PHOTO: 407 ETR toll road. Toronto (Canada)

ALTERNATIVE PERFORMANCE MEASURES

The company presents its results in accordance with generally accepted accounting practices (IFRS). Additionally, Management provides both in the Management Report and the Consolidated Annual Accounts other financial measures non-IFRS regulated, 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 ESMA on definition, reconciliation, explanation of use, comparisons and coherence of each APM. It is provided more detailed information on the corporate web page: http://www.ferrovial.com/en/ir-shareholders/financial-information/quarterly-financial-information/.

EBITDA = GROSS OPERATING RESULT

- **Definition:** operating result before charges for fixed asset depreciation and amortisation.
- **Reconciliation:** the Company presents the calculation of EBITDA in the Consolidated P&L (see Consolidated P&L in section 1.3. of the Management Report and the Financial Statements included in the Consolidated Financial Statements) as: Gross Operating Profit = Total Operating Revenues – Total Operating Expenses (excluding those relative to fixed assets depreciation and amortisation which are reported in a separate line).
- **Explanation of use**: EBITDA provides an analysis of the operating results, excluding depreciation and amortisation, 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 for previous years.
- **Coherence:** the criteria used to calculate EBITDA is the same as the previous year.

COMPARABLE (*"LIKE FOR LIKE GROWTH"*)

- **Definition:** relative year-on-year variation in comparable terms of revenues, EBITDA and EBIT. 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 current period rate.
  - Elimination from both periods EBIT of the fixed asset impairments impact and the results from company disposals (corresponds with the figure reported in the line "Impairments and disposals of fixed assets").
  - In the case of company disposals and loss of control, the homogenisation 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 amount of months in both periods.
  - Elimination of 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).

- 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.
- 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 in section 1.3. Business Performance of the Management Report.
- **Explanation of use**: Ferrovial uses the comparable to provide a more homogenous measure of the underlying profitability of its businesses, excluding those non recurrent elements which would induce a misinterpretation of the reported growth, impacts such as exchange-rate movements or changes in the consolidation perimeter which distort the comparability of the information. Additionally, it also allows the Company to present homogenous information, thus ensuring its uniformity, providing a better understanding of the performance of each of its businesses.
- **Comparisons:** the comparable breakdown is only shown for the current period compared with the previous period.
- **Coherence:** the criteria used to calculate Like-for-like 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 P&L (section 1.3. of the Management Report and the Financial Statements included in the Consolidated Financial Statements).
- **Explanation of use:** the fair value adjustments can be useful for investors and financial analysts when evaluating the underlying profitability of the company, as they can exclude elements that do not generate cash and which can vary substantially from one year to another due to the accounting methodology used to calculate the fair value.
- **Comparisons:** the company presents comparisons with previous years.
- **Coherence:** the criteria used to calculate the fair value adjustments is the same as previous year.

NET CONSOLIDATED 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). Includes the balance of exchange-rate derivatives hedging debt issued in currencies other than that of the issuer.
- **Reconciliation:** the detailed reconciliation is shown on Note 5.2 Consolidated Net Debt of our Consolidated Financial Statements and in the 1.3. Business Performance section of the Management Report.
- **Explanation of use:** this is a financial indicator used by investors, financial analysts, rating agencies, creditors and other parties to determine the company's debt position. In addition, Ferrovial breaks down its net debt into two 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 (see Note 6.5.2. Guarantees of the Consolidated Financial Statements). This is the debt corresponding to infrastructure project companies (see definition in Note 1.1. Basis of presentation, company activities and scope of consolidation of the Consolidated Financial Statements).
  - **Net debt ex-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.
- **Coherence:** the criteria used to calculate net debt is the same as previous year.

ORDER BOOK

- **Definition:** the revenues 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 revenues of a contract correspond to the price or fee for the goods delivered and/or provision of services which have been agreed. If the implementation of a contract has its financing still pending, the revenues of said contract will not be added to the order book until the financing has been completed. The order book is calculated by adding the contracts of the current year to the balance of the contract order book of the previous year, then eliminating the revenues which have already been recognised in the current year.
- **Reconciliation:** the order book is presented under Key figures in section 1.1. and under Services and Construction in section 1.2. of the Management Report. There is no comparable financial measure in IFRS. Therefore no conciliation will be made with the financial statements of the contract order book.
- **Explanation of use:** Management believes the order book is a useful indicator with respect to the Company's future revenues.
- **Comparisons:** the company present comparatives with previous years.

- **Coherence:** the criteria used to calculate order book is the same as previous year.

WORKING CAPITAL VARIATION

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

TOTAL SHAREHOLDER RETURN

- **Definition:** sum of the dividends received by shareholders, revaluation/depreciation of the shares and other payments such as the delivery of shares or buy-back plans.
- **Reconciliation:** the total shareholder return is presented under Market Figures in section 1.1 of the Management Report. There is no comparable financial measure in IFRS. Therefore no conciliation will be made with the financial statements of the shareholder return.
- **Explanation of use:** financial indicator used by investors and financial analysts to evaluate the yield that shareholders received throughout the year in exchange for their contribution to company capital.
- **Comparisons:** the company presents comparative reports from previous years.
- **Coherence:** the criteria employed for calculating shareholder return is the same as the previous year

MANAGED INVESTMENT

- **Definition:** managed investment is presented under Toll Roads in section 1.2. of the Management Report. During the construction phase, it is the total investment to be made. During the operating phase, this amount is increased by the capital expenditures. Projects are included after signing the contract with the corresponding Administration (commercial close), date on which the provisional financing terms and conditions, which will be confirmed after the financial closing, are normally available. Regardless of Ferrovial's participation, including the projects integrated by the equity method, 100% of participation is considered. Projects are excluded with criteria in line with the exclusion from the consolidation perimeter.
- **Reconciliation:** no conciliation will be made with the financial statements due to the fact that there is not an accounting comparable measure.
- **Explanation of use:** data useful by Management to indicate the size of the portfolio of managed assets.
- **Comparisons:** no comparisons with previous years are disclosed, though it is nevertheless a figure provided annually.
- **Coherence:** the criteria employed for calculating the managed investment is the same as the previous year.