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Ferrovial SE & Subsidiaries

Interim Management Report & Condensed Consolidated Financial Statements

June 2023

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Interim Management Report

January-June 2023 results

DISCLAIMER

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

Neither this report nor any of the information contained herein constitutes an offer of purchase, sale or exchange, nor a request for an offer of purchase, sale or exchange of securities, or any advice or recommendation with respect to such securities

Ferrovial Results January - June 2023

- **407 ETR's traffic grew by +21.9% in H1 2023 vs H1 2022,** primarily due to the lifting of all COVID-19 related restrictions by the Province of Ontario that were in place during the Q1 2022, which led to increased mobility and commuting to workplaces in 2023. In the Q2 2023, traffic growth was also supported by an increase in rehabilitation construction activities on Highway 401 and favorable weather conditions. Revenues reached CAD700mn increasing by +22.3% given the positive trend in traffic volumes.
- **Managed Lanes registered a strong traffic growth in the semester.** All Managed Lanes (MLs) posted solid average revenue per transaction growth vs. H1 2022 with the Texan MLs exceeding the latest soft cap update (+6.5% in 2023): LBJ +11.3%, NTE 35W +10.6%, & NTE +9.8%. This same KPI grew by +37.2% in I-77 where there is no price cap. I-66 reached an average revenue per transaction of USD4.8 for H1 2023 with both, traffic and revenue ramping up.
- **Airports showed a steady traffic recovery ahead of peak summer season.** Heathrow welcomed 37.1mn passengers in H1 2023 (+42.1% vs H1 2022), traffic continues improving vs 2019 levels reaching -4.3% in H1 2023 vs H1 2019. Passenger numbers in June standalone were more than 7.0mn, showing the best month performance delivery since August 2019 (-2.8% vs June 2019). AGS showed positive traffic evolution vs H1 2022 (+22.3%), while traffic vs 2019 levels continues improving (-24.8%). Dalaman showed a strong performance, outperforming 2019 (+3.6% vs H1 2019).
- **Construction EBIT stood at -EUR3mn** vs. EUR26mn in H1 2022, impacted by completion works on the large projects at final stages in the US, partially offset by the strong Budimex performance (+6.0% EBIT mg). EBIT mg reached -0.1% vs. +0.8% in H1 2022. The order book reached EUR14,857mn (-1.1% LfL), not including pre-awarded contracts of c.EUR1.7bn.
- **Solid financial situation:** high liquidity levels reaching EUR5,521mn and net cash position ex-infrastructure (EUR819mn). The highest significant cash consumption in the semester was the EUR511mn from the repurchase of the Hybrid Bond, partially offset by the EUR342mn of dividends from infrastructure projects, including the first dividend distribution from NTE35W (EUR216mn).

REPORTED P&L

(EUR million)	JUN-23	JUN-22
REVENUES	**3,940**	**3,534**
EBITDA	**401**	**313**
Period depreciation	-201	-143
EBIT (ex disposals & impairments)	**200**	**170**
Disposals & impairments	0	0
EBIT	**200**	**170**
FINANCIAL RESULTS	**-101**	**-119**
Equity-accounted affiliates	83	55
EBT	**182**	**106**
Corporate income tax	-20	-21
NET PROFIT FROM CONTINUING OPERATIONS	**162**	**85**
NET PROFIT FROM DISCONTINUED OPERATIONS	**6**	**-5**
CONSOLIDATED NET INCOME	**168**	**80**
Minorities	-54	-28
NET INCOME ATTRIBUTED	**114**	**52**

REVENUES

(EUR million)	JUN-23	JUN-22	VAR.	LfL
Toll Roads	492	355	38.7%	38.0%
Airports	28	7	n.s.	-37.8%
Construction	3,258	3,053	6.7%	8.3%
Energy Infrastructure & Mobility	175	139	25.5%	25.4%
Others	-13	-20	33.5%	33.4%
Total Revenues	**3,940**	**3,534**	**11.5%**	**12.2%**

EBITDA

(EUR million)	JUN-23	JUN-22	VAR.	LfL
Toll Roads	360	255	41.0%	40.0%
Airports	-2	-19	90.7%	13.7%
Construction	62	78	-20.5%	-24.1%
Energy Infrastructure & Mobility	6	5	19.1%	123.1%
Others	-25	-5	n.s.	n.s.
Total EBITDA	**401**	**313**	**28.0%**	**22.1%**

EBIT (before impairments and disposals of fixed assets)

(EUR million)	JUN-23	JUN-22	VAR.	LfL
Toll Roads	245	174	40.9%	33.8%
Airports	-8	-19	56.9%	13.5%
Construction	-3	26	n.s.	n.s.
Energy Infrastructure & Mobility	-4	-1	n.s.	39.8%
Others	-28	-9	-226.1%	-226.1%
Total EBIT	**200**	**170**	**17.5%**	**8.6%**

PROPORTIONAL EBITDA (Like-for-like figures)

(EUR million)	JUN-23	JUN-22	VAR.
Toll Roads	454	359	26.7%
Airports	311	209	48.5%
Construction	52	64	-19.1%
Energy Infrastructure & Mobility	14	10	44.8%
Others	-25	-5	n.s.
Total EBITDA	**807**	**637**	**26.8%**

NET CASH POSITION (NCP)

(EUR million)	**JUN-23**	**DEC-22**
NCP ex-infrastructures projects	**819**	**1,439**
NCP infrastructures projects	**-7,140**	**-7,219**
Toll roads	-6,747	-6,852
Others	-394	-367
Total Net Cash /(Debt) Position	**-6,321**	**-5,781**

TRAFFIC PERFORMANCE

	vs H1 2022	vs H1 2019
407 ETR (VKT)	21.9%	-9.7%
NTE*	11.6%	16.3%
LBJ*	9.7%	-7.7%
NTE 35W*	5.5%	16.0%
I-77*	19.7%	n.s.
Heathrow	42.1%	-4.3%
AGS	22.3%	-24.8%
Dalaman	22.2%	3.6%

*Transactions

CONSOLIDATED RESULTS

- **Revenues** at EUR3,940mn (+12.2% LfL) on the back of higher Construction revenues (+8.3% LfL) and Toll Roads (+38.0% LfL).
- **EBITDA** reached EUR401mn (+22.1% LfL) supported by a higher contribution from Toll Roads (+40.0% LfL), particularly US Toll Roads with an EBITDA of EUR332mn.

RESULTS BY DIVISION

Toll roads: revenues increased by +38.0% LfL and EBITDA by +40.0% LfL. EBITDA stood at EUR360mn.

- **Texas Managed Lanes:** showed solid traffic growth in H1 2023 vs. H1 2022, NTE +11.6%, LBJ +9.7%, and NTE 35W +5.5% despite the latter being impacted by the construction works of NTE3C in the first half of the year. NTE & NTE35W traffic was above pre-pandemic levels (2019), and LBJ traffic is still below, mainly due to the construction works developed in the area. All MLs posted average revenue per transaction growth vs. H1 2022: LBJ +11.3%, NTE 35W +10.6% & NTE +9.8% .
  - **NTE**: reported revenues of USD139mn (+22.3%), helped by higher traffic and higher toll rates. EBITDA reached USD123mn (+23.5%). EBITDA margin of 88.8% (vs 87.9% in H1 2022).
  - **LBJ**: revenues at USD93mn (+22.0%), helped by higher traffic and higher toll rates. EBITDA at USD77mn (+23.1%) with 82.4% EBITDA mg (81.6% in H1 2022).
  - **NTE 35W**: reached revenues of USD94mn (+16.8%), led by higher toll rates and higher traffic. EBITDA reached USD79mn (+14.2%) with 83.8% EBITDA mg (85.8% in H1 2022).
- **I-77 Managed Lanes** traffic increased by +19.7% vs H1 2022. Revenues reached USD43mn (+62.5% vs. H1 2022) with significant growth in revenue per transaction terms (+37.2% vs H1 2022). EBITDA stood at USD31mn with 71.7% of EBITDA mg (56.9% in H1 2022).
- **I-66 Managed Lanes,** showed revenues and traffic ramping up, with USD67mn of revenues in H1 2023. EBITDA reached USD50mn with 74.9% EBITDA mg.
- **407 ETR** showed higher traffic in H1 2023 (+21.9% vs H1 2022), primarily due to the lifting of all COVID-19 related restrictions by the Province of Ontario that were in place during the Q1 2022, which led to increased mobility and commuting to workplaces in 2023. In Q2 2023, traffic growth was also supported by an increase in rehabilitation construction activities on Highway 401 and favorable weather conditions. Revenues reached CAD700mn increasing by +22.3% given the positive trend in traffic volumes when restrictions eased in 2022. EBITDA reached CAD598mn (+22.4%) with 85.4% EBITDA mg.

Airports: traffic has showed a solid improvement in H1 2023 vs H1 2022 in all the assets. Heathrow reached -4.3% in H1 2023 vs H1 2019, and a -2.8% in June standalone, showing the best month performance delivery since August 2019.

- **Heathrow** revenues increased by +36.1% and adjusted EBITDA +43.8% vs H1 2022. Heathrow welcomed 37.1mn passengers in H1 2023 (26.1mn passengers in H1 2022), increasing +42.1% vs H1 2022.
- **AGS** revenues increased by +18.0% vs H1 2022 driven by higher traffic in the airports (+22.3% vs H1 2022). EBITDA performed strongly increasing by +43.0% vs H1 2022.
- **Dalaman** revenues reached EUR24mn driven by the positive performance in traffic due to the seasonality of the airport. EBITDA stood at EUR15mn. Traffic numbers reached 1.8mn passengers (22.2% vs. H1 2022).
- **Construction**: revenues were up by +8.3% LfL. EBIT reached -EUR3mn vs. EUR26mn in H1 2022, impacted by completion works on the large projects at final stages in the US, partially offset by the strong Budimex performance (6.0% EBIT mg). EBIT mg reached -0.1% vs. 0.8% in H1 2022. The order book reached EUR14,857mn (-1.1% LfL), not including pre-awarded contracts of c.EUR1.7bn.

DIVIDENDS FROM PROJECTS

Total dividends received from projects reached EUR342mn in H1 2023 (vs EUR86mn in H1 2022) including as main distributions:

- **407 ETR**: EUR44mn were received by Ferrovial in H1 2023, while no dividends were paid in H1 2022. At the July Board meeting, a CAD150mn dividend was approved for Q3 2023.
- **Texas Managed Lanes:** EUR285mn were received by Ferrovial, including the first dividend distribution from NTE 35W (EUR216mn), together with NTE (EUR54mn) and LBJ (EUR16mn), compared with EUR59mn in H1 2022.
- **Other toll roads**: EUR12mn in H1 2023 (EUR8mn in H1 2022), including EUR5mn from Australian toll roads, EUR3mn from Spanish toll roads and EUR1mn from the Irish toll roads.
- **Heathrow**: no dividends were distributed in H1 2023 or H1 2022.

FINANCIAL POSITION

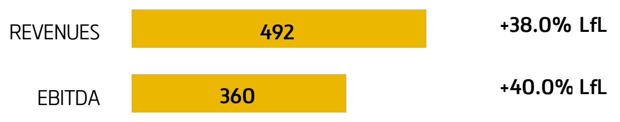
In H1 2023, the net cash ex-infrastructure projects reached EUR819mn vs EUR1,439mn in December 2022. Net debt of infrastructure projects reached EUR7,140mn (EUR7,219mn in December 2022). Net consolidated debt reached EUR6,321mn (EUR5,781mn in December 2022).

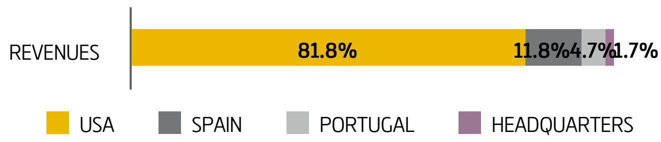
SUSTAINABILITY HIGHLIGHTS

Sustainability remains at the core of our strategy. In H1 2023:

- Ferrovial submitted the **Climate Strategy** for the advisory vote of the 2022 General Shareholders' Meeting and received over 90% approval.
- Ferrovial has been included in **S&P Global's Sustainability Yearbook 2023.**
- Ferrovial **signed its annual social aid program**, that will benefit over 52,000 people. The aim looks to improve access to water for human consumption, contribute to the fight against food insecurity and alleviate poverty or severe diseases.
- **Heathrow's focus remains to champion the role of sustainable aviation fuel (SAF).** Heathrow's incentive scheme continues to make SAF a regular feature of fuel supply at the airport. Considered a success in 2022, the incentive has been increased from 0.5% to 1.5% in 2023, and it has once again been oversubscribed.
- **Heathrow first airport to achieve "science based validation" from the SBTi for their 2030 carbon reduction goals**, confirming they are consistent with a 1.5 degree carbon reduction trajectory.
- **Ferrovial included in the FTSE4Good Global Index for the 20th consecutive year**

Toll Roads





407 ETR (43.23%, equity-accounted)

TRAFFIC

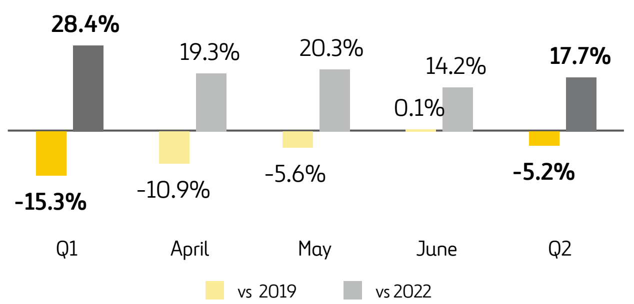
	JUN-23	JUN-22	VAR.
Avg trip length (km)	22.18	21.70	2.3%
Traffic/trips (mn)	51.89	43.47	19.3%
VKTs (mn)	1,150	943	21.9%
Avg Revenue per trip (CAD)	13.09	13.03	0.5%

VKT (Vehicle kilometers travelled)

In H1 2023, VKTs increased by +21.9% vs H1 2022, primarily due to the lifting of all COVID-19 related restrictions by the Province of Ontario that were in place during the Q1 2022, which led to increased mobility and commuting to workplaces in 2023. In Q2 2023, traffic growth was also supported by an increase in rehabilitation construction activities on Highway 401 and favorable weather conditions.

When compared to 2019, traffic volumes in Q2 2023 were still lower (-5.2%), but showing a positive trend versus previous quarters (-15.3% in Q1 2023), on the back of an increase on mobility in the area.

Monthly and quarterly traffic performance vs 2022 & 2019



Management continues to monitor the gradual traffic recovery and does not believe it will have a long-term impact on the financial condition of the Company.

P&L

(CAD million)	JUN-23	JUN-22	VAR.
Revenues	700	573	22.3%
EBITDA	598	489	22.4%
EBITDA margin	85.4%	85.4%	
EBIT	550	441	24.7%
EBIT margin	78.5%	77.0%	

Revenues were up by +22.3% in H1 2023, reaching CAD700mn.

- **Toll revenues** (90.2% of total): +20.3% to CAD632mn, due to higher trips and VKTs compared to H1 2022.
- **Fee revenues** (7.8% of total): +14.7% to CAD55mn, on the back of higher traffic.
- **Contract revenues** (2.0% of total) related to the reconfiguration of the road-side tolling technology in connection with the removal of tolls for Highways 412 and 418, amounting to CAD14mn in H1 2023.

OPEX (+21.6%), 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, higher billing costs and higher collection costs, due to higher traffic volumes.

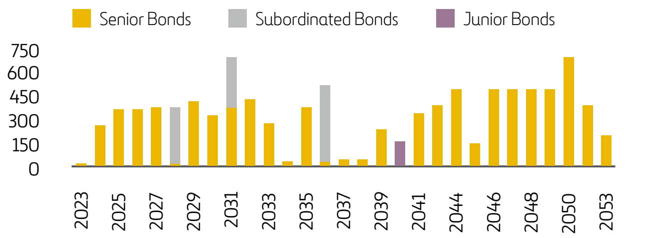
EBITDA +22.4%, as a result of higher traffic volumes. EBITDA margin remained consistent with the H1 2022 at 85.4%.

Dividends: A CAD150mn dividend was paid to shareholders in April 2023. At the July Board meeting, a CAD150mn dividend was approved for Q3 2023.

No dividends were paid in H1 2022.

Net debt at end of June: CAD8,987mn (average cost of 4.05%). 51% of debt matures in more than 15 years' time. Upcoming bond maturity dates are CAD21mn in 2023, CAD272mn in 2024 and CAD373mn in 2025.

407 ETR bond maturity profile



407 ETR credit rating

- **S&P:** "A" (Senior Debt), "A-" (Junior Debt) & "BBB" (Subordinated Debt), with stable outlook, issued on February 24th, 2022.
- **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

Toll rates remain unchanged since February 2020.

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 for 2020 and until the end of the Force Majeure event.

The 407ETR 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.

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

TEXAS MANAGED LANES (USA)

In H1 2023, the traffic in all MLs continued to improve, although NTE35W was impacted by the construction works of the NTE 3C, which opened to traffic on June 20th, 2023. NTE & NTE35W traffic was above pre-pandemic levels (2019), while LBJ traffic continues below 2019 levels mainly due to the construction works developed in the area. All MLs posted average revenue per transaction growth vs H1 2022 above inflation, driven by higher toll rates and the soft cap linked to inflation.

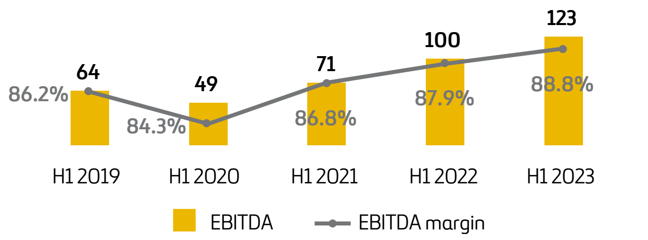
NTE 1-2 (63.0%, globally consolidated)

In H1 2023, traffic increased by +11.6% vs H1 2022. Traffic has been improving as a result of higher mobility since Q1 2022 was impacted by Omicron.

(USD million)	JUN-23	JUN-22	VAR.
Transactions (mn)	19	17	11.6%
Avg. revenue per transaction (USD)	7.1	6.5	9.8%
Revenues	139	113	22.3%
EBITDA	123	100	23.5%
EBITDA margin	88.8%	87.9%	
EBIT	107	80	33.5%
EBIT margin	77.4%	70.8%	

The average **revenue per transaction** reached USD7.1 in H1 2023 vs. USD6.5 in H1 2022 (+9.8%) positively impacted by higher toll rates.

NTE EBITDA EVOLUTION



NTE net debt reached USD1,220mn in June 2023 (USD1,223mn in December 2022), at an average cost of 4.12%.

Credit rating

	PAB	Bonds
Moody's	Baa2	Baa2
FITCH	BBB	BBB

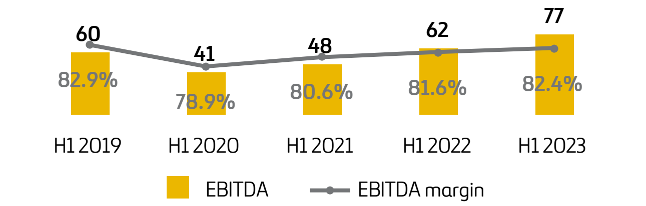
LBJ (54.6%, globally consolidated)

In H1 2023, traffic increased by +9.7% vs. H1 2022, still below 2019 levels. Traffic has been improving as a result of higher mobility since Q1 2022 was impacted by Omicron.

(USD million)	JUN-23	JUN-22	VAR.
Transactions (mn)	21	19	9.7%
Avg. revenue per transaction (USD)	4.4	4.0	11.3%
Revenues	93	76	22.0%
EBITDA	77	62	23.1%
EBITDA margin	82.4%	81.6%	
EBIT	62	46	35.0%
EBIT margin	66.9%	60.4%	

The **average revenue per transaction** reached USD4.4 in H1 2023 vs. USD4.0 in H1 2022 (+11.3%) positively impacted by higher toll rates.

LBJ EBITDA EVOLUTION



LBJ net debt was USD2,018mn in June 2023 (USD2,020mn in December 2022), at an average cost of 4.03%.

Credit rating

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

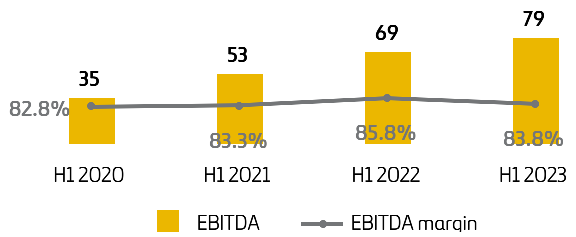
NTE 35W (53.7%, globally consolidated)

In H1 2023, NTE35W traffic increased by +5.5% vs H1 2022, traffic has been improving as a result of higher mobility since Q1 2022 was impacted by Omicron. Traffic was negatively affected by the construction works of the NTE 3C in H1 2023, opened on June 20th, 2023.

(USD million)	JUN-23	JUN-22	VAR.
Transactions (mn)	18	17	5.5%
Avg. revenue per transaction (USD)	5.3	4.8	10.6%
Revenues	94	80	16.8%
EBITDA	79	69	14.2%
EBITDA margin	83.8%	85.8%	
EBIT	66	55	21.2%
EBIT margin	70.4%	67.9%	

Average revenue per transaction was USD5.3 in H1 2023, vs. USD4.8 in H1 2022 (+10.6%), positively impacted by higher toll rates.

NTE 35W EBITDA Evolution



NTE 35W net debt reached USD1,619mn in June 2023 (USD1,233mn in December 2022), at an average cost of 4.84%, including NTE 3C.

Credit rating

	PAB	TIFIA
Moody's	Baa2	Baa2
FITCH	BBB	BBB

I-77 (72.2%, globally consolidated)

In H1 2023, traffic increased by +19.7% vs H1 2022, showing a strong recovery after traffic had been impacted by Omicron spike in Q1 2022.

(USD million)	JUN-23	JUN-22	VAR.
Transactions (mn)	20	17	19.7%
Avg. revenue per transaction (USD)	2.1	1.5	37.2%
Revenues	43	26	62.5%
EBITDA	31	15	104.7%
EBITDA margin	71.7%	56.9%	
EBIT	26	10	150.4%
EBIT margin	61.3%	39.8%	

The **average revenue per transaction** was USD2.1 in H1 2023 vs. USD1.5 in H1 2022 (+37.2%), impacted by higher toll rates.

I-77 net debt was USD232mn in June 2023 (USD257mn in December 2022), at an average cost of 3.65%.

Credit rating

	PAB	TIFIA
FITCH	BBB	BBB
DBRS	BBB	BBB

I-66 (55.7%, globally consolidated)

In H1 2023, traffic reached 13 million transactions, with traffic ramping up.

(USD million)	JUN-23
Transactions (mn)	13
Avg. revenue per transaction (USD)	4.8
Revenues (USD mn)	67
EBITDA (USD mn)	50
EBITDA margin	74.9%
EBIT	6
EBIT margin	9.1%

The **average revenue per transaction** was USD4.8 in H1 2023.

I-66 net debt reached USD1,608mn in June 2023 (USD1,644mn in December 2022), at an average cost of 3.57%.

Credit rating

	PAB	TIFIA
Moody's	Baa3	Baa3
FITCH	BBB	BBB

IRB (24.86%, equity-accounted)

Based on Indian legislation, the latest available information corresponds to the closing of IRB's last fiscal year, which runs from April to March. Consequently, Ferrovial's interim consolidated financial statements only includes the company's last quarter contribution (January to March, three months).

IRB manages 24 projects and above 2,700 kilometers of toll roads.

In H1 2023, IRB was able to reach significant milestones:

- Awarded with a Rs 2,132 crore project of 91 kilometers for 22 years, which compromises build, operate and transfer (BOT) in the State of Gujarat.
- Awarded with the Hyderabad Outer Ring Road of 158 kilometers under toll, operate and transfer (TOT) in the State of Telangana for 30 years, the second largest single asset TOT project in the country after Mumbai-Pune with an investment of Rs 8,396 crore.
- Appointed Date achieved (green light to start construction) for Chittoor-Tachur project.

ASSETS UNDER DEVELOPMENT

(EUR million)	INVESTED CAPITAL	PENDING COMMITTED CAPITAL	NET DEBT 100%	CINTRA SHARE
Global Consolidation				
Intangible Assets	**964**	**14**	**-2,959**	
I-66*	897	0	-1,474	55.7%
NTE35W**	67	14	-1,484	53.7%
Equity Consolidated				
Financial Assets	**57**	**28**	**-1,324**	
Ruta del Cacao	57	1	-290	30.0%
Silvertown Tunnel	0	27	-1,034	22.5%

*Capital invested & committed includes the acquisition of the additional 5.704% stake (EUR162mn).

** Capital invested & committed refers to Seg. 3C. Net debt 100%: includes all 3 seg.

- **NTE35W Segment 3C (Texas, USA):** The project involves the construction of 2 managed lanes in each direction of c.6.7miles. The toll road was opened three months ahead of schedule, on June, 20th 2023. The concession will end in 2061. Design and construction works are 99.0% completed as of June 30th, 2023.
- **I-66 (Virginia, USA):** the project includes the construction of 35km on I-66 (between Route 29, close to Gainesville, and Washington DC ring road, I-495, in Fairfax County). The concession is for 50 years since commercial agreement closing. In September 2022, a 9 miles section of the I-66 Managed Lanes opened to traffic, ahead of schedule. In November 2022, the full project opened to traffic ahead of schedule. Construction is now mainly focused on deferred work items, scheduling, and conducting punch list inspections.
- **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 97.7% completed as of June 30th, 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 85.4% completed as of June 30th, 2023.

OTHER TOLL ROADS

- **Azores (Portugal)**: Ferrovial has reached an agreement to sell its stake (89.2%) to infrastructure funds Horizon and RiverRock. The deal amounts to EUR42.6mn, which will continue to provide technical services to the concession company for two years. Completion of the transaction is subject to approval by the Portuguese authorities and by lenders.

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. 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.

Airports

HEATHROW (25%, equity-accounted) – UK

TRAFFIC

Million passengers	JUN-23	JUN-22	VAR.
UK	2.1	1.6	31.3%
Europe	14.7	11.2	31.3%
Intercontinental	20.3	13.3	52.6%
Total	**37.1**	**26.1**	**42.1%**

Heathrow welcomed 37.1mn passengers in H1 2023, (+42.1% vs H1 2022), which included some of the busiest days on record.

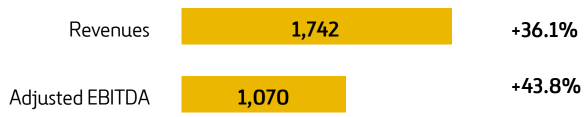
Traffic continues improving vs 2019 levels reaching -4.3% in H1 2023 vs H1 2019, in June standalone (-2.8% vs June 2019) more than 7.0mn passengers flew through Heathrow showing the best month performance delivery since August 2019.

There was an increase in inbound tourism and the proportion of business travel also increased from 27% in H1 2022 to 29% in H1 2023, compared to 34% in 2019. Several markets are showing strong performance compared to 2019. These markets include Africa, North and Latin America, the Middle East, and South Asia. The benefits of these trade and tourism links demonstrate the critical importance of Heathrow as the UK's gateway to the world. The Asia Pacific region has also experienced significant recovery from the fuller reopening of borders this year, with June standing at 87% of the same month in 2019.

Connecting all of Britain to global growth: Passengers can choose from over 225 destinations this summer as airlines add more routes and frequencies to their Heathrow networks. Loganair has taken advantage of lower domestic charges to increase routes, and 12 UK airports are now connected to the UK's hub airport. Heathrow remains the best gateway in Europe for flights to the US, with 248 daily flights to 31 US destinations, and is currently better connected to India and China than European hub competitors. British Airways has launched a new route to Cincinnati, JetBlue added another service to New York, and LATAM has been allocated slots to begin a new non-stop connection to Lima, Peru.

During H1 2023, Heathrow achieved an overall Airport Service Quality (ASQ) rating of 3.99 out of 5.00.This represents a further improvement on the second half of last year (H2 2022: 3.89) but remains below the same period in 2022 (H1 2022: 4.05) and 2019 (H1 2019: 4.18), as passenger volumes have continued to recover. Overall, 74% of passengers surveyed in H1 2023 rated their Heathrow experience as either 'Excellent' or 'Very good', a 3% pts decline versus 2022, with more passengers rating 'Good' and 'Fair'. The proportion of 'Poor' ratings remained low at only 1%.

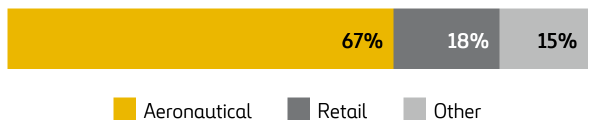
P&L HEATHROW SP



Revenues: +36.1% in H1 2023 to GBP 1,742mn.

- **Aeronautical:** +43.2% vs H1 2022, predominantly due to higher passenger numbers, an increase in aero charges, set by the CAA's interim tariff, and higher air traffic movements (ATMs). Aeronautical revenue per passenger increased by 0.7% to GBP31.29 (H1 2022: GBP31.07).
- **Retail:** +30.4% vs H1 2022, with all areas seeing strong growth driven by higher departing passengers. Retail revenue per passenger decreased 8.3% to GBP8.68 (H1 2022: GBP9.47).
- **Other revenues:** +16.6% vs H1 2022. The strong growth in Heathrow Express revenue is also attributed to increased passenger numbers. Property revenue increases were a result of terminal facility lease renewals.

Contribution to revenues:



Adjusted operating costs (ex-depreciation & amortization and exceptional items): +25.4% to GBP672mn (H1 2022: GBP536mn). Heathrow is spending more on employment costs in line with rebuilding capacity, due to building resources for higher passenger volumes. This includes costs associated with additional colleagues, overtime, recruitment and training. The rise in operational costs is mainly due to third party resourcing, supporting operational resilience, and service quality rebates incurred. The increase in maintenance is largely driven by terminal cleaning and conservation of baggage, terminals, and air side areas. Rates continue to be in line with previous years. Finally, utilities and other costs have been impacted by higher consumption and higher energy prices.

Adjusted EBITDA increased +43.8% to GBP1,070mn, vs GBP744mn in H1 2022 resulting in an Adjusted EBITDA margin of 61.4% (H1 2022: 58.1%).

Heathrow SP & HAH

	Revenues			EBITDA			EBITDA margin		
(GBP million)	JUN-23	JUN-22	VAR.	JUN-23	JUN-22	VAR.	JUN-23	JUN-22	VAR. (bps)
Heathrow SP	**1,742**	**1,280**	**36.1%**	**1,070**	**744**	**43.8%**	**61.4%**	**58.1%**	**325**
Exceptionals & adjs	0	1	n.s.	2	3	-31.8%	n.s.	n.s.	n.s.
Total HAH	**1,742**	**1,281**	**36.0%**	**1,072**	**748**	**43.4%**	**61.5%**	**58.4%**	**316**

HAH net debt: the average cost of Heathrow's external debt at FGP Topco, HAH's parent company, was 10.7%, including all the interest-rate, exchange-rate, accretion and inflation hedges in place (9.8% in December 2022).

(GBP million)	JUN-23	DEC-22	VAR.
Loan Facility (ADI Finance 2)	849	839	1.2%
Subordinated	2,325	2,320	0.2%
Securitized Group	15,131	15,981	-5.3%
Cash & adjustments	-2,386	-3,035	-21.4%
Total	**15,918**	**16,106**	**-1.2%**

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. This liquidity position takes into account GBP2.3bn in cash resources across the Group.

Regulatory Asset Base (RAB): the RAB reached GBP19,945mn as of June 2023 (GBP19,182mn in December 2022). Heathrow Finance's gearing ratio was 80.0% (82.3% in December 2022) with a covenant of 92.5%.

Key regulatory developments: On 8 March 2023, the CAA published its Final Decision for the H7 regulatory period. The decision sets an average price cap of GBP23.06 (2020 CPI) across H7. This will be implemented through a flat charge of GBP21.03 (2020 CPI) across 2024 to 2026, with the current interim price cap (GBP31.57 nominal) retained for 2023.

Following the publication of the Final Decision, Heathrow filed an appeal of the CAA's decision to the CMA, formally requesting the CMA to review the following parts of the CAA's decision:

- The decision on WACC, specifically on the asset beta and the cost of embedded debt.
- The decision to only apply a GBP300mn RAB adjustment following the impact of COVID-19.
- The decision to apply an additional K- Factor to claw back over recovery against the yield per passenger in 2020 and 2021, effectively returning 25% of Heathrow's aeronautical revenue over those years.
- The CAA's new capital incentive framework which will be more costly and complex.

Alongside Heathrow's appeal, British Airways, Virgin Atlantic and Delta also appealed the CAA's H7 Final Decision to the CMA. Airlines also appealed the decisions on WACC and the RAB adjustment alongside appealing additional grounds on the CAA's passenger forecast and the asymmetric risk allowance. On 11 May 2023, the CMA granted permission for both Heathrow and the airlines to appeal on all grounds. The CMA has also granted permission for Heathrow to intervene in the grounds appealed by the airlines, allowing Heathrow to make representations on the passenger forecast and asymmetric risk allowance grounds.

Hearings on each of the grounds of appeal will take place through July 2023, with a decision being taken by the CMA by 17 October 2023.

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. 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

Heathrow's adjusted EBITDA performance in 2023 remains consistent with the revised guidance published in our June Investor Report on 30 June 2023. For 2023, Heathrow is forecasting traffic in the range of 70 – 78 mn, with the mid-point at 74 mn, and an Adjusted EBITDA of GBP1,965 mn.

AGS (50%, equity-accounted) – UK

Traffic: number of passengers for reached 4.9mn H1 2023, +22.3% vs. H1 2022, showing a strong recovery after traffic had been impacted by Omicron in Q1 2022. Traffic vs 2019 levels also improved (-24.8%).

Million passengers	JUN-23	JUN-22	VAR.
Glasgow	3.4	2.8	21.3%
Aberdeen	1.1	0.9	20.5%
Southampton	0.4	0.3	39.4%
Total AGS	**4.9**	**4.0**	**22.3%**

Revenues increased by +18.0% driven by the increase in passenger in the airports.

EBITDA performed strongly, +43.0%, reaching GBP28mn (GBP19mn in H1 2022).

(GBP million)	JUN-23	JUN-22	VAR.
Total Revenues AGS	**89**	**75**	**18.0%**
Glasgow	56	47	20.9%
Aberdeen	25	22	13.4%
Southampton	8	7	13.0%
Total EBITDA AGS	**28**	**19**	**43.0%**
Glasgow	23	17	36.1%
Aberdeen	7	5	32.4%
Southampton	-2	-2	26.2%
Total EBITDA margin	**31.2%**	**25.8%**	
Glasgow	40.1%	35.6%	
Aberdeen	28.0%	24.0%	
Southampton	-23.9%	-36.6%	

Cash amounted to GBP53mn as at June 30th, 2023.

AGS net bank debt stood at GBP704mn as at June 30th, 2023.

Dalaman (60%, globally consolidated) – Turkey

Traffic: the airport showed a +22.2% increase in passengers vs H1 2022 (1.8m pax in H1 2023 vs. 1.5m in H1 2022), and **+3.6% vs. H1 2019.**

Growth vs H1 2022 came from both, domestic (+14%) and international (+28%) routes. The traffic of international passengers is higher in H1 2023, as the peak season started earlier in 2023.

Revenues reached EUR24mn. EBITDA stood at EUR15mn. This relates to both, seasonality of expenditure and higher share of international passengers of the airport. EBITDA post concession fee reached EUR11mn in H1 2023. EBITDA proforma for full year 2019 of EUR28mn also included concession fee depreciation.

(EUR million)	JUN-23
Revenues	24
EBITDA	15
EBITDA margin	63.0%
EBIT	9
EBIT margin	36.2%

Cash amounted to EUR9mn as at June 30th, 2023.

Dalaman net debt stood at EUR109mn as at June 30th, 2023

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

As of June 30th, 2023, Ferrovial has contributed USD133mn of equity to the NTO. Ferrovial will contribute a total since the start of USD1,142mn during the construction period.

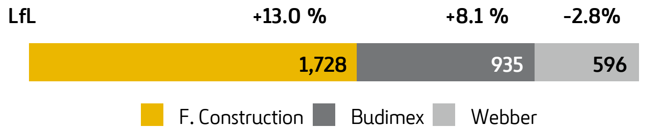
The development of the project remains on schedule with the Construction works progressing in line with expectations. The air train encapsulation works keep on track and are expected to finalize during 2023. The terminal is expected to come into operation in 2026, with the concession contract ending in 2060.

(EUR million)	INVESTED CAPITAL	PENDING COMMITTED CAPITAL	NET DEBT 100%	FERROVIAL SHARE
NTO	123	925	-1,402	49%

Construction

Revenues +8.3% LfL, mainly on the back of Budimex activity. International revenues accounted for 80%, focused on North America (31%) and Poland (29%).

H1 2023 revenues (EUR3,258mn) and change LfL vs H1 2022:



In H1 2023, Construction **EBIT** stood at -EUR3mn vs. EUR26mn in H1 2022, mainly impacted by completion works on the large projects at final stages in the US, partially offset by the strong Budimex performance (6.0% EBIT mg). EBIT mg reached -0.1% vs. 0.8% in H1 2022.

H1 2023 EBIT & EBIT margin & change LfL vs H1 2022:

JUN-23	EBIT	LfL	EBIT mg
Budimex	56	14.9%	6.0%
Webber	17	-37.0%	2.9%
F. Construction	-77	n.s.	-4.5%
Total EBIT	**-3**	**n.s.**	**-0.1%**

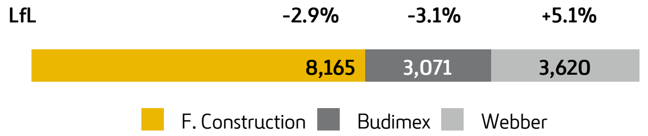
Details by subdivision:

- **Budimex:** Revenues increased by +8.1% LfL supported by the Building and Civil Works activities due to a different portfolio of contracts in progress and exceeding forecasts supported by the good weather and the new awarded projects from last year. EBIT margin reached 6.0% in H1 2023 improving vs 5.7% in H1 2022 and 5.1% in Q1 2023. 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 in some supplies, which today have been mitigated to a certain extent (also favored by the agreements for indexations in both Roads and Railways).
- **Webber**: Revenues decreased by -2.8% LfL, mainly due to lower sales in the Infrastructure Services business on the back of changes in the portfolio mix along with the permanent withdrawal of the Non-Residential Construction activity, partially offset by higher sales in the water activity. EBIT margin stood at 2.9% vs. 4.5% in H1 2022, the latter including positive impact from the final phase of large civil works projects.
- **Ferrovial Construction:** Revenues increased by +13.0% LfL, with the Spanish market 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 the completion of large contracts (I-66 in Virginia or NTI in Dallas) with the still very early stages of new contracts (Ontario in Canada or I-35 in San Antonio).

  EBIT stood at -EUR77mn (-EUR51mn in H1 2022), the decrease in profitability in Q2 2023 at Ferrovial Construction is largely due to the impact of completion jobs in large projects in the US, with final sign-off scheduled to occur this year. The cost estimate for these projects at June close is 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.

H1 2023 Order book & LfL change vs December 2022:



The **order book** stood at EUR14,857mn (-1.1% LfL compared to December 2022). The civil works segment remains the largest segment (68%) and continues to adopt highly selective criteria when participating in tenders. The international order book accounts for 83% of the total.

The percentage of the construction order book (excluding Webber and Budimex) from projects with Ferrovial reached 7% in June 2023 (8% in December 2022). Though looking ahead, the figure is meant to increase.

The order book figure at June 2023 does not include pre-awarded contracts or contracts pending commercial or financial agreement, which amount to c.EUR1.7bn, mainly from contracts at Budimex (EUR1,200mn) and Webber (EUR550mn).

P&L DETAILS (EUR million)

CONSTRUCTION	JUN-23	JUN-22	VAR.	LfL
Revenues	3,258	3,053	6.7%	8.3%
EBITDA	62	78	-20.5%	-24.1%
EBITDA margin	1.9%	2.5%		
EBIT	-3	26	-113.6%	n.s.
EBIT margin	-0.1%	0.8%		
Order book	14,857	14,743	0.8%	-1.1%

BUDIMEX	JUN-23	JUN-22	VAR.	LfL
Revenues	935	860	8.7%	8.1%
EBITDA	73	64	13.2%	12.5%
EBITDA margin	7.8 %	7.5 %		
EBIT	56	49	15.7%	14.9%
EBIT margin	6.0 %	5.7 %		
Order book	3,071	3,181	-3.4%	-3.1%

WEBBER	JUN-23	JUN-22	VAR.	LfL
Revenues	596	609	-2.2%	-2.8%
EBITDA	37	47	-21.3%	-21.8%
EBITDA margin	6.1 %	7.6 %		
EBIT	17	27	-36.6%	-37.0%
EBIT margin	2.9 %	4.5 %		
Order book	3,620	3,372	7.3%	5.1%

F. CONSTRUCTION	JUN-23	JUN-22	VAR.	LfL
Revenues	1,728	1,584	9.1%	13.0%
EBITDA	-48	-33	43.7%	n.s.
EBITDA margin	-2.8%	-2.1%		
EBIT	-77	-51	52.7%	n.s.
EBIT margin	-4.5%	-3.2%		
Order book	8,165	8,189	-0.3%	-2.9%

EBIT before impairments and disposals of fixed assets.
Order book vs December 2022.

Energy Infrastructure and Mobility

In 2021, Ferrovial created the Energy Infrastructure and Mobility division to explore sustainable business opportunities. During its third year of operation, the business is already developing projects in Energy Infrastructure and Mobility, while managing circular economy activities in the UK and services in Chile.

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. In Spain, Ferrovial has a 50 MWhp photovoltaic plant under construction, located in Seville, as well as a portfolio of generation projects in early stages of development exceeding 3 GW.

Mobility: Zity is the main asset of this activity. It is an electric car sharing company, already operating in Madrid, Paris, Lyon and Milan. The fleet consists of vehicles that are recharged with 100% renewable energy. Ferrovial holds a 50% stake jointly with Renault. 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.

In addition, 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 24.7% stake in Serveo, a Spanish company focused on providing facility management services to public and private clients.

In H1 2023, the revenues from the Energy Infrastructure and Mobility division reached EUR175mn (EUR139mn in H1 2022) mainly from the activities related to the waste treatment in UK and the services activities in Chile. In H1 2023, EBITDA reached EUR6mn (EUR5mn in H1 2022).

Consolidated P&L

(EUR million)	JUN-23	JUN-22
REVENUES	**3,940**	**3,534**
EBITDA	**401**	**313**
Period depreciation	-201	-143
EBIT (ex disposals & impairments)	**200**	**170**
Disposals & impairments	0	0
EBIT	**200**	**170**
Financial Result	**-101**	**-119**
Financial Result from infrastructure projects	-165	-175
Financial Result from ex-infrastructure projects	64	56
Equity-accounted affiliates	83	55
EBT	**182**	**106**
Corporate income tax	-20	-21
NET PROFIT FROM CONTINUING OPERATIONS	**162**	**85**
NET PROFIT FROM DISCONTINUED OPERATIONS	**6**	**-5**
CONSOLIDATED NET INCOME	**168**	**80**
Minorities	-54	-28
NET INCOME ATTRIBUTED	**114**	**52**

Revenues at EUR3,940mn (+12.2% LfL) on the back of higher Construction revenues (+8.3% LfL) and Toll Roads (+38.0%LfL).

EBITDA reached EUR401mn (+22.1% LfL) supported by a higher contribution from Toll Roads (+40.0% LfL), particularly US Toll Roads with an EBITDA of EUR332mn.

Depreciation: +40.4% in H1 2023 due to the full opening of I-66 at the end of 2022 (+39.2% LfL) to -EUR201mn.

Impairments and fixed asset disposals: nil in H1 2023 and H1 2022.

Financial result: lower financial expenses on the back of higher financial income from ex-infra projects in H1 2023 vs H1 2022.

- **Infrastructure projects:** -EUR165mn expenses (-EUR175mn in H1 2022) mainly driven by the positive variation compared to H1 2022 of the performance of Autema's ILS derivative (mark to market change ILS). Partially offset by the I-66 opening as financial expense is no longer capitalized due to the entry into operation since November 2022.
- **Ex-infrastructure projects:** EUR64mn of financial income in H1 2023 (EUR56mn in H1 2022), mainly due to improved cash remuneration, offset by higher interest rates on debt (ECPs and Corporate credit lines).

Equity-accounted result at net profit level, reached EUR83mn after tax (EUR55mn in H1 2022). The change vs H1 2022 is mostly related to 407 ETR, due to the lifting of all COVID-19 related restrictions that were in place during the Q1 2022. 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 H1 2023 and H1 2022.

(EUR million)	JUN-23	JUN-22	VAR.
Toll Roads	**73**	**51**	**43.4%**
407 ETR	69	46	49.8%
IRB	3	3	5.4%
Others	1	2	-42.5%
Airports	**6**	**3**	**118.8%**
HAH	0	0	n.s.
AGS	0	0	n.s.
Others	6	3	118.8%
Construction	**0**	**1**	**-95.8%**
Others	**3**	**0**	**n.s.**
Total	**83**	**55**	**51.7%**

REVENUES

(EUR million)	JUN-23	JUN-22	VAR.	LfL
Toll Roads	492	355	38.7%	38.0%
Airports	28	7	n.s.	-37.8%
Construction	3,258	3,053	6.7%	8.3%
Energy Infrastructure & Mobility	175	139	25.5%	25.4%
Others	-13	-20	33.5%	33.4%
Total Revenues	**3,940**	**3,534**	**11.5%**	**12.2%**

EBITDA

(EUR million)	JUN-23	JUN-22	VAR.	LfL
Toll Roads	360	255	41.0%	40.0%
Airports	-2	-19	90.7%	13.7%
Construction	62	78	-20.5%	-24.1%
Energy Infrastructure & Mobility	6	5	19.1%	123.1%
Others	-25	-5	n.s.	n.s.
Total EBITDA	**401**	**313**	**28.0%**	**22.1%**

EBIT*

(EUR million)	JUN-23	JUN-22	VAR.	LfL
Toll Roads	245	174	40.9%	33.8%
Airports	-8	-19	56.9%	13.5%
Construction	-3	26	n.s.	n.s.
Energy Infrastructure & Mobility	-4	-1	n.s.	39.8%
Others	-28	-9	-226.1%	-226.1%
Total EBIT	**200**	**170**	**17.5%**	**8.6%**

*EBIT before impairments and disposals of fixed assets

Tax: the corporate tax expense for H1 2023 was -EUR20mn (vs -EUR21mn in H1 2022). There are several impacts to be considered when calculating the effective tax rate; among which the material and/or significant ones are:

- Equity-accounted companies' profit must be excluded, as it is already net of tax (EUR83mn).
- Losses and tax credits that, following accounting prudence criteria, do not imply the recognition of the full tax credits for future years (EUR75mn).
- Consolidation tax adjustments without tax impact (EUR30mn), mainly due to US concessional assets.
- Other non-deductible expenses (EUR11mn).

Excluding the aforementioned adjustments in the tax result, adjusting for the impact from previous years income (EUR7mn), and other adjustments, the resulting effective corporate income tax rate is 17%.

Net income from continuing operations stood at EUR162mn in H1 2023 (EUR85mn in H1 2022).

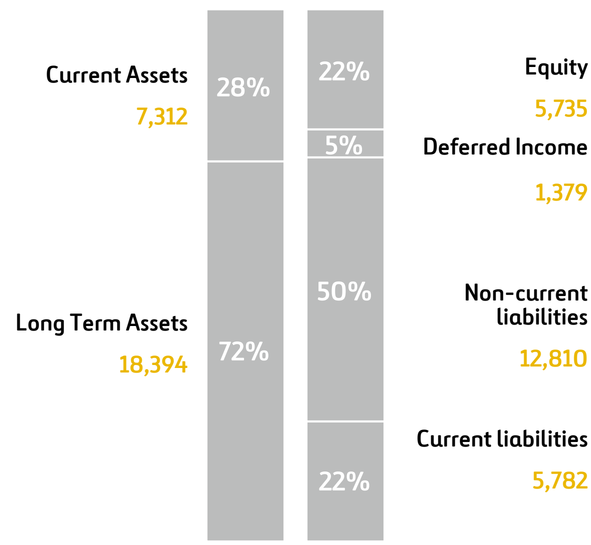
Net income from discontinued operations stood at EUR6mn mostly related to the price adjustment after final Completion Accounts agreement of Amey in the UK, compared to -EUR5mn in H1 2022, including the discontinued operations from Services activities.

Consolidated Balance Sheet

(EUR million)	JUN-23	DEC-22
FIXED AND OTHER NON-CURRENT ASSETS	**18,394**	**18,925**
Consolidation goodwill	477	480
Intangible assets	139	138
Investments in infrastructure projects	13,270	13,667
Property	0	0
Plant and Equipment	533	479
Right-of-use assets	154	183
Equity-consolidated companies	2,049	1,951
Non-current financial assets	815	1,095
Long term investments with associated companies	239	246
Restricted Cash and other non-current assets	317	597
Other receivables	259	252
Deferred taxes	798	784
Derivative financial instruments at fair value	159	148
CURRENT ASSETS	**7,312**	**7,419**
Assets classified as held for sale	292	2
Inventories	475	475
Trade & other receivables	1,778	1,609
Trade receivable for sales and services	1,439	1,300
Other receivables	339	309
Taxes assets on current profits	47	19
Other short term financial assets	0	0
Cash and other temporary financial investments	4,685	5,130
Infrastructure project companies	159	168
Restricted Cash	29	38
Other cash and equivalents	130	130
Other companies	4,526	4,962
Derivative financial instruments at fair value	36	184
TOTAL ASSETS	**25,706**	**26,344**

(EUR million)	JUN-23	DEC-22
EQUITY	**5,735**	**6,353**
Capital & reserves attrib to the Company´s equity holders	3,689	4,113
Minority interest	2,046	2,240
Deferred Income	**1,379**	**1,410**
NON-CURRENT LIABILITIES	**12,810**	**13,203**
Pension provisions	2	2
Other non current provisions	411	416
Long term lease debts	70	120
Financial borrowings	10,436	10,776
Financial borrowings on infrastructure projects	7,546	7,893
Financial borrowings other companies	2,890	2,883
Other borrowings	918	899
Deferred taxes	903	924
Derivative financial instruments at fair value	70	66
CURRENT LIABILITIES	**5,782**	**5,378**
Liabilities classified as held for sale	305	0
Short term lease debts	84	64
Financial borrowings	852	877
Financial borrowings on infrastructure projects	52	74
Financial borrowings other companies	800	803
Derivative financial instruments at fair value	39	47
Trade and other payables	3,534	3,430
Trades and payables	1,819	1,663
Other non commercial liabilities	1,715	1,767
Liabilities from corporate tax	35	30
Trade provisions	933	930
TOTAL LIABILITIES & EQUITY	**25,706**	**26,344**

CONSOLIDATED BALANCE SHEET



GROSS CONSOLIDATED DEBT

Gross debt JUN-23	EX-INFRA	INFRA	CONSOLIDATED
Gross debt (EUR mn)	-3,717	-7,597	-11,314
% fixed	78.6%	96.8%	91.1%
% variable	21.4%	3.2%	8.9%
Average rate	2.5%	4.3%	3.7%
Average maturity (years)	3	23	17

CONSOLIDATED FINANCIAL POSITION

(EUR million)	JUN-23	DEC-22
Gross financial debt	**-11,314**	**-11,682**
Gross debt ex-infrastructure	-3,717	-3,716
Gross debt infrastructure	-7,597	-7,967
Gross Cash	**4,993**	**5,902**
Gross cash ex-infrastructure	4,536	5,154
Gross cash infrastructure	457	748
Total net financial position	**-6,321**	**-5,781**
Net cash ex-infrastructure	819	1,439
Net debt infrastructure	-7,140	-7,219
Total net financial position	**-6,321**	**-5,781**

Financial Position

NET CASH POSITION (EUR)

Gross cash	4.5bn
Gross debt	-3.7bn
Net cash position	0.8bn

LIQUIDITY (EUR mn)

TOTAL GROSS CASH	UNDRAWN LINES
4,536	985
TOTAL LIQUIDITY	5,521

DEBT MATURITIES (EUR mn)

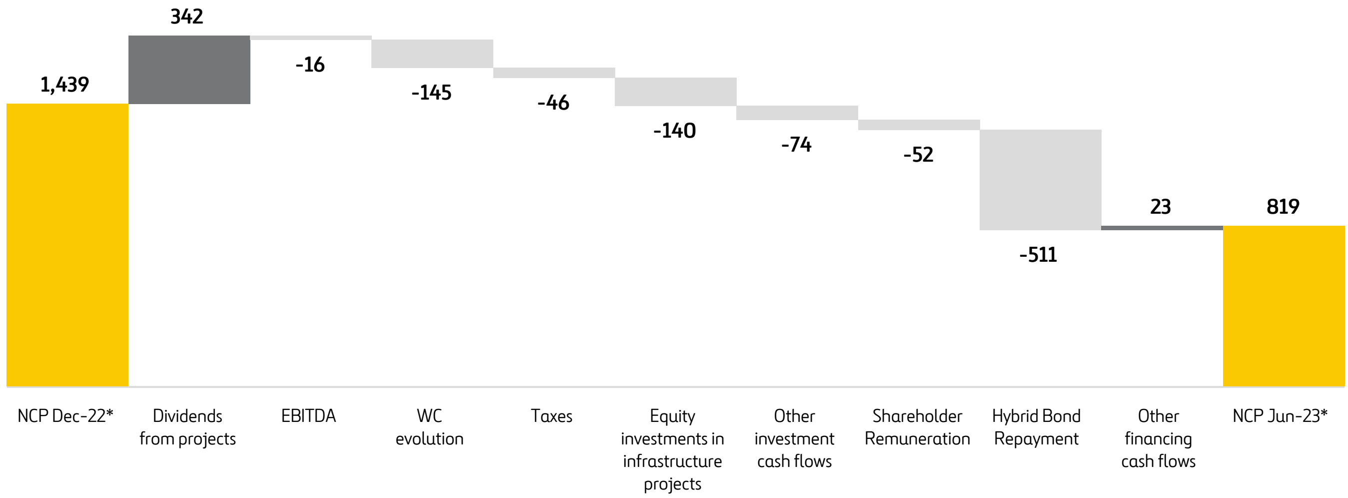
628	314	757	1864
2023*	2024	2025	> 2026

(*) In H1 2023, ex-infrastructure debt includes outstanding ECP (Euro Commercial Paper), which at June 30th, 2023, had a carrying amount of EUR615mn (3.40% average rate).

RATING

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

EX-INFRASTRUCTURE CASH FLOW COMPONENTS



*Ferrovial's net cash position includes Budimex's net cash position at 100% that reached EUR667mn in December 2022 and EUR619mn in June 2023.

Net cash position ex-infra projects: stood at EUR819mn in June 2023 vs EUR1,439mn in December 2022. Main drivers of this change were:

- **Project dividends:** EUR342mn, mainly from Toll Roads dividends, particularly noteworthy was the first dividend distribution from NTE 35W (EUR216mn), along with EUR44mn from 407 ETR, EUR54mn from NTE, EUR16mn from LBJ and EUR12mn from the rest of the toll roads.
- **EBITDA:** -EUR16mn, including mainly the EBITDA ex-infrastructure from Construction and headquarters.
- **Negative Working Capital evolution** stood at -EUR145mn in H1 2023, including -EUR76mn of Construction working capital.
- **Equity investments in infrastructure projects** reached EUR140mn, including EUR53mn invested in I-66 Managed Lanes project, EUR21mn invested in NTE 3C, together with the EUR66mn of equity invested in NTO.
- **Shareholder Remuneration:** -EUR52mn in H1 2023, including the treasury share repurchase.
- **Hybrid bond repayment** at -EUR511mn including the repurchase of the hybrid bond reaching a total of EUR471mn following the acceptance of 94.28% of the total amount of the issuance (EUR500mn), leaving a short-term debt of EUR29mn, along with the payment of the coupon (EUR11mn).

Consolidated cash flow

JUN-23	EXINFRASTRUCTURE PROJECTS CASH FLOW	INFRASTRUCTURE PROJECTS CASH FLOW	ADJUSTMENTS	TOTAL CASH FLOW
EBITDA	-16	417	0	401
IFRS16 impact	-39	0	0	-39
EBITDA including IFRS16	-55	417	0	362
Dividends received	342	0	-287	55
Provisions variation	-7	0	0	-7
Working capital variation (account receivables, account payables and others)	-99	-2	0	-101
Operating flow (before taxes)	**181**	**415**	**-287**	**309**
Tax payment	-46	-20	0	-66
Operating Cash Flow	**135**	**395**	**-287**	**243**
Investments	-207	-138	86	-259
Divestments	-7	0	0	-7
Investment cash flow	**-214**	**-138**	**86**	**-266**
Activity cash flow	**-79**	**257**	**-201**	**-23**
Interest flow	52	-146	0	-94
Capital flow from Minorities	30	139	-86	83
Ferrovial shareholder remuneration	-52		0	-52
Scrip dividend	0	0	0	0
Treasury share repurchase	-52	0	0	-52
Other shareholder remuneration for subsidiary minorities	-51	-528	287	-292
Other movements in shareholder’s funds	-512	-2	0	-515
Forex impact	-16	124	0	109
Changes in the consolidated perimeter	0	253	0	253
Other debt movements (non cash)	9	-18	0	-9
Financing cash flow	**-540**	**-178**	**201**	**-517**
Net debt variation	**-620**	**79**	**0**	**-541**
Net debt initial position	**1,439**	**-7,219**		**-5,781**
Net debt final position	**819**	**-7,140**		**-6,321**

JUN-22	EXINFRASTRUCTURE PROJECTS CASH FLOW	INFRASTRUCTURE PROJECTS CASH FLOW	ADJUSTMENTS	TOTAL CASH FLOW
EBITDA	85	294	0	379
IFRS16 impact	-49	0	0	-49
EBITDA including IFRS16	36	294	0	330
Dividends received	86	0	-74	12
Provisions variation	85	0	0	85
Working capital variation (account receivables, account payables and others)	-283	-20	0	-304
Operating flow (before taxes)	**-76**	**274**	**-74**	**123**
Tax payment	-32	-2	0	-34
Operating Cash Flow	**-109**	**272**	**-74**	**89**
Investments	-234	-295	143	-386
Divestments	180	0	0	180
Investment cash flow	**-53**	**-295**	**143**	**-205**
Activity cash flow	**-162**	**-23**	**69**	**-116**
Interest flow	-1	-139	0	-139
Capital flow from Minorities	24	229	-139	114
Ferrovial shareholder remuneration	-356	0	0	-356
Scrip dividend	-108	0	0	-108
Treasury share repurchase	-248	0	0	-248
Other shareholder remuneration for subsidiary minorities	-67	-118	70	-115
Other movements in shareholder’s funds	-29	33	0	3
Forex impact	-30	-474	0	-504
Changes in the consolidated perimeter	-36	48	0	12
Other debt movements (non cash)	-5	-26	0	-31
Financing cash flow	**-499**	**-447**	**-69**	**-1,015**
Net debt variation	**-661**	**-470**	**0**	**-1,131**
Net debt initial position	**2,182**	**-6,633**	**0**	**-4,451**
Net debt final position	**1,521**	**-7,103**	**0**	**-5,583**

EX-INFRASTRUCTURE PROJECT CASH FLOW

Activity cash flow

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

JUN-23	OPERATING CF*	NET INVESTM. CF*	ACTIVITY CF*
Toll Roads	342	-79	263
Airports	0	-66	-66
Construction	-54	-37	-91
Services	0	0	0
Energy Infrastructure & Mobility	-24	-13	-37
Other	-82	-20	-103
Total	**181**	**-214**	**-33**

JUN-22	OPERATING CF*	NET INVESTM. CF*	ACTIVITY CF*
Toll Roads	67	-132	-65
Airports	6	-13	-8
Construction	-152	-37	-188
Services	102	161	263
Energy Infrastructure & Mobility	-26	-19	-45
Other	-73	-14	-87
Total	**-76**	**-53**	**-130**

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

Operations cash flow

At June 30th, 2023, cash flow from ex-infrastructure project operations totaled EUR181mn (before tax), compared to -EUR76mn in H1 2022, impacted by higher dividends from Toll Roads, including the first dividend distribution from NTE35W (EUR216mn), partially offset by Services contribution in H1 2022 ahead of its divestment at end of 2022.

Operating cash flow	JUN-23	JUN-22
Dividends from Toll Roads	342	67
Dividends from Airports	0	6
Construction	-54	-152
Services	0	102
Energy Infrastructure & Mobility	-24	-26
Other*	-82	-73
Operating flow (before taxes)	**181**	**-76**
Tax payment	-46	-32
Total	**135**	**-109**

* Other includes the operating cash flow from Corporate Business, Airports & Toll Roads headquarters, along with the Energy Infrastructure and Mobility business.

Breakdown of cash flow from **Construction:**

Construction	JUN-23	JUN-22
EBITDA	62	78
EBITDA from projects	3	3
EBITDA Ex projects	59	75
IFRS16 impact	-32	-30
EBITDA including IFRS16	26	45
Dividends received	0	12
Provisions variation	-5	-33
Working capital variation (account receivables, account payables and others)	-76	-175
Changes in factoring	0	0
Land purchases	0	0
Working capital	-76	-175
Operating Cash Flow before Taxes	**-54**	**-152**

Dividends received from projects and capital reimbursements reached EUR342mn in H1 2023 (EUR86mn in H1 2022).

(EUR million)	JUN-23	JUN-22
Toll Roads	342	67
Airports	0	6
Services	0	2
Construction	0	12
Energy Infrastructure & Mobility	0	1
Others	0	0
Total	**342**	**86**

Dividends from Toll Roads amounted to EUR342mn in H1 2023 (EUR67mn in H1 2022), including the first dividend distribution from NTE 35W (EUR216mn)

Dividends and Capital reimbursements	JUN-23	JUN-22
407 ETR	44	0
LBJ	16	16
NTE	54	42
NTE 35W	216	0
Irish toll roads	1	2
Portuguese toll roads	1	1
Australian toll roads	5	4
Spanish toll roads	3	1
Others	2	0
Total	**342**	**67**

Dividends and capital reimbursements from Airports were nil in H1 2023 (EUR6mn in H1 2022).

Airports	JUN-23	JUN-22
HAH	0	0
AGS	0	0
FMM	0	3
Others	0	2
Total	**0**	**6**

Investment cash flow

JUN-23	INVESTMENT	DIVESTMENT	INVESTMENT CF
Toll Roads	-79	0	-79
Airports	-66	0	-66
Construction	-40	3	-37
Services	0	0	0
Energy Infrastructure & Mobility	-14	2	-13
Other	-8	-12	-20
Total	**-207**	**-7**	**-214**

JUN-22	INVESTMENT	DIVESTMENT	INVESTMENT CF
Toll Roads	-132	0	-132
Airports	-13	0	-13
Construction	-38	1	-37
Services	-18	179	161
Energy Infrastructure & Mobility	-19	0	-19
Other	-14	0	-14
Total	**-234**	**180**	**-53**

The **net investment cash flow** in H1 2023 (-EUR214mn) includes:

- **Investments** reached -EUR207mn in H1 2023 (-EUR234mn in H1 2022, most noteworthy of which were the EUR53mn invested in the I-66 Managed Lanes project and the EUR21 invested in NTE 3C, along with EUR66mn from equity invested in NTO.
- **Divestments** reached -EUR7mn in H1 2023 (EUR180mn in H1 2022). In H1 2022, mostly related to the divestment of the Infrastructure Services business in Spain (EUR171mn).

Financing cash flow

Financing cash flow includes:

- **Shareholder remuneration cash flow:** -EUR52mn in H1 2023, (-EUR356mn in H1 2022), including -EUR52mn of shares repurchase including the share buyback program.
- **Net interest receipts** reached EUR52mn in H1 2023.
- **FX impact** stood at -EUR16mn, primarily from US dollar and Canadian dollar, partially offset by Polish zloty.
- **Other movements in shareholder's funds** reached -EUR512mn in H1 2023, mostly as a result of the repurchase of the hybrid bond (EUR471mn), leaving a short-term debt (EUR29mn), along with the payment of the coupon (EUR11mn).
- **Other non-cash flow** related movements (EUR9mn) which included the book debt movements that do not affect cash flow, such as interest that has been accrued and remains unpaid, mainly resulting from interest accrued from corporate bonds.

INFRASTRUCTURE PROJECT CASH FLOW

Operations cash flow

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

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

(EUR million)	JUN-23	JUN-22
Toll roads	401	265
Other	-6	6
Operating cash flow	**395**	**272**

Investment cash flow

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

(EUR million)	JUN-23	JUN-22
LBJ	-1	-1
NTE	-3	-2
NTE 35W*	-39	-93
I-77	-1	-10
I-66	-66	-186
Portuguese toll roads	-1	0
Spanish toll roads	-2	-2
Others	0	0
Total toll roads	**-113**	**-294**
Others	-32	-16
Total projects	**-144**	**-310**
Equity Subsidy	6	15
Total investment cash flow (projects)	**-138**	**-295**

*NTE35W includes the NTE3C segment, under construction.

Financing cash flow

Financing cash flow includes the payment of dividends and the repayment of equity by concession-holding companies to their shareholders, along with the payments for share capital increases received by these companies. In the case of concession holders which are fully integrated within Ferrovial, these amounts represent 100% of the amounts paid out and received by the concession-holding companies, regardless of the percentage share that the Company holds in such concessions. No dividend or Shareholder Funds' repayment is included for equity-accounted companies.

The interest cash flow refers to the interest paid by the concession-holding companies, together with other fees and costs closely related to the acquisition of financing. The cash flow for these items relates to interest costs for the period, along with any other item that represents a direct change in the net debt amount for the period.

(EUR million)	JUN-23	JUN-22
Spanish toll roads	-22	-22
US toll roads	-105	-103
Portuguese toll roads	-5	-7
Other toll roads	0	0
Total toll roads	**-132**	**-131**
Other	-13	-7
Total	**-146**	**-139**

The financing cash flow also includes the impact that changes in the exchange rate have had on the debt held in foreign currency, which in H1 2023 was a positive impact of EUR124mn, primarily as the result of the appreciation of the euro against USD, which has had an impact on the net debt figure for the US toll roads.

Statement of Responsibility

As required by section 5:25 d paragraph 2 (c) of the Dutch Financial Supervision Act (We op het financieel toezicht), the members of the Board of Directors of Ferrovial SE hereby declares that, to the best of their knowledge:

i. the condensed consolidated interim financial statements for the six-month period ended 30 June 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

ii. the consolidated interim management report for the six-month period ended 30 June 2023 includes a true and fair view of the information required pursuant to article 5:25d, paragraphs 8 and 9 of the Dutch Financial Supervision Act regarding Ferrovial SE and the entities included in the consolidation taken as a whole.

Amsterdam, 27 July 2023

The Board of Directors

Mr. Rafael del Pino y Calvo-Sotelo
Executive Chairman

Mr. Óscar Fanjul Martín
Vice-Chairman

Mr. Ignacio Madridejos Fernández
CEO

Ms. María del Pino y Calvo-Sotelo
Director

Mr. José Fernando Sánchez-Junco Mans
Director

Mr. Philip Bowman
Director

Ms. Hanne Birgitte Breinbjerg Sørensen
Director

Mr. Bruno Di Leo
Director

Mr. Juan Hoyos Martínez de Irujo
Lead Director

Mr. Gonzalo Urquijo Fernández de Araoz
Director

Ms. Hildegard Wortmann
Director

Ms. Alicia Reyes Revuelta
Director

Appendix I – Toll Roads Details by asset

TOLL ROADS – GLOBAL CONSOLIDATION

(EUR million)	TRAFFIC (ADT)			REVENUES			EBITDA			EBITDA MARGIN		NET DEBT 100%	
Global consolidation	**JUN-23**	**JUN-22**	**VAR.**	**JUN-23**	**JUN-22**	**VAR.**	**JUN-23**	**JUN-22**	**VAR.**	**JUN-23**	**JUN-22**	**JUN-23**	**SHARE**
NTE*	19	17	11.6%	128	104	23.0%	114	92	24.3%	88.8%	87.9%	-1,119	63.0%
LBJ*	21	19	9.7%	86	70	22.8%	71	57	23.9%	82.4%	81.6%	-1,850	54.6%
NTE 35W*/**	18	17	5.5%	87	74	17.6%	73	63	14.9%	83.8%	85.8%	-1,484	53.7%
I-77*	20	17	19.7%	40	24	63.6%	28	14	106.0%	71.7%	56.9%	-212	72.2%
I-66*/***	13			62			46			74.9%		-1,474	55.7%
TOTAL USA				**403**	**272**	**47.8%**	**332**	**226**	**46.9%**			**-6,140**	
Autema	17,813	16,794	6.1%	35	32	11.8%	32	27	15.6%	89.0%	86.0%	-592	76.3%
Aravia	37,750	37,513	0.6%	23	21	7.5%	19	19	3.7%	85.5%	88.6%	-19	100.0%
TOTAL SPAIN				**58**	**53**	**10.1%**	**51**	**46**	**10.8%**			**-611**	
Azores****	11,810	11,013	7.2%	17	15	11.1%	15	14	9.8%	88.3%	89.3%	0	89.2%
Via Livre				6	7	-16.3%	1	2	-66.6%	8.5%	21.2%	6	84.0%
TOTAL PORTUGAL				**23**	**22**	**2.3%**	**15**	**15**	**2.1%**			**6**	
TOTAL HEADQUARTERS				**8**	**7**	**18.2%**	**-37**	**-32**	**-15.9%**				
TOTAL TOLL ROADS				**492**	**355**	**38.7%**	**360**	**255**	**41.0%**	**73.1%**	**72.0%**	**-6,746**	

* Traffic in millions of transactions. ** NTE 35W includes contribution from NTE3C (under construction). 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.****Azores: net debt (-EUR259mn as of June 2023) has been reclassified as held for sale in Q2 2023

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

(EUR million)	TRAFFIC (ADT)			REVENUES			EBITDA			EBITDA MARGIN		NET DEBT 100%	
Equity accounted	**JUN-23**	**JUN-22**	**VAR.**	**JUN-23**	**JUN-22**	**VAR.**	**JUN-23**	**JUN-22**	**VAR.**	**JUN-23**	**JUN-22**	**JUN-23**	**SHARE**
407 ETR (VKT mn)	1,150	943	21.9%	481	415	16.0%	411	354	16.1%	85.4%	85.3%	-6,220	43.2%
M4	37,065	35,064	5.7%	18	16	14.3%	10	9	14.5%	54.8%	54.7%	-48	20.0%
M3	43,431	40,096	8.3%	5	9	-44.3%	0	5	-92.1%	8.5%	59.6%	-29	20.0%
A-66 Benavente Zamora				13	12	9.0%	11	11	6.0%	84.6%	87.1%	-144	25.0%
Serrano Park				4	3	10.0%	2	2	8.6%	66.4%	67.3%	-28	50.0%
EMESA				88	91	-3.1%	50	56	-10.3%	57.2%	61.7%	-168	10.0%
IRB				191	203	-5.7%	94	118	-19.9%	49.3%	58.1%	-1,132	24.9%
Toowoomba				13	13	-2.4%	3	3	-2.1%	22.3%	22.3%	-212	40.0%
OSARs				16	11	42.8%	2	7	-74.2%	10.8%	59.6%	-206	50.0%
Zero ByPass (Bratislava)				17	-8	n.s.	15	-12	221.6%	86.1%	146.2%	-801	35.0%

Appendix II – P&L of Main Infrastructure Assets

TOLL ROADS

407 ETR

(CAD million)	JUN-23	JUN-22	VAR.
Revenues	700	573	22.3%
EBITDA	598	489	22.4%
EBITDA margin	85.4%	85.4%	
EBIT	550	441	24.7%
EBIT margin	78.5%	77.0%	
Financial results	-204	-214	4.7%
EBT	346	227	52.3%
Corporate income tax	-90	-60	-50.9%
Net Income	256	167	52.8%
Contribution to Ferrovial equity accounted result (EURmn)	69	46	49.8%

LBJ

(USD million)	JUN-23	JUN-22	VAR.
Revenues	93	76	22.0%
EBITDA	77	62	23.1%
EBITDA margin	82.4 %	81.6%	
EBIT	62	46	35.0%
EBIT margin	66.9 %	60.4%	
Financial results	-41	-40	-0.5%
Net Income	22	6	273.1%
Contribution to Ferrovial*	11	3	285.6%

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

NTE

(USD million)	JUN-23	JUN-22	VAR.
Revenues	139	113	22.3%
EBITDA	123	100	23.5%
EBITDA margin	88.8 %	87.9%	
EBIT	107	80	33.5%
EBIT margin	77.4 %	70.8%	
Financial results	-26	-26	0.9%
Net Income	82	54	49.9%
Contribution to Ferrovial*	48	32	50.8%

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

NTE 35W

(USD million)	JUN-23	JUN-22	VAR.
Revenues	94	80	16.8%
EBITDA	79	69	14.2%
EBITDA margin	83.8 %	85.8%	
EBIT	66	55	21.2%
EBIT margin	70.4 %	67.9%	
Financial results	-15	-22	30.7%
Net Income	51	33	54.9%
Contribution to Ferrovial*	25	16	55.9%

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

I-77

(USD million)	JUN-23	JUN-22	VAR.
Revenues	43	26	62.5%
EBITDA	31	15	104.7%
EBITDA margin	71.7 %	56.9%	
EBIT	26	10	150.4%
EBIT margin	61.3 %	39.8%	
Financial results	-5	-6	20.0%
Net Income	22	5	n.s.
Contribution to Ferrovial*	14	3	n.s.

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

IRB

(EUR million)	JUN-23	JUN-22	VAR.
Revenues	191	203	-5.7%
EBITDA	94	118	-19.9%
EBITDA margin	49.3%	58.1%	
EBIT	69	95	-27.1%
EBIT margin	36.2%	46.9%	
Financial results	-42	-59	28.2%
EBT	23	29	-20.8%
Corporate income tax	-8	-8	-3.7%
Net Income	15	21	-30.3%
Contribution to Ferrovial equity accounted result (EURmn)	3	3	5.4%

*Ferrovial's interim consolidated financial statements only includes the company's last quarter contribution (January to March, three months).

AIRPORTS

Heathrow SP & HAH

	Revenues			EBITDA			EBITDA margin		
(GBP million)	JUN-23	JUN-22	VAR.	JUN-23	JUN-22	VAR.	JUN-23	JUN-22	VAR. (bps)
Heathrow SP	**1,742**	**1,280**	**36.1%**	**1,070**	**744**	**43.8%**	**61.4%**	**58.1%**	**325**
Exceptionals & adjs	0	1	n.s.	2	3	-31.8%	n.s.	n.s.	n.s.
Total HAH	**1,742**	**1,281**	**36.0%**	**1,072**	**748**	**43.4%**	**61.5%**	**58.4%**	**316**

HAH

(GBP million)	JUN-23	JUN-22	VAR.
Revenues	1,742	1,281	36.0%
EBITDA	1,072	748	43.4%
EBITDA margin	61.5%	58.4%	
Depreciation & impairments	-379	-385	1.5%
EBIT	693	363	90.9%
EBIT margin	39.8%	28.3%	
Financial results	-573	-318	-80.2%
EBT	120	45	166.7%
Corporate income tax	-45	-25	-79.1%
Net income	75	20	276.4%
Contribution to Ferrovial equity accounted result (EUR mn)	0	0	n.s.

AGS

(GBP million)	JUN-23	JUN-22	VAR.
Revenues	89	75	18.0%
EBITDA	28	19	43.0%
EBITDA margin	31.2%	25.8%	
Depreciation & impairments	-18	-18	2.2%
EBIT	10	1	n.s.
EBIT margin	11.4%	1.8%	
Financial results	-25	-20	-26.3%
EBT	-15	-18	19.8%
Corporate income tax	0	1	-106.1%
Net income	-15	-18	16.6%
Contribution to Ferrovial equity accounted result (EUR mn)	0	0	n.s.

DALAMAN

(EUR million)	JUN-23
Revenues	24
EBITDA	15
EBITDA margin	63.0%
Depreciation & impairments	-6
EBIT	9
EBIT margin	36.2%
Financial results	-10
EBT	-2
Corporate income tax	1
Net income	**-1**

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	0.8593	-0.2%	0.8761	3.8%
US Dollar	1.0909	4.1%	1.0808	-0.6%
Canadian Dollar	1.4449	7.1%	1.4563	5.4%
Polish Zloty	4.4326	-5.7%	4.6246	-0.6%
Australian Dollar	1.6377	8.0%	1.5999	5.3%
Indian Rupee	88.9940	8.1%	88.8717	7.0%

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 13 April 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, being payable in cash or shares at the election of the shareholders. There was no tradeable rights in respect of the scrip dividend.

AMORTIZATION OF SHARES

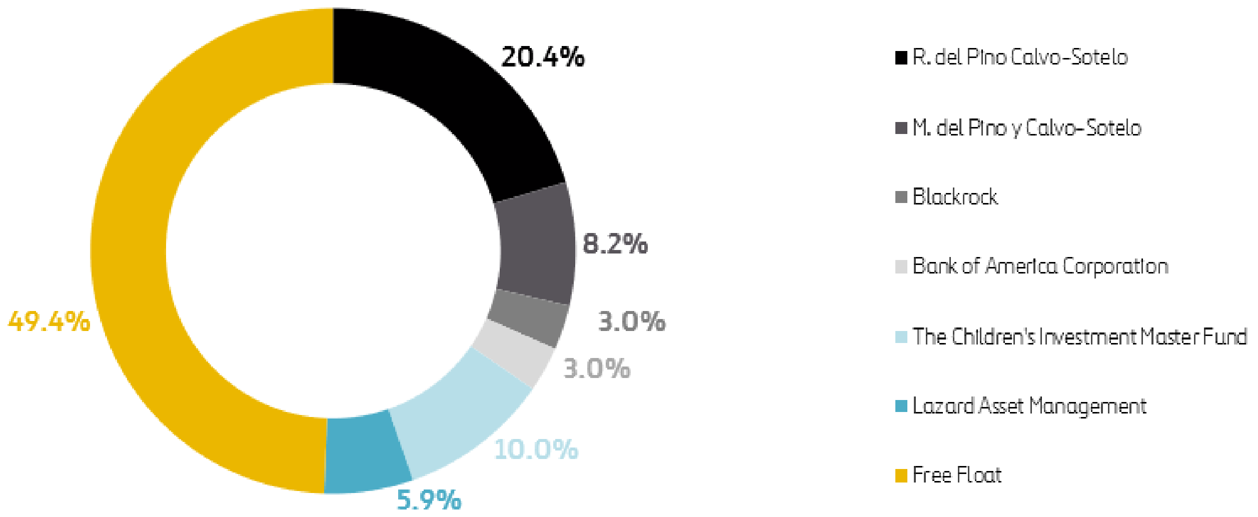
The Board meeting of Ferrovial, S.A. held on 28 February 2023 approved a treasury share buy-back programme of up to 34 million shares for a maximum amount of EUR 500 million, which was ratified by Ferrovial, S.A.'s Annual General Meeting on 13 April 2023. The General Meeting also approved the reduction 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 programme. 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.

Ferrovial´s General Meeting resolved, prior to the merger, on the purchasing of Ferrovial SE's treasury shares and on the cancellation of the shares held in treasury in one or more tranches.

Ferrovial held 2,879,808 own shares at end-June 2023. Ferrovial's share capital figure as of June 30th, 2023, was EUR7,274,432.61 all fully subscribed and paid up. The share capital comprises 727,443,261 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 July 25th, 2023:



Source: AFM, as of July 25th, 2023

Appendix VI – Main risks & uncertainties in the different business areas in H2 2023

Ferrovial is active in a number of countries, each with different regulatory frameworks and socio-economic environments. As a result, Ferrovial is exposed both to the risk that arises from developments in the global economy and to the different risks inherent in the business activities and sectors in which the company operates.

Regarding COVID-19 and after a recovery period following shutdowns and reopening, whose length was uneven depending on the geography and the type of asset, the Group has observed that in the first six months of 2023, our assets demand had, in general terms, recovered or even surpassed the pre-Covid traffic levels, and so we can confirm that the traffic in our assets is no longer directly or indirectly affected by Covid-19.

In relation to the Russia and Ukraine conflict, most of the impact, which was related to inflation rate increase and supply chain disruption, affected our 2022 annual results, but we have not observed a significant impact related to the conflict in the first half of 2023, and neither foresee it for the second half of the current year.

TOLL ROADS DIVISION

The business division will continue working in the pipeline for new contracts during the second half of the year in its target regions, focusing primarily on complex greenfield projects, given their high potential for value creation. Ferrovial has been prequalified in SR400 in Georgia and it is analyzing other potential opportunities such as 495 in Virginia, I77 South in North Carolina, Tennessee, I55 in Chicago, a high-speed train in Portugal and a road project in Czech Republic. v

Construction works will continue on various projects, such as the Ruta del Cacao in Colombia and The Silvertown Tunnel in UK. Construction works in NTE 35W Segment 3C (Texas, USA) were concluded ahead of schedule and it was opened in June 2023.

US Toll Roads: Managed Lanes in the US showed a solid performance. The traffic volume in all projects has grown significantly compared to 2022 and has reached levels higher than 2019 in NTE and NTE 35W. LBJ traffic is still lagging below 2019 levels affected by construction works in the area. I77, opened at the end of 2019 had an important increased in the volume of traffic compared to 2022 and I66 opened at the end of 2022 is ramping up with a good performance.

Dividends from NTE and LBJ were paid to Shareholders in June 2023, amounting to USD123,3mn in total. First dividend from NTE 35W was distributed in June, amounting to USD435,0mn in total. Board will continue to monitor the assets performance for any further potential dividend distribution to Shareholders in 2H 2023.

407 ETR: 407 ETR traffic growth is due to the lifting of all COVID-19 related restrictions by the Province of Ontario which led to increased mobility and commuting to workplaces in 2023. Traffic growth also supported by an increase in rehabilitation construction activities on Highway 401 and favorable weather conditions. 407 ETR maintained sufficient liquidity to satisfy all of its financial obligations in 2Q 2023.

A CAD150mn dividend was paid to shareholders in April 2023. 407 ETR Board approved a CAD150mn dividend for 3Q 2023 and will continue to monitor the asset performance and will review any further potential dividend distribution to Shareholders, as appropriate.

In 2021, Ferrovial acquired 24.86% of the shares of the Indian listed company IRB Infrastructure Developers Ltd for EUR369mn. IRB is a leading player in the Indian market, where it manages 24 projects and above 2,709 kilometers of toll roads.

In 1H 2023, IRB was able to reach important milestones such as awarded with a Rs 2,132 crore project of 91 Kms, which compromises build, operate and transfer in the state of Gujarat. Also, awarded with the Hyderabad Outer Ring Road under toll, operate and transfer in the state of Telengana, the second largest single asset TOT project in the country after Mumbai-Pune with an investment of Rs 8,396 crore. IRB has achieved Appointed date (greenlight to start construction) for Chittoor Thatchur project.

INR 112.7 mn dividend was approved by the Board in May 23.

To facilitate our strategy of achieving sustainable growth, IRB intends to optimize our portfolio assets in order to unlock value to fund the future projects.

On June 2023, Ferrovial reached an agreement, through Cintra, to sell its 89,2% stake in Azores, to HRRL Açores, S.A. As part of the agreement Cintra will hold a management contract for this asset. Completion of the transaction is subject to approval by the Portuguese authorities and by lenders.

AIRPORTS DIVISION

The global aviation industry continues its recovery from the pandemic, as the entire sector as it rebuilds capacity. Latest forecasts include the assumption that the second half of 2023 will continue to outperform, in line with what has been seen during the last quarters. (Once travel restrictions were lift).

No significant impact has been observed from war in Ukraine, although a degree of uncertainty remains on future potential impact if the economy continues being put under pressure.

Heathrow Airport: Passenger numbers are now approaching 2019 levels as both, leisure and business travel fully recovers

The strong increase in demand has created, in past quarters, some bottlenecks in some of the airlines operations but this seems to be now a resolved problem and the airport is now concentrated in increasing the service it delivers to passengers.

Regulatory challenges remain ahead, with CAA's final proposal undermining delivery of key improvements. Heathrow has appealed CAA´s final proposals to the CMA, and a resolution is expected by Mid-October 2023.

AGS: AGS Airports Limited has built back 77% volume on passenger numbers since 2019 in the first 6 months of 2023. Recovery continues at a strong rate, although impact from Flybe bankruptcy in January 2023 has slowed down the rate.

AGS airports continue to collaborate with their business partners to ensure global staff shortages are monitored and operational risk minimized. AGS Airports are continuing to manage its cost base to recover losses and are closely tracking economic factors.

Additionally, AGS Airports continues with the Southampton runway extension process that is expected to be concluded during 2023.

JFK: In June 2022 Ferrovial became the main shareholder (49% share) of the company that will build and manage the concession of the new Terminal 1 of JFK Airport (New York). The construction was initiated in July 2022 and is expected to continue during all 2023. Work progress is on track.

Dalaman Airport: In July 2022, the acquisition of a 60% share in the company that manages the concession of Dalaman International Airport in Turkey was signed. The area is an important holiday spot for both, domestic and international passengers and has fully recovered traffic during 2022 and 2023, as travel restrictions were lifted. The airport has seen a decrease in Russian and Ukrainian passengers, but the impact is limited and partly offset by higher numbers of British and German travelers.

CONSTRUCTION DIVISION

The evolution of the Construction activity in the second half of 2023 will be marked by the stability in sales and the prioritization of profitability and risk control measures, maintaining the trend observed in the first half of the year, except for the negative impact of the contracts in the US to be finished this year. Specific contingencies will continue to be implemented in new contracts, with the orderbook again at record highs after significant awards.

USA & Canada: activity is evolving in line with expectations in terms of the pace of execution, with sales expected to be lower than in 2022 as several major projects are being completed this year, having reduced their production compared to previous years. Others, such as the Ontario Line South (Ontario), are still in the early design phase. At Webber, positive margins, and strong contracting in the first half of 2023, are the highlights.

Poland: Public tendering in Poland maintains good perspectives, thanks to the national long-term highway and rail plans until 2025-2026 supported by the high level of funding allocation under the new multiannual financial framework 2021-27. In the second half of 2023, stable turnover is expected, and the strategy of greater selectivity in tendering will continue, prioritizing profitability after the strains from increases in salaries and raw material costs and broadening its diversification into sectors such as renewable energy or waste treatment. Important 2023 awards are pending recognition in the orderbook such as the E65 Tychy - Most Wisla or Kosciercyna-Somonino railway works.

Spain: the positive trend in sales is expected to continue thanks to the significant new contracts in railways and for private clients in previous periods. In the medium term, the momentum in tenders is expected to continue, thanks to the good dynamics of public and private initiatives, supported by the European Next Generation funds. Positive and stable evolution in margins and contracting during the first half of the year, with the orderbook remaining at 2022 year-end levels.

In relation to the other areas, the growth in sales in the first half of 2023 will be maintained, thanks to the increased pace of project execution in the UK (Silvertown Tunnel) and Australia (Sydney Metro and Coffs Harbour Bypass). The outlook for future tenders continues to be good, with potential concession projects for roads, transmission lines and energy in conjunction with other Ferrovial divisions.

ENERGY INFRASTRUCTURE AND MOBILITY DIVISION

Generation: The business division will continue working in the execution of greenfield projects in our main markets and seeking further acquisitions to accelerate our growth in this sector. In this context, the division is in the process of closing in Spain the acquisition of two new photovoltaic projects with a capacity of c. 50MWp each and has submitted several NBOs in Spain and in the US. The failure to achieve closing or not reaching agreements with potential sellers of projects could delay the division growth expectations.

In Spain, our project El Berrocal (c.50MWp photovoltaic located in Gerena (Sevilla)) will reach the Commercial Operation Date (COD) in this Q3. A delay in completing construction or a decrease in electricity prices would impact in the 2H 2023 division revenues.

Transmission lines: Centella project will continue its construction works with the target to achieve completion at the beginning of next year. As per the Concession Decree, fines could be imposed on the project company if completion is not achieved on or before the contractual dates. Additionally, construction phase costs that are responsibility of the project company could be higher than expected.

Since both activities (generation and transmission) operate in a highly regulated environment, any change in regulation could potentially impact (positively or negatively) the costs or the revenues of the division and therefore affect its expected results.

Thalia: We will continue to monitor closely our waste management plants, as the availability of Milton Keynes, Isle of Wight and Allerton energy from waste plants could impact gross margin during 2H 2023, especially a delay in the Isle of Wight EfW to achieve operations, that is expected during the 2H 2023.

As plants generate energy, a decrease in electricity prices would impact 2H 2023 revenues.

FS Chile: We expect to continue effectively managing our contracts to mitigate the adverse effects on the margin of the country minimum wage increase.

FINANCIAL AND CAPITAL RISK

The main financial and capital risk to which Ferrovial is exposed is described in detail in the consolidated annual accounts for the 2022 financial year. The following are the main financial and capital risks:

- Interest rate variations
- Exchange rate variations
- Credit and counterparty risk
- Liquidity risk
- Variable income risk
- Inflation risk
- Capital management risk

As regards variation in the exchange rate, it should be noted that the value of the US dollar and the Australian have weakened slightly against the EUR during the first half of 2023, closing at 1.0909 USD/EUR and 1.63771 AUD/EUR on 30 June implying a depreciation of 1.91% and 4.20% respectively, while the sterling pound, the Canadian dollar, the polish zloty and the Chilean peso have had an appreciation of 2.94%, 0.39%, 5.39% and 3.69% respectively as compared with December 2022. The impact of the exchange rate variation is already accounted for in the company's shareholders' funds.

As regards exposure to exchange rate risk, it should be mentioned that the company has arranged hedging in the notional amount of USD 694mn, CAD 3,829mn and GBP 178mn. This will cover an average rate of 1.0887 USD/EUR, 1.4605 CAD/EUR and 0.9265 GBP/EUR. The company's strategy in this regard is to guarantee the value of the company assets.

LIQUIDITY AND GOING CONCERN

Ferrovial faces 2023 with a good liquidity position. In June 2023, ex-infra projects net cash position amounted to EUR 819 million. (1,439 million at December 2022).

Even in a stress case scenario although it would entail a very significant deterioration of Ferrovial's cash position, cash resources would continue to be sufficient to meet commitments. Ferrovial's finances are sufficient to guarantee the capacity to continue operating under the going concern principle during 2023 and 2024, with no material uncertainties having been identified to doubt this conclusion.

Appendix VII – Alternative Performance Measures

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

EBITDA = Gross operating result

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

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

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

FAIR VALUE ADJUSTMENTS

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

CONSOLIDATED NET DEBT

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

EX INFRASTRUCTURE LIQUIDITY

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

ORDER BOOK

- **Definition:** the income pending execution, which correspond to contracts which the Company has signed up to a certain date, and over which it has certainty on its future execution. The total income from a contract corresponds to the agreed price or rate corresponding to the delivery of goods and/or the rendering of the contemplated services. If the execution of a contract is pending the closure of financing, the income from said contract will not be added to the order book until financing is closed. The order book is calculated by adding the contracts of the actual year to the balance of the contract order book at the end of the previous year, less the income recognized in the current year.
- **Reconciliation:** the order book is presented under key figures under Construction section of the Management Report. There is no comparable financial measure in IFRS. The reconciliation between total figures and the proportional figures is included in the Appendix provided in the web. This reconciliation is based on the order book value of a specific construction being comprised of its contracting value less the construction work completed, which is the main component of the sales figure. The difference between the construction work completed and the Construction sales figure reported in Ferrovial's Financial Statements is attributable to the fact that consolidation adjustments, charges to JVs, sale of machinery, confirming income and other adjustments are made to the latter. In addition to contracts awarded and the construction work completed, the exchange rate of contracts awarded in foreign currency, rescission (when a contract is terminated early) or changes to the scope are all aspects that also have an impact on the movement between the original order book (corresponding to the previous year) and the end order book (for the year in question), as shown in the tables at the end of this document. Management believes that the order book is a useful indicator in terms of the future income of the company, as the order book for a specific construction will be comprised of the final sale of said construction less the net construction work undertaken.
- **Explanation of use:** The Management believes that the order book is a useful indicator with respect to the future income of the Company, due to the order book for a specific work will be the final sale of said work less the work executed net at source.
- **Comparisons:** the company presents comparisons with previous years.
- **Consistency:** the criteria used to calculate order book is the same as the previous year.

WORKING CAPITAL VARIATION

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

PROPORTIONAL RESULTS

- **Definition:** the Ferrovial proportional results are calculated as the contribution of each entity to the consolidated results in the proportion of Ferrovial's ownership in those entities, regardless to the applied consolidation method. This information is prepared for Revenues and EBITDA.
- **Reconciliation:** a reconciliation between total and proportional figures is provided in the web.
- **Explanation of use:** the proportional results can be useful for investors and financial analysts to understand the real weight of business divisions in the operative results of the group, especially keeping in mind the weight of certain assets consolidated under the equity method as 407 ETR from Toronto and the airport of Heathrow. It is an indicator that other competitors with significant subsidiaries in infrastructure projects consolidated under the equity

method present. It also reflects the actual contribution of construction work or contracts of companies that are fully consolidated but in which it does not have 100% shareholding.

- **Comparisons:** the company presents comparisons with previous years.
- **Consistency:** the criteria employed for calculating proportional results is not the same as the previous year, therefore 2022 has been adjusted to the criteria used in 2023. In the 2022 Management Report, the proportional results applied a more simplified method, in which only the results of infrastructure projects were proportionally consolidated. The reason for the change is the possible relevance for investors to know the real contribution of the businesses of the rest of the Group's divisions, mainly Construction.

DIVIDENDS RECEIVED

- **Definition:** includes dividends received from companies consolidated under the equity method, as well as interest received on loans granted to companies consolidated under the equity method, as a result of certain exchange rate hedges related to dividends received, as well as dividends received from discontinued operations.
- In addition, in order to provide a more appropriate explanation of the cash generated, the Group separates "cash flows excluding infrastructure projects". In this regard, the definition of dividends received considered within these "cash flows excluding infrastructure projects" is extended to the collection of dividends from infrastructure projects of companies that are fully or proportionately consolidated, as well as other similar items, mainly interest on subordinated debt and participating loans, repayments of capital, debt and loans, as well as loans received from these projects whose repayment is unlikely.
- **Reconciliation:** dividends received are presented in the Ex-infrastructure Net Financial Position report of Management Report, which includes all dividends received from infrastructure projects, regardless of their consolidation method.
- **Explanation of use:** Dividends received have historically been one of the Ferrovial Group's main sources of cash flow and are a very appropriate measure for assessing the financial and operating performance of the different infrastructure projects in which Ferrovial Group participates.
- **Comparisons:** the company presents comparisons with previous years.
- **Consistency:** the definition of Dividends Received included in the Management Report has been modified to specify that it includes loans received from these projects whose repayment probability is uncertain.

ferrovial

For a world on the move

Ferrovial SE & Subsidiaries

Interim Condensed Consolidated Financial Statements

June 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2023 AND 31 DECEMBER 2022

(Millions of euros)	NOTE	30.06.2023	31.12.2022 (*)
Non-current assets		**18,394**	**18,925**
Goodwill on consolidation	5.2	477	480
Intangible assets		139	138
Fixed assets in infrastructure projects		13,270	13,667
Intangible asset model	5.3	13,106	13,504
Financial asset model		164	163
Property, plant and equipment		533	479
Right-of-use leased assets		154	183
Investments in associates	5.4	2,049	1,951
Non-current financial assets	8	815	1,095
Long-term loans to associates		239	246
Restricted cash in infrastructure projects and other financial assets	7	317	597
Other receivables		259	252
Deferred taxes	5.7	798	784
Long-term financial derivatives at fair value	8.2	159	148
Current assets		**7,312**	**7,419**
Assets classified as held for sale	1.3	292	2
Inventories		475	475
Current income tax assets		47	19
Short-term trade and other receivables	5.5	1,778	1,609
Trade receivables for sales and provision of services		1,439	1,300
Other short-term receivables		339	309
Other short-term financial assets		0	0
Cash and cash equivalents	7	4,685	5,130
Infrastructure project companies		159	168
Restricted cash		29	38
Other cash and cash equivalents		130	130
Ex-infrastructure project companies		4,526	4,962
Short term financial derivatives at fair value	8.2	36	184
TOTAL ASSETS		**25,706**	**26,344**

(*) Reexpressed figures (Note 3.1)

Notes 1 to 17 form part of the interim condensed consolidated financial statements at 30 June 2023.

(Millions of euros)	NOTE	30.06.2023	31.12.2022 (*)
Equity	6	**5,735**	**6,353**
Equity attributable to shareholders		3,689	4,113
Equity attributable to non-controlling interests		2,046	2,240
Deferred income		**1,379**	**1,410**
Non-current liabilities		**12,810**	**13,203**
Pension plan deficit		2	2
Long-term provisions	5.6	411	416
Long-term lease liabilities		70	120
Borrowings	7	10,436	10,776
Infrastructure project companies		7,546	7,893
Ex-infrastructure project companies		2,890	2,883
Other payables		918	899
Deferred taxes	5.7	903	924
Financial derivatives at fair value	8.2	70	66
Current liabilities		**5,782**	**5,378**
Liabilities classified as held for sale	1.3	305	0
Short-term lease liabilities		84	64
Borrowings	7	852	877
Infrastructure project companies		52	74
Ex-infrastructure project companies		800	803
Financial derivatives at fair value	8.2	39	47
Current income tax liabilities		35	30
Short-term trade and other payables	5.5	3,534	3,430
Trade payables		1,819	1,663
Advance payments from customers		1,405	1,364
Other short-term payables		310	403
Trade provisions	5.6	933	930
TOTAL LIABILITIES AND EQUITY		**25,706**	**26,344**

(*) Reexpressed figures (Note 3.1)

Notes 1 to 17 form part of the interim condensed consolidated financial statements at 30 June 2023.

B. CONSOLIDATED INCOME STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 AND 30 JUNE 2022

		30.06.2023			30.06.2022 (***)		
Income statement (millions of euros)	Note	Before fair value adjustments	Fair value adjustments (*)	Total 2023	Before fair value adjustments	Fair value adjustments (*)	Total 2022
Revenue	4	3,940	0	3,940	3,534	0	3,534
Other operating income		1	0	1	1	0	1
TOTAL OPERATING INCOME		**3,941**	**0**	**3,941**	**3,535**	**0**	**3,535**
Materials consumed		497	0	497	581	0	581
Other operating expenses		2,271	-6	2,265	1,924	0	1,925
Staff costs	11	778	0	778	716	0	716
TOTAL OPERATING EXPENSES		**3,546**	**-6**	**3,540**	**3,221**	**0**	**3,222**
EBITDA		**395**	**6**	**401**	**314**	**0**	**313**
Fixed asset depreciation	9.1	201	0	201	143	0	143
Operating profit/(loss) before impairment and disposal of fixed assets		**194**	**6**	**200**	**171**	**0**	**170**
Impairment and disposal of fixed assets (**)	9.2	0	0	0	0	0	0
Operating profit/(loss)		**194**	**6**	**200**	**171**	**0**	**170**
Net financial income/(expense) from financing		-153	0	-153	-109	0	-109
Profit/(loss) on derivatives and other net financial income/(expense)		-12	0	-12	-8	-58	-66
Net financial income/(expense), infrastructure projects		**-165**	**0**	**-165**	**-117**	**-58**	**-175**
Net financial income/(expense) from financing		50	0	50	11	0	11
Profit/(loss) on derivatives and other net financial income/(expense)		8	6	14	1	44	45
Net financial income/(expense), ex-infrastructure projects		**58**	**6**	**64**	**12**	**44**	**56**
Net financial income/(expense)	**9.3**	**-107**	**6**	**-101**	**-105**	**-14**	**-119**
Share of profits of equity-accounted companies	5.4	81	2	83	45	9	55
Consolidated profit/(loss) before tax		**168**	**14**	**182**	**111**	**-5**	**106**
Corporate income tax	9.4	-19	-1	-20	-24	3	-21
Consolidated profit/(loss) from continuing operations		**149**	**13**	**162**	**87**	**-2**	**85**
Profit/(loss) from discontinued operations	9.5	6	0	6	-5	0	-5
Consolidated profit/(loss) for the year		**155**	**13**	**168**	**82**	**-2**	**80**
Profit/(loss) for the year attributed to non-controlling interests		-52	-2	-54	-42	14	-28
Profit/(loss) for the year attributed to the parent company		**103**	**11**	**114**	**40**	**12**	**52**
Net earnings per share attributed to the parent company (in euros)				0.15		Basic	0.07
				0.15		Diluted	0.07

(*) Relating to gains and losses arising from changes in the fair value of derivatives and other financial assets and liabilities (Note 8.2), asset and liability impairment (Note 9.2) and the impact of the two items on "share of profits of equity-accounted companies" (Note 5.4).

(**) “Impairment and disposals of fixed assets” primarily includes asset impairment and the 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.

(***) Reexpressed figures (Note 3.1)

Notes 1 to 17 form part of the interim condensed consolidated financial statements at 30 June 2023.

C. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 AND 2022

	(Millions of euros)	Note	30.06.2023	30.06.2022 (**)
a)	**Total consolidated profit/(loss) for the year**		**168**	**80**
	Attributed to the parent company		114	52
	Attributed to non-controlling interests		54	28
b)	**Income and expenses recognized directly in equity**	6	**-22**	**463**
	Fully-consolidated companies		-24	317
	Impact on hedging reserves	8	17	174
	Impact on defined benefit plan reserves (*)		0	0
	Currency translation differences		-46	183
	Tax effect		5	-40
	Companies classified as held for sale		0	-7
	Impact on hedging reserves		0	0
	Impact on defined benefit plan reserves (*)		0	0
	Currency translation differences		0	-7
	Tax effect		0	0
	Equity-accounted companies		2	153
	Impact on hedging reserves		9	80
	Impact on defined benefit plan reserves (*)		0	0
	Currency translation differences		-3	91
	Tax effect		-4	-18
c)	**Transfers to the income statement**	6	**0**	**-40**
	Fully-consolidated companies		0	-47
	Transfers to income statement		0	-62
	Tax effect		0	15
	Companies classified as held for sale		0	7
	Transfers to income statement		0	9
	Tax effect		0	-2
	Equity-accounted companies		0	0
	Transfers to income statement		0	0
	Tax effect		0	0
a+b+c	**TOTAL COMPREHENSIVE INCOME**		**146**	**503**
	Attributed to the parent company		117	363
	Attributed to non-controlling interests		29	140

(*) The impact on reserves of defined benefit plans is the only item of income and expense recognized directly in equity that cannot subsequently be reclassified to the income statement (Note 6).

(**) Reexpressed figures (Note 3.1)

Notes 1 to 17 form part of the interim condensed consolidated financial statements at 30 June 2023.

D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 AND 2022

(Millions of euros)	Share capital	Share premium	Treasury shares	Other equity instruments	Measurement adjustments	Retained earnings and other reserves	Attributed to shareholders	Attributed to non-controlling interests	Total equity
Balance at 31.12.22 (*)	**145**	**0**	**-26**	**508**	**-778**	**4,264**	**4,113**	**2,240**	**6,353**
Merger impact	-138	4,400	0	0	-10	-4,252	0	0	0
Balance at 01.01.23	**7**	**4,400**	**-26**	**508**	**-788**	**12**	**4,113**	**2,240**	**6,353**
Consolidated profit/(loss) for the year	0	0	0	0	0	114	114	54	168
Income and expenses recognized directly in equity	0	0	0	0	3	0	3	-25	-22
Transfers to the income statement	0	0	0	0	0	0	0	0	0
Total recognised income and expenses during the year	**0**	**0**	**0**	**0**	**3**	**114**	**117**	**29**	**146**
Scrip dividend agreement	0	0	0	0	0	0	0	0	0
Other dividends	0	0	0	0	0	0	0	-295	-295
Treasury share transactions	0	-52	-52	0	0	52	-52	0	-52
Shareholder remuneration	**0**	**-52**	**-52**	**0**	**0**	**52**	**-52**	**-295**	**-347**
Share capital increases/reductions	0	0	0	0	0	0	0	71	71
Share-based remuneration schemes	0	0	0	0	0	7	7	0	7
Other movements	0	0	0	0	0	15	15	1	16
Other transactions	**0**	**0**	**0**	**0**	**0**	**22**	**22**	**72**	**94**
Perpetual subordinated bond issues	**0**	**0**	**0**	**-508**	**0**	**-3**	**-511**	**0**	**-511**
Scope changes	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Balance at 30.06.2023	**7**	**4,348**	**-78**	**0**	**-785**	**197**	**3,689**	**2,046**	**5,735**

(Millions of euros)	Share capital	Share premium	Treasury shares	Other equity instruments	Measurement adjustments	Retained earnings and other reserves	Attributed to shareholders	Attributed to non-controlling interests	Total equity
Balance at 31.12.21 (*)	**147**	**218**	**-124**	**507**	**-1,300**	**4,591**	**4,039**	**1,790**	**5,829**
Consolidated profit/(loss) for the year	0	0	0	0	0	52	52	28	80
Income and expenses recognised directly in equity	0	0	0	0	351	0	351	112	463
Transfers to the income statement	0	0	0	0	-40	0	-40	0	-40
Total recognised income and expenses during the year	**0**	**0**	**0**	**0**	**311**	**52**	**363**	**140**	**503**
Scrip dividend agreement	1	0	0	0	0	-109	-108	0	-108
Other dividends	0	0	0	0	0	0	0	-119	-119
Treasury share transactions	0	-218	-248	0	0	218	-248	0	-248
Shareholder remuneration	**1**	**-218**	**-248**	**0**	**0**	**109**	**-356**	**-119**	**-475**
Share capital increases/reductions	0	0	0	0	0	0	0	151	151
Share-based remuneration schemes	0	0	0	0	0	-1	-1	0	-1
Other movements	0	0	0	0	0	3	3	0	3
Other transactions	**0**	**0**	**0**	**0**	**0**	**2**	**2**	**151**	**153**
Perpetual subordinated bond issues	**0**	**0**	**0**	**-6**	**0**	**-3**	**-9**	**0**	**-9**
Scope changes	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-1**	**-1**
Balance at 30.06.2022 (*)	**148**	**0**	**-372**	**501**	**-989**	**4,751**	**4,039**	**1,961**	**6,000**

(*) Reexpressed figures (Note 3.1)

Notes 1 to 17 form part of the interim condensed consolidated financial statements at 30 June 2023.

E. CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 AND 30 JUNE 2022

(Millions of euros)	NOTE	2023	2022 (*)
Net profit/(loss) attributable to parent company		**114**	**52**
Adjustments to profit/(loss)		287	327
Non-controlling interests		55	28
Net profit/(loss) from discontinued operations		-6	5
Tax		19	21
Profit/(loss) from equity-accounted companies		-83	-54
Net financial income/(expense)		101	119
Impairment and disposal of fixed assets		0	0
Depreciation/amortisation		201	143
EBITDA discontinued operations		0	65
EBITDA including discontinued operations		**401**	**379**
Tax payments		-66	-34
Working capital variation (receivables, payables and other)	5.5	-108	-218
Dividends from infrastructure project companies received	5.4	55	12
Cash flows from operating activities		**282**	**139**
Investments in property, plant and equipment/intangible assets		-44	-34
Investments in infrastructure projects	5.3	-138	-295
Loans granted to associates/acquisition of companies		-77	-56
Interest received	9.3	119	16
Investment of long-term restricted cash		271	26
Divestment of infrastructure projects		0	0
Divestment/sale of companies	1.2	-7	180
Cash flows from investing activities		**124**	**-163**
Cash flows before financing activities		**406**	**-24**
Capital cash flows from non-controlling interests	6	83	114
Scrip dividend		0	-108
Acquisition of treasury shares		-52	-248
Shareholder remuneration	6	-52	-356
Dividends paid to non-controlling interests of investees	6	-292	-115
Other movements in shareholder's funds	6	-515	3
Cash flows from financing activities (own funding)		-776	-354
Interest paid	9.3	-213	-156
Lease instalments		-39	-49
Increase in borrowings		127	228
Decrease in borrowings		-81	-36
Net change in borrowings, discontinued operations		0	-1
Cash flows from financing activities		**-982**	**-368**
Effect of exchange rates on cash and cash equivalents		**164**	**13**
Change in cash and cash equivalents due to consolidation scope changes		**-33**	**0**
Change in cash and cash equivalents from discontinued operations	7	**0**	**-55**
Change in cash and cash equivalents	7	**-445**	**-434**
Cash and cash equivalents at beginning of the year		5,130	5,515
Cash and cash equivalents at end of the year		4,685	5,081

Notes 1 to 17 form part of the interim condensed consolidated financial statements at 30 June 2023.

(*) Reexpressed figures (Note 3.1)

F. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2023

1. Activities and Group reorganization

1.1 Activities

Ferrovial SE comprises the Netherlands parent company, Ferrovial SE and its subsidiaries, detailed in Appendix II. Its registered office is Kingsfordweg 151, 1043 GR Amsterdam, the Netherlands.

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

- Construction: Design and build of all manner of public and private works, including most notably the construction of public infrastructures.
- Toll Roads: Development, financing and operation of toll roads.
- Airports: Development, financing and operating of airports.
- Energy Infrastructures and Mobility: Basically focuses on developing energy transmission and renewable energy infrastructures, and also includes the Mobility businesses and some of the Services activities that were finally not divested, in particular the waste treatment business in the United Kingdom (Thalia).

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

For the purpose of understanding these interim 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 fields. The modus operandi for these projects is described in the annual accounts as of 31 December 2022.

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

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

It is also important to highlight that the Group's main investments correspond to its 43.23% ownership interest in 407 ETR, the concession operator of the 407 ETR toll road in Toronto (Canada), its 25% ownership interest in Heathrow Airport Holdings (HAH), the company that owns Heathrow Airport in London (UK), which are both equity-accounted companies since 2010 and 2011, respectively; its 49% indirect shareholding in the capital of the company JFK NTO LLC, the concession company of the New Terminal One at the International John F. Kennedy Airport in New York; its 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. Details of these companies are included in note 5.4 on investments in equity-accounted companies.

Lastly, it should be noted that the services business carried out by Budimex in Poland is included in the Construction segment.

1.2 Group reorganization

On 28 February, Ferrovial's Board of Directors approved the common draft terms of the cross-border merger of Ferrovial, S.A., the Spanish listed company and ultimate parent company of Ferrovial Group, into its wholly-owned Dutch subsidiary Ferrovial International SE (Ferrovial SE or FSE from now on), which was also approved by the General Shareholders' Meeting of both entities held on 13 April 2023 and finally completed on 16 June 2023. As a result of this transaction, the new parent company of the Ferrovial Group is Ferrovial, SE, an European public limited company ("Societas Europaea") domiciled in the Netherlands and currently listed on both the Dutch and the Spanish stock markets.

This business reorganization is driven by the growing internationalization of Ferrovial (in 2022, 82% of the group's revenues and nearly 96% of its value came from activities outside Spain) and with the final aim of listing Ferrovial in the United States of America.

Accounting treatment

After the reorganization, the shareholders of the new parent company of the group, Ferrovial SE, are the same as the shareholders of the former parent company of the group, Ferrovial, S.A. The companies that are part of the group are also the same without any type of change in terms of percentage of participation.

This type of reorganization is not considered a business combination under IFRS 3, and is not specifically covered under IFRS. Following the guidance of IAS 8, 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.

The application of pooling of interest or predecessor accounting has four main impacts:

- Although the merger process was completed on 16 June, the cross-border reverse merger agreement between Ferrovial, S.A. and Ferrovial SE has a retrospective accounting impact as if the transaction had happened on 1 January 2023 (the beginning of the earliest period presented as if the receiving company and transferred company had always been combined); recognizing all of the transactions of the year in the consolidated profit and loss account and in the rest of the consolidated financial statements;
- No changes in the consolidated value of assets and liabilities received by Ferrovial SE, measured according to the consolidated carrying amounts recognized in Ferrovial, S.A. as of December 2022;
- Comparative financial information for the first half of 2022 and for December 2022 included in these Financial Statements, are the consolidated financial statements reported by Ferrovial, S.A. for the first half of 2022 and December 2022, respectively; and
- Transaction costs have been recognized as an expense in the year.

This has been the approach adopted because the combined entity is considered a continuation of the Ferrovial, S.A. Group, 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.

1.3 Assets and liabilities held for sale

Assets and liabilities held for sale, Toll road business

On June 2023 Ferrovial has agreed to sell its 89.2% stake in the Azores toll road, located in Portugal, to the infrastructures management funds Horizon Equity Partners SA and RiverRock European Capital Partners LLC for EUR 42.6 million. The completion of the transaction is subject to approval by Portuguese authorities and financial entities.

The following table provides a breakdown by nature of the assets and liabilities corresponding to Azores toll road, classified as held for sale as of June 2023:

(Millions of euros)	JUN. 2023
Non-current assets	**253**
Fixed assets in infrastructure projects	249
Deferred taxes	4
Current assets	**39**
Short-term trade and other receivables	7
Cash and cash equivalents	25
Other current assets	7
TOTAL assets classified as held for sale	**292**

(Millions of euros)	JUN. 2023
Non-current liabilities	**280**
Long-term provisions	8
Bank borrowings	265
Financial derivatives at fair value	7
Current liabilities	**25**
Bank borrowings	20
Short-term trade and other payables	1
Financial derivatives at fair value	3
TOTAL liabilities classified as held for sale	**305**

2. Going concern assessment and current economic situation

2.1 Going concern assessment

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. Management considers that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

2.2 Current economic situation

The Group’s financial results and operations were impacted over the last few years by relevant and unexpected events, such as the Covid-19 pandemic and the conflict between Russia and Ukraine.

After a recovery period following the Covid-19 shutdowns and following reopening, whose length was uneven depending on the geography and the type of asset, the Group observed that in the first six months of 2023, our assets demand had, in general terms, recovered or even surpassed the pre-Covid traffic levels, so we can confirm that the traffic at our assets is no longer affected by the direct or indirect impact of Covid-19.

Regarding the Russia and Ukraine conflict, most of the impact, which was related to inflation rate increases and supply chain disruption, affected our 2022 annual results, but we have not observed a significant impact in relation to the conflict in the first half of 2023, and nor do we foresee an impact for the second half of the current year.

3. Summary of significant accounting policies

3.1 Basis of presentation

The interim condensed consolidated financial statements of Ferrovial, SE for the six-month period ended 30 June 2023 have been prepared in accordance with IAS 34 "Interim financial reporting".

In accordance with IAS 34, interim financial information is prepared placing emphasis on new activities, events and circumstances that have arisen during the half year and not duplicating the information previously published in the 2022 consolidated annual accounts. Consequently, for a proper understanding of the information included in these interim condensed consolidated financial statements, they should be read together with the Group's consolidated annual accounts for the year ended 31 December 2022, which were prepared in accordance with International Financial Reporting Standards (IFRS) in force.

Comparative financial statements

Once the divestment process of the Services Division was completed at the end of 2022 with the sale of the Amey business in the UK, the company decided to reclassify as a continued activity the Chilean mining industry operation and maintenance services.

The information relating to the first half of 2022 of this Chilean activity reclassified to continuing operations was reexpressed both in the consolidated statement of financial position and in the consolidated income statement. The impact on the balance sheet was already included at December 2022 consolidated financial statements, and therefore the comparative figures remain unchanged.

Reexpressing June 2022 consolidated income statement had the following impacts:

(Millions of euros)	2022.JUN Reported	Adjust	2022.JUN Reexpressed
Total operating income	3,466	69	3,535
Total operating expenses	-3,160	-62	-3,222
EBITDA	**306**	**7**	**313**
Fixes asset depreciation	138	5	143
Operating profit/(loss) before fixed asset impairment and disposals	**168**	**2**	**170**
Profit/(loss) from impairment and disposals of fixed assets	0	0	0
Operating profit/(loss)	**168**	**2**	**170**
Net financial income/(expense)	**-118**	**-1**	**-119**
Share of profits of associates	54	1	55
Consolidated profit/(loss) before tax	**104**	**2**	**106**
Corporate income tax	-21	0	-21
Profit/(loss) from continuing operations	**83**	**2**	**85**
Net profit/(loss) from discontinued operations	-5	0	-5
Consolidated profit/(loss) for the	**78**	**2**	**80**
Profit/(loss) for the year attributed to non-controlling interests	-28	0	-28
Profit/(loss) for the year attributed to the parent company	**50**	**2**	**52**

Additionally, the consolidated statement of financial position as of December 2022 was reexpressed to reflect changes in equity-accounted investments valuation driven by their 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 investments were made.

3.2 Accounting policies applied.

The accounting policies applied when preparing these interim condensed consolidated financial statements are the same ones applied to the consolidated annual accounts for the financial year ended 31 December 2022, as none of the standards, interpretations or amendments that are applicable for the first time in the current year has had a significant impact on the Group's accounting policies.

The Group will adopt the standards, interpretations and amendments to standards issued by the IASB once they are endorsed by the European Union, if they are applicable to the Group. Based on the preliminary analyses carried out to date first-time adoption is not expected to have a material impact on the consolidated annual accounts.

3.3 Accounting estimates and judgements

In the interim condensed consolidated financial statements as of 30 June 2023 estimates were made to measure certain assets, liabilities, revenues, expenses and commitments reported in these statements. The matters for which estimates are made were described in the consolidated annual accounts for the year ended 31 December 2022 (Note 2).

Of particular relevance is the update of the cost-to-complete budget for some construction works, which has led to the recognition of additional losses in the year, as mentioned in the Management Report.

3.4 Basis of consolidation

The basis of consolidation applied at 30 June 2023 is consistent with the approach adopted in the consolidated annual accounts for the year ended 31 December 2022.

4. Segment and geographic market reporting

The Ferrovial Board of Directors analyses the performance of the Group mainly from a business perspective, evaluating the performance of the Construction, Toll Roads, Airports and Energy Infrastructures and Mobility businesses. These areas are the same as those used in the 2022 Consolidated Annual Accounts. The "other segments" line reflects the figures for companies not assigned to any business area, the most significant being Ferrovial SE, the Group's parent company, and some of the latter's minor subsidiaries. The "adjustments" column contains consolidation adjustments between business divisions.

The segment income statement for the six-month period ended 30 June 2023 and 30 June 2022 is included in the Appendices.

Geographic areas

Business revenues by geographic area break down as follows:

(Millions of euros)	2023	2022	Var. 23/22
Spain	749	556	193
UK	369	362	7
Australia	133	60	73
USA	1,344	1,392	-48
Canada	70	48	22
Poland	935	860	75
Other	340	256	84
TOTAL REVENUE	**3,940**	**3,534**	**406**

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

5.1 Foreign exchange effect

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 items in the income statement and cash flow statement:

AVERAGE EXCHANGE RATE	2023	2022	Change 23/22 (*)
Pound sterling	0.876	0.844	3.78 %
US dollar	1.081	1.088	(0.64)%
Canadian dollar	1.456	1.381	5.42 %
Australian dollar	1.600	1.519	5.32 %
Polish zloty	4.625	4.651	(0.58)%
Chilean peso	871.458	902.318	(3.42)%

For balance sheet items:

CLOSING EXCHANGE RATE	2023	2022	Change 23/22 (*)
Pound sterling	0.859	0.885	(2.94)%
US dollar	1.091	1.071	1.91%
Canadian dollar	1.445	1.451	(0.39)%
Australian dollar	1.638	1.572	4.20%
Polish zloty	4.433	4.685	(5.39)%
Chilean peso	874.660	908.160	(3.69)%

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

This exchange effect has had a negative impact on shareholders' funds attributable to the Parent of EUR -23 million, registered as translation differences (Note 6).

5.2 Acquisitions and goodwill

a) Main changes during the period:

Movements in goodwill on consolidation at June 2023 are as follows:

(Millions of euros)	BALANCES AT 31/12/2022	ADDITIONS	OTHERS	EXCHANGE RATE	BALANCES AT 30/06/2023
Construction	**132**	**2**	**0**	**3**	**136**
Budimex	65	2	0	4	70
Webber	61	0	0	-1	60
Cadagua US	6	0	0	0	6
Toll roads	**265**	**0**	**-2**	**-5**	**258**
I-66 Express Mobility Partners Hold. LLC	265	0	-2	-5	258
Airports	**27**	**0**	**0**	**0**	**27**
Dalaman	27	0	0	0	27
Energy and Mobility	**56**	**0**	**0**	**0**	**55**
TransChile	56	0	0	0	55
TOTAL	**480**	**2**	**-2**	**-3**	**477**

The main movement in the first half of 2023 is explained by the exchange rate. Furthermore, in the column "Additions", there is a scope change in the Budimex Group due to the incorporation of the construction company Konstalex, which was acquired last month by the Budimex Group's entity Mostostal Krakow, SA.

b) Possible indications of impairment:

The impairment tests on the Group's existing goodwill, which are usually updated in December, have not been updated since there were no indications that assets or cash generated units might have become impaired at the date of preparation of these interim condensed consolidated financial statements.

5.3 Fixed assets in infrastructure projects

Set out below is a breakdown of the main items within this heading related to fixed assets, corresponding to the intangible assets in infrastructure projects at 30 June 2023 and 31 December 2022:

(Millons of euros)	BALANCE AT 01/01	TOTAL ADDITIONS	FOREIGN EXCHANGE EFFECT	OTHERS	BALANCE AT 30/06
Spanish toll roads	714			0	714
US toll roads	12,547	187	-236		12,498
Other toll roads	391	0	0	-387	4
Toll road investment	**13,653**	**187**	**-236**	**-387**	**13,216**
Accumulated depreciation	-781	-99	9	132	-738
Net investment in toll roads	**12,872**	**88**	**-227**	**-254**	**12,478**
Investment in other infrastructure projects	632	-5			627
Total net investment in other infrastructure projects	**632**	**-5**	**0**	**0**	**627**
TOTAL INVESTMENT	**14,285**	**182**	**-236**	**-387**	**13,844**
TOTAL DEPRECIATION AND PROVISION	**-781**	**-99**	**9**	**132**	**-738**
TOTAL NET INVESTMENT	**13,504**	**83**	**-227**	**-254**	**13,106**

There was a total net change of EUR 83 million in the net investment in assets accounted for using the intangible asset model in the first half of 2023, the most significant changes being:

- Investment in US toll roads increased by EUR 187 million, excluding the foreign exchange effect, related essentially to I-66 Express Mobility Partners LLC and North Tarrant Express Segment 3.
- The depreciation of the U.S. dollar against the euro resulted in a total decrease of €236 million in assets.
- The depreciation of the road investment of €99 millions.
- Reclassification to held for sale of the Azores concession company of EUR 254 million (Note 1.3).

Total investment in infrastructure projects also includes assets accounted for using the financial asset model pursuant to IFRIC 12, standing at EUR 164 million (31 December 2022: EUR 163 million), and relate mainly to long-term receivables (more than twelve months) from public administrations, as balancing items with respect to services rendered or investments made under a concession arrangement. The most significant balance relates to the Waste Treatment business in the UK reaching EUR 79 million at 30 June 2023 (31 December 2022: EUR 77 million).

5.4 Investments in equity-accounted companies

Set out below is a breakdown of investments in equity-accounted companies at 30 June 2023 showing movements during the year. Due to their significance, the investments in 407 ETR (43.23%), HAH (25%), JFK NTO (49%), AGS (50%) and IRB Infrastructure Developers Limited (24.86%) are presented separately.

As mentioned in the annual accounts at December 2022, the considerable losses posted in previous years in the Airports business exceeded the value of the shareholdings, reducing the investments in HAH and AGS to zero, there being no commitments to inject additional funds (pursuant to IAS 28).

(millions of euros)	HAH	407 ETR	AGS	IRB	JFK NTO	OTHER	TOTAL
Balance at 31.12.22	**0**	**1,063**	**0**	**377**	**235**	**276**	**1,951**
Changes in share capital		0	0	5	66	0	71
Share of profit/(loss)	0	69	0	3	2	8	83
Dividends	0	-44	0	0	0	-11	-55
Foreign exchange differences		4	0	-4	-5	9	5
Derivatives		0	0	0	-4	10	6
Other	0	0	0	0	0	-11	-11
Balance at 30.06.23	**0**	**1,091**	**0**	**382**	**294**	**283**	**2,049**

There follows a more detailed analysis of the first-half developments in Ferrovial's main equity-accounted infrastructure projects.

a. Heathrow Airport Holding (HAH)

Business performance

In the first six months of 2023, Heathrow Airport recovered strongly with respect to the previous year, with traffic approaching 2019 levels - June standalone has been the first month with over 7 million passengers since August 2019. As a result, Heathrow's passenger numbers have grown considerably to reach 37.1 million in the period, compared with 26.1 million in the same period in 2022.

At the end of June, Heathrow revised its traffic forecasts for 2023 to a range of between 70mn - 78mn passengers, a notable improvement versus the pandemic years and approaching to 2019 levels (80.9mn passengers), aligned with guidance included in Q1 results, and 6.8mn higher than the forecast in December 2022 Investor Report. This updated traffic forecast reflects the strong start to the year, an improved economic outlook and the removal of most travel restrictions relating to COVID-19, with China re-opening and the US opening its borders to the unvaccinated.

In Q1 2023, the CAA published the Final Decision for the H7 regulatory period, which is not aligned with Heathrow expectations. On 18 April, Heathrow filed an appeal of the CAA's decision to the Competition and Markets Authority (CMA) and an outcome is expected not later than October 2023.

Equity

As mentioned above, the interest recorded in this company remains at zero, due to the fact that the losses generated in previous years as a result of Covid-19 brought equity attributable to Ferrovial below zero.

As can be seen in the following table, during 2023 this equity value is still negative, with a net profit attributable to Ferrovial of EUR 21 million having been generated on the back of passenger traffic recovery and the positive impacts on equity related to derivatives and pension plans.

2022 (millions of euros)	HAH (25%)
Balance at 31.12.2022 without IAS 28	**-197**
Share of profit/(loss)	21
Derivatives	23
Pensions	-8
Currency translation differences	-5
Balance at 30.06.2023 without IAS 28	**-165**
Result not consolidated under IAS 28	175
Other equity effects not consolidated under IAS 28	-11
Balance at 30.06.2023	**0**

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

b. Disclosures relating to 407 ETR

Business performance

407 ETR showed higher traffic in H1 2023 (+21.9% vs H1 2022), primarily due to the lifting of all COVID-19 related restrictions by the Province of Ontario that were in place during the Q1 2022, which led to increased mobility and commuting to workplaces in 2023.

Equity

As shown in the table at the beginning of this note, the value of the interest in this company increased from EUR 1,063 million to EUR 1,091 million, mainly as a result of both the profit generated during the year (EUR 69 million at Ferrovial stake), due to the recovery of the aforementioned traffic (additional details on this asset´s operating performance are provided in the management report), partially offset by the dividend distribution paid in the period (-44 million euros).

c. Disclosures relating to AGS

Business performance

AGS continues to recover from the pandemic and is focusing on improving airport capacity ahead of the summer months. The group was negatively impacted by the collapse of Flybe in January 2023, but it is offsetting most of the impact with other commercial actions and focusing on cost reduction. First-half traffic was -24.8% below the same period in the first half of 2019, with Southampton airport being most impacted by airlines capacity (Flybe collapse). Passenger numbers reached 4.9 million, traffic having grown compared to 2022 in all three airports thanks to the normalization of travel following the Covid pandemic.

Equity

As commented at the start of this note, the integration of prior year losses reduced the shareholding value to zero.

2023 (millions of euros)	AGS (50%)
Balance at 31.12.2022 without IAS 28	**-58**
Share of profit/(loss)	-8
Derivatives	-1
Other equity movements	17
Currency translation differences	-1
Balance at 30.06.2023 without IAS 28	**-51**
Result not consolidated under IAS 28	76
Other equity effects not consolidated under IAS 28	-25
Balance at 30.06.2023	**0**

Following the refinancing operation closed in June 2021, the Company has reassessed the recoverability of the total shareholder loan of EUR 158 million (GBP 136 million) granted (Note 8.1.1), concluding that it is recoverable based on the updated projections considering the refinancing agreement.

d. IRB Infrastructure Developers Limited

As Indian legislation imposes severe restrictions on the disclosure of unpublished price sensitive information (UPSI), the latest information available relates to the close of IRB's last fiscal year, which ran from April 2022 to March 2023.

Therefore, when preparing Ferrovial's interim consolidated financial statements, the figures for the final quarter of the fiscal year were included (i.e. January to March 2023). This approach is consistent with IAS 28, which provides for a maximum three-month lag between the investor's and investee's reporting periods.

The impact reflected in the income statement (3 months) amounts to EUR 3 million for Ferrovial's ownership interest (EUR 3 million on 2022).

e. JFK NTO LLC

Movements in equity are primarily explained by the capital contributions executed during the year.

f. Other investments in equity-accounted companies

Appendix II to the consolidated annual accounts at December 2022 includes a list of ownership interests in equity-accounted companies, including names, countries of incorporation, business segments, percentage shareholdings, aggregate assets and liabilities, revenue and profit/(loss) for the year.

5.5 Working capital

This note addresses variations under the asset headings "Inventories" and "Short-term trade and other receivables" and the liability heading "Short-term trade and other payables". The net balance of these items is referred to as working capital (see section 4 of the consolidated annual accounts at December 2022).

The following table shows the relevant movements:

Millions of euros	2022	Exchange rate	Consolidation scope changes	Other	2023
Total inventories	**476**	**7**	**0**	**-9**	**474**
Trade receivables for sales and services	894	14	-6	-76	826
Completed work pending certification	406	12	0	195	613
Other receivables	309	5	0	25	339
Total short-term trade and other receivables	**1,609**	**31**	**-7**	**145**	**1,778**
Trade payables	-1,663	-19	-1	-136	-1,819
Progress billing for construction work	-962	-1	0	-42	-1,005
Advance payments from customers	-402	-7	0	9	-400
Other short-term payables	-403	-7	0	98	-312
Total short-term trade and other payables	**-3,430**	**-34**	**-1**	**-71**	**-3,536**
TOTAL	**-1,346**	**4**	**-6**	**65**	**-1,283**

Excluding the exchange rate effect and the scope changes, the change in working capital at June 2023 reached EUR 65 million. This change derives mainly from the increase in completed work pending certification in the Construction business mostly in the US and Poland.

As regards scope changes, the variation during the year is due to the reclassification of the Azores toll road as held for sale (Note 1.3).

5.6 Provisions

The provisions recognized by the consolidated Group are intended to cover risks arising in the course of business. They are recognized using best estimates of the related risks and uncertainties.

The consolidated annual accounts at 31 December 2022 contain a detailed description of the different types of provisions set aside by the Group.

This note provides a breakdown of all the line items disclosed separately in provisions on the liabilities side of the balance sheet. Movements were as follows at 30 June 2023:

(Millions of euros)	Long-term provisions	Short-term provisions	TOTAL
Balance at 31 December 2022	**416**	**930**	**1,346**
Impact of scope changes and other transfers	**-8**	**-4**	**-12**
Impact of foreign exchange differences	**0**	**36**	**36**
Other movements during the year:	**2**	**-29**	**-27**
Charges /reversals affecting EBITDA (other operating expenses)	5	62	67
Charges/reversals with an impact in other income or expense items	16	1	17
TOTAL impact of charges / reversals	21	63	84
Amounts used with an impact on working capital	-3	-85	-88
Other amounts used	-15	-7	-23
TOTAL impact of amounts used	-19	-92	-111
Balance at 30 June 2023	**411**	**933**	**1,344**

The main changes during the year relate to short-term provisions, with opposing impacts, which virtually offset each other.

Provisions of EUR -92 million were applied during the first six months, with no effect on profit or loss, mainly in the Construction sector, worth mentioning Budimex (EUR -30 million) and the US (EUR -15 million), and also in the Energy Infrastructures and Mobility division, linked to the Waste Treatment business in the UK (EUR -15 million).

This impact was offset by a provision net charges/reversal of EUR 63 million, standing out the Construction division (Budimex), together with the foreign exchange impact (EUR 36million), resulting from the appreciation of the zloty against the euro.

5.7 Deferred taxes

Set out below is a breakdown of movements in deferred tax assets and liabilities at 30 June 2023:

Deferred taxes (millions of euros)	2022	Var.	2023
Assets	**784**	**13**	**798**
Tax-loss carryforwards	349	-5	344
Derivatives	86	-2	84
Other deferred tax assets	349	20	370
Liabilities	**924**	**-21**	**903**
Derivatives	64	-6	58
Other deferred tax liabilities	860	-16	845

The main variation in deferred tax assets relates to the exchange rate impact of the 2023 balances and to the timing difference of revenue recognition. In the case of deferred tax liabilities, the main changes are due to the derivatives valuation, variation of withholding tax on the repatriation of future dividends from Canada, as well as the exchange rate impact affecting the 2023 balances.

6. Equity

Set out below is a breakdown of changes in equity during the six-month period ended 30 June 2023 is as follows:

(Millions of euros)	Attributed to shareholders	Attributed to non-controlling interests	Total equity
Equity at 01.01.2023	**4,113**	**2,240**	**6,353**
Consolidated profit/(loss) for the year	**114**	**54**	**168**
Impact on hedging reserves	26	1	27
Impact on defined benefit plan reserves (*)	0	0	0
Currency translation differences	-23	-26	-49
Income and expenses recognised directly in equity	**3**	**-25**	**-22**
Amounts transferred to the income statement	**0**	**0**	**0**
TOTAL RECOGNISED INCOME AND EXPENSES	**117**	**29**	**146**
Scrip dividend/other dividends	0	-295	-295
Treasury share transactions	-52	0	-52
SHAREHOLDER REMUNERATION	**-52**	**-295**	**-347**
Share capital increases/ reductions	0	71	71
Share-based remuneration schemes	7	0	7
Hybrid bond	-511	0	-511
Consolidation scope changes	0	0	0
Other movements	15	1	16
OTHER TRANSACTIONS	**-489**	**72**	**-417**
Equity at 30.06.2023	**3,689**	**2,046**	**5,735**

(*) Pursuant to the amendment to IAS 1 Presentation of financial statements, the impact on reserves of defined benefit plans is the only item of income and expense recognized directly in equity that cannot subsequently be reclassified to profit or loss.

As commented in Note 1.2, the merger between Ferrovial, S.A. and Ferrovial International SE has no impact on a consolidated level, and only implies a different breakdown in the composition of equity (see Consolidated Statement of changes in Equity).

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 and the Spanish stock markets.

Ferrovial SE´s share capital consists of 727,443,261 shares with a nominal value of 0.01 euros per share.

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

Consolidated profit/(loss) for the period: profit for the period attributable to the parent company stood at EUR 114 million.

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

Impact on reserves of hedging instruments: the recognition of value changes in derivative financial instruments designated as hedges had a positive impact of EUR 26 million on the parent company's shareholders' funds, of which EUR 20.6 million corresponds to fully-consolidated companies, EUR 5.2 million to equity-accounted companies.

Currency translation differences: The currencies to which Ferrovial is most exposed in terms of equity (mainly the Canadian dollar, US dollar and pound sterling), as detailed in Note 5.1, gave rise to currency translation differences of EUR -23 million attributed to the parent company, primarily Canadian dollar (EUR -21 million) and US dollar (EUR -21 million), partially offset by Pound sterling (EUR 6 million), Chilean peso (EUR 3 million) Polish zloty (EUR 8 million). These translation differences are presented net of the effect of foreign currency hedging instruments arranged by the Group (Note 8.2).

Shareholder remuneration:

Treasury share purchase/buy-back programme and Scrip dividend: the Board meeting held on 28 February 2023 approved a treasury share buy-back programme of up to 34 million shares for a maximum amount of EUR 500 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 programme. These agreements became null and void following the merger mentioned in Note 1.2. As informed to Ferrovial, S.A.´s shareholders, Ferrovial´s General Meeting, prior to the merger, approved the purchasing of Ferrovial SE's treasury shares. Ferrovial SE's Board meeting also 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., adapting them to the law and market practice of the Netherlands.

On 22 June 2023 Ferrovial SE announces an interim scrip dividend of EUR 0.2871 per Ferrovial share. The distribution will be payable in cash or shares at the choice of the shareholder, against Ferrovial's share premium reserve. There will be no tradeable rights in respect of the scrip dividend.

Over the course of H1 2023, 2,000,000 shares were acquired at an average price of EUR 26.04 per share, giving rise to a total disbursement of EUR 52 million.

Share-based remuneration schemes: this mainly reflects the treasury share transactions relating to share-based remuneration schemes for directors.

The market value of the treasury shares held by Ferrovial at 30 June 2023 (2,879,808 shares) was EUR 83 million. Movements in treasury shares during 2023 were as follows:

TRANSACTION PERFORMED/OBJECTIVE	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES APPLIED TO PURPOSE	TOTAL NUMBER OF SHARES
Balance at 31.12.2022			**1,168,290**
Share capital reduction	2,000,000	0	2,000,000
Remuneration schemes	0	-288,482	-288,482
Shares received - scrip dividend	0	0	0
Balance at 30.06.2023			**2,879,808**

Other transactions:

Subordinated hybrid bond: In February 2023, Ferrovial committed to repurchase its subordinate hybrid bond. At the close of these financial statements, Ferrovial has partially repurchased of hybrid bond. The Dutch company has obtained acceptance of 94.28% of the amount of the issuance to which the offer was directed. Specifically, out of the EUR 500 million that the placement amounted to, holders of a total of EUR 471.44 million have accepted Ferrovial's early purchase proposal, leaving a balance of around EUR 29 million in short term debt. The company expressed its intention to fully cancel the bond next 7th August.

"Other dividends, non-controlling interests" reflects the dividends corresponding to the non-controlling interests in the NTE Segment 3, NTE, LBJ and Autema toll roads (EUR 186, 32, 13 and 13 million respectively) and the Budimex Group (EUR 51 million).

Share capital increases, non-controlling interests: Shareholders' funds attributable to non-controlling interests rose by EUR 71 million, relating mainly to the toll road I-66 Mobility Partners LLC and its construction company (FAM Construction LLC) in the amount of EUR 24 million and EUR 28 million, respectively, and the NTE Segment 3 toll road in the amount of EUR 18 million.

7. Net cash position

In order to present an analysis of the Group's net debt position, the following table contains a breakdown of the net cash position. The net cash position is understood to be the balance of the items included under "cash and cash equivalents", together with the long-term restricted cash of infrastructure projects and other short-term financial assets, less financial borrowings (short-term and long-term bank borrowings and debt securities). The net cash position also includes Forwards and Cross Currency Swaps (CSS) reaching EUR -35 million that hedge the cash held by the Group in Canadian dollars, as well as the borrowings and cash denominated in US dollars. The derivatives are presented in this way because they relate entirely to the borrowings or cash, netting the related foreign exchange effect.

The net cash position is in turn broken down into infrastructure projects and ex infrastructure project companies.

The change in the net cash position is explained in the cash flow section of the Interim Management Report at 30 June 2023.

The following tables provide a breakdown of the net cash position at June 2023 and December 2022:

							30/06/2023
Continuing operations (Millions of euros)	BORROWINGS	CASH AND EQ & OTHER SHORT-TERM ASSETS	FORWARDS/CCS	LONG-TERM RESTRICTED CASH	NET BORROWING POSITION	INTRA-GROUP POSITION	TOTAL
Ex-infrastructure project companies	-3,691	4,526	-35	38	837	-18	819
Infrastructure project companies	-7,597	159	0	279	-7,159	18	-7,140
Total consolidated net debt	**-11,288**	**4,685**	**-35**	**317**	**-6,321**	**0**	**-6,321**

							31/12/2022
Continuing operations (Millions of euros)	BORROWINGS	CASH AND EQ & OTHER SHORT-TERM ASSETS	FORWARDS/CCS	LONG-TERM RESTRICTED CASH	NET BORROWING POSITION	INTRA-GROUP POSITION	TOTAL
Ex-infrastructure project companies	-3,686	4,962	146	41	1,463	-25	1,439
Infrastructure project companies	-7,967	168	0	556	-7,244	25	-7,219
Total consolidated net debt	**-11,653**	**5,130**	**146**	**597**	**-5,781**	**0**	**-5,781**

The net cash position ex-infrastructure projects stood at EUR 819 million at 30 June 2023 compared to EUR 1,439 million at December 2022, a variation of EUR -620 million. The net cash position of infrastructure projects varied by EUR 79 million, changing from EUR -7,219 million at December 2022 to EUR -7,140 million at June 2023.

7.1. Infrastructure projects

a) Cash and cash equivalents and restricted cash

Infrastructure project financing agreements occasionally impose the obligation to arrange certain restricted accounts to cover short-term or long-term obligations relating to the payment of the principal or interest on the borrowings and to infrastructure maintenance and operation.

In this regard, restricted cash at 30 June 2023 reached EUR 308 million (December 2022: EUR 594 million), including both long-term and short-term amounts. The main movements are described below:

- The exchange rate effect had an impact of EUR -8 million (Note 5.1).
- Decrease of EUR 269 million mainly in the NTE 35W toll road as a result of the dividend payment and several capital contributions, mainly at the I-66 toll road.

b) Infrastructure project borrowings

(Millions of euros)	DEC. 2022	NET DRAWDOWNS	EXCHANGE RATE	SCOPE CHANGES	JUN.2023
Toll roads	7,527	17	-123	-286	7,135
Construction	99	-2	0	0	97
Airports	113	-4	0	0	109
Energy and mobility infrastructures	228	30	-2	0	256
Total infrastruct. project borrowings	**7,967**	**41**	**-125**	**-286**	**7,597**

Infrastructure project borrowings decreased by EUR 370 million with respect to December 2022, a change that was mainly due to the following reasons:

- The depreciation of the US dollar against the euro (Note 5.1) decreased indebtedness by EUR 125 million (primarily EUR 35 million for the LBJ toll road, EUR 29 million at NTE 35W, EUR 22 NTE Mobility Partners and EUR 31 million at I-66).
- With regard to net drawdowns (EUR 41 million), EUR 37 million correspond to increases/decreases with an effect on cash, mainly due to the drawdown of the Centella Transmisión loan (EUR 33 million) and EUR 4 million mainly related to the capitalization of interests as well as accrued and unpaid interests.
- In relation to scope changes, we include the reclassification of the Azores concession company as held for sale for a value of EUR-286 million (Note 1.3).

At 30 June 2023, all the project companies fulfilled significant covenants in force.

7.2 Ex- Infrastructure projects companies

The net cash position excluding infrastructure projects amounted to EUR 819 million in June 2023, a variation of EUR -620 million compared to December 2022.

a) Cash and cash equivalents of ex-infrastructure projects companies

At 30 June 2023 there were certain short-term restricted accounts reaching EUR 31 million (December 2022: EUR 29 million), primarily in the Construction Division, for operating motives relating to projects in the US.

(Millions of euros)	JUN.2023	DEC.2022	CHANGE
Short-term restricted cash	31	29	2
Other cash and cash equivalents	4,495	4,933	-438
Total short-term cash and cash equivalents	**4,526**	**4,962**	**-436**
Long-term restricted cash	38	41	-3
Cash-related forwards	-27	151	-178
Total cash and cash equivalents	**4,536**	**5,154**	**-618**

The decrease in "Other cash and cash equivalents" is mainly due to the repurchase of the subordinated hybrid bond, as commented in Note 6.

The sum of the EUR 4,536 million in cash and cash equivalents plus the drawable credit lines of EUR 985 million amounts to a total overall ex infrastructure projects liquidity position of EUR 5,521 million.

b) Breakdown of borrowings of ex-infrastructure projects companies

(Millions of euros)	DEC. 2022	OTHER COMPANIES - NET CHANGE	EXCHANGE RATE	JUN.2023
Construction	22	-2	1	21
Corporate and other	3,664	10	-4	3,670
Total ex-infrastructure project company borrowings	**3,686**	**8**	**-3**	**3,691**

There have been no significant variations in the borrowings of ex-infrastructure project companies compared to December 2022.

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

(Millions of euros)	DEC. 2022	INCREASE/ REDUCTION IN CASH EFFECT	FOREIGN EXCHANG E EFFECT	CAPITALISED /ACCRUED INTEREST AND OTHER	JUNE 2023
Borrowings ex-infrastructure project	3,686	10	-3	-2	3,691
Cross-currency swaps	5	0	3	0	8
Gross borrowing position, ex-infrastruct. project company	**3,691**	**10**	**0**	**-2**	**3,699**

8. Non-current financial assets and financial derivatives

The main headings are set out below:

Millions of euros	30.06.2023	31.12.2022	Var.
Non-current financial assets	815	1,095	-280
Long-term loans to associates	239	246	-7
Restricted cash and other non-current financial assets	317	597	-279
Other non-current financial assets	259	252	6
Financial derivatives at fair value (net)	87	219	-131
Financial derivatives at fair value (assets)	195	331	-136
Financial derivatives at fair value (liabilities)	-108	-113	5

8.1. Non-current financial assets

The item “Long-term loans to associates” essentially includes the loans of EUR 136 million granted to AGS (GBP 117 million) as compared with EUR 149 million at 31 December 2022 (GBP 132 million), not including the provision for expected credit losses according to IFRS9 methodology of EUR -13 million (EUR -13 million at 31 December 2022) (Note 5.4.b). A recoverability analysis of the loan was carried out on the basis of future projections and asset´s performance, the asset’s positive liquidity situation following the contingency plans applied in 2021 and 2022, and the current debt position following the amendment and extension until 2024 of the syndicated loan agreed in June 2021. The conclusion may be drawn that the amounts lent to the company are likely to be recovered.

It also reflects other loans granted to associates in the amount of EUR 116 million (EUR 110 million in 2022), primarily in the Toll Roads Division.

The item “Restricted cash in infrastructure projects and other financial assets” relates primarily to deposits made in toll road concession operators, the use of which is limited to certain purposes under the concession, such as payments of future investments, operating expenditure or debt servicing. This item forms part of the net cash position and during 2023 has decreased significantly (EUR-279 million), due to dividend payments, especially at the NTE 35W project (Note 7.1).

“Other non-current financial assets” primarily relates to loans associated with the divestment of the business carried-out in the United Kingdom through the subsidiary Amey, as explained in the December 2022 Annual Accounts. The total amount of loans granted to the buyers stood at EUR 192 million as of June 2023 (EUR 187 million at December 2022).

It also includes, interests in investment funds amounting to EUR 39 million, and as well as EUR 18 million invested in a fund named 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 liquidation. The amount invested is regarded as recoverable within more than one year.

This heading also includes other trade receivables, mainly from various public authorities in connection with long-term contracts, primarily relating to companies in the Construction and Toll Road divisions reaching EUR 7 million (31 December 2022: EUR 7 million).

8.2. Financial derivatives

In general, the Group’s position in derivatives and its hedging strategies remained in line with the situation described in detail in the financial statements for the year ended 31 December 2022. Derivatives are recognized at market value at the arrangement date and at fair value at subsequent dates.

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

Millions of euros	Notional amounts at 30/06/2023	Balance at 30/06/2023	Balance at 31/12/2022	Var.	Impact on reserves	Impact on P&L - Fair value	Other effects on the balance sheet or P&L
Index-linked derivatives (inflation)	**66**	**73**	**77**	**-4**	**1**	**0**	**-5**
Cash flow hedges	66	73	77	-4	1	0	-5
Interest rate derivatives	**1,339**	**10**	**0**	**9**	**6**	**-1**	**5**
Cash flow hedges	1,339	10	0	9	1	-1	9
Fair value hedges	0	0	0	0	4	0	-4
Speculative	0	0	0	0	0	0	0
Cross-currency swaps	**2,100**	**11**	**-32**	**44**	**10**	**0**	**34**
Cash flow hedges	250	-7	-5	-2	2	0	-5
Fair value hedges	0	0	0	0	0	0	0
Net foreign investment hedges	1,850	18	-28	46	7	0	38
Foreign exchange derivatives	**3,785**	**-22**	**174**	**-195**	**0**	**3**	**-198**
Cash flow hedges	492	3	2	1	0	6	-6
Fair value hedges	133	0	3	-2	0	0	-2
Net foreign investment hedges	3,160	-25	169	-194	0	-4	-190
Speculative	0	0	0	0	0	0	0
Equity swaps	**65**	**15**	**2**	**12**	**0**	**12**	**0**
Speculative	65	15	2	12	0	12	0
TOTAL	**7,355**	**87**	**221**	**-134**	**17**	**14**	**-165**

The net change in the fair value of the Group's financial derivatives stood at EUR -134 million, its assets position switching from EUR 221 million at December 2022 to a liabilities position of EUR 87 million at the close of June 2023.

The main changes are described below:

- Foreign exchange derivatives (EUR -195 million), used basically to hedge the volatility of the Group's foreign currency investments. The main impact comes from 407 Toronto Highway BV that registered cash inflow settlements for EUR 131 million and EUR -36 million of foreign exchange differences in CAD, due to a slight CAD appreciation against EUR.
- Cross-currency swaps (EUR 44 million), mainly in the Toll Road division, which cover its net investment in the US and Canada.
- Interest rate derivatives (EUR 9 million), the main variations being explained essentially by the expected future increase in interest rates. This is the main reason for the impact on reserves (EUR 6 million), mostly in the Corporation and Airport Division.
- Index-linked (inflation) derivatives (EUR -4 million) relating to the concession operator Autema (of which the Group's shareholding amounts to 76.276%), impacting P&L.

9. Disclosures relating to the income statement

9.1 Operating profit/(loss)

A breakdown of the Group's operating profit/(loss) at 30 June 2023 is as follows:

(Millions of euros)	2023	2022 (*)	Var.
EBITDA	**401**	**313**	**88**
Fixed asset depreciation	201	143	58
Operating profit/(loss) before impairment and disposals	**200**	**170**	**30**

(*) Reexpressed figures (Note 3.1)

EBITDA at 30 June 2023 reached EUR 401 million (30 June 2022: EUR 313 million), representing an increase of 28% on the previous year. This improvement is explained primarily by the Toll Roads business, particularly from the contribution of the US concessions. For more information please refer to the Management Report.

Fixed asset depreciation charges for 2023 stood at EUR 201 million as compared with EUR 143 million in the prior year.

9.2 Impairment and disposals of fixed assets

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

At 30 June 2023, neither impairment profit/(loss) or disposal of fixed assets was recognized.

9.3 Net financial income/(expense)

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

Net financial income/(expense) from financing recognized by the infrastructure project companies reached EUR -153 million (30 June 2022: EUR -109 million), relating primarily to these companies' borrowing costs. The variation in net financial income/(expense) was largely due to the decrease in capitalized expenses in the I-66 toll road (EUR -40 million vs. June 2022), as the highway entered into operation in December 2022.

As regards the other companies, or ex infrastructure projects information, net financial income/(expense) stood at EUR 50 million (EUR 11 million at 30 June 2022), relating to external borrowing costs reaching EUR -58 million (EUR -17 million at 30 June 2022) and to financial income from financial investments made and other items reaching EUR 108 million (EUR 28 million at 30 June 2022). The improvement compared to the previous year is due to improved cash remuneration, partially offset by higher interest rates on debt (ECPs and Corporate credit lines).

Other net financial income/(expense)

This item relates mainly to changes in the fair value of financial instruments in ex-infrastructure project companies, having no impact on cash. At 30 June 2023, the impact reached EUR 6 million (EUR 44 million at 30 June 2022) and is reflected in the fair value adjustments column in the income statement.

This amount mainly includes the positive impact of the equity swaps arranged by the Group to hedge the impact on equity of stock option plans, which stood at EUR 12 million during the period (Note 8) due to the share price increase in the first six months of the year.

Disregarding the fair value impact, the remainder of the net financial income/(expense) of EUR 8 million (30 June 2022: EUR 1 million) essentially relates to income from guarantees related to the capital committed in the new Terminal One project at JFK airport in New York (Note 10.4), partially offset by bank guarantee and deposit costs (EUR -16 million) and, exchange rate differences (EUR -3 million).

In the infrastructure project companies, the most significant changes on the previous year relate to gains/(losses) on derivatives and other fair value adjustments, mainly due to the positive variation compared to the previous year of the index-linked swap (ILS), associated with the Autema project (EUR -58 million at 30 June 2022 vs. EUR 0,4 million at 30 Jun 2023).

9.4 Corporate income tax expense

The corporate income tax expense for the first six months of 2023 was calculated on the basis of the tax rate that is expected to be applicable to profit/(loss) for the financial year. This gave rise to an expense of EUR 20 million at June 2023. However, it should be noted that this amount includes income of EUR 7 million in prior-year regularization.

Excluding those impacts, corporate income tax expense for the period reached EUR 27 million.

In addition, pre-tax profit/(loss) (EUR 182 million at 30 June 2023) includes certain impacts that must be excluded when calculating the effective income tax rate, particularly highlighting the impact of equity-accounted companies results, which in accordance with accounting standards are presented net of the related tax effect, along with tax losses not capitalized on the back of the uncertainty about their recoverability (Spain, US and The Netherlands), and other different types of non-deductible expenses.

Having considered these main impacts, the adjusted profit/(loss) before tax would stand at EUR 155 million. Therefore, the effective tax rate following those adjustments would be 17% (income tax expense of EUR 27 million on the pre-tax profit of EUR 155 million).

9.5 Profit/(loss) from discontinued operations

Profit from discontinued operations for the year relates mainly to the price adjustment of EUR 6 million after final Completion Accounts agreement of Amey business in the UK.

10. Contingent assets and liabilities and investment commitments.

10.1. Litigation and other contingent liabilities

The Group is exposed to risks derived from the resolution of lawsuits or litigation of different kinds arising in the course of 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 obligation from those lawsuits and litigation. These provisions are set out in Note 5.6. No significant liabilities with a material adverse effect are envisaged other than those for which provisions have already been recognized.

When risks are less likely to materialize, contingent liabilities must be disclosed in the Financial Statements in accordance with accounting legislation.

The Group also records contingent assets, i.e. assets that might arise from various proceedings in progress. Assets of this kind are not recognized in the financial statements since it is not virtually certain that they will materialize, as required by accounting legislation.

There follows a description of the most significant changes in the proceedings included in the 2022 Annual Accounts, together with new lawsuits that have arisen during 2023.

a) Litigation relating to the toll road business

US Toll roads – NTE 35W

No significant changes in this lawsuit.

On 11 February 2021, there was an accident on the NTE 35W Managed Lanes toll road in Dallas, Texas, involving 133 vehicles and resulting in six deaths and several people injured.

The project's concession company, NTE Mobility Partners Segment 3 LLC, which is indirectly owned by Cintra, (53.66%)

together with several US Group Companies, is a party to 29 of the claims that have been filed in connection with this incident and which are in the early stages of litigation.

In accordance with the opinion of its external legal advisors, the project's concession company considers reasonable that, even in the event of an unfavorable ruling, there would be no expected impact on the Group as any potential negative outcomes and/or awards would be covered by the insurance policies in place. Consequently, no provision has been recorded in relation to this risk.

Court proceedings instigated by the financial institutions of the Radial 4 project

No significant changes in this lawsuit.

Cintra Infrastructures, SE and Sacyr Concesiones, S.L. filed a cassation appeal with the Spanish Supreme Court on 10 December 2020, which is still pending admission.

As of 30 June 2023 both EUR 14.95 million of guarantees pledged by Cintra Infrastructures, SE and the EUR 6.06 million (5.67 as of 12/22) in default interest accruing in connection with, and since, the commencement of proceedings began, were fully provisioned by the Group.

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 the purchase of shares of Auto-Estradas Norte Litoral, S.A. (the AENL Shares) by CISE from J. Gomes – Concessões Norte, Unipessoal, Lda., a fully-owned subsidiary of J. Gomes Parent (the J. Gomes Subsidiary). J. Gomes Parent initiated proceedings against both CISE and J. Gomes Subsidiary on the basis that the purchase price paid by CISE was considerably low. J. Gomes Subsidiary is not an insolvent entity (as is the claimant, J. Gomes Parent). CISE acquired the AENL Shares not only from J. Gomes Subsidiary, but also from the rest of minority shareholders of AENL, paying the same price per share to all shareholders, including J. Gomes Subsidiary.

The claimant, J. Gomes Parent has requested that (i) CISE returns 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 that (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 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, is estimated in an amount less than EUR 10 million.

In accordance with the opinion of the external legal advisors, there are arguments to sustain Cintra's position, so no provision has been recorded in relation to this risk.

b) Litigation relating to the Construction business

The Group's Construction Business Division is involved in a number of ongoing legal proceedings, relating to construction defects in building works the Group has completed, as well as claims for civil liability. Provisions amounting to EUR 56 million have been recorded globally in relation to these proceedings.

Construction business in Spain

No significant changes in this penalty proceeding initiated in 2019 by the Spanish National Markets and Competition Commission (CNMC) against Ferrovial Construcción, S.A. and other construction firms for alleged anti-competitive behavior.

The Spanish National High Court agreed to suspend the resolution issued by the CNMC's Competition Court on 9 December 2022, pending its decision on the contentious-administrative appeal.

D4R7 project (Slovakia)

There are two proceedings under way:

1- The first, is a criminal investigation initiated in June 2019, by the Provincial Headquarters of the National Police in Bratislava (Slovakia) against 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. There has not been significant changes in these proceedings and the Group keeps considers improbable that the investigation will give rise to risk and, therefore, no provision has been set aside with respect to this dispute.

2- The second, has just been initiated on June 2, 2023, when Slovakia's Presidium of the Police Force for the National Center of Special Types of Criminality, Division Investigating Hazardous Substances and Environmental Crimes in Bratislava filed a claim against D4R7 Construction s.r.o. for the alleged crime of "endangering and damaging the environment" in violation of the criminal code. It is alleged that between May and December 2018, on certain protected parcels of land located in Blatná na Ostrove, D4R7 caused environmental damage quantified as €6,594,188.76, by extracting more than 200,000 tons of dirt without a permit. As the charges were recently filed, no additional information is available. D4R7 disputes these accusations and is in the process of preparing and filing a response. No provision has been accrued.

FB Serwis (Poland)

On February 1, 2023, the President and Vice-President of the Management Board of FBSerwis SA ("Company") 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 arrest of these people was related to a broader investigation for alleged fraud and money laundering, invoice forgery, and bribery. According to the public sources, over a dozen people have been detained as part of the ongoing proceedings, including three employees of FBSerwis SA, including the President and Vice-President of the Management Board of the Company. On March 28, 2023, The Supervisory Board of the Company decided to dismiss them from said Management Board. The Company has terminated their employment contracts.

The investigation is ongoing and the Company is cooperating.

The Company's Management Board does not presently identify any significant risk for the Company's operations. In addition, the Company commissioned an independent law firm to investigate any irregularities related to the above-mentioned events. The investigation is in progress.

In May 2023, the Supervisory Board named a new President of the Management Board.

The Management Board of the Company established an Internal Control Office to monitor compliance with the Company's policies and procedures, which are also under review.

Considering the above, the Management Board of the Company believes that at present there is no need to create adjustments in the financial statements related to these events.

c) Contingent liability in the Airports Division

A call/put option was agreed between Carlyle Group and Ferrovial as part of the investment in New Terminal One project in JFK Airport in 2022, over the shares that the former has indirectly 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 put, which does not meet the requirements included in the definition of a liability, is therefore a contingent liability.

d) Tax-related litigation

<u>Tax proceedings relating to the amortization for tax purposes of financial goodwill on the acquisitions of Amey and Swissport</u>

The Group filed an appeal against the 2014 decision by the European Commission to classify amortizations of financial goodwill as state aid. As the Group considers there are sound grounds supporting its procedural stance in this proceeding, no provision has been recorded as of 31 December 2022. However, if the court judgement 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 between 2002 to 2021. The maximum amount payable in connection with a potential unfavorable result would be EUR 46.9 million, as the remainder has already been settled by the Group.

<u>Settlement resolution arising from the tax assessment for 2006 Spanish Corporate Income Tax</u>

There is an ongoing dispute in connection with the Group's 2006 Spanish Corporate Income Tax 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 Corporate Income Tax.

The dispute is still pending and the Group has recorded a provision reaching EUR 119.9 million (i.e., the risk has been fully provisioned).

10.2 Contingent assets

In view of the nature of the business, the Construction Division has brought claims against various customers that could give rise to additional receivables. As indicated in the Accounting policies of December 2022 Consolidated Financial Statements (section 1.3.3) these claims are not recognized as revenue until they are considered approved, and are only considered in the calculation of provisions for budgeted losses if they are considered probable.

On July 21, 2022, the Joint Venture formed by Ferrovial Construction, S.A. and Batco, which carried out the construction of package 5 of the Batinah highway in Oman, received the Tribunal's award recognizing entitlement to the claim filed. This award considered to be virtually certain in the 2022 with the corresponding positive impact in the 2022 Annual Accounts, has been fully collected during 2023.

10.3. Guarantees

a) Bank guarantees and other guarantees issued by insurance companies

At 30 June 2023, the Group companies had given bank guarantees and other guarantees issued by insurance companies for a total of EUR 7,708 million (EUR 8,093 million in December 2022), which break down as follows: i) EUR 3,649 million in bank guarantees (EUR 3,806 million in December 2022); and ii) EUR 4,059 million in guarantees issued by bonding agencies and insurance companies (EUR 4,287 million in December 2022). These guarantees cover the liability to customers for correct performance in construction or services contracts involving Group companies. So if a project were not executed, the customer would enforce the guarantee.

Of the total amount of the guarantees, EUR 1,016 million (31 December 2022: EUR 1,155 million) secures commitments to invest in the capital of infrastructure projects, EUR 954 million relating to the JFK project (Note 10.4).

b) Guarantees given by Group companies for other Group companies

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

There follows a breakdown of these types of guarantees outstanding at 30 June 2023 and changes with respect to December 2022:

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

These guarantees totaled EUR 119 million at 30 June 2023 (31 December 2022: EUR 124 million).

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

Guarantees securing infrastructure project financing amount to EUR 24 million based on the Ferrovial Group's ownership interest (31 December 2022: EUR 25 million).

In addition, the Company has furnished a guarantee of EUR 21 million in relation to the Radial 4 toll road, which was deconsolidated in 2015. This amount had been provisioned in full at 30 June 2023 (Note 10.1 relating to litigation).

b.3) Other guarantees given to concession companies

The "Thalia" Group operates four waste treatment plants in the UK, which generate energy as part of the waste treatment process. The plants are run under construction and operation concessions granted by the local authorities. Thalia's assets were part of the Amey Group and they were excluded from the scope of the Amey sale, and transferred within the Ferrovial Group.

The guarantees securing fulfillment of the commitments relating to the assets amount to GBP 355 million at 30 June 2023 (31 December 2022: GBP 322 million) and are provided by various Group companies. The guarantee may be unlimited in certain limited and specific scenarios such as 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 30 June 2023, the Group recognized a provision for future losses covering these plants in the amount of GBP 49 million. The provision does not include structural costs of the business estimated at GBP 7 million per annum.

b.4) Guarantees given in divestment processes

The sale agreements entered into during the divestment of the former Services Division included various guarantees given to the buyers in connection with a number of potential lawsuits or litigations in progress on the transaction dates.

Guarantees that met the relevant requirements of accounting legislation (IAS 37) are provisioned at 30 June 2023 for EUR 21 million (EUR 22 million in December 2022). The main guarantees were disclosed in the December 2022 annual accounts.

10.4. Commitments

a) Investment commitments

The investment commitments undertaken by the Group in relation to the capital contribution in infrastructure projects amount to EUR 1,078 million (December 2022: EUR 1,163 million). The decrease during the year is mainly due to the investments made in toll road projects in the US and in the new terminal one project at JFK airport in New York (Note 1.2). A part of these commitments is secured by bank guarantees received from third parties amounting to EUR 1,016 million (EUR 954 million relating to the JFK project) (Note 10.3).

No changes in commitments to invest in companies in which Ferrovial holds non-controlling interests that are engaged in innovation projects related primarily to energy and mobility (EUR 53 million in December 2022).

b) Environmental commitments

There were no changes with respect to the information disclosed in the annual accounts for 2022 in relation to the provisions for probable or certain environmental liabilities, litigation in progress, indemnities or other outstanding obligations of undetermined amount.

11. Workforce

Set out below is an analysis of the number of employees at 30 June 2023 and 2022 by professional category and gender:

	30/6/2023			
CATEGORY	MEN	WOMEN	TOTAL	VAR. 23/22
Executive Directors	2	0	2	— %
Senior Management	11	2	13	— %
Manager and higher categories	2,731	745	3,476	14.0 %
Senior professionals/ Supervisors	1,580	837	2,417	10.0 %
Professionals	2,472	1,221	3,693	3.0 %
Administratives/Support	554	670	1,224	1.0 %
Blues Collars	12,571	635	13,206	(2.0)%
Total	**19,921**	**4,110**	**24,031**	**2.0 %**

			30/6/2022
CATEGORY	MEN	WOMEN	TOTAL
Executive Directors	2	0	2
Senior Management	12	1	13
Manager and higher categories	2,486	572	3,058
Senior professionals/Supervisors	1,496	703	2,199
Professionals	2,340	1,232	3,572
Administratives/Support	598	616	1,214
Blues Collars	12,736	708	13,444
Total	**19,670**	**3,832**	**23,502**

The workforce, increased by 2.0% (+799 employees) compared to 30 June 2022.

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

	30/6/2023			
BUSINESS	MEN	WOMEN	TOTAL	VAR. 23/22
Construction	15,816	3,243	19,059	(2.0)%
Toll roads	471	187	658	35.0%
Airports	196	41	237	372.0%
Energy Infrastructure and mobility	3,223	322	3,545	8.0%
Other	262	243	505	16.0%
Total	**19,969**	**4,035**	**24,004**	**1.0 %**

			30/6/2022
BUSINESS	MEN	WOMEN	TOTAL
Construction	16,370	3,175	19,545
Toll roads	331	155	486
Airports	35	15	50
Energy Infrastructure and mobility	2,964	304	3,268
Other	257	180	437
Total	**19,957**	**3,829**	**23,786**

12. Comments on seasonality

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

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

13. Related-party transactions

The table below shows the commercial transactions carried out between the Company (or its Group companies) and related parties on an arm's length basis and in the ordinary course of business in the first six months of 2023 (if any) and 2022. If they were related parties for only a part of the six-month period, the transactions carried out during that period are indicated. Related-party transactions are broken down into three categories as follows. During the first six months of 2023 there have not been material transactions that should be reported according to the applicable regulations.

i. Transactions between Ferrovial SE and its directors or senior executives:

This includes the transactions carried out between Ferrovial SE and its directors and senior executives, their close family members or entities in which one or the other hold control or joint control, or those in which the directors of the Company hold in turn executive or management positions time or over which they could exercise significant influence (1).

ii. Transactions between subsidiaries of Ferrovial SE and the directors or senior executives of the Company.

This includes the transactions carried out between subsidiaries of the Company and its directors and senior executives, their close family members or entities in which one or the other holds control or joint control, or those in which the directors of the Company hold in turn executive and management positions or over which they could exercise significant influence (1).

(1) In relation to these entities, ordinary transactions made on standard customer terms and of little relevance, are not included. This applies until 16 June 2023 due to the change of applicable law following the effectiveness of the reverse merger.

Thousands of euros	30/6/2023				30/6/2022			
EXPENSES AND INCOME:	a) Transactions with Ferrovial SE	b) Transactions with subsidiaries	Total expenses and income	Balance at 30/06/2023	a) Transactions with Ferrovial SE	b) Transactions with subsidiaries	Total expenses and income	Balance at 30/06/2022
Financial expenses	0	0	0	0	0	0	0	0
Services received	0	0	0	0	0	8	8	3
EXPENSES	**0**	**0**	**0**	**0**	**0**	**8**	**8**	**3**
Financial income	0	0	0	0	0	0	0	0
Services rendered	0	0	0	0	0	20	20	0
INCOME	**0**	**0**	**0**	**0**	**0**	**20**	**20**	**0**

iii. Transactions between Group companies

Also described are transactions between the subsidiaries and the Company which, in all cases form part of their ordinary businesses as regards purpose and conditions and were not eliminated on consolidation for the following reason.

As explained in detail in Note 1.3.2 to the consolidated annual accounts for the year ended 31 December 2022, balances and transactions relating to construction work performed by the Construction Division for Group infrastructure concession operators are not eliminated on consolidation since, at the consolidated level, contracts of this type are classed as construction contracts in which the work, during execution, is deemed to be performed for third parties, as the ultimate owner of the work, from both a financial and a legal viewpoint, is the awarding entity.

For the first half of 2023, Ferrovial's Construction Division recognized revenue totaling EUR 325 million for the above-mentioned construction work (30 June 2022: EUR 466 million), of which EUR 81 million relates to equity-accounted toll roads.

The related profit/(loss) not eliminated on consolidation and attributable to Ferrovial's ownership interest in the concession operators, net of taxes and minority interests, amounted to EUR -50 million in the first half of 2023, of which EUR -6 million relate to equity-accounted companies. At 30 June 2022, this amounted to EUR -17 million.

14. Directors' remuneration

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

Remuneration item	Amount (thousands of euros)	
BOARD DIRECTORS:	30/6/2023	30/6/2022
Fixed remuneration	1,338	1,325
Variable remuneration	4,146	3,557
Bylaw-stipulated emoluments:		
Fixed allowance	193	210
Per diems [1]	425	350
Transactions involving shares and/or other financial instruments	1,591	1,066
TOTAL	7,693	6,508
SENIOR EXECUTIVES:	30/6/2023	30/6/2022
Total remuneration received by senior executives	9,879	7,612

[1] The amount for 2023 covers the period from 1 January to 15 June 2023.

The increase in the amount of director's attendance fees compared to the first half of 2022 is explained by a higher number of Board meetings held during the period. The increase in long-term incentives (EUR 1,591 million in 2023 compared to EUR 1.066 million in 2022) is due to the increase in the level of ratios achieved in the 2020 plan vs the 2019 plan, the increase in the price of the shares and the effect of the full year grant for the CEO in 2020, as the 2019 grant was pro-rated from the date of the appointment. Senior executive remuneration increased due to better performance of the metrics of the short-term incentives. Also, in order to cover the extraordinary remuneration of certain Senior Executives (including the CEO), which is subject to the circumstances discussed in Note 6.6.6 to the Consolidated Financial Statements, on an annual basis the Company makes contributions to a group savings insurance plan of which the Company itself is the policy holder and beneficiary, quantified based on a certain percentage of the total monetary remuneration of the members of this policy. Contributions made in the first six months of 2023 amounted to EUR 2,010 thousand of which EUR 461 thousand relate to the executive director.

Notes 6.6 and 6.7 to the consolidated annual accounts at 31 December 2022 describe in detail the remuneration of the Board of Directors and senior executives, as well as the functioning of the share-based remuneration schemes.

15. Selected individual financial information

IAS 34 p.14 on Interim Financial Information does not require the individual financial statements of the parent company to be included together with the Consolidated Financial Statements in the interim information prepared by the entity.

16. Events after the reporting date

No material events after the balance sheet date have occurred.

17. Appendices

Appendix I. Segment reporting

Consolidated income statement as of 30 June 2023

(Millions of euros)	Construction	Toll Roads	Airports	Energy and mobility infrastructures	Other segments	Adjustments	Total 2023
Revenue	3,258	492	28	175	95	-108	3,940
Other operating income	1	0	0	0	1	-1	1
Total operating income	**3,259**	**492**	**28**	**175**	**96**	**-109**	**3,941**
Materials consumed	474	2	0	21	0	0	497
Other operating expenses	2,116	93	23	69	72	-108	2,265
Staff costs	607	37	7	79	48	0	778
Total operating expenses	**3,197**	**132**	**30**	**169**	**120**	**-108**	**3,540**
EBITDA	**62**	**360**	**-2**	**6**	**-25**	**0**	**401**
Fixed asset depreciation	66	116	6	10	3	0	201
Operating profit/(loss) before impairment and disposal of fixed assets	**-4**	**244**	**-8**	**-4**	**-28**	**0**	**200**
Impairment and disposal of fixed assets	0	0	0	0	0	0	0
Operating profit/(loss)	**-4**	**244**	**-8**	**-4**	**-28**	**0**	**200**
Net financial income/(expense) from financing	-2	-148	0	-3	0	0	-153
Profit/(loss) on derivatives and other net financial income/(expense)	0	-6	-8	1	0	1	-12
Net financial income/(expense), infrastructure projects	**-2**	**-154**	**-8**	**-2**	**0**	**1**	**-165**
Net financial income/(expense) from financing	53	40	1	0	-44	0	50
Profit/(loss) on derivatives and other net financial income/(expense)	-17	5	15	4	8	-1	14
Net financial income/(expense) from other companies	**36**	**45**	**16**	**4**	**-36**	**-1**	**64**
Net financial income/(expense)	**34**	**-109**	**8**	**2**	**-36**	**0**	**-101**
Share of profits of equity-accounted companies	1	74	5	3	0	0	83
Consolidated profit/(loss) before tax	**31**	**209**	**5**	**1**	**-64**	**0**	**182**
Corporate income tax	-14	-4	0	0	-2	0	-20
Consolidated profit/(loss) from continuing operations	**17**	**205**	**5**	**1**	**-66**	**0**	**162**
Net profit/(loss) from discontinued operations	0	0	0	0	6	0	6
Consolidated profit/(loss) for the year	**17**	**205**	**5**	**1**	**-60**	**0**	**168**
Profit/(loss) for the year attributed to non-controlling interests	-4	-50	0	0	0	0	-54
Profit/(loss) for the year attributed to the parent company	**13**	**155**	**5**	**1**	**-60**	**0**	**114**

Consolidated income statement as of 30 June 2022 (*)

(Millions of euros)	Construction	Toll Roads	Airports	Energy and mobility infrastructures	Other segments	Adjustments	Total 2022 (*)
Revenue	3,053	355	7	139	84	-104	3,534
Other operating income	1	0	0	0	0	0	1
Total operating income	**3,054**	**355**	**7**	**139**	**84**	**-104**	**3,535**
Materials consumed	559	2	0	19	0	1	581
Other operating expenses	1,838	64	23	50	54	-104	1,925
Staff costs	579	33	3	66	35	0	716
Total operating expenses	**2,976**	**99**	**26**	**135**	**89**	**-103**	**3,222**
EBITDA	**78**	**255**	**-19**	**5**	**-5**	**-1**	**313**
Fixed asset depreciation	52	82	0	6	3	0	143
Operating profit/(loss) before impairment and disposal of fixed assets	**26**	**174**	**-19**	**-1**	**-9**	**-1**	**170**
Impairment and disposal of fixed assets	0	0	0	0	0	0	0
Operating profit/(loss)	**26**	**174**	**-19**	**-1**	**-9**	**-1**	**170**
Net financial income/(expense) from financing	-2	-103	0	-4	0	0	-109
Profit/(loss) on derivatives and other net financial income/(expense)	0	-65	0	-1	0	0	-66
Net financial income/(expense), infrastructure projects	**-2**	**-168**	**0**	**-5**	**0**	**0**	**-175**
Net financial income/(expense) from financing	12	7	0	0	-8	0	11
Profit/(loss) on derivatives and other net financial income/(expense)	-13	-2	5	2	54	-1	45
Net financial income/(expense) from other companies	**-1**	**5**	**5**	**2**	**46**	**-1**	**56**
Net financial income/(expense)	**-3**	**-163**	**5**	**-3**	**46**	**-1**	**-119**
Share of profits of equity-accounted companies	0	50	3	-1	0	3	55
Consolidated profit/(loss) before tax	**23**	**61**	**-11**	**-5**	**37**	**1**	**106**
Corporate income tax	-12	-15	-1	0	7	0	-21
Consolidated profit/(loss) from continuing operations	**11**	**46**	**-12**	**-5**	**44**	**1**	**85**
Net profit/(loss) from discontinued operations	0	0	0	0	-5	0	-5
Consolidated profit/(loss) for the year	**11**	**46**	**-12**	**-5**	**39**	**1**	**80**
Profit/(loss) for the year attributed to non-controlling interests	-3	-25	0	0	0	0	-28
Profit/(loss) for the year attributed to the parent company	**8**	**21**	**-12**	**-5**	**39**	**1**	**52**

(*) Reexpressed figures

Report on Limited Review

FERROVIAL, S.E. and subsidiaries
Interim Condensed Consolidated Financial Statements
and Interim Management Report
for the six months ended
June 30, 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT ON LIMITED REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of Ferrovial S.E. at the request of Management:

Our conclusion

We have reviewed the interim condensed consolidated financial statements of Ferrovial S.E. based in Kingsfordweg 151, 1043 GR Amsterdam, Netherlands for the six months ended 30 June 2023.

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Ferrovial S.E. for the six months ended 30 June 2023, is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

The interim condensed consolidated financial statements comprises:

- The consolidated statement of financial position as at 30 June 2023
- The consolidated income statement for the six months ended 30 June 2023
- The consolidated statement of comprehensive income for the six months period ended 30 June 2023
- The consolidated statement of changes in equity for the six months ended 30 June 2023
- The consolidated cash flow statement for the six months ended 30 June 2023
- The notes to the interim condensed consolidated financial statements for the six months ended 30 June 2023

Basis for our conclusion

We conducted our review in accordance with the International Standard of Review Engagements 2410, "Review of Interim Financial Reporting Performed by the Independent Auditor of the Entity". A review of interim financial information in accordance with the International Standard of Review Engagements 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the Our responsibilities for the review of the interim condensed consolidated financial statements section of our report.

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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Emphasis of matter

We draw attention to the matter described in the accompanying explanatory Note 3 in the interim condensed consolidated financial statements, which describes that the abovementioned accompanying interim condensed consolidated financial statements do not include all the information that would be required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union. Therefore, the accompanying interim condensed consolidated financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2022. Our conclusion is not modified in respect of this matter.

Responsibilities of the management for the interim condensed consolidated financial statements

The management is responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Furthermore, the management is responsible for such internal control as it determines is necessary to enable the preparation of the interim condensed consolidated financial statements that is free from material misstatement, whether due to fraud or error.

Our responsibilities for the review of the interim condensed consolidated financial statements

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a review engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the International Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with International Standard of Review Engagements 2410.

INSTITUTO DE CENSORES
JURADOS DE CUENTAS
DE ESPAÑA

ERNST & YOUNG, S.L.

2023 Núm. 03/23/03820

SELLO CORPORATIVO: 30,00 EUR

Sello distintivo de otras actuaciones

ERNST & YOUNG, S.L.

Francisco Rahola Carral

July 27, 2023