supreme Court on December 10, 2020.

On October 23, 2023 Cintra Infrastructures SE received the Supreme Court's Decision dismissing the cassation appeal filed on December 10, 2020. Such dismissal rendered the Madrid Provincial Court's resolution final and binding. As a consequence, on November 15, 2023 Cintra Infrastructures, SE paid EUR 14.95 million plus EUR 6.38 million in accrued interest, that were totally provided for. At present, only the legal costs requested by the defendants remain outstanding.

b) Litigation relating to the Construction business

The Construction Division is involved in several ongoing legal proceedings, relating principally to potential construction defects in the building work it has completed and claims for civil liability. As indicated in Note 6.3, as of December 31, 2023 and 2022, respectively, provisions amounting to EUR 68 million and EUR 68 million had been recorded globally, in relation to these proceedings, with the provisions recorded for each lawsuit not exceeding EUR 10 million. The provision for each of the lawsuits corresponds to the best estimate made by Ferrovial on the possible impact of the same.

Below is a description of the most relevant lawsuits in terms of amount.

Ongoing litigation at December 2023

Construction business Spain:

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 behavior.

On July 6, 2022, the CNMC issued a resolution finding that Ferrovial Construcción S.A. had committed a "very serious infringement" of Article 1 of Law 15/2007, of July 3,2007, on the Defense of Competition and Article 101 of the European Union Treaty and imposing a fine of EUR 38.5 million.

Ferrovial Construcción, S.A. filed a contentious-administrative appeal against the CNMC's resolution in the Spanish National High Court on October 4, 2022. The claim also requested a precautionary measure staying enforcement.

On December 9, 2022 the Spanish National High Court agreed to suspend the resolution issued by the CNMC's Competition Court, pending its decision on the contentious-administrative appeal.

The Group considers the outcome of this lawsuit is unlikely to be unfavorable and therefore no amount has been provisioned in this respect.

D4R7 project (Slovakia)

There are two proceedings under way:

Criminal Investigation for Alleged Environmental Risks and Damage in Connection with the Exploitation of Plots of Land in Jánošíková.

In June 2019, by the Provincial Headquarters of the National Police in Bratislava (Slovakia) initiated a criminal investigation ex officio against D4R7 Construction s.r.o., the joint venture established to carry out the D4R7 toll road construction project in Bratislava, which was formed by Ferrovial and PORR (with 65% and 35% stakes in the joint venture, respectively). The grounds for the investigation are alleged environmental risks and damage, as defined in the Slovakian Criminal Code, due to an alleged failure to obtain the necessary permits to excavate dirt from two plots of land in Jánošíková, Slovakia. The alleged damages were quantified at EUR 8.7 million.

The two plots requiring the environmental permits do not form part of the toll road site layout, although materials extracted from the plots were used to construct the project pursuant to agreements with the owners, who incurred no environmental damage. The excavation work, which also included obtaining the property owners' consent, as well as the necessary environmental permits to extract the dirt material, was subcontracted to a local company specialized in this type of work.

The investigation is ongoing and several people have been charged and a variety of defense submissions in response to said alleged charges and expert reports have been submitted by the Slovakian authorities, as the investigator/prosecutor, and by the joint venture, as the investigated party/defendant. The last expert report in connection with the investigation was submitted by the joint venture in December 2022, after which the prosecutor submitted the investigation file to the court. Upon review, the court will decide whether there is sufficient evidence to support the allegations and if all legal requirements have been met to set the case for trial or otherwise will revert the investigation file to the prosecutor's office for further investigation.

The Group considers improbable that the investigation will give rise to risk and, therefore, no provision has been set aside with respect to this dispute.

Criminal Investigation for Alleged Hazardous Substances and Environmental Damage in Connection with the Exploitation of Plots of Land in Blatná na Ostrove

On June 2, 2023, the Presidium of the Police Force for the National Center of Special Types of Criminality, the division investigating hazardous substances and environmental crimes, filed charges against D4R7 Construction s.r.o. for an alleged crime of "endangering and damaging the environment" in violation of Section 300(1) of the Slovak Criminal Procedure Code. The charges allege that, between May and December 2018, D4R7 Construction s.r.o. caused environmental damage quantified at EUR 6,6 million on certain protected parcels of land located in Blatná na Ostrove by extracting more than 200,000 tons of dirt without a permit. The excavation work, as well as the necessary environmental permits to extract the dirt material, was subcontracted to a local company specialized in this type of work. A hearing date has not yet been set. D4R7 disputes these charges and intends to file a timely response.

The Group considers improbable that the investigation will give rise to risk and, therefore, no provision has been set aside with respect to this dispute.

FBSerwis (Poland)

On February 1, 2023, the President and Vice-President of the Management Board of FBSerwis, S.A., a subsidiary of Budimex, were detained in Warsaw, Poland, by the Polish Central Anticorruption Office. According to the information provided publicly by the Polish National Prosecutor's Office, the arrests were related to a broader investigation for alleged tax fraud and money laundering, invoice forgery, and bribery. According to these public sources, over a dozen people have been detained as part of the ongoing proceedings, including three employees of FBSerwis, S.A.. On March 28, 2023, the supervisory board of FBSerwis, S.A. decided to dismiss the president and vice-president of the management board from said management board. FBSerwis, S.A. has therefore terminated their employment contracts. The investigation is ongoing and FBSerwis S.A. is cooperating with the authorities.

FBSerwis S.A.'s management board does not presently identify any significant risk for its operations. In addition, it commissioned an independent law firm to investigate any irregularities related to the above-mentioned events. This investigation is now concluded.

In May 2023, the supervisory board named a new president of the management board.

The management board of FBSerwis, S.A. has established an internal control office to monitor compliance with its policies and procedures, which have been reviewed and improved in 2023.

Considering the above, the management board of FBSerwis,S.A. believes that, at present, there is no need to make adjustments to the financial statements in connection with these events. In the opinion of the external legal counsel engaged by FBSerwis S.A., the risk that the company could be held liable for the events under investigation is remote and is not expected to exceed EUR 1 million. Therefore, as of 31 December 2023 we have not recognized a liability in our financial statements in relation to this matter.

Bucaramanga Project (Colombia)

In December 2023, the National Infrastructure Authority (ANI) of Colombia imposed a fine for project delays on the concessionaire for the Ruta del Cacao project, Concesionaria Ruta del Cacao, S.A.S. The fine flows on a "back-to-back" basis to Consorcio Ferrocol Santander (CJV), the entity responsible for the construction of the project and in which Ferrovial Construcción has a 70% stake. The fine amounts to approximately USD 15 million and has been appealed. The delay that triggered the fine relates to the completion of segment 8 (UF8) of the project and was caused by unforeseeable geological conditions in the terrain that have resulted in multiple landslides. These conditions constitute unforeseen conditions that are contractually beyond the responsibility of the concessionaire, and consequently the CJV, under the concession contract with ANI. The concessionaire and CJV have initiated several proceedings seeking the nullity of the imposed fines as well as a declaration of force majeure due to said unforeseeable geological conditions. If either proceeding is successful, the fines would be rendered void. The impact of this delay and the associated costs have been considered in the provision for future losses in 2023 relating to this project.

I-66 and I-285 projects (USA)

In 2015, Georgia's Department of Transportation awarded the design and construction of the I-285/SR-400 improvement project to North Perimeter Contractors, LLC whose sole member is Ferrovial Construction US Corp.

In 2016, FAM Construction, LLC (in which Ferrovial Construction US Corp. holds a 70% interest and Allan Myers VA holds a 30% interest) was awarded the design and construction of the Interstate 66 Outside the Beltway project.

These design-build projects are near completion but have incurred losses due to unforeseen events beyond the above contractors' control, including due to the impact of the Covid-19 pandemic, client-directed scope changes, and weather events, among others. The above contractors have accordingly initiated upstream claims proceedings to recover part of the costs incurred. The claims have thus far been denied, and the respective contractors have accordingly initiated claim proceedings to recover the incurred losses.

These claims have been considered in the calculation of the group's future loss provisions in accordance with IFRS 15.

c) Tax-related litigation

<u>Ongoing litigation at December 2023:</u>

As indicated in Note 6.3, Ferrovial has provisions for taxes recognized in its balance sheet for a total amount of EUR 85 million, EUR 200 million and EUR 209 million at December 31, 2023, 2022 and 2021 respectively.

These provisions relate essentially to ongoing litigation arising from tax assessments raised following tax audits in Spain for a disputed sum of EUR 207 million, EUR 332 million and EUR 333 million for 2023, 2022 and 2021 respectively, the most significant amounts relating to corporate income tax and VAT for the periods 2002 to 2017.

Tax proceedings relating to the amortization for tax purposes of financial goodwill on the acquisitions of Amey and Swissport

The most noteworthy litigation is the proceedings related to the amortization for tax purposes of financial goodwill on the acquisitions of Amey and Swissport. On September 27, 2023, the European General Court issued a ruling overturning the European Commission's October 15, 2014, decision, which considered the Spanish tax depreciation of financial goodwill with respect to the indirect acquisition of non-resident companies to be "state aid" incompatible with the EU Treaty. The European General Court's ruling upheld the appeals of Spain and several Spanish companies, including Ferrovial, and found that the European Commission's decision violated the principles of legal certainty and protection of legitimate expectations. The ruling was subject to appeal by the European Commission before the Court of Justice of the European Union.

On December 14, 2023 the European Commission logged its appeal against this ruling before the Court of Justice of the European Union (C-780/23 P). The proceeding is currently ongoing.

As the Group considers there are sound grounds supporting its procedural stance in this proceeding, no provision has been recorded as of December 31, 2023. However, if the final ruling is unfavorable there will be an adverse effect of EUR 87.6 million on the Group's income statement in relation to additional Spanish Corporate Income Tax for 2002 to 2022. The maximum amount payable in connection with a potential unfavorable result would be EUR 42 million, as the remainder has already been settled by the Group. In case of a favorable ruling the Spanish Tax Agency must refund the initially claimed and paid amounts (EUR 45.6 million).

Unconstitutional Royal Decree-Law 3/2016

On January 18, 2024, the Spanish Constitutional Court announced its ruling related to Royal Decree-Law 3/2016 (RDL 3/2016), on tax measures aimed at the consolidation of public finances, which amended corporate income taxation by limiting the offsetting of net operating losses (25% current limit versus 70% previous to RDL 3/2016), establishing limits on the application of double taxation deductions and forcing the inclusion in the tax base of impairment losses on portfolio investments deducted in previous years.

The Spanish Constitutional Court ruling, officially published on February 20, 2024, resolves that the use of the Royal Decree-Law is not suitable for amending the essential elements of Corporate Income Tax (CIT), and this practice infringes constitutional requirements. Based on the aforementioned grounds, the Spanish Constitutional Court overturned the RDL 3/2016, which is considered null and void. The Company filed several lawsuits with respect to its CIT assessment for tax years 2016 through 2023 based on the same argument.

As a result of the Spanish Constitutional Court ruling, the Company believes it is likely it will obtain a favorable ruling, with the expected amount to be recovered by the Group in relation to years 2016 to 2023 amounting to EUR 37 million. The Company has not recorded any impact in its2023 consolidated financial statements as the RDL 3/2016 was not overturned at December 31, 2023 and, according to IAS 37.35, contingent assets are only accounted for if its recoverability has become virtually certain in the year. The total expected effect would impact the Company´s 2024 consolidated financial statements.

The Company estimates an additional EUR 49 million positive impact of this ruling on its tax-loss recoverability analysis for years beyond 2023, which would also impact the Company´s 2024 consolidated financial statements. Any change in legislation may have an impact in this estimate.

Litigation ended during or before 2023

Settlement resolution arising from the tax assessment of 2006 Spanish Corporate Income Tax

The Company had an ongoing dispute in connection with the Group's 2006 Spanish CIT assessment pertaining to the application of a deduction for export activities relating to an investment made to acquire the ownership interest in the former BAA (now Heathrow Airport Holding Limited). The Group filed a cassation appeal with the Spanish Supreme Court against the settlement resolution arising from the Spanish tax authority's tax assessment raised on Ferrovial's 2006 Spanish CIT. The Group had recorded a provision of EUR 119.2 million as of December 31, 2022. On September 12, 2023, the Spanish Supreme Court ruled in favor of Ferrovial.

The ruling resolves the dispute and declares the tax audit assessment null and void, therefore the provision registered in the financial statements was released in 2023, affecting financial results and income tax.

6.5.2. Guarantees

a) Bank guarantees and other guarantees issued by insurance companies

In the course of business, the Group is exposed to possible risks the materialization of which is uncertain, relating to liability under the various contracts entered into in its business divisions.

The Group obtains bank guarantees and other guarantees issued by insurance companies to cover such liabilities. At December 31, 2023, the balance amounted to EUR 8,533 million (EUR 8,093 million in 2022).

The following table contains a breakdown of the risk covered in each business area:

(Million euro)	Dec. 2023	Dec. 2022
Construction	7,013	6,067
Toll Roads	404	642
Airports	799	1,044
Energy and mobility infrastructures	66	81
Other	251	258
Total continuing operations	**8,533**	**8,093**
TOTAL	**8,533**	**8,093**

The EUR 8,533[1] million, by type of instrument, relate to: i) EUR 3,358 million of bank guarantees; ii) EUR 4,507 million of guarantees provided by bonding agencies and iii) EUR 668 million of bank guarantees provided by insurance companies.

These guarantees cover the liability to customers for the proper performance of construction or services contracts involving Group companies; the guarantee would be enforced by the customer were a project not carried out.

Despite the significant amount of these guarantees, the impact that might arise is very low, since the Group Companies perform contracts in accordance with the terms and conditions agreed upon with the customers and recognize provisions within the results of each contract for potential risks that might arise from performance thereof (Note 6.3).

Lastly, of the total amount of the Group's bank guarantees for continuing operations listed in the above table, EUR 796 million secures commitments to invest in the capital of infrastructure project companies, mainly, in JFK-NTO (Note 6.5.3).

b) Guarantees given by Group companies for other Group companies

As indicated previously, guarantees are generally given among the Group companies to cover third-party liability arising from contractual, commercial or financial relationships.

Although these guarantees do not have any effect at the Group's consolidated level, there are certain guarantees provided by ex- infrastructure project companies to infrastructure project companies (Note 1.1.2.) which should be noted due to the classification of project borrowings as without recourse to the shareholders or with limited recourse to the guarantees provided (see b.1 contingent capital guarantees).

Other guarantees have also been given to equity-accounted companies (see b.2. below).

b.1) Guarantees provided by ex-infrastructure project companies to infrastructure project companies to secure borrowings, which could give rise to future additional capital disbursements should the guaranteed events take place (contingent capital guarantees).

Two types of guarantees are given by ex-infrastructure project companies to infrastructure project companies:

- Guarantees securing the proper performance of construction and service contracts (Note 6.5.2.a).
- Guarantees related to risks other than the correct performance of construction and service contracts, which could give rise to future additional capital disbursements should the guaranteed events take place (some of which are also included in note 6.5.2.a) because they are bank guarantees).

The latter guarantees are explained in further detail in this section since, as mentioned in Note 5.2. on cash and cash equivalents and borrowings, infrastructure project company borrowings are without recourse to the shareholders or with limited recourse to the guarantees provided and, therefore, it is relevant to distinguish the guarantees which, should the guaranteed event occur, could be enforced and lead to payments to the infrastructure project companies or the holders of their debt, other than the committed capital or investment mentioned in Note 6.5.3. They are referred to as contingent capital guarantees.

The detail, by beneficiary company, purpose and maximum amount, of the outstanding guarantees of this nature at December 31, 2023 relating to fully consolidated infrastructure project companies is as follows. It should be noted that the following amounts relate to Ferrovial:

BENEFICIARY COMPANY (PROJECT)	GUARANTEE PURPOSE	Dec. 2023
Conc. Prisiones Lledoners	Technical guarantee to repay amounts to the bank in the event of termination of the contract. Does not cover insolvency (default) or breach by the awarding entity	64
GUARANTEES FOR CONSTRUCTION PROJECTS		**64**
I-66	Guarantee covering project cost overruns.	15
GUARANTEES FOR TOLL ROAD PROJECTS		**15**
Centella	Bank guarantees to cover the achievement of various milestones and payment of any fines during the initial execution period. PCG to cover the liquidity gap up to EUR 20 million	35
GUARANTEES FOR ENERGY AND MOBILITY PROJECTS		**35**
Dalaman	Bank guarantee to cover the debt ratios	6
AIRPORT PROJECT GUARANTEES		**6**
TOTAL GUARANTEES FOR FULLY-CONSOLIDATED INFRASTRUCTURE PROJECTS		**120**

The detail of the amounts of the guarantees, in relation to the financing of the equity-accounted infrastructure projects and, accordingly, the borrowings of which are not included in the Group's consolidated financial statements is as follows.

BENEFICIARY COMPANY (PROJECT)	GUARANTEE PURPOSE	Dec. 2023
Serrano Park (Cintra)	Guarantee covering repayment of borrowings	3
Extensión ETR	Guarantee covering project cost overruns.	15
407 EXT PHASE II	Guarantee covering project cost overruns.	8
TOTAL GUARANTEES FOR EQUITY-ACCOUNTED INFRASTRUCTURE PROJECT COMPANIES		**26**

b.2) Other guarantees given to waste treatment plant companies (Note 3.2.)

The "Thalia" Group operates four waste treatment plants generating energy during the process in the UK. The plants are run under construction and operation concessions granted by the local authorities. Each of these plants (Cambridge, North York, Milton Keynes and Isle of Wight) are in operation with the energy recovery facility of Isle of Wight in the commissioning phase. The four concessions contracts represent the majority of our waste management operations and expire between 2033 and 2042. Other current waste management contracts expire earlier, starting in 2024.

1

The plants were being operated by Thalia, which was still part of the Amey Group, so the contractual commitments were secured by Amey and by Cespa (Prezero nowadays), the parent company of the waste treatment business in Spain that was sold to a third party in 2021. Thalia's assets were excluded from the scope of the Amey sale. As the Amey sale was completed in December 2022, those assets had already been transferred within the Ferrovial Group. In parallel, the guarantees securing fulfillment of commitments relating to the assets are expected to be transferred to other Group companies in 2024.

The guarantees given by various Group companies total GBP 358 million (GBP 322 million in 2022). The guarantee may be unlimited in certain specific scenarios involving fraud, willful misconduct or abandonment of the asset.

In recent years, the plants have had issues in both the construction phase and the commissioning and operation phase, particularly in the case of Milton Keynes and the Isle of Wight. At year-end 2023, the Group recognized a provision for future losses covering these plants in the amount of GBP 40 million (GBP 61 million as of December 31, 2022). The provision does not include structural costs of the business estimated at GBP 8 million per annum.

b.3) Guarantees given in divestment processes

The sale agreements entered into during the divestment of the former Services Division include various guarantees given to the buyers in connection with a number of potential lawsuits or litigation in progress on the transaction dates.

Guarantees that met the relevant requirements of accounting legislation (IAS 37) were provisioned at the year-end. These provisions amount to EUR 22 million.

The main guarantees are as follows:

Litigation relating to the penalty proceedings opened by the Spanish National Markets and Competition Commission (CNMC) in relation to the road maintenance sector (see point 6.5 of the 2021 Ferrovial consolidated financial statements):

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

In August 2021, notice was received of a Resolution by the CNMC's Board declaring a very serious infringement of Article 1 of the Spanish Competition Law (LDC) and Article 101 of the Treaty on the Functioning of the European Union (TFUE). The Board imposed a fine of EUR 5.7 million.

A contentious-administrative appeal has been filed against the resolution at the National High Court. In December 2021, notification was received of the admission of the appeal. On February 22, 2022, notification was received of the decision to suspend the penalty resolution in relation to both the fine and the prohibition on contracting. The appealed was suspended on May 10,2022.

Ferroser Infraestructuras, S.A. (now Serveo Infraestructuras, S.A.) is one of the companies sold as a result of the divestment of the infrastructure maintenance business in Spain completed on January 31, 2022 and is therefore no longer controlled by Ferrovial, S.A.

Ferrovial gave a guarantee of EUR 6 million to the buyer in relation to this lawsuit, though for a limited period. This amount has been provisioned.

Tax Proceedings

Guarantees have been granted to PREZERO in connection with various ongoing tax proceedings. The amount of the guarantees, which have been provisioned, amounts to EUR 5.9 million.

c) Security interests in assets

Security interests in assets are described in the following notes:

- Guarantees given for fixed assets (Note 3.4)
- Security interests in deposits or restricted cash (Note 5.2).

d) Guarantees received from third parties.

At December 31, 2023, Ferrovial had received guarantees from third parties totaling EUR 1,757 million (EUR 1,631 million at December 31, 2022), mainly in the Ferrovial Construcción companies in the United States (EUR 1,326 million), the Budimex Group (EUR 161 million) and other construction companies (EUR 271 million), particularly noteworthy were the companies in the UK (EUR 114 million) and Australia (EUR 115 million).

These third-party guarantees are technical guarantees that are offered by certain subcontractors or suppliers in the construction business in order to guarantee complete compliance with their contractual obligations with regard to the work they are engaged to complete and may not be sold or pledged.

6.5.3. Commitments

As described in Note 1.1, the infrastructure projects are performed through long-term contracts where the concession operator is a company in which the Group has interests, either alone or together with other partners, and the borrowings necessary for financing the project are allocated to the project itself, without recourse to the shareholders or with recourse limited to the guarantees provided, under the terms set forth in Note 5.2. From a management viewpoint, Ferrovial takes into account only the investment commitments relating to project capital, since the investment in the assets is financed by the project company's borrowings.

a) Investment commitments

The investment commitments undertaken by the Group in relation to the capital contribution in infrastructure projects amount to EUR 850 million (EUR 1,163 million in December 2022). The decrease during the year 2023 is explained primarily by the investments made by Ferrovial to contribute capital to the new Terminal One at New York's JFK Airport and US Toll Roads. The investment commitments to the new Terminal One at New York´s JFK Airport at December 31, 2023 amount to EUR 768 million (EUR 1,013 million in December 2022). This reduction related to the investment commitments has been partially offset by an increase in capital committed to the Energy and Mobility business due to new transmission projects in Chile.

A breakdown of the Group's commitments to investment in infrastructure project company capital is as follows:

(Million euro)	2024	2025	2026	2027	2028	2028 AND BEYOND	TOTAL
Toll Roads	12	0	0	0	0	0	12
Energy and Mobility	9	13	17	0	0	3	42
INVESTMENTS IN FULLY- CONSOLIDATED INFRASTRUCTURE PROJECT COMPANIES	**21**	**13**	**17**	**0**	**0**	**3**	**54**
Toll Roads	0	27	0	0	0	0	27
Airports	459	242	67	0	0	0	768
Construction	1	0	0	0	0	0	1
INVESTMENTS IN EQUITY- ACCOUNTED INFRASTRUCTURE PROJECT COMPANIES	**460**	**269**	**67**	**0**	**0**	**0**	**796**
TOTAL INVESTMENTS IN INFRASTRUCTURE PROJECT COMPANIES	**481**	**282**	**84**	**0**	**0**	**3**	**850**

Under the AGS refinancing agreement described in Note 5.4.c.v, Ferrovial also committed to inject up to GBP 15 million into AGS (50% share capital - 50% debt) subject to the fulfillment of certain liquidity conditions to the maturity date of the loan in 2024.

In addition, commitments were made to invest up to EUR 41 (EUR 53 million in December 2022) million in companies in which Ferrovial holds non-controlling interests that are engaged in innovation projects related primarily to energy and mobility.

b) Environmental commitments

Any operation undertaken mainly to prevent, reduce or repair damage to the environment is treated as an environmental activity.

Costs incurred to protect and improve the environment are taken to profit or loss in the year in which they are incurred, irrespective of when the resulting monetary or financial flow takes place.

Provisions for probable or certain environmental liability, litigation in progress and indemnities or other outstanding obligations of undetermined amount not covered by insurance policies are recorded when the liability or obligation giving rise to the indemnity or payment arises.

6.6. SHARE-BASED REMUNERATION SCHEMES

Performance-based share plan.

Executive Directors participate in a long-term variable remuneration scheme based on performance share plans, in which other executives and key professionals of the Group also participate (the "LTVR"). These plans are usually structured in overlapping multiyear cycles (currently three years), granting "units" each year (which may be converted into shares at the end of the vesting period (currently three years) if the metrics to which the LTVR is subject are fulfilled). The LTVR can be summarized as follows:

<u>The 2020-2022 plan</u>

- The 2020-2022 plan was approved for the Executive Directors and certain other managers of the Group by the Ferrovial, S.A. Board on December 19, 2019, and consequently approved for the Executive Directors at the General Meeting of Ferrovial, S.A. on April 17, 2020.
- The 2020-2022 Long-Term Remuneration Plan (the "LTRP") provides for the allocation of "units," potentially convertible into shares, in 2020, 2021 and 2022. These shares, as the case may be, are to be delivered in the year in which the third anniversary of the allocation of the corresponding units is reached (i.e. 2023 for the 2020 grant, 2024 for the 2021 grant, and 2025 for the 2022 grant).
- The "units" granted under the 2020-2022 LTRP may be converted into shares if (i) the beneficiaries remain in the Company for a period of three years from the date of grant of the units, except in exceptional circumstances such as retirement, disability or death, and (ii) certain objectives linked to internal or external metrics reflecting economic-financial aspects and value creation for the company are met, as approved by the Board of Directors of Ferrovial, S.A. and the General Meeting of Ferrovial, S.A.

The 2023-2025 plan

- The 2023-2025 LTRP was approved for the Executive Directors and certain other managers of the Group by the Ferrovial Board on December 15, 2022. The 2023-2025 LTRP was also consequently approved for the Executive Directors at the General Meeting of Ferrovial, S.A. on April 13, 2023, as required under Spanish corporate law.
- The 2023 LTRP provides for the grant of "units", potentially convertible into shares, in 2023, 2024 and 2025. These shares, as the case may be, will be delivered in the year in which the third anniversary of the grant of the corresponding units is reached (i.e., 2026 for the 2023 grant, 2027 for the 2024 grant and 2028 for the 2025 grant).
- The "units" granted under the 2023-2025 LTRP may be converted into shares if (i) the beneficiaries remain in the Company for a period of three years from the date of grant of the units, expect in circumstances such as retirement, disability or death, and (ii) certain objectives linked to internal or external metrics reflecting economic-financial aspects, value creation for the company and ESG targets are met, as approved by the Board of Directors of Ferrovial, S.A. and the General Meeting of Ferrovial, S.A.

Both the 2020-2022 plan and the 2023-2025 plan as they apply to the Executive Directors were subsequently submitted to approval at the General Shareholders' Meeting of Ferrovial International SE for approval as this relates to the plans' post-Merger implementation on June 13, 2023.

There were 1,953,016 shares outstanding on December 31, 2023 relating to these plans, as commented in Note 5.1.1.

Changes to the share-based remuneration schemes in 2023, 2022 and 2021 are summarized below:

	2023	2022	2021
Number of shares at beginning of year	**1,782,127**	**2,054,531**	**2.468.724**
Plans granted	653,611	702,675	909,578
Plans settled	-277,493	-356,958	-292,413
Shares surrendered and other	-192,425	-526,552	-954,346
Shares exercised	-12,804	-91,569	-77,012
Number of shares at year-end	**1,953,016**	**1,782,127**	**2.054.531**

These share award plans are addressed in Note 6.7 on remuneration of executive directors and senior managers.

The impact of these remuneration schemes on the Group's income statement in 2023 was an expense of EUR 11 million (expense of EUR 8 million in 2022 and income of EUR 9 million in 2021) with a balancing entry in equity. The change of the effect between 2022 and 2021 is due to the fact that a smaller amount was reversed from the provision during the year to bring the cost into line with plan fulfillment (higher degree of fulfillment).

Measurement of performance-based share plans.

This plan was accounted for as a future and therefore the value of the foreseeable dividends up to the delivery date is discounted to the value of the shares at the grant date using a rate of return equal to the average cost of borrowings over the share award period. It is equity settled and thus measured when granted. The initially calculated value is not re-estimated. The related amounts are recognized under "Staff costs" with a balancing entry in reserves.

6.7. REMUNERATION OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

6.7.1. Directors' remuneration in their capacity as such (i.e. for their membership of the Board)

Under the Company's current remuneration scheme, regulated by Article 8.5 of its Articles of Association, the Annual General Meeting determines the maximum annual remuneration for all the members of the Board of Directors.

The Directors' Remuneration Policy adopted by the Company's General Meeting on June 13, 2023 (as also approved by the General Meeting of Ferrovial, S.A. held on April 13, 2023), which came into effect upon completion of the merger between Ferrovial, S.A. and Ferrovial International SE (renamed Ferrovial SE), fixed the overall maximum annual amount of Directors' remuneration at EUR 1,900,000 for the duration of the Policy.

Directors' remuneration comprises: (i) a fixed allocation, a part of which is paid on a quarterly basis and the remainder (complementary fixed allocation) in a single payment at the end of the financial year; and (ii) attendance fees for actual attendance at Board and Committee meetings. Remuneration is linked to the functions and responsibilities assigned to each Director, membership of Board committees and other objective circumstances that the Board of Directors deems relevant, thereby ensuring their long-term independence and commitment.

On the same date these financial statements are approved, the Board of Directors approves a Remuneration Report which is published on the Company's website as part of the Management Report. The report describes in greater detail aspects of the Company's remuneration policy applicable in the current year, providing an overview of how it has been applied in 2022 . The table below shows the itemized remuneration of the members of the Board of Directors in their capacity as such accrued during 2023 and 2022.

Should more meetings be held than initially envisaged or, for any other reason, the total and joint maximum annual amount is exceeded, the difference is firstly deducted from the amount of the complementary fixed allocation proportionally for each Director proportionally to his/her condition. In accordance with the resolutions adopted by the Board of Directors, if the amount of the attendance fees plus the amount of fixed components does not reach the said maximum annual figure, the difference will be distributed among the Directors on a pro rata basis according their period of office during the year, if the Board so determines. This distribution was carried out in 2022 and 2023, adding the amount to the complementary fixed allocation.

The difference between the amounts of attendance fees and complementary fixed allocation in 2023 and 2022 is explained by the fact that: (i) there were more meetings in 2023 than in 2022; y (ii) the amount distributed to the Directors as described in the last two sentences of the previous paragraph was higher in 2022.

This table does not include remuneration received by the Executive Directors for discharging executive duties at the Company, as described in Note 6.7.2.

				2023
DIRECTOR (Thousand euro)	FIXED ALLOWANCE	PER DIEMS	ADDITIONAL FIXED REMUNERATION (a)	TOTAL
Rafael del Pino Calvo-Sotelo	35	119	99	**253**
Oscar Fanjul Martín	35	86	87	**208**
Ignacio Madridejos Fernández	35	60	53	**148**
María del Pino y Calvo-Sotelo	35	57	53	**145**
José Fernando Sánchez-Junco Mans	35	66	53	**154**
Philip Bowman	35	55	53	**143**
Hanne Birgitte Breinbjerg Sorensen	35	47	53	**135**
Bruno Di Leo	35	55	53	**143**
Juan Hoyos Martínez de Irujo	35	60	53	**148**
Gonzalo Urquijo Fernández de Araoz	35	62	53	**150**
Hildegard Wortmann	35	42	53	**130**
Alicia Reyes Revuelta	35	55	53	**143**
TOTAL	**420**	**764**	**716**	**1,900**

(a) Includes the amount of the difference up to the maximum annual amount of the 2022 compensation distributed pro rata among the Directors.

(*) The amounts shown are rounded.

				2022
DIRECTOR (Thousand euro)	FIXED ALLOWANCE	PER DIEMS	ADDITIONAL FIXED REMUNERATION (a)	TOTAL
Rafael del Pino Calvo-Sotelo	35	103	107	**245**
Oscar Fanjul Martín	35	73	96	**204**
Ignacio Madridejos Fernández	35	51	61	**148**
María del Pino y Calvo-Sotelo	35	51	61	**148**
José Fernando Sánchez-Junco Mans	35	58	61	**154**
Philip Bowman	35	47	61	**143**
Hanne Birgitte Breinbjerg Sorensen	35	41	61	**137**
Bruno Di Leo	35	49	61	**146**
Juan Hoyos Martínez de Irujo	35	51	61	**148**
Gonzalo Urquijo Fernández de Araoz	35	54	61	**150**
Hildegard Wortmann	35	36	61	**132**
Alicia Reyes Revuelta	35	47	61	**143**
TOTAL	**420**	**662**	**818**	**1,900**

(a) Includes the amount of the difference up to the maximum annual amount of the 2022 compensation distributed pro rata among the Directors.

(*) The amounts shown are rounded.

6.7.2. Individual executive directors´ remuneration

a) Remuneration accrued in 2023, 2022 and 2021

In 2023, the following remuneration accrued to the executive directors for the performance of their functions, irrespective of the remuneration referred to in the preceding section.

			2023
EXECUTIVE DIRECTORS' REMUNERATION * (Thousand euro)	RAFAEL DEL PINO (2)	IGNACIO MADRIDEJOS (2)	TOTAL
Fixed remuneration	1,500	1,313	2,813
Variable remuneration	2,809	1,926	4,735
Life insurance premiums	10	5	15
Other remuneration in kind	3	13	16
Plans linked to shares (1)	795	795	1,590
Total 2023	**5,117**	**4,052**	**9,169**

*Remuneration as executive directors

(1) In March 2023, a number of shares equivalent to the level of completion of the units allocated in 2020 were delivered, after the relevant withholdings had been made. The Spanish Regulator, the CNMV, was notified of the shares received by Rafael del Pino and by Ignacio Madridejos on 13/3/2023 and 9/3/2023, respectively (at that time, Ferrovial shares were only traded on the Spanish Stock Exchanges)

(2) EUR 1,150 thousand until June 15, 2023 and EUR 1,450 thousand from June 16, 2023 onwards.

The 2022 information is shown in the following table:

			2022
EXECUTIVE DIRECTORS' REMUNERATION * (Thousand euro)	RAFAEL DEL PINO	IGNACIO MADRIDEJOS (2)	TOTAL
Fixed remuneration	1,500	1,150	2,650
Variable remuneration	2,609	1,538	4,147
Life insurance premiums	10	5	15
Share plans (1)	883	183	1,066
Total 2022	**5,002**	**2,876**	**7,878**

*Remuneration as executive directors

(1) In March 2022, a number of shares equivalent to the level of completion of the units allocated in 2019 were delivered, after the relevant withholdings had been made. The CNMV was notified of the shares received by Rafael del Pino and by Ignacio Madridejos on 21/3/2022 and 17/3/2022, respectively.

(2) In 2022, the amount of EUR 8 thousand was allocated to Ignacio Madridejos as remuneration in kind relating to a company car.

The 2021 information is shown in the following table:

			2021
EXECUTIVE DIRECTORS' REMUNERATION * (Thousand euro)	RAFAEL DEL PINO	IGNACIO MADRIDEJOS (2)	TOTAL
Fixed remuneration	1,500	1,100	2,600
Variable remuneration	2,275	1,283	3,558
Life insurance premiums	9	4	13
Share plans (1)	490	0	490
Total 2021	**4,274**	**2,387**	**6,661**

*Remuneration as executive directors

(1)In March 2021, a number of shares equivalent to the level of completion of the units allocated in 2018 were delivered, after the relevant withholdings had been made. The CNMV was notified on 22/3/2021.

(2) In 2021, the amount of EUR 8 thousand was allocated to Ignacio Madridejos as remuneration in kind relating to a company car

b) Share-based remuneration schemes

There follows a breakdown of the share-based remuneration schemes linked to objectives, entitlement to which has not yet vested:

EXECUTIVE DIRECTORS' PLAN AT 31.12.2023	UNITS		NO. OF VOTING RIGHTS	% NO. OF VOTING RIGHTS
	2021 allocation	67,500	67,500	0.009%
Rafael del Pino y Calvo-Sotelo	2022 allocation	56,400	56,400	0.008%
	2023 allocation	50,680	50,680	0.007%
	2021 allocation	67,500	67,500	0.009%
Ignacio Madridejos Fernández	2022 allocation	56,400	56,400	0.008%
	2023 allocation	69,925	69,925	0.009%

6.7.3. Pension funds and plans of life insurance premiums

As in 2022, no contributions were made in 2023 to pension plans or funds for former or current members of the Company's Board of Directors or for directors of the Company who are members of other Boards of Directors and/or senior managers of Group companies and associates. No such commitments were made during the year.

As regards life insurance premiums, the Company has insurance policies covering death (for which premiums totaling EUR 15 thousand were paid in 2023; EUR 15 thousand in 2022), under which the executive directors are beneficiaries. No life insurance premiums were paid for Company directors who are members of other Boards of Directors and/or senior managers of Group companies or associates.

Lastly, the Company has arranged a third-party liability insurance policy covering the directors and managers of the Group companies parented by the Company. The insured parties include the Company's directors. The premium paid in 2023 under the aforementioned insurance policy amounted to EUR 1,073 thousand (EUR 1,097 thousand in 2022).

6.7.4. Advances and loans

At 31 December 2023, no advances or loans had been granted by the Company to the directors in their capacity as such or as members of other Boards of Directors or senior managers of Group companies or associates.

6.7.5. Senior management remuneration

The overall remuneration accrued to the Company's senior managers in 2023 is analyzed below (*):

SENIOR MANAGEMENT REMUNERATION (Thousand euro) (*)	2023	2022
Fixed remuneration	5,094	4,755
Variable remuneration	5,534	4,822
Performance-based share plan	1,934	1,629
Remuneration as members of administrative bodies of other Group companies, jointly-controlled entities or associates	33	32
Insurance premiums	19	19
Other (1)	486	0
Other (2)	533	0
Total	**13,633**	**11,257**

(1) Separation of members of the Non-Management Committee in 2023 (amount subject to personal income tax).

(2) Expatriates´ payments

(*) The average remuneration of senior management is not broken down by gender in order to preserve the confidentiality of remuneration, as there are two women in this group.

The remuneration shown corresponds to the holders of the following positions: General Secretary, Chief Financial Officer, Chief Human Resources Officer, Chief Construction Officer, Chief Airports Officer, Chief Toll Roads Officer, Chief Energy and Mobility Infrastructure Officer, Chief Information and Innovation Systems Officer, Chief Internal Audit Officer, Chief Communications and Corporate Responsibility Officer, Chief Strategy Officer, Chief Compliance and Risk Officer and Chief Sustainability Officer. The remuneration of the members of senior management who have been Executive Directors at the same time is not included, since it is indicated in the Note 6.6.2.

The Company has also implemented a "Flexible Remuneration Scheme", which allows employees to voluntarily change their remuneration package based on personal needs, replacing a portion with certain benefits in kind. These products include a life and retirement savings group insurance scheme. Participants may request that a portion of their gross annual remuneration be paid by the Company in the form of a premium under a life and retirement savings group insurance policy. The senior managers requested contributions totaling EUR 71 thousand from the Company, replacing the remuneration shown in the table above (EUR 39 thousand in 2022).

6.7.6. Other disclosures on remuneration

The agreements between the Company and the senior managers specifically provide for the right to receive the indemnities referred to in Article 56 of the Spanish Labour Statute in the event of unfair dismissal.

In order to encourage loyalty and continuity, a deferred remuneration scheme was granted to ten senior managers, including one executive director. The scheme consists of extraordinary remuneration that will only be paid in one of the following circumstances:

- Exit of the senior manager by mutual agreement upon reaching a certain age.
- Unfair dismissal or exit at the Company's discretion without cause for dismissal, before the senior manager reaches the age initially agreed, if the amount exceeds the figure stipulated in the Labour Statute.
- Death or disability of the senior manager.
- To cover this incentive, each year the Company makes contributions to a group savings insurance policy under which the Company is both policyholder and beneficiary. The contributions are quantified on the basis of a certain percentage of each senior manager's total monetary remuneration. Contributions made in 2023 amounted to EUR 2,076 thousand (EUR 1,921 thousand in 2022), of which EUR 527 thousand relates to the executive director (EUR 461 thousand in 2022).

6.8. RELATED-PARTY TRANSACTIONS

Related party transactions are reported following the standards set forth by International Accounting Standard 24 ("IAS 24"). The commercial transactions between the Company (or the Group companies) and related parties carried out in 2023, 2022 and 2021 are disclosed below, in four separate categories: a) transactions between Ferrovial and its directors or senior managers; b) transactions between Group companies and the Company's directors or senior managers; c) transactions with Group companies and equity-accounted companies; and d) transactions between Group companies.

Transactions carried out by Ferrovial (or its Group companies) with related parties are entered into in the ordinary course of business and on normal market terms.

Where the profit or loss from a transaction cannot be disclosed, as it pertains to the provider entity or individual, the transaction is marked with an asterisk (*).

a) Transactions between Ferrovial and its directors or senior managers

This section includes the transactions between Ferrovial and its directors and senior managers, their close family members, or entities in which one or the other holds control or joint control. For 2022 and 2021, in accordance with regulations applicable at that time to Ferrovial S.A. (the former parent company of the Ferrovial Group), this section also includes: (i) transactions with entities in which the executive directors of Ferrovial are directors or senior managers or the non-executive directors of Ferrovial are executive directors or senior managers, or (ii) entities over which Ferrovial's directors could exercise significant influence. For entities mentioned in (i) and (ii) ordinary transactions, made on standard customer terms and immaterial, are not included.

If the related party were a related party for a part of the year, transactions during that period are disclosed.

There were no transactions of this type for the years ended December 31, 2023, 2022 and 2021.

b) Transactions between subsidiaries of Ferrovial, S.A. and their directors or senior managers

This section includes the transactions between Group companies and Ferrovial's directors or senior managers, or their close family members or entities in which one or the other holds control or joint control. For 2022 and 2021, in accordance with regulations applicable at that time to Ferrovial, S.A.(the former parent company of the Ferrovial Group), this section also includes: (i) transactions with entities in which the executive directors of Ferrovial are directors or senior managers, or the non-executive directors of Ferrovial are executive directors or senior managers, or (ii) over which Ferrovial directors could exercise significant influence. For entities mentioned in (i) and (ii) ordinary transactions made on standard customer terms and immaterial are not included.

If the party related to the Company was a related party for a part of the year, the transactions carried out in that period are disclosed.

For the years ended 31 December 2023, 2022 and 2021, the following transactions were carried out with related parties. Only material transactions are disclosed in 2023.

At December 31, 2023:

(Thousand euro)

NAME/COMPANY NAME	TRANSACTIONS (1)	AMOUNT	PROFIT OR LOSS	BALANCE
Juan del Pino Fdez-Fontecha	Services rendered	25	-12	27
Ignacio del Pino Fdez-Fontecha	Services rendered	25	-12	27
Rafael del Pino Fdez-Fontecha	Services rendered	25	-12	27

1 Please see point 2.8.4.1 of the Corporate Governance section on transactions with conflicts of interest, included in the Management Report. It describes two contracts entered into with a Ferrovial Group company. The first by an entity controlled by the Chairman of the Company and the second by certain close family members of the Chairman. The amounts already invoiced in 2023 under the latter contract are disclosed in the table above.

At December 31, 2022:

(Thousand euro)

NAME/COMPANY NAME	TRANSACTIONS (2)	AMOUNT	PROFIT OR LOSS	BALANCE
D. Rafael del Pino y Calvo-Sotelo	Services rendered	2	0	0
Dª. María del Pino y Calvo-Sotelo	Services rendered	5	1	0
Criu, S.L.	Services rendered	1	0	0
Polan, S.A.	Services received	-12	0	0
Polan, S.A.	Services rendered	17	1	0

At December 31, 2021:

(Thousand euro)

NAME/COMPANY NAME	TRANSACTIONS (2)	AMOUNT	PROFIT OR LOSS	BALANCE
D. Rafael del Pino y Calvo-Sotelo	Services rendered	7	0	1
Dª. María del Pino y Calvo-Sotelo	Services rendered	6	1	0
Criu, S.L.	Services rendered	17	1	2
Polan, S.A.	Services rendered	159	1	59

c) Transactions with equity-accounted companies

This section includes the transactions carried out between Group companies and equity-accounted companies entered into in the ordinary course of business and on normal market terms

(Million euro)	2023	2022	2021
Services received	-3	-2	0
Services provided	111	89	632
Net financial expenses/Income	28	22	14
Payables to related parties	23	28	21
Receivables from related parties	294	252	203

d) Transactions between Group companies

This section includes the transactions carried out between the Group companies in the ordinary course of business, in terms of purpose and conditions, and were not eliminated on consolidation for the following reason.

As explained in detail in Note 1.3.2., balances and transactions relating to construction work performed by the Construction Division for the Group's infrastructure concession operators are not eliminated on consolidation since, at the consolidated level, contracts of this type are classed as construction contracts in which the work, while being executed, is deemed to be performed for third parties, as the ultimate owner of the works is the awarding entity from both a financial and a legal viewpoint.

In 2023 Ferrovial's Construction Division billed those concession operators for EUR 375,680 thousand (EUR 865,487 thousand in 2022 and EUR 955,920 thousand in 2021), for work performed and related advance payments and, in this respect, recognized sales for that construction work totaling EUR 489,259 thousand (EUR 1,030,639 thousand in 2022 and EUR 1,016,628 thousand in 2021).

In 2023 the profit from these transactions attributable to the Company's holdings in the concession operators in question and not eliminated on consolidation, net of taxes and non-controlling interests, was EUR -34,942 thousand. In 2022, this amounted to EUR -60,507 thousand and in 2021, this amounted to EUR 5,748 thousand.

6.9. AUDIT FEES

The following table summarizes the fees for professional services provided by Ernst & Young for the fiscal years 2023 and 2022.

Million euros	2023	2022
Fees for audit services	**13.53**	**4.79**
Recurring services	8.54	4.79
No recurring services	4.99	0.00
Fees for audit related services	**0.67**	**0.42**
Tax fees	**0.00**	**0.01**
Other non-audit services	**0.04**	**0.57**

"Fees for audit services" relate to the following recurring audit services:

- Statutory consolidated financial statements;
- Statutory subsidiaries' financial statements,
- Consolidated financial statements under PCAOB standards filed with the SEC;
- Review of the half year interim consolidated financial statements performed in June.

During 2023, the principal accountant also provided non-recurrent services, which amount to EUR 4,990 thousand, related to the registration process of the Company within the SEC. Specifically, the principal auditor provided audit services under PCAOB standards in relation to the financial statements of the years 2020, 2021 and 2022 included within the registration statement with the SEC.

"Fees for audit related services" are assurance and related services that are reasonably related to the performance of the audit or review of the Group's financial statements. This category includes fees related to the preparation of comfort letters for debt issued and verification of the no financial information among others.

"Tax fees" relate to fees incurred for tax compliance, tax advice and tax planning.

The figures for 2022 exclude, for comparative purposes, the fees of those companies that, as a result of the divestment processes, have already left Ferrovial's perimeter.

Approval from the Audit and Control Committee is required for non-audit services provided by the external auditor.

6.10. EVENTS AFTER THE REPORTING PERIOD

Impact of the Spanish Royal Decree-Law 3/2016 ruling

On January 18, 2024, the Spanish Constitutional Court announced its ruling related to Royal Decree-Law 3/2016 (RDL 3/2016), on tax measures aimed at the consolidation of public finances, which amended corporate income taxation by limiting the offsetting of net operating losses (25% current limit versus 70% previous to RDL 3/2016), establishing limits on the application of double taxation deductions and forcing the inclusion in the tax base of impairment losses on portfolio investments deducted in previous years.

The Spanish Constitutional Court ruling, officially published on February 20, 2024, resolves that the use of the Royal Decree-Law is not suitable for amending the essential elements of Corporate Income Tax (CIT), and this practice infringes constitutional requirements. Based on the aforementioned grounds, the Spanish Constitutional Court overturned the RDL 3/2016, which is considered null and void. The Company filed several lawsuits with respect to its CIT assessment for tax years 2016 through 2023 based on the same argument.

As a result of the Spanish Constitutional Court ruling, the Company believes it is likely it will obtain a favorable ruling, with the expected amount to be recovered by the Group in relation to years 2016 to 2023 amounting to EUR 37 million. The Company has not recorded any impact in its2023 consolidated financial statements as the RDL 3/2016 was not overturned at December 31, 2023 and, according to IAS 37.35, contingent assets are only accounted for if its recoverability has become virtually certain in the year. The total expected effect would impact the Company´s 2024 consolidated financial statements.

The Company estimates an additional EUR 49 million positive impact of this ruling on its tax-loss recoverability analysis for years beyond 2023, which would also impact the Company´s 2024 consolidated financial statements. Any change in legislation may have an impact in this estimate

Treasury share buy-back program

In connection with the buy-back program for Ferrovial SE own shares explained in Note 5.1, over the course of 2024, 5,510,954 treasury shares were acquired at an average price of EUR 34.45 per share totaling EUR 189 million.

6.11. APPENDICES

Appendix I. Subsidiaries (fully-consolidated companies) (million euro)

Entity	Type	Parent	% Ownership	Net Cost Ownership	Audit
CONTINUING OPERATIONS					
CORPORATION					
SPAIN (Registered Office: Madrid)					
Ferrovial Inversiones, S.A. (a)		Ferrovial SE	100.0%	67	
Ferrovial Emisiones, S.A. (a)		Ferrovial SE	100.0%	13	1
Ferrovial Corporación, S.A. (a)		Ferrovial SE	100.0%	5	1
Ferrofin, S.L. (a)		Ferrovial Construcción, S.A. (a)	52.0%	24	1
Ferrofin, S.L. (a)		Ferrovial SE	48.0%	22	1
Temauri, S.L. (a)		Ferrovial SE	100.0%	7	
Ferrovial 001, S.A. (a)		Ferrovial SE	100.0%	0	
Ferrovial 008, S.L.U (a)		Ferrovial SE	100.0%	0	
Ferrovial 009, S.L.U (a)		Ferrovial SE	100.0%	0	
Ferrovial 011, S.A		Ferrovial SE	100.0%	0	
Ferrovial 012, S.A		Ferrovial SE	100.0%	0	
Ferrovial 013, S.A		Ferrovial SE	100.0%	0	
Ferrovial 014, S.A		Ferrovial SE	100.0%	0	
Ferrovial 015, S.L.		Ferrovial SE	100.0%	0	
Ferrovial 016, S.L.		Ferrovial SE	100.0%	0	
Ferrovial 017, S.L.		Ferrovial SE	100.0%	0	
Ferrovial Venture VI, S.A.U. (a)		Ferrovial SE	100.0%	6	
Ferrovial Ventures, S.A.U. (a)		Ferrovial SE	100.0%	15	
Pilum, S.A.	P	Ferrovial SE	94.1%	1	
UNITED KINGDOM (Registered Office: Oxford)					
Ferrocorp UK Ltd.		Ferrovial SE	100.0%	1	1
UNITED KINGDOM (Registered Office: London)					
Ferrovial Ventures, Ltd.		Ferrovial SE	100.0%	7	1
Ferrovial Services UK, Ltd.		Ferrovial EG SE	100.0%	0	
Thalia Waste Treatment B.V.		Ferrovial SE	100.0%	1	
IRELAND (Registered Office: Dublin)					
Landmille, Ltd		Ferrovial SE	100.0%	5	3
LUXEMBOURG (Registered Office: Luxembourg)					
Krypton RE, S.A.		Ferrovial SE	100.0%	8	1
NETHERLANDS (Registered Office: Amsterdam)					
Ferrovial Netherlands B.V.		Ferrovial SE	100.0%	105	1
Ferrovial Services Netherlands B.V.		Ferrovial SE	100.0%	14	2
Ferrovial Ventures Netherlands B.V.		Ferrovial SE	100.0%	9	
UNITED STATES (Registered Office: Austin)					
Ferrovial Holding US Corp		Cintra Infrastructures, SE	100.0%	3,228	
Landmille US LLC		Ferrovial Holding US Corp	100.0%	0	3
UNITED STATES (Registered Office: Wilmington)					
Ferrovial IT US, LLC		Ferrovial Holding US Corp	100.0%	0	
CONSTRUCTION					
GERMANY (Registered Office: Cologne)					
Budimex Bau GmbH		Budimex, S.A.	100.0%	5	1
RailBX GmbH		Budimex, S.A.	100.0%	0	1
ARABIA (Registered Office: Riyadh)					
Ferrovial Agroman Company		Ferrovial Construcción, S.A. (a)	97.5%	3	7
AUSTRALIA (Registered Office: Sidney)					
Ferrovial Construction (Australia) PTY LTD		Ferrovial Construction Holdings Ltd	100.0%	-4	1
BRASIL (Registered Office: Bela Vista, Sao Paulo)					
Constructora Ferrovial Ltd. (Brazil)		Ferrovial Construction International SE	100.0%	1	
CANADA (Registered Office: Alberta)					
Webber Infrastructure Management Alberta Ltd		Webber Infrastructure Management Canada Holdings Ltd	100.0%	0	
CANADA (Registered Office: Markham - Ontario)					
Ferrovial Construction CANADA Inc.		Ferrovial Construction International SE	100.0%	66	1
Webber Infrastructure Management Canada Ltd		Webber Infrastructure Management Canada Holdings Ltd	100.0%	11	
Webber Infrastructure Management Ontario Limited		Webber Infrastructure Management Canada Holdings Ltd	100.0%	30	
CANADA (Registered Office: Toronto)					
Webber Infrastructure Management Canada Holdings Ltd		Ferrovial Construction International SE	100.0%	6	5
CHILE (Registered Office: Santiago de Chile)					
Constructora Ferrovial Ltda.		Ferrovial Empresa Constructora Ltda.	97.2%	0	1
Ferrovial Construcción Chile S.A.		Ferrovial Empresa Constructora Ltda.	100.0%	33	1
Ferrovial Empresa Constructora Ltda.		Ferrovial Construction International SE	100.0%	24	1

Entity	Type	Parent	% Ownership	Net Cost Ownership	Audit
Siemsa Chile S.p.A.		Siemsa Industria S.A. (a)	100.0%	0	1
COLOMBIA (Registered Office: Bogotá)					
Ferrovial Construcción Colombia, S.A.S		Ferrovial Construction International SE	100.0%	0	
SLOVAKIA (Registered Office: Bratislava)					
Budimex Slovakia s.r.o.		Budimex, S.A.	100.0%	0	1
D4R7 Construction S.R.O.		Ferrovial Construction Slovakia S.R.O.	65.0%	3	3
Ferrovial Construction Slovakia S.R.O.		Ferrovial Construction Holdings Ltd	99.0%	9	3
SPAIN (Registered Office: Barcelona)					
Conc. Prisiones Lledoners,S.A. (a)	P	Ferrovial Construcción, S.A. (a)	100.0%	16	1
SPAIN (Registered Office: Bilbao)					
Cadagua, S.A. (a)		Ferrovial Construcción, S.A. (a)	100.0%	87	1
SPAIN (Registered Office: Madrid)					
Cocsa, S.A. (a)		Ferrovial Construcción, S.A. (a)	100.0%	8	1
Ditecpesa, S.A. (a)		Ferrovial Construcción, S.A. (a)	100.0%	1	1
Ferroconservación, S.A. (a)		Ferrovial Construcción, S.A. (a)	99.0%	20	1
Ferrovial Construcción, S.A. (a)		Ferrovial SE	100.0%	711	1
Ferrovial Medio Ambiente y Energía, S.A. (a)		Ferrovial Construcción, S.A. (a)	100.0%	1	
Ferrovial Railway S.A. (a)		Ferrovial Construcción, S.A. (a)	98.8%	0	
Siemsa Control y Sistemas S.A.U. (a)		Siemsa Industria S.A. (a)	99.0%	1	1
Siemsa Industria S.A. (a)		Ferrovial Construcción, S.A. (a)	99.0%	16	1
Urbaoeste, S.A. (a)		Ferrovial Construcción, S.A. (a)	99.0%	0	
Cimentaciones Especiales y Estructurales CIMSA, S.A.		Ferrovial Construcción, S.A. (a)	99.0%	0	
Arena Recursos Naturales, S.A.U. (a)		Ferrovial Construcción, S.A. (a)	100.0%	0	
SPAIN (Registered Office: Zaragoza)					
Depusa Aragón S.A. (a)	P	Ferrovial Construcción, S.A. (a)	42.3%	2	1
Depusa Aragón S.A. (a)	P	Cadagua, S.A. (a)	51.7%	2	1
UNITED STATES (Registered Office: Atlanta)					
Ferrovial Construction East, LLC		Ferrovial Construction US Corp.	100.0%	457	
UNITED STATES (Registered Office: Austin)					
Cadagua US LLC		Ferrovial Construction US Holding Corp.	100.0%	14	
Cintra ITR LLC		Ferrovial Construction US Corp.	44.0%	3	1
Ferrovial Agroman 56, LLC		Ferrovial Construction Texas, LLC	100.0%	35	
Ferrovial Agroman Indiana, LLC		Ferrovial Construction US Corp.	100.0%	0	
Ferrovial Construction Texas, LLC		Ferrovial Construction US Corp.	100.0%	158	
Ferrovial Construction US Corp.		Ferrovial Construction US Holding Corp.	100.0%	453	1
Ferrovial Construction US Holding Corp.		Ferrovial Holding US Corp.	100.0%	1,002	1
Grand Parkway Infrastructure LLC		DBW Construction LLC	30.0%	0	1
Grand Parkway Infrastructure LLC		Ferrovial Construction Texas, LLC	40.0%	0	1
Ferrovial Energy Solutions, LLC		Ferrovial Construction US Holding Corp.	100.0%	0	
Servicios (Delaware) Inc.		Webber Infrastructure Management Holding US Corp	100.0%	35	
Webber Infrastructure Management US Inc.		Servicios (Delaware) Inc.	100.0%	255	1
Webber Infrastructure Management Inc.		Webber Infrastructure Management US	100.0%	39	1
Webber Infrastructure Management Holding US Corp		Ferrovial Holding US Corp	100.0%	31	1
Ferrovial Construccion JFK T1 LLC		Ferrovial Construction US Corp.	100.0%	0	
Tecpresa Structural Solutions, LLC		Ferrovial Construction US Holding Corp.	100.0%	0	
UNITED STATES (Registered Office: Charlotte)					
Sugar Creek Construction LLC		Ferrovial Construction East, LLC	70.0%	64	
UNITED STATES (Registered Office: Dallas)					
Trinity Infrastructure LLC		DBW Construction LLC	40.0%	0	
Trinity Infrastructure LLC		Ferrovial Construction Texas, LLC	60.0%	0	
UNITED STATES (Registered Office: Fort Worth)					
North Tarrant Infrastructures		DBW Construction LLC	25.0%	0	1
North Tarrant Infrastructures		Ferrovial Construction Texas, LLC	75.0%	0	1
UNITED STATES (Registered Office: Georgia)					
North Perimeter Contractors LLC		Ferrovial Construction East, LLC	100.0%	39	1
UNITED STATES (Registered Office: Katy)					
52 Block Builders		Webber Commercial Construction, LLC	100.0%	0	1
UNITED STATES (Registered Office: Los Angeles)					
California Rail Builders		Ferrovial Construction West, LLC	80.0%	0	1
Ferrovial Construction West, LLC		Ferrovial Construction US Corp.	100.0%	0	1
UNITED STATES (Registered Office: North Richland Hills)					
Bluebonnet Contractor, LLC		DBW Construction LLC	40.0%	0	
Bluebonnet Contractor, LLC		Ferrovial Construction Texas, LLC	60.0%	0	
UNITED STATES (Registered Office: The Woodlands)					
DBW Construction LLC.		Webber, LLC	100.0%	40	1
PLW Waterworks LLC		Cadagua US, LLC	50.0%	2	1
PLW Waterworks LLC		Webber, LLC	50.0%	2	1

Entity	Type	Parent	% Ownership	Net Cost Ownership	Audit
Webber Materials, LLC		Webber Equipment & Materials LLC	100.0%	88	1
Webber, LLC		Ferrovial Construction US Holding Corp.	100.0%	584	1
Webber Barrier Services		Webber, LLC	100.0%	5	1
Webber Commercial Construction LLC		Webber, LLC	100.0%	6	1
Webber Equipment & Materials LLC		Webber, LLC	100.0%	227	1
Webber Management Group LLC		Webber Equipment & Materials LLC	100.0%	41	1
UNITED STATES (Registered Office: Virginia)					
FAM Construction LLC (I-66)		Ferrovial Construction US Corp.	70.0%	240	1
FRANCE (Registered Office: Paris)					
Ferrovial Construction France, S.A.		Ferrovial Construction International SE	100.0%	13	
NETHERLANDS (Registered Office: Amsterdam)					
Ferrovial Construction International SE		Ferrovial SE	100.0%	237	1
IRELAND (Registered Office: Dublin)					
Ferrovial Construction Ireland Ltd		Ferrovial Construction Holdings Ltd	100.0%	8	2
MEXICO (Registered Office: México DF)					
Cadagua Ferr. Industrial MEXICO		Cadagua, S.A. (a)	75.0%	0	
Cadagua Ferr. Industrial MEXICO		Ferrovial Medio Ambiente y Energía, S.A. (a)	25.0%	0	
NEW ZEALAND (Registered Office: Wellington)					
Ferrovial Construction (New Zeeland) Limited		Ferrovial Construcción Australia PTY LTD	100.0%	1	
PERU (Registered Office: Lima)				**1**	
Ferrovial Construcción Perú, S.A.C.		Ferrovial Construction International SE	100.0%	0	
POLAND (Registered Office: Cracow)					
Mostostal Kraków S.A.		Budimex, S.A.	100.0%	3	1
Mostostal Kraków Energetyka sp. z o.o.		Mostostal Kraków SA	100.0%	0	
POLAND (Registered Office: Kamieńsk)					
FBSerwis Kamieńsk Sp. z o.o.		FBSerwis SA	80.0%	8	1
POLAND (Registered Office: Kąty Wrocławskie)					
FBSerwis Wrocław Sp. z o.o.		FBSerwis SA	100.0%	21	1
POLAND (Registered Office: Ścinawka Dolna)					
FBSerwis Dolny Sląsk Sp. z o.o.		FBSerwis SA	100.0%	6	1
POLAND (Registered Office: Tarnów)					
FBSerwis Karpatia Sp. z o.o.		FBSerwis SA	100.0%	5	1
POLAND (Registered Office: Warsaw)					
Budimex, S.A.		Ferrovial Construction International SE	50.1%	83	1
Budimex Mobility, S.A.		Budimex, S.A.	100.0%	3	1
WM Serwis, S.A.		Budimex, S.A.	100.0%	0	1
BXF Energía SP. z.o.o.		Budimex, S.A.	51.0%	8	1
Budimex Budownictwo Sp. z o.o.		Budimex, S.A.	100.0%	0	1
Budimex Kolejnictwo SA		Budimex, S.A.	100.0%	19	1
Budimex Parking Wrocław Sp. z o.o.		Budimex, S.A.	51.0%	1	1
FBSerwis SA		Budimex, S.A.	100.0%	68	1
JZE Sp. z o.o.		FBSerwis SA	100.0%	1	1
Zaklad, Przetworstwa Odpadow Zawisty Sp. Z.o.o.		JZE Sp. z.o.o.O	100.0%	6	
PPHUH Konstralex Sp. z.o.o.		Mostostal Kraków SA	100.0%	0	
Green Waste Management 1 S.P. Z.o.o.		FBSerwis SA	100.0%	0	1
Green Waste Management S.P. Z.o.o.		FBSerwis SA	100.0%	0	1
Green Waste Management S.P. Z.o.o.		FBSerwis SA	100.0%	0	1
Green Waste Management S.P. Z.o.o.		FBSerwis SA	100.0%	0	1
Green Waste Management S.P. Z.o.o.		FBSerwis SA	100.0%	0	1
Green Waste Management S.P. Z.o.o.		FBSerwis SA	100.0%	0	1
CZECH REPUBLIC (Registered Office: Prague)					
Budimex Construction Prague S.P.O.		Budimex, S.A.	100.0%	0	1
PUERTO RICO (Registered Office: San Juan)					
Ditecpesa PR, LLC		Ferrovial Construction International SE	100.0%	1	
Ferrovial Construcción Puerto Rico, LLC		Ferrovial Construction International SE	100.0%	25	
UNITED KINGDOM (Registered Office: London)					
Ferrovial Construction (UK) Limited		Ferrovial Construction Holdings Ltd	100.0%	31	1
Ferrovial Construction Holdings Limited		Ferrovial Construction International SE	100.0%	31	1
FC Civil Solutions Limited		Ferrovial Construction Holdings Ltd	100.0%	0	1
TOLL ROADS					
SPAIN (Registered Office: Madrid)					
Cintra Infraestructuras España, S.L. (a)		Ferrovial, SE	100.0%	155	1
Cintra Infraestructuras Irlanda, S.L.U. (a)		Cintra Global SE	100.0%	3	1
Cintra Inversora Autopistas de Cataluña, S.L. (a)	P	Cintra Infraestructuras España S.L. (a)	100.0%	0	1
Inversora Autopistas de Cataluña, S.L. (a)	P	Cintra Inversora Autopistas de Cataluña, S.L. (a)(a)	100.0%	0	1
Cintra Inversiones, S.L.U. (a)		Cintra Infraestructuras España S.L. (a)	100.0%	46	
Cintra Servicios de Infraestructuras, S.A. (a)		Cintra Infraestructuras España S.L. (a)	100.0%	24	1

Entity	Type	Parent	% Ownership	Net Cost Ownership	Audit
Autopista Alcalá-O'Donnell, S.A. (a)		Cintra Infraestructuras España S.L. (a)	100.0%	15	
Autovía de Aragón, Sociedad Concesionaria, S.A.	P	Cintra Infraestructuras España S.L. (a)	30.0%	12	2
Pilum, S.A.	P	Cintra Infraestructuras España S.L. (a)	2.1%	0	2
Ferrovial Aravia, S.A.	P	Cintra Infraestructuras España S.L. (a)	30.0%	1	1
Cintra Desarrollo España, S.L.		Cintra Global SE	100.0%	0	
SPAIN (Registered Office: Barcelona)					
Autema, S.A. (a)	P	Inversora Autopistas de Cataluña, S.L. (a)	76.3%	414	1
AUSTRALIA (Registered Office: Melbourne)					
Cintra OSARS (Western) Holdings Unit Trust		Cintra OSARS Western Ltd	100.0%	23	
Cintra OSARS Western Unit Trust		Cintra OSARS (Western) Holdings Unit Trust	100.0%	-3	
AUSTRALIA (Registered Office: Sydney)					
Cintra Developments Australia PTY, Ltd		Cintra Infrastructures UK Ltd	100.0%	1	1
Cintra OSARS (Western) Holdings PTY Ltd		Cintra OSARS Western Ltd	100.0%	0	1
Cintra OSARS Western PTY Ltd		Cintra OSARS (Western) Holdings PTY Ltd	100.0%	0	1
CANADA (Registered Office: Toronto)					
Cintra 407 East Development Group Inc		407 Toronto Highway B.V.	100.0%	2	
Cintra OM&R 407 East Development Group Inc		407 Toronto Highway B.V.	100.0%	0	
Cintra 4352238 Investments INC		407 Toronto Highway B.V.	100.0%	12	
Blackbird Maintenance 407 Cintra GP Inc		407 Toronto Highway B.V.	100.0%	1	
Blackbird Infrastructure 407 Cintra GP Inc		407 Toronto Highway B.V.	100.0%	0	
COLOMBIA (Registered Office: Bogotá)					
Cintra Infraestructuras Colombia, S.A.S. (a)		Cintra Global SE	100.0%	18	1
UNITED STATES (Registered Office: Austin)					
Cintra Holding US Corp		Ferrovial Holding US Corp	96.8%	1,292	
Cintra Texas Corp		Cintra Holding US Corp	100.0%	-22	
Cintra US Services LLC		Cintra Texas Corp	100.0%	1	
Cintra ITR LLC		Cintra Holding US Corp	49.0%	0	
Cintra LBJ LLC		Cintra Holding US Corp	100.0%	303	
Cintra NTE LLC		Cintra Holding US Corp	100.0%	240	
Cintra NTE Mobility Partners Segments 3 LLC		Cintra Holding US Corp	100.0%	282	
Cintra Toll Services LLC		Cintra Holding US Corp	100.0%	0	
Cintra I-77 Mobility Partners LLC		Cintra Holding US Corp	100.0%	142	
Cintra 2 I-77 Mobility Partners LLC (2)		Cintra Holding US Corp	100.0%	66	
Cintra 2 I-66 Express Mobility Partners		Cintra Holding US Corp	100.0%	679	
I-66 Express Mobility Partners Holdings LLC	P	Cintra 2 I-66 Express Mobility Partners	50.0%	679	
I-66 Express Mobility Partners LLC	P	I-66 Express Mobility Partners Holdings LLC	100.0%	1,437	
Cintra 3I-66 Express Mobility Partners LLC		Cintra Holding US Corp	100.0%	200	
Cintra 3 I-77 Mobility Partners LLC		Cintra Holding US Corp	100.0%	104	
Cintra Digital Business Ventures LLC	P	Cintra Holding US Corp	100.0%	0	
Ferrovial Energy US, LLC		Ferrovial Holding US Corp	100.0%	0	
Ferrovial Energy US 1, LLC		Ferrovial Energy US, LLC	100.0%	0	
Cintra North Corridor Transit Partners LLC		Cintra Holding US Corp	100.0%	0	
UNITED STATES (Registered Office: Charlotte)					
I-77 Mobility Partners Holding LLC	P	Cintra I-77 Mobility Partners LLC	50.1%	108	
I-77 Mobility Partners Holding LLC	P	Cintra 2-I77 Mobility Partners Holding LLC	15.0%	68	
I-77 Mobility Partners Holding LLC	P	Cintra 3-I77 Mobility Partners Holding LLC	7.1%	104	
I-77 Mobility Partners LLC	P	I-77 Mobility Partners Holding LLC	100.0%	218	1
UNITED STATES (Registered Office: Dallas)					
LBJ Infrastructure Group Holding LLC	P	Cintra LBJ LLC	54.6%	302	
LBJ Infrastructure Group LLC	P	LBJ Infrastructure Group Holding LLC	100.0%	521	1
UNITED STATES (Registered Office: North Richland Hills)					
NTE Mobility Partners Holding LLC	P	Cintra NTE LLC	63.0%	240	1
NTE Mobility Partners LLC	P	NTE Mobility Partners Holding LLC	100.0%	322	1
NTE Mobility Partners Segments 3 Holding LLC	P	Cintra NTE Mobility Partners Segments 3 LLC	53.7%	276	1
NTE Mobility Partners Segments 3 LLC	P	NTE Mobility Partners Segments 3 Holding LLC	100.0%	436	1
NETHERLANDS (Registered Office: Amsterdam)					
Cintra Infrastructures SE		Ferrovial SE	100.0%	3,033	1
Cintra Global SE		Ferrovial SE	100.0%	3,242	1
407 Toronto Highway B.V.		Cintra Global SE	100.0%	2,664	2
Cintra INR Investments B.V.		Cintra Global SE	100.0%	369	5
Cintra Latam Highways B.V.		Cintra Global SE	100.0%	1	
INDIA (Registered Office: Mumbai)					
Cinfra India Private Limited		Cintra INR Investments BV	99.9%	0	1
IRELAND (Registered Office: Dublin)					
Financinfrastructures, Ltd		Cintra Global SE	100.0%	32	1
Cinsac, Ltd		Cintra Infraestructuras IRELAND, S.L.U. (a)	100.0%	1	1
PORTUGAL (Registered Office: Lisbon)					

Entity	Type	Parent	% Ownership	Net Cost Ownership	Audit
Vialivre, S.A.	P	Cintra Infrastructures SE	84.0%	0	1
UNITED KINGDOM (Registered Office: London)					
Cintra Silvertown Ltd		Cintra Infrastructures UK Ltd	100.0%	1	1
UNITED KINGDOM (Registered Office: Oxford)					
Cintra Infrastructures UK Ltd		Cintra Global SE	100.0%	42	1
Cintra Toowoomba Ltd		Cintra Infrastructures UK Ltd	100.0%	5	1
Cintra UK I-77 Ltd		Ferrovial Holding US Corp	100.0%	0	1
Cintra Slovakia Ltd		Cintra Global SE	100.0%	1	1
Cintra OSARS Western Ltd		Cintra Infrastructures UK Ltd	100.0%	23	1
CHILE (Registered Office: Santiago de Chile)					
Cintra Infraestructuras Chile, S.p.A		Cintra Global SE	100.0%	0	
AIRPORTS					
SPAIN (Registered Office: Madrid)					
Ferrovial Aeropuertos España, S.A. (a)		Ferrovial SE	100.0%	43	
UNITED STATES (Registered Office: Austin)					
Ferrovial Airports Holding US Corp		Ferrovial Holding US Corp	100.0%	325	
Ferrovial Vertiports US LLC		Ferrovial Airports Holding US Corp	100.0%	8	
Ferrovial Vertiports Florida LLC	P	Ferrovial Vertiports US LLC	100.0%	1	
UNITED STATES (Registered Office: Denver)					
Ferrovial Airports O&M Services LLC		Ferrovial Airports Holding US Corp	100.0%	0	
Ferrovial Airports US Terminal One LLC.		Ferrovial Airports Holding US Corp	100.0%	265	
UNITED STATES (Registered Office: New York)					
MARS NTO LLC.		Ferrovial Airports US Terminal One LLC.	96.1%	273	
NETHERLANDS (Registered Office: Amsterdam)					
Hubco Netherlands B.V.		Ferrovial Airports International, SE	100.0%	807	
FERROVIAL AIRPORTS FMM BV		Ferrovial Airports International, SE	100.0%	9	
Ferrovial Airports Turkey B.V.		Ferrovial Airports International, SE	100.0%	152	
UNITED KINGDOM (Registered Office: Oxford)					
Faero UK Holding Limited		Hubco Netherlands B.V.	100.0%	255	1
Ferrovial Airports International, SE		Ferrovial SE	100.0%	1,372	1
Ferrovial Vertiports UK Ltd.	P	Ferrovial Airports International, SE	100.0%	2	1
TURKEY (Registered Office: Ankara)					
YDA HAVALIMANI YATIRIM VE (Dalaman)		Ferrovial Airports Turkey B.V.	60.0%	145	1
ENERGY INFRASTRUCTURES AND MOBILITY					
SPAIN (Registered Office: Madrid)					
Ferrovial Transco España , S.A.U. (a)	P	Ferrovial Transco International, B.V.	100.0%	13	
Ferrovial Infraestructuras Energéticas, S.A.U. (a)		Ferrovial SE	100.0%	19	
Parque Solar Casilla, S.L.U. (a)	P	Ferrovial Infraestructuras Energéticas, S.A.U. (a)	100.0%	9	1
Ferrovial Mobility, S.L. (a)		Ferrovial SE	100.0%	35	
Cea Infraestructuras Energéticas (a)	P	Ferrovial Infraestructuras Energéticas, S.A.U. (a)	100.0%	0	
Jucar Infraestructuras Energéticas (a)	P	Ferrovial Infraestructuras Energéticas, S.A.U. (a)	100.0%	0	
Pisuerga Infraestructuras Energéticas, S.A.U. (a)	P	Ferrovial Infraestructuras Energéticas, S.A.U. (a)	100.0%	0	
Ferrovial Growth VI, S.L. (a)		Ferrovial Infraestructuras Energéticas, S.A.U. (a)	100.0%	10	
Roland Servicios Empresariales, S.L.U.		Ferrovial Mobility, S.L. (a)	100.0%	15	
Ferrovial 004, S.A. (a)		Ferrovial SE	100.0%	17	
CHILE (Registered Office: Santiago)					
Ferrovial Power Infrastructure Chile, SpA	P	Ferrovial Transco International, B.V.	100.0%	60	1
Ferrovial Transco Chile II SpA	P	Ferrovial Power Infraestructure Chile, SpA	100.0%	0	
Transchile Charrúa Transmisión, S.A.	P	Ferrovial Power Infraestructure Chile, SpA	99.9%	56	1
Ferrovial Transco Chile III SPA	P	Ferrovial Transco International, B.V.	100.0%	0	
Ferrovial Transco Chile IV SpA	P	Ferrovial Power Infraestructure Chile, SpA	100.0%	0	
Centella Transmisión, S.A.	P	Ferrovial Transco Chile III SPA	49.9%	0	1
Centella Transmisión, S.A.	P	Ferrovial Power Infrastructure Chile, SpA	50.1%	0	1
Centella Transmisión II, S.A.	P	Ferrovial Power Infrastructure Chile, SpA	50.1%	0	1
UNITED STATES (Registered Office: Austin)					
Ferrovial Mobility U.S., LLC		Ferrovial Holding US Corp	100.0%	2	
NETHERLANDS (Registered Office: Amsterdam)					
Ferrovial EG SE		Ferrovial SE	100.0%	52	2
Ferrovial Transco International B.V.		Ferrovial SE	100.0%	63	1
UNITED KINGDOM (Registered Office: London)					
Thalia Waste Management Limited		Thalia Waste Treatment BV	100.0%	0	1
Thalia MK ODC Limited		Thalia Waste Management Limited	100.0%	0	1
Thalia AWRP ODC Limited		Thalia Waste Management Limited	100.0%	0	1
Thalia WB HoldCo Limited		Thalia Waste Management Limited	100.0%	0	1
Thalia WB ODC Limited		Thalia WB HoldCo Limited	100.0%	0	1
Thalia WB Services Limited		Thalia WB ODC Limited	100.0%	0	1

Entity	Type	Parent	% Ownership	Net Cost Ownership	Audit
Thalia WB SPV Limited		Thalia WB Services Limited	100.0%	0	1
Thalia IOW SPV Limited		Thalia Waste Management Limited	100.0%	0	1
Thalia Services Limited		Thalia Waste Management Limited	100.0%	0	1
Thalia MK HoldCo Limited		Thalia Waste Management Limited	100.0%	0	1
Thalia MK SPV Limited		Thalia MK HoldCo Limited	100.0%	0	1
Thalia Ventures Limited		Thalia Holdco Ltd	100.0%	0	1
Thalia IOW ODC Ltd		Thalia Waste Management Limited	100.0%	0	1
Thalia Holdco Ltd		Thalia Waste Treatment BV	100.0%	0	1
CHILE (Registered Office: Antofagasta)					
Berliam S.p.A.		Ferrovial Servicios Chile, SpA	65.1%	0	2
Berliam S.p.A.		Inversiones Chile Ltda	34.9%	3	2
CHILE (Registered Office: Los Andes)					
Steel Ingenieria, S.A.		Ferrovial Servicios Chile SPA	99.9%	31	2
Veltis, Sp.a		Ferrovial EG SE	100.0%	12	
CHILE (Registered Office: Santiago)					
Walvis, S.A.		Berliam S.p.A.	99.7%	0	2
Inversiones (Chile) Holdings Limitada		Veltis, Sp.a	100.0%	27	2
Inversiones (Chile) Limitada		Inversiones (Chile) Holding Limitada	100.0%	0	
Ferrovial Servicios Salud, SpA		Ferrovial Servicios Chile SPA	100.0%	0	

Auditor Key:

Auditors: (1) EY; (2) Deloitte; (3) BDO; (4) PWC; (5) KPMG; (6) Vir Audit; (7) Elayouty

(a) Form part of the tax scope of Ferrovial, S.A. and subsidiaries.

(*) New legal names (effective as of the first week of January 2022)

(P) Project Company

(Net Cost Ownership: Net Cost of the parent company over subsidiary)

Appendix I. Associate companies(equity-accounted companies) (million euro)

Entity	Type	Parent	% Owner.	V Eq. Method	Assets.	Liab.	Reven.	Results	Audit
ENERGY INFRASTRUCTURES AND MOBILITY									
SPAIN									
Grupo Serveo, S.L.		Ferrovial 004, S.L.U.	24.8%	17	663	585	1,241	44	
CONSTRUCTION									
CANADA									
Ontario Transit Group Inc.		Ontario Transit FCCI (Hold Co) Inc.	50.0%	-9	875	893	214	0	
SPAIN									
Via Olmedo Pedralba, S.A.		Ferrovial Construccion, S.A.	25.2%	1	5	2	4	0	3
Boremer, S.A.		Cadagua, S.A.	50.0%	1	2	1	0	0	2
UNITED STATES									
Pepper Lawson Horizon Intl. Group		Webber Commercial Construction LLC	70.0%	0	2	2	0	0	1
OMAN									
International Water Treatment LLC		Cadagua, S.A.	37.5%	2	0	0	0	0	4
POLAND									
PPHU Promos Sp. z o.o.		Budimex SA	26.3%	1	0	0	0	0	
AIRPORTS									
UNITED KINGDOM									
FGP Topco Limited	P	Hubco Netherlands B.V.	25.0%	0	22,358	25,465	4,240	389	4
AGS Airports Holdings Limited	P	Faero UK Holding Limited	50.0%	0	1,476	1,488	228	-26	2
QATAR									
FMM Company LLC	P	Ferrovial Airports FMM B.V.	49.0%	19	69	29	99	15	
UNITED STATES				,					
JFK NTO SPONSOR AGGREGATOR LLC.	P	MARS NTO LLC	51.0%	471	5,966	5,162	66	7	1
TOLL ROADS									
AUSTRALIA									
Nexus Infrastructure Holdings Unit Trust	P	Cintra Toowoomba Ltd	40.0%	3	1	0	0	0	
Nexus Infrastructure Unit Trust	P	Nexus Infrastructure Holdings Unit Trust	40.0%	10	46	20	33	6	
Nexus Infrastructure Holdings PTY Ltd	P	Cintra Toowoomba Ltd	40.0%	0	0	0	0	0	
Nexus Infrastructure PTY Ltd	P	Nexus Infrastructure Holdings PTY Ltd	40.0%	0	0	0	0	0	
Netflow Osars (Western) GP	P	Cintra Osars (Western) Unit Trust	50.0%	42	165	81	51	2	
SPAIN									
Serranopark, S.A.	P	Cintra Infraestructuras España, S.L.	50.0%	1	74	47	7	6	2
Autovía de Aragón Sociedad Concesionaria, S.A.	P	Cintra Infraestructuras España, S.L.	30.0%	17	146	99	49	7	1
Bip & Drive, S.A.	P	Cintra Infraestructuras España, S.L.	20.0%	5	34	13	17	4	
Empresa Mant. y Explotación M30, S.A.		Ferrovial Construccion, S.A.	50.0%	-34	224	223	35	12	5
Madrid Calle 30, S.A.	P	Empresa Mant. y Explotación M30, S.A.	20.0%	52	655	140	146	62	8
CANADA									
407 International Inc	P	Cintra 4352238 Investment Inc.	43.2%	928	3,667	7,797	1,025	403	2
407 East Development Group General Partnership	P	Cintra 407 East Development Group Inc	50.0%	15	109	63	8	3	2
OM&R 407 East Development Group General Partnership	P	Cintra OM&R 407 East Development Group Inc	50.0%	1	6	4	6	1	2
Blackbird Maintenance 407 GP	P	Blackbird Maintenance 407 Cintra GP Inc	50.0%	1	5	4	5	0	3
Blackbird Infrastructures 407 GP	P	Blackbird Infrastructures 407 Cintra GP Inc	50.0%	12	94	69	7	2	3
COLOMBIA									
Concesionaria Ruta del Cacao S.A.S.	P	Cintra Infraestructuras Colombia S.A.S.	30.0%	22	815	739	183	51	2
INDIA									
IRB Infrastructure Developers Limited		Cintra INR Investments B.V.	100.0%	376	4,803	3,311	828	61	3
IRELAND									
Eurolink Motorway Operation (N4-N6) Ltd	P	Cintra Infraestructuras Irlanda, S.L.U.	20.0%	10	207	97	37	4	2
Eurolink Motorway Operations (M3) Ltd	P	Cinsac Ltd	20.0%	9	102	58	16	3	2
UNITED KINGDOM									
Scot Roads Partnership Holdings Ltd	P	Cintra Infrastructures UK Ltd	20.0%	0	0	0	0	0	
Scot Roads Partnership Finance Ltd	P	Scot Roads Partnership Holdings Ltd	20.0%	0	405	405	0	0	
Scot Roads Partnership Project Ltd	P	Scot Roads Partnership Holdings Ltd	20.0%	0	433	433	37	0	
Zero Bypass Holdings Ltd	P	Cintra Slovakia Ltd	35.0%	0	0	0	0	0	
Zero Bypass Ltd	P	Zero Bypass Holdings Ltd	35.0%	14	1,029	972	51	0	
RiverLinx Holdings Ltd	P	Cintra Silvertown Ltd	22.5%	0	0	0	0	0	
RiverLinx Ltd	P	RiverLinx Holdings Ltd	22.5%	52	1,500	1,269	275	5	
Total equity-accounted continuing operations				**2,038**					

Auditor key:(1) EY; (2) Deloitte; (3) BDO; (4) PWC; (5) KPMG; (6) Vir Audit; (7) Mazars; (8) PKF; (9) Martins Pereira, Joao Careca & Associados, Sroc.; (10) Grant Thornton UK LLP; (11) 3 Auditores SLP

(P) Project Company (Value Eq. Method: Net Cost of the parent company over the equity-accounted companies).

Amsterdam, 27 February 2024.

Board of Directors

Mr. Rafael del Pino y Calvo-Sotelo, *Executive Director (Chairman)*

Mr. Óscar Fanjul Martín, *Non-Executive Director (Vice-Chairman)*

Mr. Ignacio Madridejos Fernández, *Executive Director (Chief Executive Officer)*

Ms. María del Pino y Calvo-Sotelo, *Non-Executive Director*

Mr. José Fernando Sánchez-Junco Mans, *Non-Executive Director*

Mr. Philip Bowman, *Non-Executive Director*

Ms. Hanne Birgitte Breinbjerg Sørensen, *Non-Executive Director*

Mr. Bruno Di Leo, *Non-Executive Director*

Mr. Juan Hoyos Martínez de Irujo, *Non-Executive Director (Lead Director)*

Mr. Gonzalo Urquijo Fernández de Araoz, *Non-Executive Director*

Ms. Hildegard Wortmann, *Non-Executive Director*

Ms. Alicia Reyes Revuelta, *Non-Executive Director*

7. SEPARATE FINANCIAL STATEMENTS

A. Company balance sheet as December 31, 2023

(before appropriation of profit)

(Million euro)

ASSETS	Notes	December 31, 2023	December 31, 2022 (*)
Fixed assets		**9,642**	**10,455**
Financial fixed assets	1.1	9,638	10,452
Participating interests in group companies		9,525	10,401
Other investments in participating interests		2	2
Receivables from associates		19	11
Deferred tax		73	26
Other receivables		20	13
Other fixed assets	1.2	4	3
Current assets		**736**	**491**
Receivables	1.3	629	377
Current receivables from group companies		556	315
Prepayments and accrued income		1	2
Receivables relating to income tax		68	59
Other receivables		3	0
Cash	1.4	107	114
TOTAL ASSETS		**10,378**	**10,946**

EQUITY AND LIABILITIES			
Shareholders´ Equity	1.5	**4,102**	**4,457**
Share capital paid in and called up		7	743
Share premium		4,316	7,884
Revaluation reserves		-9	1
Other legal reserves		-360	-298
Other reserve		-280	-4,188
Unappropriated profits		428	315
Provisions	1.6	**89**	**220**
Provision for liability for participating interests		20	31
Provision for taxes		64	184
Deferred tax		0	3
Other provisions		4	1
Non-current liabilities	1.7	**5,243**	**3,442**
Bonds		495	0
Payables to credit institutions		296	802
Amounts due to group companies		4,425	2,633
Others		28	7
Current liabilities	1.8	**943**	**2,827**
Amounts due to banks		0	3
Other bonds and private loans		504	696
Amounts due to group companies		385	2,111
Payables relating to income tax		25	5
Accrued liabilities		12	1
Debts to suppliers and trade credits		1	0
Other debts		15	12
TOTAL EQUITY AND LIABILITIES		**10,378**	**10,946**

(*) The comparative figures have been adjusted due to the cross-border merger transaction and the change in accounting policies. Please refer to the 'Merger' note for the related disclosures.

B. Company income statement for the year ended December 31, 2023

(Million euro)

	Notes	2023	2022 (*)
Revenue	2.1	28	40
Total operating income		**28**	**40**
Personnel expenses	2.2	-19	-30
Other operating expenses	2.3	-61	-16
Depreciation of property, plant and equipment		0	-1
Change in provisions on financial fixed assets	1.6	-8	-8
Total operating expenses		**-89**	**-54**
Profit and loss on disposals of fixed assets	2.4	18	6
Financial income	2.5	51	9
Financial expense	2.5	-187	-70
Net exchange differences		-3	-6
Derivatives result	1.1.5	30	60
Total financial income and expense		**-90**	**-1**
Profit/(loss) before tax		**-150**	**-16**
Share in results of participating interests	1.1.1	489	302
Income tax expense/credit	2.6	89	29
NET PROFIT / (LOSS)		**428**	**315**

(*) The comparative figures have been adjusted due to the cross-border merger transaction and the change in accounting policies. Please refer to the ‘Merger’ note for the related disclosures.

C. Accounting policies used in preparing separate financial statements

General

Ferrovial SE is a Dutch European public limited liability company (Societas Europaea), having its corporate seat (statutaire zetel) in Amsterdam, the Netherlands, and its office address at Kingsfordweg 151, 1043 GR Amsterdam, the Netherlands, and registered with the trade register of the Dutch Chamber of Commerce (Kamer van Koophandel) under number 734 221 34 (the "Company" or "FSE").

On June 16, 2023, the Spanish corporate Ferrovial, S.A. ("FSA"), the former ultimate parent company of the Ferrovial group of companies (the "Group") and sole shareholder of FSE, was merged into FSE (at the time named Ferrovial International SE), as a result of which FSE acquired all of FSA´s assets and liabilities under universal title (the "Merger"). As from that date, (i) FSE is the ultimate parent company of the Group and (ii) its shares are listed on both Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V. (the "Dutch Stock Exchange") and the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, regulated markets of Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A (the "Spanish Stock Exchanges").

These separate financial statements cover financial year 2023, which ended at the balance sheet date of December 31, 2023 for the reporting period, and include, all in accordance with section 4.1.6 of the Merger deed dated June 15, 2023, FSA´s results as from January 1, 2023 through June 16, 2023, as a result of the merger (commented in the "Merger note). The impact of this transaction on the separate financial statements of Ferrovial SE is explained in detail in the notes to the annual accounts, and the comparative figures for financial year 2022 have been adjusted thereupon.

The financial statements are presented in millions of euros ('EUR'), which is the Company's functional currency.

The Company's activities

Ferrovial SE is the ultimate parent company of the Group and is, as such, engaged in holding and related activities which involve design, construction, financing, operation and maintenance of transport infrastructure and urban services. To finance and support these activities, the Company made several debt issuances of which some completed in 2023 stand out, sustainability being a key factor in the business model. Euro Commercial Paper notes were issued under a EUR 1,500 million Sustainability Target Euro-commercial paper program admitted to trading on the regulated market of Euronext Dublin in March 2023. All the issued notes from this program mature in 2023 and a new EUR 1,500 million Sustainability Target STEP label compliant Euro-commercial paper program was registered on July 31, 2023 (further details are provided in note 1.8 current liabilities'). In September 2023, the Company completed the pricing of an issue of sustainability-linked bonds amounting to EUR 500 million, with maturity date on September 13, 2030, and bearing interest of 4.375% with an issue price of 99.587%. The bonds were fully subscribed and paid up by investors on that date and admitted to trading in the regulated market of the Irish Stock Exchange.

Additionally, Ferrovial has implemented a buy-back program to reduce Ferrovial's share capital which has been authorized for the period from December 1, 2023 to May 1, 2024 with a maximum net investment of EUR 500 million. Any amendments to the program, as well as the share purchase transactions carried out under the program, will be made public and will be disclosed to the corresponding and applicable regulatory authorities.

The Group is organized into business units based on its activities and services, as described in the consolidated financial statements (see note 1.1.4 Company´s activities).

Going concern

For details on the company's going concern, please refer to the consolidated financial statements, note 1.2.

General accounting policies

The separate financial statements have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. In accordance with the provisions of Section 362-8 of Book 2 of the Dutch Civil Code the accounting policies used are the same as those used in the notes to the consolidated financial statements, prepared under IFRS as adopted by the European Union, unless stated otherwise below. Reference is made to Note 1.3 'Accounting policies of the consolidated financial statements.

Investments in subsidiaries are valued using the equity value method, determined applying the IFRS accounting policies as described in the consolidated financial statements. Under this method, subsidiaries are carried at the company's share in their net asset value plus its share in the results of the subsidiaries and its share of changes recognized directly in the equity of the subsidiaries as from the acquisition date, determined in accordance with the IFRS accounting policies disclosed in the consolidated financial statements, less its share in the dividend distributions from the subsidiaries. The company's share in the results of the subsidiaries is recognized in the profit and loss account. If and to the extent the distribution of profits is subject to restrictions, these are included in a legal reserve.

If the value of the subsidiary under the equity value method has become nil, this method is no longer applied, with the subsidiary being valued at nil as long as the net asset value remains negative. In connection with this, any long-term interests that, in substance, form part of the investor's net investment in the subsidiary, are included. A provision is formed if and to the extent the company stands surety for all or part of the debts of the subsidiary or if it has a constructive obligation to enable the subsidiary to repay its debts.

A subsequent share of the profit of the subsidiary is recognized only if and to the extent that the accumulated share of the previously unrecognized loss has been made good.

Following application of the equity value method, the entity determines whether an impairment loss has to be recognized in respect of the subsidiary. At each reporting date, the entity assesses whether there are objective indications of impairment of the subsidiary. If any such indication exists, the entity determines the impairment loss as the difference between the recoverable amount of the subsidiary and its carrying amount, taking it to the profit and loss account.

Changes in accounting policies

As from 2023, the Company no longer applies the consolidation exemption set out in Section 2:408 of the Dutch Civil Code (Burgerlijk Wetboek) (the "DCC").

Since the Merger, Ferrovial SE is the Group´s ultimate parent company. In view thereof, its accounting policies have changed and Ferrovial SE now reports consolidated accounts in accordance with IFRS in combination with the Company only financial statements under Dutch standards (combination 3). Under this applicable accounting policies, the participating interests in group companies (financial fixed assets) are valued through the application of the equity method, all in accordance with Section 2:362.8 Dutch Civil Code. For previous years, Ferrovial SE´s participating interests in group companies were valued at cost price. Refer to the consolidated financial statements, note 1.3 'Accounting policies, for the accounting policies applied.

These changes in accounting policies have been applied (i) consistently, to promote comparability of the different accounting periods in these financial statements and (ii) retrospectively in the financial statements, which means that the entity implements the changes in accounting policies as if it had always been applied.

These impacts, together with the impact of the cross-border merger which took place in June 2023, are summarized in the Merger note below in this section, being disclosed the change in accounting policies under the heading 'Change in accounting policies'.

Merger and related transactions

Until June 16, 2023, Ferrovial SE (at the time Ferrovial International SE), was a wholly owned subsidiary of Ferrovial SA, which was at that time a Spanish corporate and ultimate parent company of the Group. Ferrovial SA´s shares were listed at the Spanish Stock Exchanges.

On June 16, 2023, Ferrovial SA merged into Ferrovial SE (still Ferrovial International SE) by way of a cross-border reverse merger as a result of which FSA ceased to exist and FSE acquired all of FSA´s assets and liabilities under universal title and became the Group´s ultimate parent company (previously defined as the "Merger"). Upon completion of the Merger, Ferrovial SE changed its name into its current name and listed its shares both on the Dutch Stock Exchanges and the Spanish Stock Exchanges.

In anticipation of the Merger, on May 17, 2023, FSE reduced its authorized share capital (maatschappelijk kapitaal) to EUR 7.5 million (previously EUR 750 million) consisting of 750 million ordinary shares with a nominal value of EUR 0.01 each (previously EUR 1). In connection with this capital reduction and as a result of the execution of the corresponding deed of merger (i) every two previously existing issued and outstanding shares were combined/merged into one new issued and outstanding share and therefore (ii) the issued and outstanding share capital was reduced to EUR 3,714,385.35 consisting of 371,438,535 ordinary shares with a nominal value of EUR 0.01 each.

Immediately prior to the Merger becoming effective, FSE cancelled all shares in its share capital, save for a number of shares equal to the number of shares in FSA´s share capital held by FSA itself in treasury at that moment. At the Merger becoming effective, FSE increased its authorized share capital to 30 million euro consisting of 3,000 million ordinary shares with a nominal value of EUR 0.01 each.

In addition, for each immediately before the Merger issued and outstanding share in the share capital of FSA held by other parties than FSA itself or FSE, FSE allotted one share in its share capital. Accordingly, at the moment on which the Merger became effective, FSE´s issued an outstanding share capital amounted to EUR 7,274,432.61, consisted of 727,443,261 shares with a nominal value of EUR 0.01 each, of which 2,879,808 were held in treasury by FSE itself.

Ferrovial SE have incorporated a branch (the "Branch") located in Spain, under the Spanish trade register and subject to Spanish tax regime. Certain assets, liabilities and other legal relationships transferred to FSE as a result of the Merger are allocated to FSE's Spanish Branch Office (Ferrovial SE Sucursal en España) at the Merger date. The participating interest allocated into the Branch are included in the Appendix II of the consolidated financial statements. These company only financial statements include also the information regarding the Branch.

As above mentioned, the pooling of interest method was used to account for the merger, meaning that assets and liabilities book values of both entities are combined, and no goodwill arose. Under the pooling of interest method, the combination is recognized as if had been effective from the beginning of the reporting periods presented for comparative purposes. Therefore, even though the transaction was completed from a legal perspective on June 16, 2023, the merger is accounted for as having occurred from January 1, 2022, and consequently, these Financial Statements include the full year results from Ferrovial S.A. as a result of the merger, on effective date January 1, 2022.

Set out below are the main accounting impacts of the Merger on the Ferrovial SE´s balance sheet at January 1, 2023, showing the contributions of each entity up to the date of the merger and after this date and the changes in accounting policies.

The column 'merger adjustments' shows the impact of the combination of the two entities, including the corresponding inter-company eliminations, highlighting the elimination of the fixed assets for EUR -8,520 million.

The column 'the changes in accounting policies' basically reflects the adjustment in participating interests in group companies from the value at cost to the value through the application of the equity method, and the impact of this adjustment on equity and income statement.

(Million euro)	FERROVIAL SE BALANCE SHEET 31/12/22	FERROVIAL SA BALANCE SHEET 31/12/22	MERGER ADJUSTMENTS	CHANGE IN ACCOUNTING POLICIES	FERROVIAL SE 01/01/2023
NON-CURRENT ASSETS	8,033	10,398	-8,520	544	10,455
CURRENT ASSETS	380	325	-214		491
TOTAL ASSETS	**8,413**	**10,723**	**-8,734**	**544**	**10,946**
EQUITY	**8,164**	**4,300**	**-8,520**	**512**	**4,457**
Share capital	743	145	-145		743
Share premium	7,884	0	0		7,884
Revaluation reserves		1	0		1
Legal reserves			0	-212	-212
Other reserves	-395	3,192	-7,502	431	-4,274
Interim dividend	-1,296	0	1,296		0
Profit/(loss) for the year	1,228	961	-2,168	294	315
NON-CURRENT LIABILITIES	0	3,629	0	31	3,661
CURRENT LIABILITIES	249	2,794	-214	0	2,828
TOTAL EQUITY AND LIABILITIES	**8,413**	**10,723**	**-8,734**	**544**	**10,946**

(Million euro)	FERROVIAL SE INCOME STATEMENT 2022	FERROVIAL SA INCOME STATEMENT 2022	MERGER ADJUSTMENTS	CHANGE IN ACCOUNTING POLICIES	FERROVIAL SE 2022
OPERATING PROFIT/(LOSS)	-28	-70	91		-7
FINANCIAL RESULT	1,256	1,002	-2,259		-1
PROFIT/(LOSS) BEFORE TAX	**1,228**	**932**	**-2,168**		**-8**
Share in results of participating interests	0	0	0	294	294
income tax	0	30	0		29
NET PROFIT/(LOSS)	**1,228**	**961**	**-2,168**	**294**	**315**

Use of estimates

For details of (changes in) accounting estimates, please refer to the consolidated financial statements, Note 1.3.4. Accounting estimates and judgments and the accounting for provisions participating interests in group companies described in the next section.

Financial assets

Participating interests in Group companies

Participating interests in group companies are valued using the equity method. Under the equity method, participating interests are carried at the company's share in their net asset value. The net asset value increases with its share in the results of the participating interest and its share in the changes recognized directly in the equity of the participating interest as from the acquisition date, determined in accordance with the accounting policies disclosed in the consolidated financial statements. The net asset value decreases with the entity's share in the dividend distributions from the participating interest. The company's share in the results of the participating interest is recognized in the income statement. If and to the extent the distribution of profits is subject to restrictions, these are included in a legal reserve. The company's share in direct equity increases and decreases of participating interests is also included in the legal reserve, except for asset revaluations recognized in other reserves.

If the value of the participating interest under the equity method has become nil, this method is no longer applied with the participating interest being valued at nil as long as the net asset value remains negative. In connection with this, any long-term interests that, in substance, form part of the investor's net investment in the participating interest, are included . A provision is recognized if and to the extent the company is liable for all or part of the debts of the participating interest or if it has a constructive obligation to enable the participating interest to repay its debts. The provision is carried at the present value.

A subsequent obtained share of the profit of the participating interest is recognized only if and to the extent that the accumulated share of the previously unrecognized loss has been compensated.

Results from transactions with or between participating interests that are carried at equity method are recognized according to the Ferrovial stake in these companies.

Equity

Share capital paid called up

Costs related to the incorporation and issuance of shares are charged directly to equity, less relevant income tax effects.

Share premium

Everything contributed by shareholders at any time in excess of the nominal share capital was recognized in share premium. This also includes additional capital contributions by existing shareholders without the issue of new shares.

Treasury shares

If the Company purchases treasury shares, the purchase price or carrying amount of the treasury shares, including transaction costs, are charged to the item other reserves, otherwise stated by the General Meeting. In case the treasury shares are sold, the result will be added to other reserves.

Revaluation reserves

Revaluation reserves is a legal reserve and takes into account the impact of taxes on equity and results by forming a provision for deferred taxation charged to the revaluation reserves.

It arises from the movements in the value of derivatives used as part of cash flow hedging that are recognized directly within the revaluation reserve. The movements for the year 2023 are detailed in the derivative movement in the Impact on reserves explained in note '1.1.5 Other non-current receivables'.

Other legal reserves

Other legal reserves are recognised in accordance with the Dutch Civil Code.

Income

Share in results of participating interests

The share in results of participating interests is the amount by which the carrying amount of the participating interest has changed since the previous financial statements as a result of the earnings achieved by the participating interest to the extent that this can be attributed to the company.

Corporate income tax expense

For the details of corporate income tax accounting please refer to the consolidated financial statements (Note 1.3.3.3).

Fiscal unity

Ferrovial SE is the head of the fiscal unity for corporate income tax purposes in the Netherlands. The fiscal unity includes Ferrovial Services Netherlands B.V., Ferrovial EG SE, Ferrovial Airports International SE, Ferrovial Transco International B.V., Cintra Infrastructures SE, Cintra Global SE, Ferrovial Construction International SE, 407 Toronto Highway B.V., Hubco Netherlands. B.V., Ferrovial Netherlands B.V., Ferrovial Ventures Netherlands B.V., Ferrovial Airports FMM B.V., Ferrovial Airports Turkey B.V., Thalia Waste Treatment B.V., Cintra Projects B.V., and Cintra INR investments B.V.

There is a dispute with the Dutch tax authorities regarding the fiscal unity existence for 2019 and the first two months of 2020 due to a restructuring abroad. Currently and according to the tax authorities, the group ceased to exist and became a stand-alone taxpayer for that period. No provision has been recorded in relation to this litigation since the possibility of an economic outflow is considered remote. The potential impact of regularization in the event that the Dutch tax authorities consider that all the Group's Dutch companies should be taxed under the individual scheme has been estimated at EUR 2.5 million (for 2019 and 2020). Taxes are settled within this fiscal unity as if each company were an independent taxable entity. There was a secondary request was made to the Dutch tax authorities to ensure the existence of the fiscal group as of of March 1, 2020.

The Spanish Branch is the head of the fiscal unity for corporate income tax purposes in the Netherlands. The fiscal unity includes Ferrovial Emisiones, S.A.U., Ferrovial Corporación, S.A.U..,Ferrofin, S.L., Ferrovial Inversiones, S.A., Temauri, S.L.U., Ferrovial 001, S.A., Ferrovial venture vi, S.A.U.., Ferrovial ventures, S.A.,Ferrovial 008, S.L.U.,Ferrovial 009, S.L.U.,Ferrovial 011, S.A.,Ferrovial 012, S.A.,,Ferrovial 013, S.A.,Ferrovial 014, S.A.,Ferrovial 015, S.L.,Ferrovial 016, S.L.,Ferrovial 017, S.L.,Ferrovial mobility, S.L., Roland servicios empresariales, Ferrovial Infraestructuras energeticas, S.A., Parque solar Casilla S.L.U., Cea Infraestructuras Energéticas, Jucar Infraestructuras Energéticas, Pisuerga infraestrcuturas Energéticas, Ferrovial 004, S.L., Ferrovial Growth VI, S.L.U., Ferrovial Transco España, S.A.U.., Ferrovial Aeropuertos España, S.A., Ferrovial Construcción, S.A., Cimentaciones Esp. y Est. cimsa, S.A., Cadagua, S.A, Ferrovial Medio ambiente y Energia S.A., Arena Recursos Naturales, S.A., Ferrovial Conservacion, S.A., Tecpresa structural solutions, S.A., Ditecpesa, S.A., Compañía de obras Castillejos, S.A., Urbaoeste, S.A., Concesionar. de prisiones Lledoners, S.A., Depusa Aragon, S.A., Ferrovial Railway, S.A., Webber Equipment & Materials suc españa, Siemsa industria S.A., Siemsa Control y Sistemas S.A., Cintra Infraestructuras Irlanda, S.L.U., Cintra Desarrollo España, Cintra infraestructuras España, S.L.U., Cintra Servicios de infraestructuras S.A., Cintra Inversiones S.L. sdad. unipersonal, Autovia de aragon sdad. conc. S.A., Ferrovial Aravia S.A., Pilum, S.A., Autopista Terrassa-manresa, Autema, cgc, Inversora de autopistas de Cataluña, S.L.U., Cintra inv. de autopistas de Cataluña SL, Autopista Alcalá O' donell, S.A.U..

1. Notes to the Company's only balance sheet at December 31, 2023

1.1 Financial Fixed assets

The financial fixed assets can be broken down as follows:

(Million euro)	Note	2023	2022
Participating interests in group companies	1.1.1	9,525	10,401
Other investments in participating interests	1.1.2	2	2
Receivables from group companies	1.1.3	19	11
Deferred tax	1.1.4	73	26
Other receivables	1.1.5	20	13
Total financial fixed assets		**9,638**	**10,452**

More details in the following sub-notes.

1.1.1 Participating interests in Group companies

As a result of the Merger, Ferrovial SE is now also the direct shareholder of several Spanish entities through the Branch incorporated in Spain. The direct subsidiaries and the related movements throughout the year under review are disclosed below:

(Million euro)	Balance at January 1, 2023	Capital contribution (+) /reduction (-)	Dividends	Share in results of participating interests	Derivatives Impact	Exchange differences	Other direct equity movements of participating interests	Balance at December 31, 2023
Ferrovial Construction International SE	286	–	–	133	(2)	9	–	426
Cintra Global SE	3,883	–	–	199	(10)	(39)	(2)	4,030
Cintra Infrastructures SE	3,262	–	–	105	37	(53)	39	3,389
Ferrovial Airports International SE	293	–	–	(2)	(3)	2	(7)	284
Ferrovial Netherlands B.V.	516	103	–	3	–	4	(519)	107
Ferrovial Ventures Netherlands B.V.	12	–	–	–	–	–	–	11
Ferrovial Transco International B.V.	119	4	–	3	1	(11)	2	118
Ferrovial EG SE	51	–	–	9	–	(2)	4	62
Ferrovial Ventures Ltd.	12	–	–	–	–	–	–	12
Ferrovial Services Netherlands B.V.	14	–	–	7	–	(1)	–	21
Thalia Waste Treatment B.V.	16	1	–	(10)	(1)	–	20	26
Ferrovial Inversiones, S.A.	69	–	–	2	–	–	–	70
Ferrovial Construccion, S.A.	570	–	–	14	(1)	–	20	603
Ferrovial Aeropuertos España, S.A.	43	–	–	(15)	–	–	–	28
Ferrovial 001, S.A.	1	–	(1)	–	–	–	–	–
Ferrovial Infraestructuras Energéticas, S.A.U.	19	–	–	(5)	–	–	–	14
Cintra Infraestructuras España S.L.	543	–	(416)	21	(4)	(1)	(9)	134
Ferrofin S.L.	488	–	(433)	16	–	13	(13)	71
Ferrovial Corporación, S.L.	10	–	–	4	–	–	–	14
Temauri, S.L.	7	–	–	(2)	–	–	–	5
Krypton RE S.A.	17	–	–	1	–	–	–	18
Ferrovial Mobility S.L.	22	–	–	(7)	–	–	–	15
Landmille, Ltd. - GBP	107	(102)	–	1	–	1	–	7
Ferrovial 004, S.L.U	27	–	–	11	(1)	–	1	37
Ferrovial Ventures, S.A.U.	15	–	–	1	–	–	–	16
Others	1	7	–	–	1	–	(2)	7
Total	**10,401**	**13**	**(850)**	**489**	**17**	**(79)**	**(466)**	**9,525**

Ferrovial Netherlands B.V.

On December 14, 2023 the Company made a share premium contribution to Ferrovial Netherlands B.V. this subsidiary amounting EUR 103 million which was paid in cash on the same date.

The impact on 'Other direct equity movements' is mainly due to the cancellation of the hybrid bond. Through this subsidiary, the Group completed a subordinated perpetual bond issue in 2017 for a nominal amount of EUR 500 million, accruing an annual coupon of 2.124% to the first recalculation date (May 2023), which was guaranteed by Ferrovial SE (formerly named Ferrovial, S.A.). In February 2023, the Company committed to repurchase its subordinated hybrid bond. As of June 2023, the company obtained acceptance of 94.28% of the amount of the issuance to which the offer was directed and executed the full cancellation in August 2023.

Landmille, Ltd.

This subsidiary made a capital refund of GBP 89.5 million, equivalent to EUR 102 million, on January 17, 2023.

Cintra Infraestructuras España S.L.

This subsidiary made a dividend distribution of EUR 416 million to the Company on December 22, 2023. This dividend was distributed in kind consisting of a receivable from Ferrofin, S.L. in the aggregate amount of EUR 416 million under the current account agreement entered into on February 28, 2018 between Ferrofin, S.L. and Cintra Infraestructuras España, S.L..

Ferrofin, S.L.

On December 19, 2023, Ferrofin, S.L. approved an in-kind capital refund to its shareholders amounting EUR 433 million of which the Spanish Branch received EUR 208 million since it is the direct shareholder of 47.986% of the shares, and Ferrovial Construcción S.A. received the amount of EUR 225 million for the remaining 52.014% stake. The payment entailed transferring credit rights under a loan agreement between Ferrofin, S.L., as lender, and Ferrovial SE, as borrower, dated November 30, 2017. The impact on 'Other direct equity movements' includes the capital refund indirectly to Ferrovial SE through the subsidiary Ferrovial Construcción S.A. in the amount of EUR 225 million.

The movements for the previous year were as follows:

(Million euro)	Balance at January 1, 2022	Capital contribution (+) /reduction (-)	Dividends	Share in results of participating interests	Derivatives Impact	Exchange differences	Disposal/ Liquidity	Other direct equity movements of participating interests	Balance at December 31, 2022 (*)
Ferrovial Construction International SE	273		(48)	70	(4)	2	–	(8)	286
Cintra Global SE	3,296	369	–	106	94	(1)	–	18	3,883
Cintra Infrastructures SE	2,585	947	(217)	13	28	38	–	(132)	3,262
Ferrovial Airports International SE	134	153	–	21	5	(4)	–	(15)	293
Ferrovial Netherlands B.V.	514	–	–	10	–	–	–	(8)	516
Ferrovial Ventures Netherlands B.V.	12	–	–	–	–	1	–	–	12
Ferrovial Transco International B.V.	72	2	–	(5)	44	6	–	(1)	119
Ferrovial EG SE	29	–	–	3	–	(4)	–	22	51
Ferrovial Ventures Ltd.	16	–	–	(5)	–	1	–	–	12
Ferrovial Servicios, S.A.U.	186	–	–	–	–	–	(186)	–	–
Acadia Servicios de Medioambiente, S.L.	1,044	(204)	(831)	(9)	–	–	–	–	–
Ferrovial Services Netherlands B.V.	1	–	–	87	–	(1)	–	(73)	14
Thalia Waste Treatment B.V.	80	–	–	10	10	(7)	–	(77)	16
Ferrovial Inversiones, S.A.	68	–	–	1	–	–	–	–	69
Can-am, S.A.	(6)	–	–	–	–	–	6	–	–
Ferrovial Construccion, S.A.	529	–	–	22	4	1	–	13	570
Ferrovial Aeropuertos España, S.A.	9	48	–	(14)	–	–	–	–	43
Ferrovial 001, S.A.	1	–	–	–	–	–	–	–	1
Ferrovial Infraestructuras Energéticas, S.A.U.	11	10	–	(2)	–	–	–	–	19
Cintra Infraestructuras España S.L.	598	(30)	–	7	3	–	–	(35)	543
Ferrofin S.L.	260	–	–	3	1	19	–	205	488
Ferrovial Corporación, S.L.	10	–	–	(1)	–	–	–	–	10
Temauri, S.L.	9	–	–	(2)	–	–	–	–	7
Krypton RE S.A.	15	–	–	2	–	–	–	–	17
Ferrovial Mobility S.L.	10	24	–	(11)	–	–	–	–	22
Landmille, Ltd.	7		(3)	(11)	–	(4)	–	118	107
Ferrovial 004, S.L.U	–	17	–	6	3	–	–	–	27
Ferrovial Ventures, S.A.U.	–	15	–	–	–	–	–	–	15
Others	–	–	–	–	–	–	–	1	1
Total	**9,763**	**1,352**	**(1,099)**	**302**	**186**	**48**	**(179)**	**29**	**10,401**

(*) The comparative figures have been adjusted due to the cross-border merger transaction and the change in accounting policies. Please refer to the 'Merger' note for the related disclosures.

Appendix II includes data on the companies listed here.

1.1.2 Other investments in participating interests

This balance of EUR 2 million (2022: EUR 2 million) includes financial assets at fair value through other comprehensive income (OCI). It relates essentially to the 0.4% ownership interest in the company Lillium, which was acquired on September 8, 2021 for USD 15 million (EUR 13 million). This company's shares are listed on the Nasdaq Stock Exchange. The value of the interest reflects the number of shares (1.5 million) multiplied by the quoted price at December 31, 2023 which is USD 1.18 (2022: USD 1.14), which is equivalent to EUR 1.6 million at the year-end exchange rate of 1.1039 (2022: 1.0705 EUR/USD).

The change in the fair value of the shares has a balancing item in equity, entailing a net impact of EUR 0.04 million in 2023 (2022: EUR -6 million).

1.1.3 Receivables from associates

The amount receivable of EUR 18.6 million (2022: EUR 11.3 million) relates to the disposal of the Ferrovial Services businesses in Spain, mainly derived from the earn-outs resulting from the transaction.

1.1.4 Non-current deferred tax assets

Movements in non-current deferred tax assets were as follows:

(Million euro)	Non-current deferred tax assets
Closing balance December 31, 2021	**6**
Tax Credits Dutch Tax Group	18
Deferred taxation charged to the revaluation reserves	2
Balance at January 1, 2023	**26**
Tax Credits Dutch Tax Group	-18
Tax Credits Spanish Tax Group	63
Non-tax-deductible accounting provision	2
Balance at December 31, 2023	**73**

Non-current deferred tax assets included in the Company balance sheet and related deferred tax charges or credits in the Company income statement can be broken down as follows:

	Balance sheet		Income statement	
(Million euro)	**Balance at 31/12/2023**	**Balance at 31/12/2022**	**2023**	**2022**
Temporary differences for set-off	7	4	2	–
Tax credits and carryforward losses	63	18	45	14
Others	3	3	–	–
Total	**73**	**26**	**47**	**14**

Tax credits

Deferred tax assets in the long term are recognized only to the extent that realization is probable. Tax credits considered by the Company are expected to be used in the long-term based on the projections made. A model was designed with the aim of assessing the recoverability of tax-loss carryforwards, based on the Group companies' latest available earnings projections.

The total balance recognized was EUR 63 million, of which EUR 36 million relates to tax credits for tax-loss carryforwards and EUR 27 million to other tax credits, both to be used by the Spanish Tax Group headed by the Branch. No tax credits are recognized for the tax group in the Netherlands.

The total balance of EUR 18 million at December 31, 2022, related to tax credits regarding tax-loss carryforwards coming from Dutch tax group being the Company the head of the Dutch Fiscal Unity. The analysis for the year under review conclude that the recoverability is not probable, and therefore the total amount of tax credits amounting EUR 18 million were written off given the reasonable doubts regarding recovery in the short and medium term.

Non-tax-deductible provisions

Non-tax-deductible accounting provisions of EUR 7 million (2022: EUR 4 million) results in temporary differences to be recoverable in the next following years.

Others

The deferred asset balance for EUR 3 million (2022: EUR 3 million) mainly relates to fair value adjustment losses accumulated which will have a tax effect when they are recognized to the income statement. They relate mostly to deferred tax assets arising from financial derivatives.

- **Spanish and Netherlands taxes consolidated groups**

The Company is tax resident in The Netherlands as of 15 December 2018. Since then, the Company is subject to Corporate Income Tax in The Netherlands on a consolidation tax regime. The Company is the head of Ferrovial's Dutch Fiscal Unity.

Ferrovial SA, the disappearing entity in the merger taking place in 2023, was tax resident in Spain and has filed consolidated tax returns in Spain since 2002. In 2014, the Company availed itself of the tax scheme provided by Articles 107 and 108 of Corporate Income Tax Act 27 of 27 November 2014 (CIT Act). Given that the implementation of the said scheme affects the tax treatment of potential dividends or capital gains obtained by Company shareholders, a note describing the tax treatment applicable to shareholders is attached as Appendix I to these annual accounts, as well as information on tax results obtained by Ferrovial S.A., with which the shareholders must be familiar in order for the scheme to be applied.

- **The fiscal unity dispute**

There is a dispute with the Dutch tax authorities regarding the fiscal unity existence for 2019 and the first two months of 2020 due to a restructuring abroad. Currently and according to the tax authorities, the group ceased to exist and became a stand-alone taxpayer for that period. No provision has been recorded in relation to this litigation since the possibility of an economic outflow is considered remote. Taxes are settled within this fiscal unity as if each company were an independent taxable entity.

There was a subsidiary request made to the Dutch Tax Authorities to ensure the existence of the fiscal unity as of March 1, 2020.

1.1.5 Other non-current receivables

Other non-current receivables for EUR 20 million (2022: EUR 13 million) mainly correspond to long-term derivatives.

- **Long-term derivatives**

Other non-current receivables include derivatives having a fair value of EUR 20 million (2022: EUR 12 million), corresponding to equity swaps and interest swaps.

Regarding derivatives, the other non-current liabilities of EUR (13) million (2022: EUR (5) million), mainly relates to cross-currency swaps and are also explained in this note.

The following tables show the breakdowns of derivatives and the corresponding fair values at December 31, 2023 and December 31, 2022, including the notional maturities, and the total breakdown per financial instrument together with the cash flow maturities for the same periods:

	FAIR VALUE							NOTIONAL MATURITIES
(Million euro)	**Balance at 31/12/2023**	**Balance at 31/12/2022**	**2024**	**2025**	**2026**	**2027**	**2028 and beyond**	**TOTAL**
Equity swaps	20	2	73	–	–	–	–	73
Interest rate swaps	–	10	–	–	–	–	–	–
Total asset balance (non-current)	**20**	**12**	**73**	**–**	**–**	**–**	**–**	**73**
Interest rate swaps	–	–	–	50	–	–	–	50
Cross-currency swaps	(13)	(5)	–	250	–	–	–	250
Total liabilities balance (non-current)	**(13)**	**(5)**	**–**	**300**	**–**	**–**	**–**	**300**
Total derivatives	**6**	**7**	**73**	**300**	**–**	**–**	**–**	**373**

(Million euro)	FAIR VALUE Balance at 31/12/2023	Balance at 31/12/2022	2024	2025	2026	2027	2028 and beyond	CASH FLOW MATURITIES TOTAL
Equity swaps	20	2	20	–	–	–	–	20
Interest rate swaps	–	10	–	–	–	–	–	–
Cross-currency swaps	(13)	(5)	6	(20)	–	–	–	(13)
Total derivatives	**6**	**7**	**26**	**(19)**	**–**	**–**	**–**	**6**

The notional amounts listed in the tables above include all those outstanding as of December 31, 2023. Accordingly, the maturities are presented as a positive figures and future increases, the amount of which has already been arranged, are shown as a negative ones.

The Equity swaps have a maturity in the short term, however, are expected to be renewed upon maturity since the hedged item commented below is in the long term.

The overview below reflects hedge fair value changes from 2023 to 2022 and the effects of such changes on the balance sheet and income statement.

	BALANCE SHEET			other impacts		Income statement impacts		
(Million euro)	Balance at 31/12/2023	Balance at 31/12/2022	Variation	Impact on reserves	Cash movement	Derivative result income (+)/ expense ()	Financial income (+)/ expense ()	TOTAL
Equity swaps	20	2	17		(6)	25	(2)	17
Interest rate swaps	–	10	(10)	(11)	(11)	12	1	(10)
Cross-currency swaps	(13)	(5)	(9)	(1)	(6)	(7)	6	(9)
Total financial instruments	**6**	**7**	**(1)**	**(13)**	**(23)**	**30**	**4**	**(1)**

The variations are explained in the following paragraphs.

Equity swaps

The Company has arranged equity swaps contracts for hedging the potential financial impact of the exercise of share-based remuneration schemes granted to employees. These equity swaps do not qualify for hedge accounting and the related gains or losses are recognized as derivative result in the income statement (see consolidated financial statements note 5.5.a).

The equity swaps hedge a given number of Ferrovial's shares at a reference share price. During the swap term, Ferrovial pays interest at a given interest rate (EURIBOR plus a spread to be applied to the result of multiplying the number of shares by the strike price) and receives remuneration equal to the dividend on those shares. Ferrovial receives the difference between the arithmetic mean of the share price during the observation period and the reference price, multiplied by the number of shares contracted if the share has appreciated at maturity . Otherwise, Ferrovial would pay this spread to the financial institution.

Fair value at December 31, 2023 amounted to EUR 20 million (2022: EUR 2 million). The change in value during the year for EUR 17 million was due to the increase in the Ferrovial share price up to 33.02 euro/share (2022: 24.47 euro/share). The remuneration and the finance costs derived from these instruments referred to above resulted in a net financial expense for the year under review of EUR 2 million (2022: EUR -2 million). The total impact of these instruments on cash resources amounted to EUR 10 million (2022: EUR 2 million).

At year-end 2023 these derivatives have a notional value equivalent to 2,796 thousand shares (2022: 2,755 thousand shares) which, based on the strike price of the equity swaps (price employed in the calculation for settlement with the financial institutions), amounts to EUR 73 million.

Interest rate derivatives (IRS)

The Company contracted interest rate derivatives in 2023 which have a fair value of EUR 0.1 million and a notional amount of EUR 50 million at December 31, 2023. These derivatives hedge the interest rate risk of a highly probable future bond issuance with maturity in 2030 and accounted for as a cash flow hedge. This means that fair value changes in both the derivative and the hedged item (in this case, the bond) attributable to changes in the interest rate, are carried at fair value through other comprehensive income (OCI) in the amount of EUR 0.1 million.

Additionally, the Company had contracted interest rate derivatives to hedge bank debt which had notional amount of EUR 350 million and a fair value of EUR 10 million in the previous year. These IRS met the conditions for treatment as an accounting hedge of future cash flows regarding this borrowings. Therefore, the changes in the fair value of the IRS together to the changes in the bank borrowings attributable to changes in the interest rate, were carried at fair value through reserves. Since these derivatives were totally settled in 2023 given that the underlying loans hedged were totally repaid, the impact on equity of these derivatives were written off and transferred to the income statements accordingly for EUR 11 million.

In 2023, the total impact on reserves was EUR 11 million (2022: EUR 56 million) mainly for the canceled IRS, together with a cash impact of EUR 11 million (2022: EUR 21 million). These impacts result in a positive derivative results for EUR 12 million and a income result for EUR 1 million.

Cross-currency swaps (CCS)

The Company holds a liquidity facility for a maximum of EUR 900 million (2022: EUR 1,100 million), which may be drawn in EUR, CAD, GBP and USD. At December 31, 2023, USD 260 million had been utilized (Note 1.7). In order to cover possible interest rate and foreign exchange fluctuations affecting the amount drawn, the Company have cross-currency swaps contracts in place with maturity in 2025, for an agreed equivalent value of EUR 250 million (2022: EUR 250 million). The fair value as at December 2023, is a negative amount of EUR 13 million (2022: EUR -5 million).

Accordingly, foreign exchange fluctuations during the year have a negative impact of EUR 7 million (2022: positive EUR 14 million) recognised in the income statement as derivative result, offsetting changes in the value of the above-mentioned loan for a positive EUR 7 million. The payment throughout the year were EUR 6 million (2022: positive EUR 18 million) ('cash' column) and the financial income from financing of EUR 6 million (2022: EUR 5 million).

1.2. Other fixed assets

This balance includes includes mainly small equipments purchased which decrease as long as they are amortized and the right-of-use under IFRS 16.

Right-of-use assets recognized under IFRS 16

Non-current other receivables comprise an amount of EUR 4 million (2022: EUR 3 million) derived from the right-of-use assets recognized under IFRS 16 leases and the associated liabilities, as described in note 3.7 'Right of use assets and associated liabilities' of the consolidated statements.

IFRS 16 affects the Company's leases in which it is the lessee, having primarily lease agreements for long-term office buildings. More information is explained in detail in the consolidated financial statements.

1.3. Receivables

Receivables comprises the following:

(Million euro)	2023	2022
Current receivables from group companies	556	315
Receivables relating to income tax	68	59
Prepayments and accrued income	1	2
Other receivables	3	0
Total receivables	**629**	**377**

More details can be broken down in the following sub-notes.

1.3 Current receivables from group companies

(Million euro)	Current receivables from group companies
Carrying amount at January 1, 2023	**315**
Deferred dividend settlement	(216)
Short term debt financing increase	410
Trade receivables from group companies	2
Corporate income tax liquidation receivables from group companies	38
Group company receivables for share remuneration scheme to employees	7
Carrying amount at December 31, 2023	**556**

– Deferred dividend settlement

On 28 November 2022, Ferrovial SE´s direct subsidiary Cintra Infrastructures SE made an interim capital distribution in cash from its freely distributable reserves to Ferrovial SE in the amount of USD 225 million (EUR 216 million). This dividend was not immediately wire-transferred. In the course of 2023 any (remaining) amounts owed by Cintra Infrastructures to FSE as a result of the capital distribution were settled in full.

– Short term debt due from group companies

The short-term debt owed by group entities to Ferrovial SE comprise loans and current account positions which accrue an interest rate similar to those of the market and will become due and payable within twelve months. The more relevant short term loans from Ferrovial SE's subsidiaries to Ferrovial SE are reflected in the overview below:

(Million euro)	2023	2022
Ferrofin S.L.	408	1
Ferrovial Netherlands BV	3	27
Cintra Servicios de Infraestructuras S.A.	22	–
Ferrovial Airports FMM B.V.	–	10
Cintra Infrastructures SE	–	19
Cintra Infraestructuras España S.A.	31	–
Cintra Inversiones S.L.	2	–
Budimex	3	3
Other receivables	3	2
Total short term debt due from group companies	**472**	**62**

The increase against previous year is mainly a receivable to Ferrofin S.L following internal dividends transactions withing the group.

The Company has current account arrangements in place to fund operational payments and to facilitate collections of intra-group debt. Interest over intra-group current account positions accrues at market rates.

– Group Companies trade receivables

The Company has trade receivables mainly related to services provided and guarantee fees charged to group companies. The main disclosures of short-term trade receivables are shown in the following table:

(Million euro)	2023	2022
Ferrovial Airports US Terminal One LLC	6	4
Ferrovial Holding US Corp	4	3
Acadia Servicios de Medioambiente SLU	–	1
Others	3	3
Total Group Companies trade receivables	**12**	**10**

These receivables will become due and payable within twelve months.

1.4 Cash

All cash reflected in the overview below is at the Company’s free disposal.

(Million euro)	2023	2022
Total cash	**107**	**114**

1.5. Shareholder's equity

Equity and net result according to the separate financial statements are not identical to the corresponding figures in the consolidated financial statements. The reconciliation between the two financial statements is as follows:

	Shareholder's equity		Income statement	
(Million euro)	**Balance at 31/12/2023**	**Balance at 31/12/2022**	**2023**	**2022**
Separate financial statements	**4,102**	**4,457**	**428**	**315**
Group companies with equity deficit	(336)	(344)	26	(93)
Others	—	—	6	(36)
Consolidated financial statements	**3,766**	**4,113**	**460**	**185**

Income statement variations

Group companies with equity deficit. The impact of EUR 26 million corresponds to the losses from infrastructure projects with negative equity not recognized through the income statement in the separate financial statements. They have reduced its investment to zero, to the extent that the Company neither is liable for all or partially the debts of the participating interest nor it has a constructive obligation to enable the participating interest to repay its debt.

Other movements. Derived from intercompany transactions in non-EUR currency which are included in OCI in the consolidated accounts and in the income statement in separate accounts.

The movements in equity are shown below:

(Million euro)	Issued and paid-up capital	Share Premium	Other reserve	Unappropriated profits	Revaluation reserve	Other legal reserves	Total
Closing balance 2021 (*)	**743**	**6,414**	**(3,455)**	**1,241**	**10**	**(532)**	**4,421**
Shareholder contribution	—	1,470	(1,470)	—	—	—	—
Script dividend/other dividends	—	—	(132)	—	—	—	(132)
Treasury share transactions	—	—	(446)	—	—	—	(446)
Shareholder remuneration	—	—	(578)	—	—	—	(578)
Income and expense recognized directly in equity	—	—	46	—	37	234	317
Transfers to income statement	—	—	177	—	(46)	—	131
Total income and expenses recognized for the year	**—**	**—**	**223**	**—**	**(9)**	**234**	**448**
Result of the year	—	—		315	—	—	315
Result appropriation	—	—	1,241	(1,241)	—	—	—
Other transactions	—	—	(149)	—	—	—	(149)
Closing balance 2022 (*)	**743**	**7,884**	**(4,188)**	**315**	**1**	**(298)**	**4,457**
Capital reduction	(736)	736	—	—	—	—	—
Merger adjustment	—	(4,194)	4,194	—	—	—	—
Script dividend/other dividends	—	(58)	(78)	—	—	—	(136)
Treasury share transactions	—	(52)	(62)	—	—	—	(114)
Shareholder remuneration	**—**	**(110)**	**(140)**	**—**	**—**	**—**	**(250)**
Income and expense recognized directly in equity	—	—	(2)	—	(1)	(62)	(65)
Transfers to income statement	—	—	6	—	(9)	—	(3)
Total income and expenses recognized for the year	—	—	4	—	(10)	(62)	(68)
Result of the year	—	—		428	—	—	428
Result appropriation	—	—	315	(315)	—	—	—
Perpetual subordinated bond issuances	—	—	(513)	—	—	—	(513)
Share-based remuneration schemes	—	—	12	—	—	—	12
Other transactions	—	—	36	—	—	—	36
Closing balance December 31, 2023	**7**	**4,316**	**(280)**	**428**	**(9)**	**(360)**	**4,102**

(*) The comparative figures have been adjusted due to the cross-border merger transaction and the change in accounting policies. Please refer to the 'Merger' note for the related disclosures.

Information about the shareholder remuneration and other movements is disclosured in the consolidated financial statements in 5.1.1 Changes in equity.

Share capital

On December 31, 2023, Ferrovial SE had an issued and outstanding share capital of EUR 7,406,883.65 consisting of 740,688,365 ordinary shares with a nominal value of 0.01 euro each. All shares have been fully paid up.

FSE´s authorized share capital amounts to 30 million euro, consisting of 3,000 million ordinary shares with a nominal value of 0.01 euro each.

No amortization of shares have occurred within 2023 related to the buyback program announced on November 30, 2023, consisting of the purchase by Ferrovial of its own shares for their subsequent amortization, with duration till May 1, 2024.

On December 31, 2022, Ferrovial SE had an issued and outstanding share capital of 742,877,070 euro consisting of 742,877,070 ordinary shares with a nominal value of 1 euro each. The entire issued and outstanding share capital was held by the Group´s former ultimate parent company Ferrovial, S.A., and all these shares were fully paid-up.

Share Premium

On December 31, 2023, Ferrovial SE´s share premium reserve amounted to EUR 4,316 million. The movements throughout the year under review are related to the merger for (i) the new share capital approved which implied a reduction of share capital against share premium for EUR 736 million and (ii) the incorporation of the remaining equity of Ferrovial S.A. against share premium for EUR 4,193 million.

Other reserve

The other reserve includes retained earnings, shares for the remuneration scheme for employees and treasury shares. The company held 3.9 million treasury shares and treasury depository receipts for shares, totaling EUR 113,912,960 at the balance sheet date.

The movements in treasury shares are explained in details in the consolidated financial statements (note 5.1.2). The market value of the treasury shares held by Ferrovial on December 2023, 31 of 4,759,310 shares (2022: 1,168,290 shares) was EUR 157 million (2022: EUR 29 million).

Revaluation reserve

The revaluation reserve amounts EUR -9 million (2022: EUR 1 million) and it is a legal reserve. The revaluation reserves arise from the movements in the value of derivatives used as part of cash flow hedging that are recognized directly within the revaluation reserve. The movements for the year 2023 are detailed in the derivative movement in the Impact on reserves explained in note 1.1.5. related to derivatives and taking into account the tax impact.

Other legal reserve

The legal reserve comprises the exchange rate differences that arise by translation of the net investments and result from the participation's currency into the currency in which the legal entity's financial statements are prepared (EUR).

(Million euro)	Derivatives Impact	Translation of net investments	Total Other legal reserves
Closing balance December 31, 2021	**-139**	**-393**	**-532**
Translation to legal reserve for exchange differences	186	48	234
Closing balance December 31, 2022	**47**	**-345**	**-298**
Translation to legal reserve for exchange differences	17	-79	-62
Closing balance December 31, 2023	**64**	**-424**	**-360**

1.6. Provisions

(Million euro)	2023	2022
Provision for liability for participating interests	20	31
Provision for taxes	65	184
Provision for deferred taxation	–	3
Other provisions	4	1
Total	**90**	**220**

Provision for liability for participating interests

A long-term provision is related to the participating interest in Ferrovial Emisiones, S.A. whose value under the net asset value method has become nil as the net asset value remains negative. A provision is carried at the expected amount payable.

The movements related to the participating interest in Ferrovial Emisiones, S.A. can be explained as follows:

(Million euro)	Balance at January 1, 2023	Capital contribution (+) /reduction (-)	Provision increase	Other movements	Balance at December 31, 2023
Ferrovial Emisiones, S.A.	**-31**	**13**	**-8**	**6**	**-20**

(Million euro)	Balance at January 1, 2022	Capital contribution (+) /reduction (-)	Provision increase	Other movements	Balance at December 31, 2022 (*)
Ferrovial Emisiones, S.A.	**-30**		**-8**	**7**	**-31**

(*) The comparative figures have been adjusted due to the cross-border merger transaction and the change in accounting policies. Please refer to the 'Merger' note for the related disclosures.

The provision increase for EUR 8 million (2022: EUR 8 million) is due to the losses registered for the year 2023 and 2022 respectively.

The balance included in 'Other movements' corresponds to the transfer from equity to the income statement of cash flow hedges in the subsidiary.

Provision for taxes

(Million euro)	Provision
Carrying amount at January 1, 2023	**184**
Releases	(121)
Additions	2
Carrying amount at December 31, 2023	**65**

The provisions of EUR 65 million (2022: EUR 184 million in 2022) comprises the following:

• Provision for tax assessments raised by the Spanish tax authorities in relation to 2006 corporate income tax in the amount of EUR 121 million included in 2022. The provision resulted from the application of a deduction for export activities in 2006 which was in dispute with the Spanish Tax authorities. On September 12, 2023, the Supreme Court gave a judgment in favor Ferrovial regarding the resolution arising from the tax audit for 2006 Spanish Corporate Income Tax. The ruling definitively resolves the dispute and declares the tax audit null and void, therefore the provision has been released in 2023 for EUR 121 million, and was consistently recognized through the income statement for EUR 43 million in the financial income associated to late payment interests, EUR 69 million in the corporate income tax and EUR 9 million recognized tax receivables.

• Provision for tax assessments raised by the Spanish tax authorities in respect of corporate income tax for the financial years 2002 to 2005 in the amount of EUR 32 million (2022: EUR 31 million).

• Provision for tax assessments raised by the Spanish tax authorities in respect of corporate income tax for the financial years 2012 to 2014 in the amount of EUR 17 (2022: EUR 17 million).

• Provision for tax assessments raised by the Spanish tax authorities in respect of VAT income tax for the financial years 2003 to 2005 in the amount of EUR 7 (2022: EUR 7 million).

Other provisions

Provision regarding possible claims related to favourable litigation estimated in EUR 3 million in 2023.

1.7 Non-current liabilities

Movements in the non-current liabilities were as follows:

Non-current liabilities

(Million euro)	Non-current debentures and bonds	Non-current payables to credit institutions	Non-current payables to group companies	Derivatives long-term	Non-current others liabilities	Total
Carrying amount at January 1, 2023	**—**	**802**	**2,633**	**5**	**2**	**3,442**
New financing	500	—	2,699	—	—	3,199
Repayments	—	(500)	(645)	6	—	(1,139)
Interests/amortization	(5)	1	50	—	—	46
Exchange differences	—	(7)	—	—	—	(7)
Short-term reclassification	—	—	(312)	—	—	(312)
Others	—	—	—	2	12	14
Carrying amount at December 31, 2023	**495**	**296**	**4,425**	**13**	**14**	**5,243**
Of which:						
term < 1 year	**7**	**(15)**	**(101)**	**6**		
term >= 1 year and <=5 year	**103**	**(306)**	**(5,109)**	**(20)**		
term > 5 year	**544**			**—**		

Non-current liabilities with a remaining term of less than one year, including repayment commitments for the next year, are accounted for under current liabilities.

For details of these liabilities, please refer to the following notes.

Non-current bonds

Non-current bonds include a sustainability-linked bond amounting to EUR 500 million issued in September 10, 2023, with an interest rate of 4.375%, and maturity date on 13 September 2030. The issue price is 99.587%. The bonds were fully subscribed and paid up by investors on that date and admitted to trading in the regulated market of the Irish Stock Exchange.

Non-current payables to credit institutions

Non-current payables to credit institutions include the following:

- A syndicated liquidity facility with a limit of EUR 900 million, which included sustainability criteria and can be drawdown in different currencies (EUR, CAD, GBP and USD). The facility was refinanced in July 2018 and has its current maturity date in July 2025. The drawndown amount of this facility on December 31, 2023, was USD 260 million (2022: USD 260 million), with a carrying amount of EUR 236 million (2022: EUR 245 million). The exchange rate and interest rate risks of this drawdown have been hedged by means of cross currency swaps with notional amount EUR 250 million, the fair value of which amounts to EUR -13 million (2022: EUR -5 million).
- One loan of EUR 60 million (2022: six loans totaling EUR 560 million) entered into on November 30, 2020, and maturity date on November 30, 2027. It bears interests at 0.425% rate.
- The remaining five loans which were outstanding in 2022, were totally paid in September 2023, after Ferrovial SE's bond issuance in the same period.

Non-current payables to group companies

Non-current payables to group companies are EUR 4,425 (2022: EUR 2,633) and comprises the following:

(Million euro)	2023	2022	Var
Ferrovial Emisiones, S.A.	1,276	1,575	-299
Ferrofin, S.L.	2,153	1,031	1,121
Ferrovial Netherlands BV	967	0	967
Ferrovial Construcción, S.A.	22		22
Krypton RE, S.A.		20	-20
Ferrovial Aravia, S.A.	8	7	0
TOTAL LONG-TERM LOANS	**4,425**	**2,633**	**1,792**

- Intercompany loan of EUR 1,276 million (2022: EUR 1,575 million) with the subsidiary Ferrovial Emisiones S.A., received through the issuance of corporate bonds in 2020, EUR 780 million of which, accruing an annual coupon of 1.382%, matures in 2026; and EUR 500 million, at an annual coupon of 0.54%, matures in 2028. These funds were transferred to Ferrovial SE (formerly named Ferrovial S.A.) on the same terms as the bonds issued by this subsidiary. The variation against 2022 is due to the loan for EUR 299 million related to the the funds obtained by the corporate bond issued on 15 July 2014, with a fixed interest rate of 2.5% and maturing in 2024, which were reclassified from to short term.
- Intercompany credit line arranged with the subsidiary Ferrofin, S.L. on 30 November 2017 for a limit of up to EUR 3,000 million, maturing on 31 December 2025. The balance drawn down at December 31, 2023 amounted to EUR 2,153 (2022: EUR 2022: 1,031 million).). The increase is due to the conversion of the short-term current account balance into this loan term credit line. The interest rate is 4,12% at year-end.
- Intercompany credit line payable to Ferrovial Netherlands B.V. entered into on December 20, 2023 with maturity on December 20, 2026. The outstanding balance as 2023-year end was EUR 967 million and bears interests at a fixed rate of 3.65%.
- Intercompany credit line payable to Ferrovial Construcción S.A. entered into on December 19, 2023 with maturity on December 31, 2025. The outstanding balance as 2023-year end was EUR 22 million and bears interests at a fixed rate of 4.12%.
- Intercompany loan of EUR 20 million from the subsidiary Krypton RE, S.A., accruing fixed interest at an annual rate of 0.15% and maturing in 2024, was reclassified to short term accordingly.

Non-current derivatives

Non-current liabilities include derivatives of EUR 13 (2022: EUR 5). Please refer to Note '1.1.5 Other non-current receivables' for further details.

Non-current other liabilities

Non-current liabilities include claims assumed as part of the subsidiary liquidation process in 2023 of the subsidiary Acadia Servicios de Medioambiente, S.L.U. for EUR 10 million.

Additionally, it includes the liabilities associated to IFRS 16 which are mainly lease agreements for buildings relating mainly to long-term office leases for EUR 4 million.

1.8 Current liabilities

The remaining term of the current liabilities is less than one year. The total current liabilities and payables to group companies are specified as follows:

(Million euro)	2023	2022
Current payables to credit institutions	0	3
Debentures and bonds	504	696
Amounts due to group companies	385	2,111
Payables relating to income tax	25	5
Accrued liabilities	12	1
Current trade payables	1	0
Current other liabilities	15	12
Total current liabilities	**943**	**2,827**

Debentures and bonds

In the first quarter of 2018, Ferrovial SE (formerly named Ferrovial, S.A. prior to the merger with Ferrovial International SE) arranged an Euro Commercial Paper (ECP) program for a maximum amount of EUR 1,000 million, with maturities between 1 and 365 days as from the issue date, allowing further diversification of capital market funding and more efficient liquidity management. At the end of 2019, the maximum limit was increased up to EUR 1,500 million. This note issuance program has been renewed each year since 2018 until March 30, 2023, and admitted to trading on the regulated market of Euronext Dublin.

From March 30, 2023, ECP notes were issued due within twelve months under a new EUR 1,500 million Sustainability Target Euro-commercial paper program admitted to trading on the regulated market of Euronext Dublin. All the issued notes from this program have maturity through the year under review and therefore this program was finalized in 2023. Additionally, a new EUR1,500 million Sustainability Target STEP label compliant Euro-commercial paper program was registered on July 31, 2023.

On December 31, 2023 the total outstanding amount (under the new EUR 1,500 million Sustainability Target STEP label compliant ECP program) was EUR 500 million nominal value, being the carrying value EUR 498 million. As at December 31, 2022, notes amounting to EUR 696 million were drawn down (under the ECP program issued in 2022 for a maximum of EUR1,500 million registered on the regulated market of Euronext Dublin).

There is only one payment at maturity for each note which are issued at discount. The notes with maturity in 2023 were issued at an average rate of 3.13% (2022: 0.47%). Regarding the notes outstanding as of December 31, 2023 the average cost were 4.09% (2022: 1.82%).

Current liabilities also include the accrued payment of the coupon of the bond included in non-current liabilities for EUR 7 million.

Current debts to other group companies

The group companies' debt comprises the following:

(Million euro)	2023	2022
Debt payable to subsidiaries	337	2,089
Trade payables to other group companies	11	0
Corporate income tax liquidation debts	37	22
Amounts due to group companies	**385**	**2,111**

Current payables to other legal entities and companies with a participating interest in the legal entity include an amount of EUR 385 million (2022: EUR 2,111 million).

The debt related to the corporate income tax liquidation arises from the fact that Ferrovial SE and Ferrovial SE Spanish branch are the heads of the fiscal unity both in Spain and in the Netherlands tax group.

The debt payable to subsidiaries is detailed in the following table:

(Million euro)	2023	2022	Var.
Ferrovial Netherlands B.V.	0	507	-507
Ferrovial Services UK, Ltd.	11	11	0
Ferrovial Emisiones, S.A.	311	11	300
Krypton RE S.A.	12	0	12
Short-term loan	**334**	**529**	**-195**
Ferrovial Netherlands B.V.	1	0	1
Ferrovial Corporación, S.A.U.	1	0	1
Autopista Alcalá-O´Donnel S.A.	1	0	1
Ferrofin, S.L.	0	1,526	-1,526
407 Toronto Highway B.V.	0	27	-27
Hubco Netherlands B.V.	0	3	-3
Cintra Global SE	0	2	-2
Ferrovial Airports International SE	0	1	-1
Others	0	1	-1
Group Companies - Current accounts	**4**	**1,560**	**-1,556**
Total Group Companies debt	**337**	**2,089**	**-1,751**

The Company short-term significant movements can be explained as follows:

- The loan from Ferrovial Netherlands B.V. for EUR 507 million, was due following the issuance of the 500-million-euro hybrid bond on November 14, 2017 by this subsidiary and was lend to Ferrovial SE for general corporate purposes in a mirror loan. This bond was totally amortized and paid in 2023, so did this intercompany loan.

- The loan from Ferrovial Services UK, Ltd. with current maturity on June 30, 2024 after the renewal in 2023 and bears interests at a fixed rate of 5.30%.
- The intercompany debt from Ferrovial Emisiones S.A. for EUR 311 million relates to the funds lend by this subsidiary after its 300-million-euro bond issuance back on July 15, 2014, with a fixed interest rate of 2.5% and with maturity in 2024. The changes against previous years reflects the transfer of the loan from long to short term, as mentioned in non-current liabilities from group companies.
- The Intercompany loan of EUR 12 million from the subsidiary Krypton RE, S.A., accruing fixed interest at an annual rate of 0.15% and maturing in 2024.
- The short-term current account from Ferrofin, S.L. as at December 31, 2022 for EUR 1,526 million, derived from the Group's cash-pooling arrangement in 2022 and was converted into a drawdown of the credit line in place with the subsidiary Ferrofin, S.L. on 30 November 2017 with maturity in 2025. Accordingly, the amount was transferred into non-current liabilities.

Trade payables to other group companies

The Company records trade payables for services received mainly from Ferrovial Corporación, S.A.U. for EUR 11 million in 2023 (2022: nil).

Accrued liabilities

The accrued liabilities for EUR 12 million as at December 31, 2023 (2022: EUR 1 million) is related with payables fees from both group companies and suppliers for services rendered not billed by the end of the year. The increase mainly relates to costs incurred associated to the transfer of the headquarters to the Netherlands and merger costs.

2. Notes to the Company only Income Statement at December 31, 2023

2.1 Revenue

Ferrovial SE revenue comprises the amounts invoiced to group companies in relation to guarantees given as described in Note 4 and for services provided.

(Million euro)	2023	2022 (*)
Guarantee charges to group companies	12	8
Other income from group companies	16	30
Other	0	1
Revenue	**28**	**40**

(*) The comparative figures have been adjusted due to the cross-border merger and the change in accounting policies. Refer to the note 'Merger' for the related disclosures.

The revenue breakdown by geographic area of the companies that the services are provided to is as follows:

(Million euro)	2023	2022
Spain	14	28
Netherlands	5	5
US	9	6
UK	0	1
Other	0	0
Revenue	**28**	**40**

2.2 Personnel expenses

The average number of employees during the year converted to full time equivalents was 9.8 in 2023 (2022: 5.2) in the Netherlands.

The average number of employees during the year converted to full time equivalents was 2.7 in 2023 (2022: 67) in Spain.

The total personnel costs were EUR 19 million (2022: EUR 30 million), including social security charges for EUR 0.05 million (2022: EUR 1 million). There were no pension charges.

2.3 Other operating expenses

The other operating expenses reached EUR 61 million in 2023 (2022: EUR 16 million), highlighting the costs incurred related to the merger transaction and services rendered by group companies.

(Million euro)	2023	2022
Travel expenses	-1	-2
Third-party expenses	-32	-7
Expenses charged from group companies	-17	-1
Other general expenses	-11	-6
Revenue	**-61**	**-16**

The third-party expenses for EUR 32 million (EUR 7 million) increased against previous year due to legal and financial advice related with the merger. The expenses charged from group companies for EUR 17 million (EUR 1 million) includes fees and costs incurred by entities in Spain to be charged to the parent. The other general expenses includes insurance premiums, rent cost and other general expenses.

2.4 Profit and loss on disposals of fixed assets

The results amounting EUR 18 million (2022: EUR 6 million) relates mainly to the update of the indemnities and earn-outs associated with the Services Business disposal in Spain and Portugal as well as other adjustments related to the Amey business divestment in the UK.

2.5 Financial income and expense

Financial income

The financial income comprises the following:

(Million euro)	2023	2022
Interest income on loans to group companies	1	1
Interest on bank accounts	1	0
Other financial income	49	8
Total financial income	**51**	**9**

The main impact for the year under review was included in 'Other financial income' for the amount of EUR 43 million, related to the late payment interests associated to a provision release about the 2006 corporate income tax dispute with the Spanish Tax authorities which was resolved in favor of Ferrovial. Please, refer to Note 1.6 'Provision'.

Financial expenses

The financial expenses includes borrowing costs related to intercompany financing, to payables to credit institutions, on issuance of bonds, charges on guarantees for expenses billed by banks and credit institutions, between others; and can be detailed as follows:

(Million euro)	2023	2022
Interest expense on loans from group companies	-123	-45
Losses on loans from group companies	0	0
Interest expense on debt issuance	-23	-4
Interest expense on credit institutions	-29	-11
Guarantee expense	-9	-7
Other financial expenses	-4	-4
Total financial expense	**-187**	**-70**

2.6 Income tax expense

The tax payable/receivable on the result in the consolidated income statement can be broken down as follows:

(Million euro)	2023	2022
Tax on the result for current financial year	-10	-23
Prior-year adjustments	-17	-9
Deferred tax assets/liabilities	45	14
Reversal of tax risks	69	47
Other	2	0
Total income tax expense/income	**89**	**29**

The change in deferred tax asset/liabilities for EUR 45 million includes the following impacts:

- For the purpose of assessing the recoverability of tax-loss carryforwards in Spain, a model was designed based on the Group companies' latest available earnings projections, which implied the recognition of future net operating losses and tax credits of EUR 63 million.
- Provision for net operating losses recognized from previous years in the Netherlands in the amount of EUR -18 million as will not be recovered in the future.

Please, refer to the deferred tax assets impacts on the income statemets as shown in '1.1 Non-current deferred tax assets' Note.

The reversal of tax risks for EUR 69 million arises from finalized tax inspections relates to the Spanish Branch and are in accordance with prevailing Spanish legislation, by which taxes may not be deemed to be finally settled until the returns filed have been inspected by the tax authorities or the four-year limitation period has elapsed. The tax authorities have a period of ten years to verify and investigate tax-loss carryforwards and certain deductions pending offset. The result amounting up to EUR 69 million is related to the inspection finalized and settled which were fully provision. The approach that the tax authorities might adopt in relation to the years open to inspection could give rise to contingent tax liabilities which cannot be objectively quantified. It is considered that any possible material tax contingencies are adequately provisioned at the year end.

The prior year tax for EUR -17 million includes adjustment made within the Dutch group.

The reconciliation between the effective and applicable tax rates is as follows:

(Million euro)	2023	2022
Profit/(loss) before tax	**-150**	**-16**
Tax at corporation tax rate of 25.8%/25.0% in The Netherlands/Spain	37	2
Non-taxable income due to the use of tax-loss carryforwards	-5	0
95%-exempt dividends (Spain)	-3	-13
Non-deductible finance expense	-39	0
Recognition of previously unrecognized tax loss and credit carryforwards	63	0
Unrecognized tax loss and credit carryforwards	-18	0
Reversal of tax risks	69	47
Prior year tax	-17	-9
Others	3	2
Total corporate income tax	**89**	**29**
Effective rate	**59.1 %**	**185.2 %**

3. Audit fees

The costs of the Group for the external auditor charged to the financial year from Ernst & Young Accountants LLP was EUR 4 million.

(Million euro)	Ernst & Young Accountants LLP	Other EY	2023	Ernst & Young Accountants LLP	Other EY	2022
Recurrent	1	8	9	1	4	5
No recurrent	—	5	5	—	—	—
Fees for audit services	1	13	14	1	4	5
Others	—	1	1	—	1	1
Total	**1**	**14**	**15**	**1**	**5**	**6**

The fees stated above for the audit of the financial statements are based on the total fees for the audit of the 2023 financial statements, regardless of whether the procedures were already performed in 2023.

4. Commitments and contingencies not included in the balance sheet

Guarantees

The Company's contingent liabilities include bank and other guarantees given to certain Group companies.

Guarantees given to third parties

The Company issues guarantees in favor of clients, partners in a project or banks which provide guarantee facilities, among others which secure obligations assumed under a contract by the guaranteed company, which is generally part of the Company's group. Therefore, the Company as a guarantor, assumes the responsibility for the payment or performance obligations of the Guaranteed Company by agreeing to compensate the beneficiary in the event of such non-payment or performance.

At the 2023 year-end, these guarantees amounted up to EUR 7,036 million (2022: EUR 6,845 million) and includes:

- Guarantees given in favor of Ferrovial Emisiones, S.A. covering corporate bond issues for a total nominal amount of EUR 2,080 million (2022: EUR 2,080 million). All bond issues completed by Ferrovial Emisiones S.A. are secured by Ferrovial SE (formerly named Ferrovial, S.A.). However, with regard to this transaction, Ferrovial records intercompany loans to Ferrovial Emisiones, S.A. in the long-term amounting to EUR 1,276 million (Note 1.7), and in the short term amounting to EUR 311 million (Note 1.8), which relate to the bond issuances completed in previous years.
- Guarantee given in favor of customers of other group companies in the Construction Division in the amount of EUR 4,652 million (2022: 3,974 million), which primarily relates to surety bonds.
- Guarantee given in favor of customers of other group companies in the Toll Road Division in the amount of EUR 9 million (2022: nil).

Bank Guarantees

In addition to the above, at 2023 year end the Company holds bank guarantees amounting to EUR 1,115 million (2022: EUR 1,495 million) under guarantee facilities, of which:

- EUR 788 million relates to equity contribution guarantee commitments made to its various subsidiaries (2022: EUR 1,051 million), mainly for the project New Terminal One JFK (US).
- EUR 250 million (2022: EUR 353 million) in financial guarantees mainly relating to tax proceedings.
- EUR 77 million (2022: EUR 92 million) in technical guarantees related to compliance with its non-financial obligations, such as participation in tenders, or project performance obligations.

Other guarantees

As part of the Services divestment process referred to under the discontinued operations section, the Company has provided the indemnities that are usual in this type of transactions. The best assessment thereof is already considered in the financial statements.

Fiscal Unity

The Company is jointly and severally liable for the tax liabilities in the fiscal unity both in the Netherlands and in Spain.

- **Fiscal Unity in the Netherlands**

The Company forms a fiscal unity since December 14, 2018 for corporate income tax purposes and is the head of the group since 2020. Therefore, the Company is liable for the tax liability of the fiscal unity in the Netherlands.

There is a dispute with the Dutch tax authorities regarding the fiscal unity existence for 2019 and the first two months of 2020 due to a restructuring abroad. Currently and according to the tax authorities, the group ceased to exist and became a stand-alone taxpayer for that period. No provision has been recorded in relation to this litigation since the possibility of an economic outflow is considered remote. The potential impact of regularization in the event that the Dutch tax authorities consider that all the Group's Dutch companies should be taxed under the individual scheme has been estimated at EUR 2.5 million (for 2019 and 2020). Taxes are settled within this fiscal unity as if each company were an independent taxable entity. There was a secondary request was made to the Dutch tax authorities to ensure the existence of the fiscal group as of of March 1, 2020.

– **Fiscal Unity in the Spain**

The Spanish Branch is the head of the fiscal unity for corporate income tax purposes in the Netherlands. As a result, the Company is liable for the tax liability of the fiscal unity in Spain.

– **Litigation and other contingent liabilities**

Please refer to the consolidated account to more information regarding litigation and other contingent liabilities in note 6.5.

5.Remuneration of directors

The Company has a one-tier board system consisting of executive as well as non-executive board members.

The remuneration, including other benefits, of the current executive and non-executive directors charged to the legal entity in the financial year amounted to EUR 11 million (2022: EUR 10 million). The remuneration to former directors is nil since there were no changes in the composition neither in the year under review nor in the previous year.

The total amount of the remuneration of directors can be split into:

(Million euro)	2023	2022
Executive board members	9	8
Non-executive board members	2	2
Total	**11**	**10**

Please, refer to the Remuneration section in the Directors' report.

6. Events after the balance sheet date for the separate financial statements

The events occurred after the balance sheet date are detailed in the consolidated financial statements, note: 6.11.

Board of Directors

Mr. Rafael del Pino y Calvo-Sotelo, Executive Director (Chairman)

Mr. Óscar Fanjul Martín, Non-Executive Director (Vice-Chairman)

Mr. Ignacio Madridejos Fernández, Executive Director (Chief Executive Officer)

Ms. María del Pino y Calvo-Sotelo, Non-Executive Director

Mr. José Fernando Sánchez-Junco Mans, Non-Executive Director

Mr. Philip Bowman, Non-Executive Director

Ms. Hanne Birgitte Breinbjerg Sørensen, Non-Executive Director

Mr. Bruno Di Leo, Non-Executive Director

Mr. Juan Hoyos Martínez de Irujo, Non-Executive Director (Lead Director)

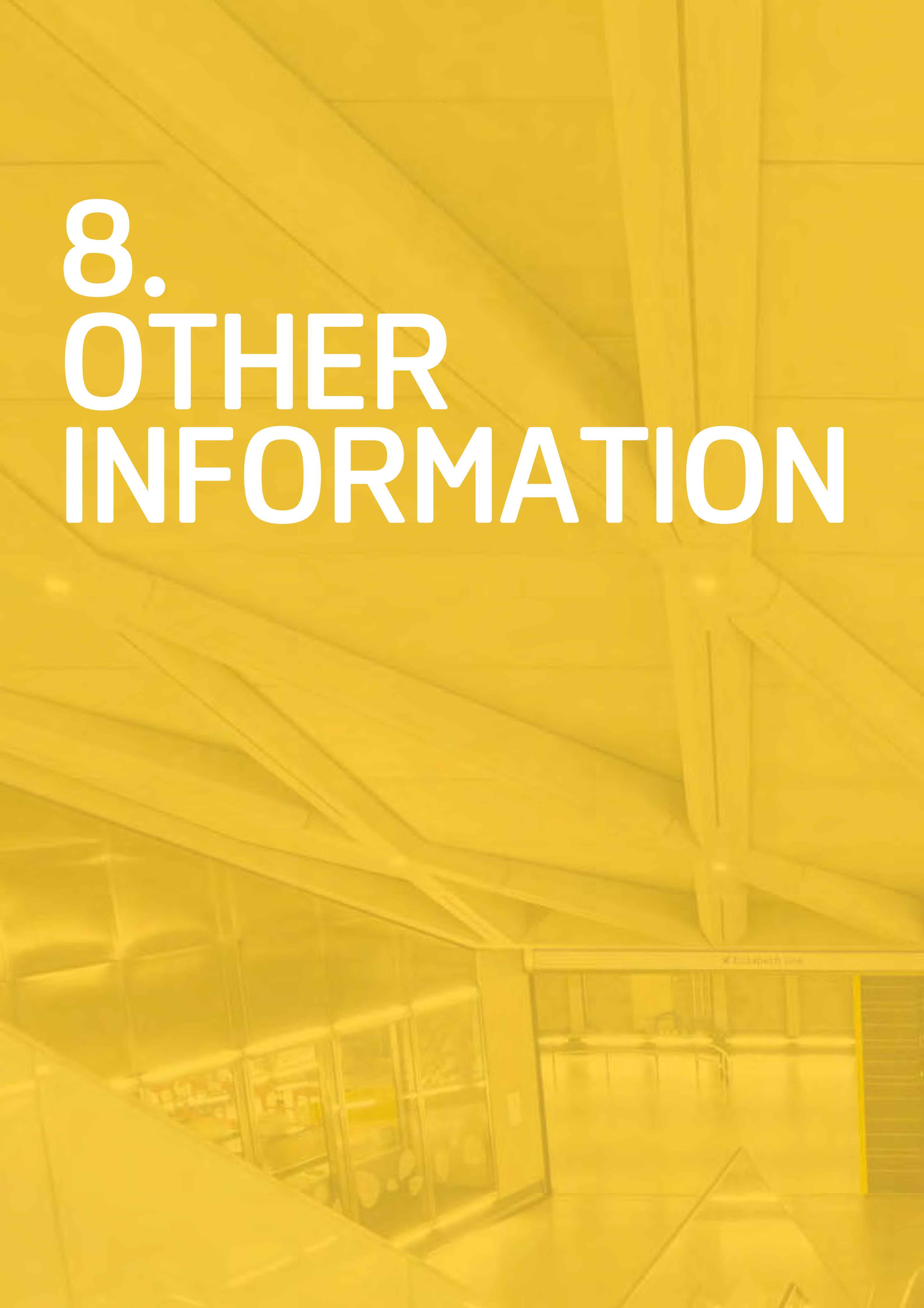
Mr. Gonzalo Urquijo Fernández de Araoz, Non-Executive Director

Ms. Hildegard Wortmann, Non-Executive Director

Ms. Alicia Reyes Revuelta, Non-Executive Director

Amsterdam, 27 February 2024

8. OTHER INFORMATION



PROVISIONS IN THE ARTICLES OF ASSOCIATION ON PROFIT APPROPRIATION

In compliance with Article 2:392.1 b) of the Dutch Civil Code, Article 11 of Ferrovial's Articles of Association states the following regarding the distribution of profits:

- Ferrovial may make capital distributions to the extent that its equity exceeds the sum of (i) the paid up and called-up part of its share capital and (ii) the reserves which must be maintained by law or its Articles of Association.
- Dividend may be distributed after adoption of Ferrovial annual accounts. The Board of Directors may determine that an amount out of the profit will be added to the reserves. The remaining profits will be at the disposal of general meeting.
- Interim distributions are resolved upon by the Board of Directors and may be made out of Ferrovial´s profits of the then current financial year or at the expense of a distributable reserve.
- The corporate body resolving on a distribution decides whether such distribution is made in cash, in kind or in shares, or any combination thereof. The General Meeting may only resolve to make a distribution in kind or in the form of shares upon a proposal thereto made by the Board of Directors.
- All shares in Ferrovial share capital, with the exception of shares held by itself in treasury (unless encumbered with a right of usufruct or pledge), equally share in capital distributions.

SPECIAL VOTING RIGHTS AND NON-VOTING SHARES UNDER THE ARTICLES OF ASSOCIATION

Each share in FSE´s share capital confers the right to cast one vote at FSE´s general meeting. No votes can be cast on shares held in treasury by FSE itself or by any subsidiary.

BRANCH (FERROVIAL SE SUCURSAL EN ESPAÑA)

The Branch incorporated in Spain in 2023, Ferrovial SE Sucursal en España, includes the following direct ownership entities:

Entity	% stake	Entity	% stake
Ferrovial Inversiones, S.A.U.	100 %	Ferrovial Venture VI, S.A.U.	100 %
Ferrovial Emisiones, S.A.	100 %	Ferrovial Ventures, S.A.U.	100 %
Ferrovial Construccion, S.A.	100 %	Ferrovial 008, S.L.U.	100 %
Ferrovial Aeropuertos España, S.A.U.	100 %	Ferrovial 009, S.L.U.	100 %
Ferrovial 001, S.A.	100 %	Ferrovial 012, S.A.	100 %
Ferrovial Infraestructuras Energéticas, S.A.U.	100 %	Ferrovial 013, S.A.	100 %
Cintra Infraestructuras España S.L.U.	100 %	Ferrovial 014, S.A.	100 %
Ferrofin S.L.	100 %	Ferrovial 015, S.L.	100 %
Ferrovial Corporación, S.A.U.	100 %	Ferrovial 016, S.L.	100 %
Temauri, S.L.U.	100 %	Ferrovial 017, S.L.	100 %
Krypton RE S.A.	100 %	Ferrovial 011, S.A.	100 %
Ferrovial Mobility S.L.U.	100 %	Ferrocorp UK LTD.	100 %
Landmille Ireland DAC	100 %	Ferrovial Services Netherlands B.V.	100 %
Ferrovial 004, S.L.U	100 %	Thalia Waste Treatment B.V.	100 %

Please refer to Appendix II and III of the Consolidated Financial Statements included in this Annual Report for all Ferrovial SE subsidiaries and associates.

INDEPENDENT AUDITOR'S REPORT

The report of the independent auditor is included on the next pages.

EY
Building a better working world

Independent auditor's report

To: the shareholders and board of directors of Ferrovial SE

Report on the audit of the financial statements 2023 included in the integrated annual report

Our opinion

We have audited the financial statements for the financial year ended 31 December 2023 of Ferrovial SE (hereinafter: Ferrovial or the Company) based in Amsterdam, the Netherlands. The financial statements comprise the consolidated and separate financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Ferrovial as at 31 December 2023 and of its result and its cash flows for 2023 in accordance with International Financial Reporting Standards as adopted in the European Union (EU-IFRSs) and with Part 9 of Book 2 of the Dutch Civil Code
- The accompanying company financial statements give a true and fair view of the financial position of Ferrovial as at 31 December 2023 and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2023
- The following statements for the year ended 31 December 2023: the consolidated income statement, the consolidated statements of comprehensive income and changes in equity and the consolidated cash flow statement
- The notes comprising material accounting policy information and other explanatory information

The separate financial statements comprise:

- The company balance sheet as at 31 December 2023
- The company income statement for the year ended 31 December 2023
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Ferrovial in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

Ferrovial S.A. merged on 16 June 2023 with its wholly owned subsidiary Ferrovial International SE into Ferrovial SE. The pooling of interest method was used to account for this merger and as a result the financial statements of Ferrovial SE include the full year results and corresponding information from Ferrovial S.A. Reference is also made to the basis of presentation and consolidation scope of the consolidated financial statements.

Ferrovial, including its legal predecessors, has been active internationally for over forty years and operates across seven core geographic markets. Ferrovial operates as a multinational infrastructure group with operations in a range of sectors including construction, toll roads and airports. We paid specific attention in our audit to a number of areas driven by the operations of the group and our risk assessment.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality

Materiality	EUR 81 million
Benchmark applied	Approximately 1% of revenue
Explanation	We have applied this benchmark based on our professional judgment and our perception of the financial information needs of users of the financial statements. Earnings based measures are not considered to be appropriate benchmarks, given their volatility over the past years. We believe revenue to be a key indicator of the performance of the Company and common in the industry.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the audit and control committee of the board of directors (hereinafter: the audit and control committee) that misstatements in excess of EUR 4 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Ferrovial is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

Accordingly, we selected entities which were required an audit of the complete financial information (Full Scope components). Furthermore, we selected entities requiring audit procedures on specific account balances that we considered had the potential for the greatest impact on the group financial statements (Specified Scope entities). For the remaining entities, we performed analytical review procedures (Limited scope procedures) or selected other procedures (Other scope entities).

We primarily used the work of other EY Global member firms when auditing entities outside the Netherlands. We communicated detailed instructions to all entity auditors for the entities in scope, including key risk areas and we reviewed their deliverables. The US, Poland and Spain are the Group's most significant locations, for these locations we performed site visits.

Our audit coverage is designed to respond to potential risks of material misstatements to the financial statements that we identified and is summarized as follows:

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

Teaming and use of specialists

We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of a listed client in the construction business together with the long-term infrastructure concessions. We included specialists in the areas of IT audit, forensics, sustainability, remuneration and income tax and have made use of our own experts in the areas of valuations of derivatives and concessions

Our focus on climate-related risks and the energy transition

Climate change and the energy transition are high on the public agenda. Issues such as CO2 reduction impact financial reporting, as these issues entail risks for the business operation, the valuation of assets and provisions or the sustainability of the business model and access to financial markets of companies with a larger CO2 footprint.

The board of directors summarized Ferrovial's commitments and obligations, and reported in the section Climate Strategy of the management report how the Company is addressing climate-related and environmental risks.

As part of our audit of the financial statements, we evaluated the extent to which climate-related risks and the effects of the energy transition and the Company's commitments and (constructive) obligations, are considered in estimates and significant assumptions. Furthermore, we read the management report and considered whether there is any material inconsistency between the non-financial information and the financial statements.

The climate-related risks are especially captured in the Company's estimated future traffic volumes. We refer to the our key audit matter Recoverability of investments in infrastructure projects operated under concession arrangements' for which future traffic volumes are considered significant assumptions.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the Company and its environment and the components of the system of internal control, including the risk assessment process and the board of directors' process for responding to the risks of fraud and monitoring the system of internal control, as well as the outcomes. We refer to the Risk section (Risks, facing challenges) of the management report for the board of directors' risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the corporate code of ethics and the ethics channel (whistle blower procedures and incident registration). We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption with direct involvement of our forensic and legal specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all companies. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important accounting judgements and estimates as disclosed in section 1.3.4 of the basis of preparation and consolidation scope of the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

When identifying and assessing fraud risks, we presumed that there are risks of fraud in the recognition of revenue from long-term construction contracts as well as in other revenue streams. We refer to our Key Audit Matters section below for further information, as to our procedures in for fraud in the recognition of revenue from long-term construction contracts. For other revenue streams, we designed and performed our audit procedures relating to revenue recognition responsive to this presumed fraud risk.

We considered available information and made enquiries of relevant executives, internal audit, legal, compliance, human resources and the board of directors.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations
We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the Board of Directors, reading minutes, inspection of Ferrovial internal audit reports and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern
As disclosed in section 1.2. Going concern assessment and current economic situation of the basis of preparation and consolidation scope of the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the board of directors made a specific assessment of the Company's ability to continue as a going concern and to continue its operations for the next twelve months.

We discussed and evaluated the specific assessment with the board of directors exercising professional judgment and maintaining professional skepticism. We considered whether the board of directors' going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Audit Committee. The key audit matters are not a comprehensive reflection of all matters discussed.

Recognition of revenue from long-term construction contracts	
Risk	As more fully described in notes 1.3.3.4, 1.3.4, and 4.4 to the consolidated financial statements, the Company enters into long term construction contracts where revenue is recognized over time in accordance with either the output or input method. For the fiscal year ended 31 December 2023, the Company recognized revenue from long-term construction contracts for EUR 6,090 million. Revenue recognition for contracts accounted for under the output method requires judgements in measuring the work carried out based on the surveyed performance units completed to date. Contracts accounted for under the input method require estimating the total forecasted cost to complete. For both methods, management estimates, when applicable, the total amount of revenue to be recognized including variable consideration, modifications or claims. To calculate the revenue due to variable consideration, management estimates the amount of incurred costs that will give rise to these additional sources of, or reductions to, revenue and whether such revenue meets the conditions for variable consideration, modifications or claims. Auditing management's measurement of revenue recognized over time on long-term construction contracts is especially challenging it involves subjective management assumptions regarding judgements in measuring the work carried out based on the surveyed performance units completed to date, the estimated total costs forecast to complete the work that could span several years and the amount of incurred costs that would give rise to additional sources of revenue. These assumptions could be impacted by future market and economic conditions. Moreover, we presumed that there are risks of fraud in the recognition of revenue from long-term construction contracts.

Our audit approach	We obtained an understanding of the policies and procedures that the Company applies in recognizing revenues from long-term construction contracts using the output or input method and the underlying assumptions and estimates. Our audit procedures also included, among others, evaluating the application of the Company's revenue recognition method in accordance with IFRS 15 Revenue from Contracts with Customers, performing analytical procedures and test of details on a sample of contracts to assess the relevant contractual clauses, and compare the inputs to the Company's historical data or experience for similar contracts, and to assess the reasonableness of management's assumptions and estimates. We further assessed the surveyed performance units completed and evaluated the reasonableness of the judgement on measuring the work carried out based on the surveyed performance units completed to date and the estimations on total forecasted costs to complete the work through meetings with management, as well as comparative analysis of deviations between originally planned costs and actual costs, the deviations' impact on the estimated project margins, and certifications received by the customer, as applicable. We performed a comparative analysis of budgeted versus actual revenues recognized from contracts completed during the year, and look-back analyses to historical actual costs to assess management's ability to estimate and to identify potential management bias. For variable consideration, we assessed the estimated amount of incurred costs that will give rise to additional sources of revenue by comparing actual construction progress to contractual completion dates and milestones, and evaluated if these are reasonably met to recognize the revenue. For contract modifications, we evaluated the evidence of the underlying technical report approvals and the status of the negotiation with the customers. For the amounts recognized in claims, we assessed the reasonableness of management's judgement in recognizing such items as revenues by inspecting supporting technical reports and legal confirmations.
Key observations	We concluded that the assumptions relating to the recognition of revenue from long-term construction contracts fall within acceptable ranges and we agree with the management's conclusions.

Recoverability of investments in infrastructure projects operated under concession arrangements	
Risk	As more fully described in note 1.3.3.2, 1.3.4 and 3.3 to the consolidated financial statements, concession arrangements that fall in scope of IFRIC 12, for which the consideration received consists of the right to charge fees based on the degree of use of the public service are classified as intangible assets. At December 2023, the Company recorded EUR 13,325 million of intangible assets related to concession agreements. Management assesses, at each reporting date, whether there is an indication that the concession asset may be impaired. The related calculations of the recoverable amounts are based on a discounted cash flow model, which involves management assumptions related to future traffic volumes, prices applied to customers, future operating expenses and the discount rate. Auditing management's estimates of recoverability of investments in infrastructure projects operated under concession arrangements is complex due to significance of the amounts involved, and required subjective auditor's judgement due to the significant management's estimates required in the future traffic volumes, prices applied to customers, future operating expenses and discount rate assumptions. Changes in the assumptions used could materially affect the recoverability of such investments in infrastructure projects.
Our audit approach	We obtained an understanding of the policies and procedures related to the recoverability of investments in infrastructure projects and evaluated the application of the Company's accounting policies related to estimations for recoverability of assets in accordance with IAS 36 "Impairment of assets" and IAS 38 Intangible assets. The procedures designed to address the matter in our audit included, among others, understanding the terms and conditions of concession arrangements. We determined the arithmetical accuracy of the discounted cash flow models. We evaluated the reasonableness of the future traffic volumes, prices applied to customers, future operating expenses by comparing those assumptions to recent historical performance, current economic and industry trends, and financial forecasts. We further evaluated the consistency of the future traffic volumes, prices applied to customers, future operating expenses by comparing past forecasts to subsequent actual activity. We involved a specialist to assist in evaluating the discount rates by developing a range of discount rates, which we compared to the rates used by the Company.
Key observations	We concluded that the assumptions relating to recoverability of investments in infrastructure projects operated under concession arrangements fall within acceptable ranges and we agree with the management's conclusions.

Report on other information included in the integrated annual report

The integrated annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code and as required by Sections 2:135b and 2:145 sub-Section 2 of the Dutch Civil Code for the remuneration report.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 and Section 2:135b sub-Section 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code. The board of directors is responsible for ensuring that the remuneration report is drawn up and published in accordance with Sections 2:135b and 2:145 sub-Section 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

Ernst & Young, S.L. was engaged by the ordinary general shareholders' meeting held on April 17, 2020 as auditor of Ferrovial S.A., as of the audit for the year 2020. Ernst & Young Accountants LLP has been appointed by the general meeting as per approved resolution on 13 April 2023 of the cross-border merger into Ferrovial SE as of 16 June 2023. We were engaged by the Company as auditor on 26 October 2023, as of the audit for the year 2023.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Reporting Format (ESEF)

Ferrovial has prepared the integrated annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the integrated annual report prepared in the XHTML format, including the (partially) marked-up consolidated financial statements as included in the reporting package by Ferrovial, complies in all material respects with the RTS on ESEF.

The board of directors is responsible for preparing the integrated annual report, including the financial statements, in accordance with the RTS on ESEF, whereby the board of directors combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the integrated annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N, "Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument" (assurance engagements relating to compliance with criteria for digital reporting). Our examination included amongst others:

- Obtaining an understanding of the Company's financial reporting process, including the preparation of the reporting package
- Identifying and assessing the risks that the integrated annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared in accordance with the technical specifications as included in the RTS on ESEF
  - Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF

Description of responsibilities regarding the financial statements

Responsibilities of the board of directors for the financial statements

The board of directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRSs and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board of directors is responsible for such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of directors should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The board of directors should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The Non-Executive Directors are responsible for overseeing the Ferrovial's financial reporting process. The audit and control committee assists the board of directors in its decision-making in relation to the supervision of the integrity and quality of the Company's financial reporting and the effectiveness of the Company's internal control systems.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion. Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication

We communicate with the audit and control committee and the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit and control committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the audit and control committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit and control committee, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 27 February 2024

Ernst & Young Accountants LLP

signed by J.J. Vernooij

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Prepared and produced by Ferrovial's Communication and Corporate Responsibility Department and Economic-Financial Department.