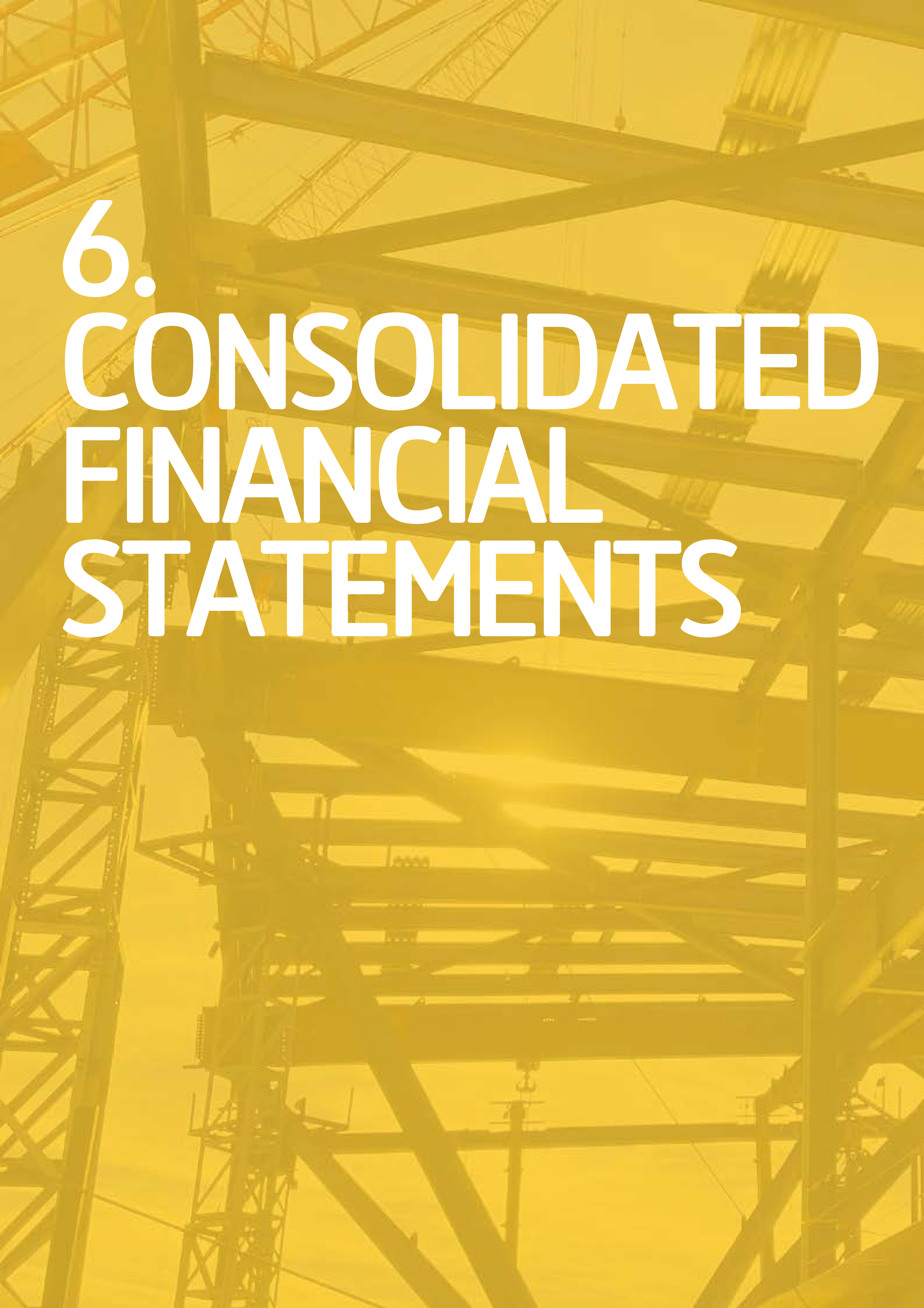
6. CONSOLIDATED FINANCIAL STATEMENTS



CONTENTS

A. FERROVIAL SE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2023 AND 2022

Assets (Million euro)	Note	2023	2022 (*)
Non-current assets		**19,328**	**18,925**
Goodwill	3.1	475	480
Intangible assets	3.2	122	138
Fixed assets in infrastructure projects	3.3	13,495	13,667
Intangible asset model		13,333	13,504
Financial asset model		162	163
Property, plant and equipment	3.4	594	479
Right of use assets	3.7	196	183
Investments in associates	3.5	2,038	1,951
Non-current financial assets	3.6	1,148	1,095
Loans granted to associates		262	246
Non-current restricted cash	5.2	628	597
Other non-current receivables		258	252
Deferred tax assets	2.7	1,006	784
Long-term financial derivatives at fair value	5.5	254	148
Current assets		**6,990**	**7,419**
Inventories	4.1	458	476
Current income tax assets		35	19
Short-term trade and other receivables	4.2	1,677	1,608
Trade receivables for sales and services		1,353	1,300
Other short-term receivables		324	308
Other short-term financial assets		–	–
Cash and cash equivalents	5.2	4,789	5,130
Infrastructure project companies		204	168
Restricted cash		31	38
Other cash and cash equivalents		173	130
Ex-infrastructure project companies		4,585	4,962
Short-term financial derivatives at fair value	5.5	31	184
Assets held for sale	1.1.5	–	2
TOTAL ASSETS		**26,318**	**26,344**

Liabilities and equity (Million euro)	Note	2023	2022 (*)
Equity	5.1	**5,879**	**6,353**
Equity attributable to shareholders		3,766	4,113
Equity attributable to non-controlling interests		2,113	2,240
Non-current liabilities		**14,664**	**14,612**
Deferred income	6.1	1,334	1,410
Employee benefit plans	6.2	3	2
Long-term provisions	6.3	268	416
Long term lease liabilities	3.7	141	120
Borrowings	5.2	10,423	10,776
Debentures and borrowings of infrastructure project companies		7,852	7,893
Debentures and borrowings of ex-infrastructure project companies		2,571	2,883
Other payables	6.4	1,310	898
Deferred taxes	2.7	1,086	924
Long-term financial derivatives at fair value	5.5	99	66
Current liabilities		**5,775**	**5,379**
Short-term lease liabilities	3.7	59	64
Borrowings	5.2	942	877
Debentures and borrowings of infrastructure project companies		63	74
Debentures and borrowings of ex-infrastructure project companies		879	803
Financial derivatives at fair value	5.5	34	47
Current income tax liabilities		83	30
Short-term trade and other payables	4.3	3,646	3,431
Trade payables		1,698	1,663
Advance payments from customers and work certified in advance		1,529	1,364
Other short-term payables		419	404
Short-term provisions	6.3	1,011	930
TOTAL LIABILITES AND EQUITY		**26,318**	**26,344**

(*) Restated figures (Note 1.1.7)

The accompanying notes are an integral part of the consolidated statement of financial position as of December 31, 2023 and 2022.

B. FERROVIAL SE CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021.

Income statement (Million euro)	Note		2023	2022 (*)	2021
Revenue			8,514	7,551	6,910
Other operating income			1	2	1
Revenues and other operating income	2.1		**8,515**	**7,553**	**6,911**
Materials consumed			1,047	1,197	1,085
Other operating expenses	2.2		4,878	4,182	3,923
Personnel expenses	2.3		1,599	1,446	1,293
Total operating expenses			**7,524**	**6,825**	**6,301**
Fixed asset depreciation			401	299	270
Impairment and disposal of fixed assets	2.4		35	(6)	1,139
Operating profit/(loss)			**625**	**423**	**1,479**
Net financial income/(expense) from financing			(328)	(243)	(220)
Profit/(loss) on derivatives and other net financial income/(expense)			(44)	(122)	(87)
Net financial income/(expense) from infrastructure projects			**(372)**	**(365)**	**(307)**
Net financial income/(expense) from financing			111	1	(27)
Profit/(loss) on derivatives and other net financial income/(expense)			77	44	(1)
Net financial income/(expense) from ex-infrastructure projects			**188**	**45**	**(28)**
Net financial income/(expense)	2.5		**(184)**	**(320)**	**(335)**
Share of profits of equity-accounted companies	2.6		215	165	(178)
Profit/(loss) before tax from continuing operations			**656**	**268**	**966**
Income/(expense) tax	2.7		(42)	(30)	9
Profit/(loss) net of tax from continuing operations			**614**	**238**	**975**
Profit/(loss) net of tax from discontinued operations			16	64	361
Net profit/(loss)			**630**	**302**	**1,336**
Net profit/(loss) for the year attributed to non-controlling interests	2.9		(170)	(117)	(138)
Net profit/(loss) for the year attributed to the parent company			**460**	**185**	**1,198**
Net earnings per share attributed to the parent company (in euros)	2.10	Diluted	0.62	0.24	1.63
		Basic	0.62	0.24	1.63
Net earnings per share attributed to the parent company´s Continuing Operations (in euros)		Diluted	0.60	0.16	1.14
		Basic	0.60	0.16	1.14

(*) Restated figures (Note 1.1.7)

The accompanying notes are an integral part of the consolidated income statement for the years ended December 31, 2023, 2022, and 2021.

C. FERROVIAL SE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021.

(Million euro)	Note	2023	2022 (*)	2021
a) Net profit/(loss)		**630**	**302**	**1,336**
Attributed to parent company		460	185	1,198
Attributed to non-controlling interests		170	117	138
b) Income and expense recognized directly in equity	5.1	**(119)**	**456**	**180**
Fully-consolidated companies		(98)	333	131
Impact on hedge reserves	5.5	20	193	11
Impact on defined benefit plan reserves		–	–	–
Currency translation differences		(92)	160	114
Tax effect		(26)	(20)	6
Companies held for sale		(5)	(8)	27
Impact on hedge reserves		(6)	–	4
Impact on defined benefit plan reserves		–	–	–
Currency translation differences		–	(8)	24
Tax effect		1	–	(1)
Equity-accounted companies		(16)	131	22
Impact on hedge reserves		12	236	45
Impact on defined benefit plan reserves		–	–	33
Currency translation differences		(33)	(29)	(32)
Tax effect		5	(76)	(24)
c) Transfers to income statement	5.1	**8**	**131**	**1**
Fully-consolidated companies		(3)	(47)	12
Transfers to income statement	5.5	(4)	(62)	16
Tax effect		1	15	(4)
Companies held for sale		11	178	3
Transfers to income statement		13	179	4
Tax effect		(2)	(1)	(1)
Equity-accounted companies		–	–	(14)
Transfers to income statement		–	–	(14)
Tax effect		–	–	–
a)+ b)+ c) TOTAL COMPREHENSIVE INCOME		**519**	**889**	**1,517**
Attributed to the parent company		**388**	**707**	**1,395**
Attributed to non-controlling interests		131	182	122

(*) Restated figures (Note 1.1.7)

The accompanying notes are an integral part of the consolidated statements of comprehensive income for the years ended December 31, 2023, 2022 and 2021.

D. FERROVIAL SE CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

(Million Euro)	Share capital	Share/ Merger premium	Treasury shares	Other equity instruments	Measure ment adjustm ents	Retained earnings and other reserves	Attributed to shareholders	Attributed to non-controlling interest	Total Equity
Balance at 12.31.20	**147**	**647**	**(13)**	**506**	**(1,496)**	**3,359**	**3,150**	**640**	**3,790**
Consolidated profit/(loss) for the year 2021	–	–	–	–	–	1,198	1,198	138	1,336
Income and expense recognized directly in equity	–	–	–	–	196	–	196	(16)	180
Transfers to income statement	–	–	–	–	1	–	1	–	1
Total income and expenses recognized for the year	**–**	**–**	**–**	**–**	**197**	**1,198**	**1,395**	**122**	**1,517**
Scrip dividend agreement	3	3	–	–	–	(34)	(28)	–	(28)
Other dividends	–	–	–	–	–	–	–	(270)	(270)
Treasury share transactions	(3)	(432)	(111)	–	–	111	(435)	–	(435)
Shareholder remuneration	**–**	**(429)**	**(111)**	**–**	**–**	**77**	**(463)**	**(270)**	**(733)**
Share capital increases/reductions	–	–	–	–	–	–	–	28	28
Share-based remuneration schemes	–	–	–	–	–	(22)	(22)	–	(22)
Other movements	–	–	–	–	–	(5)	(5)	–	(5)
Other transactions	**–**	**–**	**–**	**–**	**–**	**(27)**	**(27)**	**28**	**1**
Perpetual subordinated bond issuances (Note 5.1.1)	**–**	**–**	**–**	**1**	**–**	**(8)**	**(7)**	**–**	**(7)**
Scope changes	**–**	**–**	**–**	**–**	**–**	**(9)**	**(9)**	**1,270**	**1,261**
Balance at 12.31.2021	**147**	**218**	**(124)**	**507**	**(1,299)**	**4,590**	**4,039**	**1,790**	**5,829**
Consolidated profit/(loss) for the year 2022	–	–	–	–	–	185	185	117	302
Income and expense recognized directly in equity	–	–	–	–	391	–	391	65	456
Transfers to income statement	–	–	–	–	131	–	131	–	131
Total income and expenses recognized for the year	**–**	**–**	**–**	**–**	**522**	**185**	**707**	**182**	**889**
Scrip dividend agreement	3	–	–	–	–	(135)	(132)	–	(132)
Other dividends	–	–	–	–	–	–	–	(160)	(160)
Treasury share transactions	(5)	(218)	98	–	–	(321)	(446)	–	(446)
Shareholder remuneration	**(2)**	**(218)**	**98**	**–**	**–**	**(456)**	**(578)**	**(160)**	**(738)**
Share capital increases/reductions	–	–	–	–	–	–	–	356	356
Share-based remuneration schemes	–	–	–	–	–	–	–	–	–
Other movements	–	–	–	–	–	41	41	5	46
Other transactions	**–**	**–**	**–**	**–**	**–**	**41**	**41**	**361**	**402**
Perpetual subordinated bond issuances (Note 5.1.1)	**–**	**–**	**–**	**1**	**–**	**(9)**	**(8)**	**–**	**(8)**
Scope changes	**–**	**–**	**–**	**–**	**–**	**(88)**	**(88)**	**67**	**(21)**
Balance at 12.31.2022 (*)	**145**	**–**	**(26)**	**508**	**(777)**	**4,263**	**4,113**	**2,240**	**6,353**
Merger impact (June 16th)	(138)	4,426	–	–	–	(4,288)	–	–	–
Consolidated profit/(loss) for the year 2023	–	–	–	–	–	460	460	170	630
Income and expense recognized directly in equity	–	–	–	–	(80)	–	(80)	(39)	(119)
Transfers to income statement	–	–	–	–	8	–	8	–	8
Total income and expenses recognized for the year	**–**	**–**	**–**	**–**	**(72)**	**460**	**388**	**131**	**519**
Scrip dividend agreement	–	(58)	–	–	–	(78)	(136)	–	(136)
Other dividends	–	–	–	–	–	–	–	(379)	(379)
Treasury share transactions	–	(52)	(52)	–	–	(10)	(114)	–	(114)
Shareholder remuneration	**–**	**(110)**	**(52)**	**–**	**–**	**(88)**	**(250)**	**(379)**	**(629)**
Share capital increases/reductions	–	–	–	–	–	–	–	117	117
Share-based remuneration schemes	–	–	–	–	–	12	12	–	12
Other movements	–	–	–	–	–	16	16	2	18
Other transactions	**–**	**–**	**–**	**–**	**–**	**28**	**28**	**119**	**147**
Perpetual subordinated bond issuances (Note 5.1.1)	**–**	**–**	**–**	**(508)**	**–**	**(5)**	**(513)**	**–**	**(513)**
Scope changes	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2**	**2**
Balance at 12.31.2023	**7**	**4,316**	**(78)**	**–**	**(849)**	**370**	**3,766**	**2,113**	**5,879**

(*) Restated figures (Note 1.1.7)

The accompanying notes are an integral part of the consolidated statements of changes in equity for the years ended December 31, 2023, 2022 and 2021.

E. FERROVIAL SE CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

(Million euro)	Note	2023	2022 (*)	2021
Net profit/(loss) attributable to parent company		**460**	**185**	**1,198**
Adjustments to profit/(loss)		531	698	(256)
Net profit/(loss) for the year attributed to non-controlling interests		170	117	138
Profit/(loss) net of tax from discontinued operations		(16)	(64)	(361)
Income tax / (expense)		42	30	(9)
Share of profits of equity-accounted companies		(215)	(165)	178
Net financial income/(expense)		184	320	335
Impairment and disposal of fixed assets		(35)	6	(1,139)
Fixed asset depreciation		401	299	270
Operating profit/(loss) discontinued operations ex - depreciation/amortization & impairment	2.8	–	155	332
Tax payments	2.7	(170)	(82)	(155)
Change in working capital (receivables, payables and other)		118	(83)	(249)
Dividends received from infrastructure project companies	3.5	324	284	272
Cash flows from operating activities		**1,263**	**1,002**	**810**
Investments in property, plant and equipment/intangible assets	3.4	(86)	(95)	(124)
Investments in infrastructure projects	3.3.3	(319)	(809)	(285)
Non-refundable grants		9	25	46
Investments in associates and non-current financial assets/acquisition of companies		(257)	(347)	(923)
Interest received		236	47	3
Investment of long-term restricted cash		(51)	18	119
Divestment of infrastructure projects		–	–	–
Divestment/sale of companies	1.1.6	43	429	1,621
Cash flows from investing activities		**(425)**	**(732)**	**457**
Cash flows before financing activities		**838**	**270**	**1,267**
Capital cash flows from non-controlling interests		130	350	57
Scrip dividend		(136)	(132)	(31)
Treasury share purchases		(114)	(446)	(432)
Shareholder remuneration	5.1	(250)	(578)	(463)
Dividends paid to non-controlling interests of investees	5.1	(377)	(161)	(270)
Other movements in shareholder's funds	5.1	(506)	(69)	–
Interest paid		(432)	(329)	(295)
Lease payments	3.7	(87)	(72)	(131)
Increase in borrowings		964	1,207	603
Decrease in borrowings		(747)	(665)	(1,671)
Net change in borrowings from discontinued operations		–	1	(51)
Cash flows from (used in) financing activities		**(1,305)**	**(316)**	**(2,221)**
Effect of exchange rate on cash and cash equivalents		**160**	**(283)**	**99**
Change in cash and cash equivalents due to consolidation scope changes		**(34)**	**4**	**(109)**
Change in cash and cash equivalents from discontinued operations	**5.3**	**–**	**(81)**	**(26)**
Change in cash and cash equivalents	**5.2**	**(341)**	**(406)**	**(990)**
Cash and cash equivalents at beginning of year		5,130	5,536	6,526
Cash and cash equivalents at year end		4,789	5,130	5,536

(*) Restated figures (Note 1.1.7)

The accompanying notes are an integral part of the consolidated cash flow statements for the years ended December 31, 2023, 2022 and 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

SECTION 1: BASIS OF PRESENTATION AND CONSOLIDATION SCOPE

The information deemed necessary before reading Ferrovial SE consolidated financial statements is set out in this section.

BASIS OF PRESENTATION

Group reorganization

On February 28, 2023, Ferrovial's Board of Directors approved the common terms of the cross-border merger of Ferrovial, S.A., the Spanish listed company and ultimate parent company of the Ferrovial Group, into its wholly-owned Dutch subsidiary Ferrovial International SE, which was also approved by the general shareholders' meeting of both entities held on April 13, 2023 and finally completed on June 16, 2023. As a result of this transaction, the new parent company of the Ferrovial Group is Ferrovial SE (or "FSE"), a European public limited company ("Societas Europaea") domiciled in the Netherlands and currently listed on both Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V. (the "Dutch Stock Exchange") and the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, regulated markets of Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A (the "Spanish Stock Exchanges").

This type of reorganization is not considered a business combination under IFRS 3 and is not specifically covered under IFRS. Therefore, pooling of interest or predecessor accounting is applied. This has been the approach adopted because the combined entity is considered a continuation of the Group headed by Ferrovial S.A., and it has only changed the location of its resources within the Group. Moreover, this approach provides useful information about the combined company and allows for users of financial information to understand the performance of the underlying business (Note 1.1.2).

Basis of presentation

The consolidated financial statements of Ferrovial SE and its subsidiaries and investees (hereinafter referred to as "Ferrovial", the "Ferrovial Group", the "Group" or "FSE Group") have been prepared in accordance with the International Financial Reporting Standards (hereinafter, "IFRS") as adopted by the European Union. Accounting policies applied are explained in Note 1.3.

The Company's activities

The disclosures presented in these financial statements mostly distinguish between infrastructure project companies and other companies (as defined in Note 1.1.4). Also noteworthy are the Group's main assets: the 25% ownership interest in Heathrow Airports Holdings (HAH), the owner of Heathrow Airport; the 43.23% ownership interest in the company that owns the 407 ETR toll road in Toronto (Canada); the indirect 49% interest in the share capital of JFK NTO LLC, responsible for the remodeling, construction, financing and operation of the New Terminal One facilities at New York's John F. Kennedy International Airport; the 50% stake in AGS, which owns Aberdeen, Glasgow and Southampton airports in UK; and its 24,86% ownership interest in IRB Infrastructure Developers Limited, one of India's leading infrastructure companies, listed in Bombay.

Assets and liabilities held for sale and discontinued operations

As stated in Note 1.1.5, during 2022 and 2021 Ferrovial completely divested the Services Division by selling the infrastructure upkeep and maintenance business in Spain and in the UK.

Going concern evaluation

Note 1.2 analyses the Group´s capacity to continue operating under the going concern principle, analyzing liquidity, future cash requirements as well as other external factors that could compromise this principle, concluding that no material uncertainties exist about the group´s ability to continue on a going concern basis.

Judgements and estimates

Ferrovial's main estimates when measuring its assets, liabilities, revenues, expenses and commitments are detailed in Note 1.3.4.

Foreign exchange effect

While euro is Ferrovial's functional currency, most of its activities are carried out in countries outside the eurozone. Note 1.4 analyses the impact on the consolidated financial statements of changes in the main currencies where it operated in 2023, 2022 and 2021.

1.1. BASIS OF PRESENTATION, THE COMPANY'S ACTIVITIES AND CONSOLIDATION SCOPE

1.1.1. Basis of presentation

These consolidated financial statements of Ferrovial SE have been signed-off by the Board of Directors on February 27, 2024, and have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The consolidated financial statements include the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flow and the accompanying notes (referred to collectively as the "Consolidated Financial Statements").

For presentation of the consolidated income statement, the Group uses a classification method based on the nature of expenses, as it is more representative of the format used by management for internal reporting purposes and able to provide reliable information to investors.

The Group's presentation currency is the Euro, which is also the functional currency of the Company, and unless otherwise stated amounts are presented in millions of Euros.

1.1.2 Business reorganization

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

This business reorganization was driven, among other reasons, by the growing internationalization of Ferrovial (in 2023, 83% of the group's revenues and nearly 92% of its value came from activities outside Spain) and with the final aim of being listed in the United States of America.

Accounting treatment

In the merger, all shareholders of the former parent company of the Group, Ferrovial, S.A., were allotted shares in the new parent company of the Group, Ferrovial SE, except for a small group of shareholders who received cash in lieu of shares in connection with the merger in compliance with the applicable laws and regulations. The companies that are part of the Group remain the same without any type of change in terms of shareholding percentages.

This type of reorganization is not considered a business combination under IFRS 3, and is not specifically covered by IFRS. Following IAS 8 guidance, the Company has analyzed other accounting rules treating similar transactions (such as chapter 19.7 of FRS 102 in UK, DAS 216.503 in the Netherlands, or ASC 805.50.05 in US GAAP) in order to develop a policy that reflects the substance of the transaction. After that analysis, the Group has decided to apply the "pooling of interest" or "predecessor accounting" approach as it better reflects its substance.

As a result of this approach all the information included in the different reporting periods corresponds with the historical consolidated information of the Ferrovial group, without any adjustments in the value of assets and liabilities, as the combined entity is considered a continuation of the former Ferrovial, S.A., and it has only changed the location of its resources within the Group. Moreover, this approach provides useful information about the combined company and is the best way for users of financial information to understand the performance of the underlying business.

The only accounting impact as a consequence of the merger was the modification of the share capital and share premium figures of the new legal parent entity. Considering this change is a reclassification among the legal share capital and share premium of the former parent entity, any difference is being included as a movement within equity reserves in 2023, the year that the merger formally took place.

1.1.3 Preparation of the consolidated financial statements

The accompanying consolidated financial statements have been prepared including the relevant consolidated financial information as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021.

1.1.4 The Company's activities

Ferrovial comprises the parent company, Ferrovial SE, incorporated in the Netherlands, and its subsidiaries and investees, which are detailed in Appendix I. Its registered office is at Kingsfordweg 151, 1043GR, Amsterdam, Netherlands.

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

- Construction: Design and execution of all manner of public and private works, including most notably the construction of public infrastructure.
- Toll roads: Development, financing and operation of toll roads.
- Airports: Development, financing and operation of airports.
- Energy Infrastructures and Mobility: This area was reported as a business segment for the first time in 2022. It focuses on development, financing and operation of power transmission lines and renewable energy generation plants, mobility, waste management plants and services to the mining industry in Chile.

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

In order to aid understanding of the Group's financial performance, these consolidated financial statements disclose separately the impact of projects of this nature in "fixed assets in infrastructure projects" in long-term financial assets (distinguishing those to which the intangible asset model is applied from those to which the financial asset model is applied – Note 3.3) and, in particular, in the cash and cash equivalents and borrowings (Note 5.2).

Following competitive bidding processes, these projects are conducted through long-term contracts entered with public authorities ("the grantor") which grant the right to build or upgrade, operate and maintain the infrastructure. The contract is awarded to a legal entity, the concessionaire entity, whose sole purpose is the performance of the project, where the Group has an ownership interest, together with other shareholders.

The concessionaire has to finance the construction or upgrade of the public infrastructure mainly with borrowings guaranteed by the future cash flows coming from the project term; as a result, these projects usually have cash restrictions established in the financing agreements to ensure repayment of borrowings. The shareholders also make capital contributions. Borrowings are generally secured at the time of entering into the service concession arrangement, and have no recourse to the shareholder or, in some cases, the recourse to the shareholders is limited to the guarantees issued (see Note 6.5.2 b.1).

Once construction or upgrade is complete, the concessionaire starts to operate and maintain the infrastructure, and in return, collects tolls or regulated charges for the use of the infrastructure, or through amounts paid by the grantor based on the availability for use of the related asset. These inflows allow to recover the initial investment. In most cases the construction and subsequent maintenance of the infrastructure is subcontracted by the concession operators to the Group's Construction Division.

From an accounting standpoint, most of these arrangements are within the scope of application of IFRIC 12. A list of the companies regarded as infrastructure project companies in included in Appendix I.

It should also be noted that the Group's main assets, which are equity accounted, are the 25% ownership interest in Heathrow Airport Holdings (HAH), the company that owns Heathrow Airport in London (UK), the 43.23% ownership interest in 407 ETR, the concession operator of the 407 ETR toll road in Toronto (Canada), the 49% indirect ownership interest in the share capital of the company JFK NTO LLC, the concession company of New Terminal One at the International John F. Kennedy Airport in New York, the 50% stake in AGS, which owns Aberdeen, Glasgow and Southampton airports in UK, and finally, the 24,86% ownership interest in IRB Infrastructure Developers Limited, one of India's leading infrastructure companies, listed in Bombay. Note 3.5 on investments in equity-accounted companies includes information relating to the changes in these companies' balance sheets and income statements, which is complemented by information considered to be of interest in other notes to the financial statements.

1.1.5. Assets and liabilities held for sale and discontinued operations

Assets and liabilities held for sale

<u>Divestments made during 2023 are described below</u>:

The held-for-sale assets balance as of December 2023 is nil. The balance of EUR 2 million in 2022 related to land owned by the company Southern Crushed Concrete (SCC), a Webber subsidiary (Construction Division), which was sold in the first week of February 2023 to the company BCG Investment Group for a price of USD 2.3 million.

The agreement reached for the sale of the Azores toll road in Portugal (Note 1.1.6) has no effect on the held for sale heading as it was classified as such and also divested during 2023.

<u>Divestments made during 2022 are described below</u>:

In August 2022, the sale of the remaining 20% of the Vía do Infante (Algarve) toll road to DIF Capital Partners was completed for EUR 23 million, as part of the sale of Ferrovial's 49% ownership interest in this concession arranged in 2020. The impact on the income statement was immaterial.

<u>Divestments made during 2021 are described below</u>:

During 2021 Ferrovial sold 20% of the Portuguese toll road Norte Litoral and the Group's shares in Concesionaria de Prisiones Figueras, S.A.U. and in Urbs Iudex Et Causidicus, S.A., as explained in Note 1.1.6

Discontinued operations

As indicated, discontinued operations relate to the Services Division, the divestment of which was completed in 2022, once the infrastructure upkeep and maintenance business in Spain and in the UK (Amey) were sold.

<u>During 2023</u>

Profit from discontinued operations amounted to EUR 16 million and relates mainly to the update of the indemnities and earn-outs associated with the Services Business disposal in Spain and Portugal as well as other adjustments related to the Amey business divestment in the UK.

<u>Divestments made during 2022 are described below</u>:

On January 31, 2022, the sale agreement between Ferrovial and Portobello Capital for the acquisition of the infrastructure upkeep and maintenance business in Spain was completed once all the conditions precedent had been fulfilled. The total price received by Ferrovial reached EUR 175 million. According to the sale agreement, a Ferrovial subsidiary acquired the 24.99% of the buyer's capital for a price of EUR 17.5 million. The impact on the income statement was immaterial.

On December 31, 2022, the Amey business in the United Kingdom, related to full life-cycle engineering and infrastructure upkeep and maintenance services, was sold to a company controlled by funds managed by One Equity Partners, which completed the transaction in association with its shareholder Buckthorn Partners. The net consideration (equity value) received by Ferrovial was GBP 264.6 million (EUR 301.3 million), as per the final agreement reached on April,17 2023, with no further applicable price adjustments. The net consideration was in the form of cash (GBP 112.8 million (EUR 128.5 million)) and a vendor loan note of GBP 151.8 million (EUR 172.8 million) to the seller, arranged on the completion date, repayable over the coming five years and accruing 6% annual interest (increasing to 8% after year three). The capital gain generated totaled EUR 58.3 million and was accounted for under Profit/(loss) from discontinued operations in the income statement, which also included the transfer to the income statement of currency translation differences (EUR -155.6 million) and changes in the fair value of derivatives (EUR -15.4 million) accumulated in equity (Note 5.1.1).

Previously, the business activity providing financial management services for PFI (Project Finance Initiative) project companies in the United Kingdom through the subsidiary Amey was sold for GBP 5 million in the first half of 2022, while Amey's business area engaged in energy and water infrastructure maintenance was also sold (to British fund Rubicon) for a total price of GBP 20.3 million, including a deferred payment of GBP 18 million arranged through a loan to the buyer (Note 3.6.2). The impact on the income statement was immaterial.

Divestments made during 2021 are described below:

In November 2021, the agreement to sell the US Services business related to oil and gas industry infrastructure maintenance was completed for a total price of USD 16 million (EUR 14 million). The impact on the income statement was a loss of EUR 28 million, recognized under Profit/(loss) from discontinued operations.

On December 1, 2021, the sale agreement reached between Ferrovial and PreZero (company of the Schwarz Group) on July 26, 2021 for the Environment Services business in Spain and Portugal was completed once all the conditions precedent had been fulfilled. The total price of the shares received by Ferrovial was EUR 1,032 million. This transaction generated a profit of EUR 335 million, which is carried under Profit/(loss) from discontinued operations in the income statement.

Additionally, in 2021 the UK waste treatment business (reported in Energy Infrastructures and Mobility), the contract to maintain and operate the section of the A2 toll road and the contract to maintain and operate Madrid Calle 30 (reported in "Toll Roads"), together with the US infrastructure maintenance business and the energy efficiency services business (both reported in "Construction") were reclassified as continuing operations. This decision was taken following the progress made in the divestment processes and considering that certain contracts included in the Services division could fit strategically into other divisions of the Group, facilitating the execution of the divestment processes.

1.1.6. Consolidation scope changes and other divestments of investees

There follows a description of the most significant movements in the consolidation scope in 2023, 2022 and 2021.

Airports

During the year 2023:

There have been no changes in the consolidation scope during 2023.

During the year 2022:

Investment in the company JFK NTO LLC, holding the concession for the new Terminal One at New York's JFK Airport

On June 10, 2022, the agreement whereby Ferrovial invested in the capital of JFK NTO LLC, so as to remodel, build, finance, operate and maintain the facilities of the New Terminal One at New York's John F. Kennedy International (JFK) Airport, came into effect. Ferrovial holds a 49% indirect ownership interest in the project. The other shareholders are JLC and Ullico, which have direct interests of 30% and 19%, respectively, and Carlyle with an indirect ownership interest of 2%.

The terminal is expected to come into operation in 2026. The concession agreement is for the operation of the terminal until 2060.

Also on June 10, 2022, the concession agreement between JFK NTO and the Port Authority of New York and New Jersey and the financing and construction contracts between the concession operator, the financing banks and the design and build contractor all came into force.

The forecast investment in the project stands at USD 10,800 million (Phases A and B) and will be funded by a capital contribution of USD 2,330 million from the project partners, of which Ferrovial will contribute USD 1,142 million (USD 294 million contributed at December 2023) and the remainder will be funded by non-recourse borrowings obtained by the shareholders.

In June 2022, the loan signed by JFK NTO LLC reached USD 6,630 million with a banking syndicate (USD 1,430 million drawn down at December 2022). The first debt refinancing took place in December 2023, when NTO issued USD 2.0 billion in series 2023 bonds designated as green bond by Kestrel. This milestone mitigates nearly one-third of the refinancing risk with still three years still left to refund the initial bank loan. A portion of the issuance (USD 800 million) was insured by Assured Guaranty Municipal Corp. ("AGM"). JFK NTO, in the course of its ongoing business operations, continues monitoring the refinancing market for its bank facility and may refinance any outstanding amounts thereunder when market conditions are deemed appropriate by the lessee (Note 3.5.3).

In connection with this transaction, the Ferrovial agreed with Carlyle Group on the payment of earn-out consideration should Carlyle divest its outstanding 4% interest in Mars NTO LLC. This earn-out payment would be triggered either if Carlyle transfers its stake to a third party or to Ferrovial. This payment depends on the value creation by the project. An estimation of the earn-out payment was included in our valuation of the investment as presented in the audited financial statements. Any future changes in the valuation of the earn-out may affect our results.

In addition, a call/put option was agreed between Carlyle Group and Ferrovial over the shares that the former indirectly holds in the project. It is exercisable by Carlyle from June 2028 to June 2032 and by Ferrovial from January 2031 to June 2034. The strike price will be based on an estimate of the fair value at the exercise date. The call/put option does not meet the requirements included in the definition of a liability.

As required by IFRS 10, the shareholder agreements and the other project contracts were analyzed and the conclusion was drawn that the qualified majorities and minority shareholders' veto rights set out in the aforementioned agreements for the approval of most of the relevant decisions means that they must be taken, de facto, with the agreement of the other shareholders, entailing a situation of joint control. As it is a joint venture, the ownership interest in the project is consolidated using the equity method, in accordance with IFRS 11.

On a different note, the analysis of the concession agreement with the Port Authority indicates that it comes under the scope of IFRIC 12 for the intangible asset model, since there are no secured payments (see point 1.3.3.2. which details the treatment of this type of concessions). Therefore, the costs incurred during the construction phase are mostly capitalized and carried as intangible assets to be amortized during the operating phase, which will end in 2060.

Acquisition and takeover of Dalaman International Airport

a. Description of the transaction

On July 19, 2022, the Group acquired 60% of the voting shares in YDA Havalimanı (Dalaman International Airport) as part of the strategy of diversifying the airport portfolio when growth opportunities are identified. This Turkish company was awarded the concession agreement to refurbish and operate Dalaman International Airport. The total nominal price stood at EUR 144 million, of which EUR 119.2 million was paid as of December 2022. A further EUR 15.2 million relates to a deferred payment made in October 2023, and the remaining EUR 9.9 million corresponds to the earn-out, that was paid in December 2023.

The YDA Group, which currently holds a 40% stake, was awarded the 28-year concession to operate the airport until 2042.

Fees per passenger are set and collected in euros under the concession agreement; also, the financing agreements are denominated in euros, therefore, Dalaman´s airport functional currency is euro.

The acquisition of the 60% stake means that Ferrovial holds the majority of voting rights on the concession operator's Board and can therefore direct its relevant activities. Therefore, Ferrovial has control over the company in accordance with IFRS 10, paragraph 10. Accordingly, the ownership interest in the concession company is fully consolidated.

b. Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Dalaman Airport as at the date of acquisition were the following (for simplicity, the June 30, 2022 balance sheet was used, since the effect of 19 days to the transaction date is immaterial, as indicated later on):

(Million euro)	FAIR VALUE RECOGNIZED ON ACQUISITION
Property, plant and equipment	1
Intangible assets (Note 3.3.1.)	638
Deferred tax assets	18
TOTAL ASSETS	**671**
Long-term borrowings	115
Other long-term payables	281
Short-term borrowings	17
Trade and other payables	18
Deferred tax liability (Note 2.8.3)	46
TOTAL LIABILITIES	**476**
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE 100%	**196**
Total identifiable net assets at fair value 60%	117
Goodwill associated with deferred tax liability (Note 3.1.1)	27
PURCHASE CONSIDERATION TRANSFERRED	**145**

The main fair value adjustments made are explained below:

i. Intangible assets:

It represents the fair value of the concession calculated using the discounted cash-flows resulting from the economic model. The adjustment for the intangible asset identified at the acquisition date stood at EUR 79 million.

ii. Bank borrowings:

In October 2016, the concession company arranged a loan of EUR 162 million from the European Bank for Reconstruction and Development (EBRD) to fund the new international terminal. This loan accrues an interest rate of Euribor plus a spread of +4.2%.

Fair value was calculated by discounting cash flows at a rate representing acquisition date financial conditions. The resulting adjustment reduced the carrying amount of the debt by EUR 9 million.

iii. Tax effects of the transaction

Under paragraphs 19 and 20 of IAS 12, if a balance sheet item is recognized at fair value in a business combination when its tax value has not changed, a deferred tax asset or liability must be recorded. A 20% tax rate was applied, this being the corporate tax rate in Turkey at the acquisition date. The net deferred tax effect was a deferred tax liability of EUR 46 million.

The goodwill recognized on the acquisition stood at EUR 27 million, netting the tax effects resulting from the fair value adjustment on intangible assets and borrowings described above and recognized pursuant to IAS 12.

The carrying amount of other assets and liabilities is equal to their fair value. No contingent assets or liabilities were recognized in relation to this business combination.

In July 2023, the valuation was completed and the fair value of the net assets acquired are considered definitive.

c. Purchase consideration

	Amount fair value
Shares issued, at fair value	104
Deferred payment	30
Contingent consideration liability	11
TOTAL CONSIDERATION	**145**

Transaction costs of EUR 3 million were expensed.

d. Contingent consideration

As part of the purchase agreement a contingent consideration was agreed with the previous owner of YDA Group. There would be an additional cash payment to the previous owners if the total number of international passengers departing from Dalaman Airport from the period between October 1, 2021 until September 30, 2023 exceeded the threshold set by the share purchase agreement. As at the acquisition date, the fair value of the contingent consideration was estimated, determined using the present value technique, to be EUR 11 million. This figure was revised in line with the latest available traffic information (EUR 9.9 million) and was finally paid as of December, 2023, being the difference of both amounts recognized as a financing result through the income statement.

Toll roads

During the year 2023:

Azores toll road

Ferrovial, through its Toll Roads subsidiary, has reached an agreement to sell 89.2% of the Azores toll road, in Portugal, to infrastructure funds Horizon and RiverRock. The price of the transaction, which is in line with the company's asset rotation strategy, reached EUR 42.6 million.

The sale has provided EUR 39 million before taxes in capital gains for Ferrovial (reported in the income statement under Impairment and disposal of fixed assets). Ferrovial will continue to provide technical services to the concession company for two years, which may be extended by mutual agreement.

During the year 2022:

Ferrovial, through its toll road subsidiary Cintra acquired a further 7.135% interest in the I-77 toll road in North Carolina, USA, in November 2022. The transaction was valued at USD 109 million (EUR 104 million). Ferrovial's stake in the asset has thus increased from 65.1% to 72.24%. Since the Company was already fully consolidating this asset, the difference between the price paid and the book value of the acquired stake was recorded against the reserves of the parent company (EUR -88 million) and by reducing the amount of minority interests (EUR-15 million as per Note 5.1.1).

During the year 2021:

I-66 acquisition and takeover

a. Description of the transaction

Cintra, a Ferrovial subsidiary and the indirect owner of 50% of the concession operator I-66 Express Mobility Partners Hold. LLC (I-66), acquired an additional 5.704% ownership interest in that company for USD 182 million (approximately EUR 162 million) on 17 December 2021, together with a commitment to inject additional capital until construction phase completion (EUR 36 million, approximately). Payment was made in cash.

As a result, Ferrovial's total shareholding stands at 55.704% of the concession awarded by the Virginia Transport Department. It is a transformation project to design, build, finance, operate and maintain the 36-km I-66 toll road. Construction was completed at the end of 2022 and the toll road has been operational since then.

The acquisition of this additional ownership interest means that Ferrovial holds the majority of voting rights on the concession operator's Board and can therefore direct its relevant activities. Since then, Ferrovial has had control of the company pursuant to IFRS 10, paragraph 10. Consequently, the interest in the concession operator, which was equity-accounted, is now fully consolidated.

On taking control of the company and in accordance with IFRS 3.42, the equity-accounted interest (50%) was derecognized and measured at fair value, a capital gain being recorded in the amount of the difference.

Fair value was calculated by extrapolating the price offered by a third party to purchase 10% of the shares, which was accepted by all the minority shareholders, to all the shares. In addition, a control premium estimated at 2% was added on top of that extrapolated value. The fair value of the prior 50% interest calculated as described stood at EUR 1,448 million (USD 1,628 million), including the control premium.

This valuation entailed recognizing a gain of EUR 1,101 million in the amount of the difference between the fair value of Ferrovial's pre-existing 50% ownership interest in the company (EUR 1,448 million) and its carrying amount (EUR 348 million); this gain was recognized in "Impairment and disposals of fixed assets".

Ferrovial also recorded an additional gain on the sale of EUR 16 million corresponding to the I-66 related currency translation differences that existed at the date of the transaction, that pursuant to IFRS 3 and IAS 28 were reclassified to the income statement under the heading "impairment and disposals of fixed assets". Therefore, the total result of the operation reached EUR 1,117 million.

b. Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the concession operator I-66 Express Mobility Partners Hold. as at the date of acquisition of the additional 5.704% ownership interest in that company were (for simplicity, the November balance sheet was used, since the effect of 17 days to the transaction date is immaterial, as indicated later on):

(Million euro)	FAIR VALUE RECOGNIZED ON ACQUISITION
NON-CURRENT ASSETS	**4,432**
Fixed assets in infrastructure projects (Note 3.3)	4,432
CURRENT ASSETS	109
Receivables	108
Cash and cash equivalents	1
TOTAL ASSETS	**4,542**
NON-CURRENT LIABILITIES	1,527
Long-term borrowings	1,527
CURRENT LIABILITIES	118
Short-term borrowings	27
Trade and other payables	90
TOTAL LIABILITIES	**1,654**
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	**2,897**

The fair value of the trade receivables amounted to EUR 108 million and it was expected that the full contractual amounts would be collected.

The fair value adjustments are briefly explained below:

a. Fixed assets in infrastructure projects: The fair value of this asset was calculated using the discounted cash-flows resulting from the economic model, reaching EUR 4,432 million.
b. Deferred grant income. This balance sheet item did not represent an actual liability for the company. Therefore, in accordance with IFRS 3, fair value was deemed to be zero and the amount was adjusted (EUR 65 million).
c. Borrowings: The concession operator entered into two debt agreements in November 2018 in order to finance the toll road's construction: a senior loan comprising four fixed-rate listed bonds accruing quarterly interest payments and a subordinated loan obtained under the 1998 Transportation Infrastructure Finance and Innovation Act (TIFIA), which accrues interest of 2.8% per annum. The fair value of the bond debt was calculated based on the quoted price at the acquisition date. In the case of the TIFIA loans, the fair value was obtained by discounting flows. The resulting adjustment reduced the carrying amount of the debt by EUR 317 million.
d. The carrying amount of other assets and liabilities was equal to their fair value.

<u>Tax effect of the transaction</u>

The concession operator acquired is taxed under pass-through tax rules, meaning that deferred taxes are only recognized based on the shareholding percentage. According to IAS 12, paragraphs 19 and 20, if a balance sheet item is recognized in a business combination at fair value when the tax base has not changed, deferred tax must be recorded considering the amount of this difference.

The tax effects recognized by the parent company (Cintra 2 I66 Express Mobility Partners LLC) were as follows:

- Deferred tax liability related to the debt: the fair value adjustment to the debt reached EUR -317 million million, giving rise to a deferred tax liability of EUR 37 million. The deferred tax is being recognized through the income statement as per the debt repayment schedule.
- Deferred tax liability related to the intangible asset and the deferred income (grant): the fair value adjustment to the intangible asset reached EUR 1,820 million, giving rise to a deferred tax liability of EUR 212 million in the shareholder. Another deferred tax liability of EUR 8 million was also recognized due to the derecognition of deferred income (grant). These taxes are being taken to the income statement as the asset is amortized.

The goodwill recognized on the acquisition reached EUR 254 million, netting the tax effects described above and recognized by the parent company pursuant to IAS 12, paragraph 66.

No goodwill was attributed to non-controlling interests and transaction costs were immaterial.

c. Purchase consideration

	Amount fair value (EUR)
Shares issued, at fair value	162
Commitment to inject additional capital	36
TOTAL CONSIDERATION	**198**

Acquisition of 24.86% of the Indian company IRB Infrastructure Developers Limited

On December, 29 2021, Ferrovial completed the acquisition, through its Dutch subsidiary Cintra INR Investments BV, of 24.86% of the Indian company IRB Infrastructure Developers Limited by subscribing a preferred capital increase. The amount paid reached EUR 369 million. The transaction price was established by considering the average price weighted by the trading volume for the two weeks prior to the closing.

IRB Infrastructure Developers was founded in 1998, is listed on the Bombay Stock Exchange and is one of India's leading infrastructure companies. It has 24 toll road concessions representing a share of around 20% of the so-called Golden Quadrilateral, the road network that connects the country's main economic development hubs, with a total of 11,930 kilometers of portfolio toll roads. The most significant assets include the Mumbai-Pune toll road, regarded as one of India's most important highways. Revenue stood at EUR 828 in 2023).The company's construction division, which currently works exclusively for its own concession projects, had a total of 11,930 kilometers of portfolio toll roads (15,444 km in 2023).

The ownership interest acquired together with Ferrovial's presence on the Board of Directors, awards Ferrovial significant influence in IRB (IAS 28.5 and 28.6). Consequently, under AS 28.10, the shareholding is equity accounted.

Construction

During the year 2021:

In February 2021, Budimex, Ferrovial's construction subsidiary in Poland, reached an agreement to sell the real estate business carried on through its subsidiary Budimex Nieruchomości. The sale, which was completed in June for the sum of PLN 1,513 million (EUR 330 million, net of transaction costs), entailed recognizing a capital gain, before non-controlling interests, of EUR 107 million on the profit/(loss) net of tax from discontinued operations line.

In addition, at year-end 2020 an agreement was reached with Aberdeen Infrastructure (Holdco) IV B.V to sell the Group's ownership interest in Urbs Iudex Et Causidicus, S.A – URBICSA – (22%) for EUR 17 million. This transaction was completed in the second quarter of 2021 and entailed recognizing a capital gain of EUR 17 million on the impairment and disposals line.

Services

During the year 2022:

As explained in Note 1.1.5 about held-for-sale assets and liabilities and discontinued operations, 2022 saw the completion of the Services business divestment process thanks to the sale of the infrastructure upkeep and maintenance businesses in Spain and the services business in the UK (Amey).

During the year 2021:

As indicated in the notes on results of discontinued operations (Note 2.9), during 2021, sale agreements were reached for the Environmental Services business in Spain and Portugal and for infrastructure maintenance in the oil and gas industry business in the United States.

Energy infrastructures and Mobility

During the year 2021

On September, 20 2021 Ferrovial, through its subsidiary Ferrovial Infraestructuras Energéticas, acquired 100% of the assets of Parque Solar Casilla S.L.U., which held permits to build a 49.9 MWp solar photovoltaic plant in Gerena (Seville). The plant's energy output matched Ferrovial's energy consumption in Spain and Portugal and was destined for the wholesale market in this geographic area. The investment amounted to EUR 10.3 million.

In this case, the difference between the price paid (EUR 10.3 million) and the net value of the assets (EUR 1.2 million) was EUR 9.1 million, an amount that was allocated entirely to an intangible asset comprising the permits and licenses obtained by the company to build and operate the plant, which will be amortized over the plant's lifetime.

1.1.7. Restatement of the comparative financial statements

The consolidated statement of financial position as of December 2022 was reexpressed to reflect changes related to JFK NTO in equity-accounted investments, driven by the update allowed by IFRS 3 within the 12-month period from the acquisition moment, based on new information about facts and circumstances that already existed at the point the investment was made.

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

Balance Sheet

	2022		2022
(Million euro)	**Audited**	**Adjusted**	**Restated**
Non-current assets	**18,865**	**60**	**18,925**
Investments in associates	1,892	59	1,951
Other non-current assets	16,973	1	16,974
Current assets	**7,419**	**0**	**7,419**
TOTAL ASSETS	**26,284**	**60**	**26,344**

	2022		2022
(Million euro)	**Audited**	**Adjusted**	**Restated**
Equity	**6,354**	**-1**	**6,353**
Non-current liabilities	**14,552**	**60**	**14,612**
Other long-term payables	838	60	898
Other non-current liabilities	13,714	0	13,714
Current liabilities	**5,378**	**1**	**5,379**
TOTAL LIABILITIES	**26,284**	**60**	**26,344**

Income Statement

The impact on the income statement (EUR -1 million) disclosed in the Equity balance sheet heading in the previous table, was recognized as a financial result, in the caption Profit/(loss) on derivatives and other net financial income/(expense).

1.2. GOING CONCERN ASSESSMENT

Ferrovial began 2024 in a very strong cash position. On December 31, 2023, our cash and cash equivalents of ex-infrastructure project companies reached EUR 4,585 million. Ferrovial also has additional liquidity lines available in the amount of EUR 650 million related to corporate debt, and EUR 139 million related to other borrowings balances at December 31, 2023. It should also be noted that the Group's short-term assets and liabilities, including cash and debt, show a positive balance at end-December 31, 2023. Ferrovial believes that this strong cash position should be sufficient to comply with its future obligations, including expected shareholder distributions for an accumulated amount of EUR 1.7 billion during the period 2024-2026. Also worthy of note are the expected dividends from infrastructure assets in the existing portfolio (excluding dividends from Heathrow), amounting to EUR 2.2 billion for 2024-2026.

As in prior financial years, in order to conclude as to the Company's capacity to continue as a going concern, the Group has analyzed future cash needs, focusing on the financial years 2024 and 2025, also including a pessimistic scenario with a series of stress assumptions regarding the Company's cash flow, most notably:

- Reduction in dividends from infrastructure project companies in 2024 and 2025 (50% in the case of airports and toll roads and all dividends in the case of energy).
- Construction business cash flows for 2024 and 2025 projected to fall at around EUR -115 million per annum, explained by worse working capital evolution and lower business profitability.
- Elimination of the asset divestments expected for the period 2024-2025, including the possible divestment of our current 25% stake in Heathrow Airport and our minority stake in certain financial assets held by toll roads concessions.
- Contingent capital contributions of around EUR 100 million per annum.

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

1.3. ACCOUNTING POLICIES

1.3.1. New accounting standards

1.3.1.a) New standards, amendments and interpretations adopted by the European Union that must be first-time adopted in 2023

At December 31, 2022 none of the standards, interpretations or amendments that are applicable for the first time in the current year have had a significant impact on the measurement, recognition or presentation of any items in the Group's financial statements. The following paragraphs explain the amendments to standards that have had an impact on disclosures in the financial statements:

Disclosure of Accounting Policies

Amendments to IAS 1 and IFRS Practice Statement 2 "Making Materiality Judgements": The amendments to IAS 1 and IFRS Practice Statement 2 aim to help entities to provide more useful accounting policy disclosures by replacing the requirement to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The disclosures contained in these financial statements have been reviewed in line with these Amendments to IAS 1 and IFRS Practice Statement 2.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's Base Erosion and Profit Shifting (BEPS) Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements, which apply for annual reporting periods beginning on or after January 1, 2023, have been included in Note 2.7.4.

Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12

These amendments narrow the scope or the initial recognition exception under IAS 12, so it no longer applies to transactions that give rise to equal taxable and deductible temporary. Differences". The impact of these amendments on these financial statements has been immaterial.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

1.3.1.b) New standards, amendments and interpretations mandatorily applicable in financial years after December 31, 2023

The new standards, amendments and interpretations approved by the IASB but not yet mandatorily applicable at December 31, 2023 that might have an effect on the Group are as follows:

Standard, interpretation or amendment	Date published in the EU Official	Date applicable in the EU	IASB applicable date
Amendment to IAS 1 Presentation of financial statements: Classification of financial liabilities as current or non-current	December 19, 2023	January 1, 2024	January 1, 2024
Amendment to IFRS 16 – Lease Liability in a Sale and Leaseback	November 20, 2023	January 1, 2024	January 1, 2024
Amendment to IAS 7 and IFRS 7 - Characteristics of financing arrangements and new disclosures to help users of financial statements understand the effects of these arrangements on liabilities, cash flows and exposure to liquidity risk.	Pending	Pending	January 1, 2024
Amendment to IAS 21 – Clarifications to assess whether a currency is convertible and how they should determine the spot rate when there is no convertibility.	Pending	Pending	January 1, 2025

Although the Group is currently analyzing the impact of the above amendments, the preliminary analyses carried out to date do not indicate that first- time adoption will have a material impact on the consolidated financial statements.

1.3.2. Basis of consolidation

In 2023 and 2022, the reporting dates of the individual financial statements of all the companies included in the consolidation scope were either the same as, or were temporarily brought into line with, that of the parent company. In this regard, in order to calculate the degree of control, joint control or significant influence in each Group company, the consistency of the ownership interest held with the number of votes controlled in each company under their Bylaws and shareholder agreements is reviewed.

In the case of business activities with companies in which joint control is identified, the general basis of consolidation is the equity method. In relation to these businesses, besides situations in which there are two venturers, each with a 50% ownership interest, cases requiring a more in-depth analysis are those relating to infrastructure projects in which Ferrovial is the shareholder with the largest ownership interest (less than or equal to 50%) and has the right to propose the Chief Executive Officer or other executives of the investee, while the other shareholders, mainly infrastructure funds, sit directly on the Board of Directors.

Notable cases in this regard are the ownership interests held in the companies that own the following Toll Road projects (the percentage interest held in each is shown in brackets): 407 ETR (43.23%), Slovakia (35%), Toowoomba (40%) and OSARs (50%), as well as the interest in JFK NTO (49%), which was incorporated into the Airports Division in 2022, as described in point 1.1.4.

Contracts that are undertaken through temporary consortia (JVs) or similar entities that meet IFRS 11 requirements to be classified as "joint operations" are proportionately consolidated.

It is considered that, in such joint operations, the shareholders have direct control over the assets, liabilities, income and expenses of these entities. Operations of this nature contributed to the consolidated Group assets, profit/(loss) and revenue totaling EUR 517 million, EUR 36 million and EUR 1,437 million, respectively (EUR 428 million, EUR 40 million and EUR 1,242 million in 2022). The following companies stand out as being involved in construction projects:

PROJECT	COUNTRY	ACTIVITY	% SHARE	REVENUE (EUR M)
HS2 Main works	UK	Works on 80 km of the HS2 between Chilterns and Warwickshire, including 15 viaducts, 5 km of green tunnels, 22 km of road diversions.	15.00 %	289
Sydney Metro West	Australia	Metro design and construction on an 11-kilometre stretch of twin railway tunnels between Sydney Olympic Park and The Bays.	50.00 %	224
Riverlinx	UK	Design, construction, financing, operation and maintenance of the Silvertown Tunnel in East London.	50.00 %	158
Ontario Transit Group Constructor GP	Canada	Design, build and financing of the Ontario Line Subway: Construction of a 6.7 km, seven-station rapid transit system.	50.00 %	92
Coffs Harbour Bypass	Australia	Design and build contract for14 km of road, three tunnels and a service road.	50.00 %	68
Undergrounding of Murcia Station	Spain	Burying of the arterial railway network in the city of Murcia. New high-speed railway access to the east. Madrid-Castilla La Mancha-Comunidad Valenciana-Region of Murcia.	50.00 %	47
Linha Circular, A.C.E	Portugal	Ferrovial will build a new circular metro line in Oporto, the Pink Line, which will be 3.1 kilometres long. The work on the Pink Line includes the construction of four new stations, three ventilation shafts and the installation of the track and catenary.	65.00 %	43
Linha Amarela, A.C.E.	Portugal	Construction of the Yellow metro line in Oporto, with a new 3.15-kilometre section of double-track light rail. The work also includes the construction of a viaduct, a 770-metre tunnel and three stations, among other tasks.	65.00 %	41
Metro Paris Ligne 3A JV	France	Metro Paris with 6,7 KM tunnel. The work includes building three stations and eight ancillary infrastructures.	50.00 %	14
				977

Finally, the companies over which Ferrovial, S.E. exercises significant influence and which do not meet the requirements of IFRS 11 to be classified as "joint operations" are also equity accounted.

A breakdown of the equity-accounted companies can be found in Note 3.5 and in Appendix I.

Intragroup balances and transactions are eliminated on consolidation. However, the transactions recognized in the income statement in relation to construction works undertaken by the Construction Division for infrastructure project concession operators are not eliminated on consolidation, since it is considered that the Group performs work for the concession awarding entity or regulator in exchange for the right to operate the infrastructure under the terms pre-established by the granting entity or regulator.

The awarding entity or regulator thus controls the asset from inception and grants the above-mentioned right in exchange for the work performed and, therefore, the conclusion may be reached that, at the Group level, the work is performed for third parties. This approach is in line with IFRIC 12.

The non-elimination of these transactions had an impact of EUR -34 million on the 2023 income statement, after taxes and non-controlling interests (EUR -60 million in 2022 and EUR 5 million in 2021).

Appendix I contains a list of subsidiaries and associates.

Finally, as regards to transactions for the purchase or sale of an ownership interest that does not entail a change of control in the company in question, the non-controlling interest is measured at the proportional value of the net identifiable assets of the company acquired or sold. Changes in the parent's ownership interest in a subsidiary that do not give rise to a loss of control are equity transactions.

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

Set forth below is a breakdown reflecting only those accounting policies applied by the consolidated Group when preparing these consolidated financial statements that include an option permitted by IFRS or, as the case may be, on the basis of the specific nature of the industry in which it operates or of materiality.

1.3.3.1. Intangible assets, property, plant and equipment and investment property

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

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

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

1.3.3.2. Investments in infrastructure projects

This heading includes infrastructure investments made by the project companies within the scope of IFRIC 12 (mainly toll roads), where remuneration consists of an unconditional right to receive cash or other assets, or a right to charge fees for the use of the public -infrastructure.

The assets acquired by the concession operator to provide the concession services but which do not form part of the infrastructure (such as vehicles, furniture or computer hardware) are not included under this heading because they do not revert to the concession awarding entity. Assets of this nature are carried under “Property, plant and equipment” and are depreciated over their useful life using a financial method.

IFRIC 12 Intangible asset model assets

All initial investments relating to the infrastructure that subsequently reverts to the awarding entity, including compulsory purchase costs and borrowing costs capitalized during construction, are amortized on the basis of the applicable pattern of consumption in each case (generally traffic forecasts in the case of toll roads) over the term of the concession.

Investments contractually agreed at concession inception on a final and irrevocable basis that will be made at a later date during the concession term, provided they are not investments made to upgrade the infrastructure, are treated as initial investments. For investments of this kind, an asset and an initial liability are recognized for the present value of the future investment, applying a discount rate equal to the borrowing costs associated with the project to calculate present value. The asset is amortized based on the pattern of consumption over the entire term of the concession and the provision is updated to reflect interest expense until the investment is made.

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

A provision is recognized systematically for replacement investments over the period in which the related obligations accrue and must be fully funded by the time the replacement becomes operational. The provision is recognized based on the pattern of consumption over the period in which the obligation accrues using a financial method.

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

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

In case that just part of the upgrade is expected to be recovered through an increase in future revenue, the general accounting treatment used for investments that will be recovered over the concession term will be applied. The main assumptions employed in relation to these arrangements relate to traffic and replacement investment estimates, which are updated each year by the technical departments.

Set out below is a breakdown of the main concession agreements in force to which the intangible asset model is applied for both toll roads and airports, highlighting the aforementioned acquisitions of Dalaman International Airport and the New Terminal One at JFK NTO in 2022 (see Note 1.1.6) showing the term, status and consolidation method:

Intangible asset model concessions:

CONCESSION OPERATOR	COUNTRY	STATUS	START YEAR (*)	END YEAR	CONSOLIDATION METHOD
407 International Inc.	USA	Operation	1999	2098	Equity consolidation
NTE Mobility Partners, LLC	USA	Operation	2014	2061	Full consolidation
NTE Mobility Partners Seg 3 LLC	USA	Operation	2018	2061	Full consolidation
LBJ Infr. Group LLC	USA	Operation	2014	2061	Full consolidation
I-66 Mobility Partners LLC	USA	Operation	2016	2066	Full consolidation
I-77 Mobility Partners LLC	USA	Operation	2019	2069	Full consolidation
Eurolink Motorway Operations (M4-M6)	Ireland	Operation	2005	2033	Equity consolidation
Autopista Terrassa Manresa, S.A.	Spain	Operation	1989	2036	Full consolidation
Autovía de Aragón, S.A. (**)	Spain	Operation	2007	2026	Full consolidation
Dalaman International Airport	Turkey	Operation	2022	2042	Full consolidation
JFK NTO LLC	USA	Construction	2022	2060	Equity method

(*) First year of the concession (if in service) or year construction began (if it is in the construction phase).

(**) In 2021, the maintenance and operation contract for the A2 Highway section was classified as a continuing operation.

IFRIC 12 Financial asset model assets

This heading reflects service concession arrangements related to infrastructures in which the consideration consists of an unconditional contractual right to receive cash or another financial asset, either because the awarding entity guarantees payment of specific amounts or because it guarantees recovery of the shortfall between amounts received from public service users and the specified amounts. Therefore, these are concession agreements in which demand risk is borne in full by the awarding entity. In such cases, the amount due from the awarding entity is accounted for as a financial asset in the balance sheet.

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

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

This financial return from such concessions is recognized as revenue, since it forms part of the concession activity and is accrued on a regular, periodic basis.

At December 31, 2023 and 2022, financial returns recognized as revenue amounted to EUR 10 million and EUR 10 million, respectively.

Also, the borrowing costs associated with the financing of concessions to which the financial asset model is applied amounted to EUR 7 million in 2023, EUR 9 million in 2022 and EUR 12 million in 2021.

The main concession contracts that apply the account receivable model correspond to the Construction and Waste Treatment businesses (Thalia):

CONCESSION OPERATOR	COUNTRY	STATUS	START YEAR (*)	END YEAR	CONSOLIDATION METHOD
Concesionaria de Prisiones Lledoners	Spain	Operation	2008	2038	Full consolidation
Depusa Aragón, S.A.	Spain	Operation	2017	2037	Full consolidation
Wroclaw Budimex Car Park	Poland	Operation	2012	2042	Full consolidation
UK Waste Treatment (Thalia)	UK	Operation	2008	2036	Full consolidation

(*) First year of operation (if the project is in operational status) or First year of concession/construction period (if the project is in the construction phase)

In addition, within the companies accounted for by the equity method, the following toll road concession contracts also apply the account receivable model:

CONCESSION OPERATOR	COUNTRY	STATUS	START YEAR (*)	END YEAR	CONSOLIDATION METHOD
Eurolink M3	Ireland	Operation	2010	2052	Equity consolidation
A66 Benavente - Zamora	Spain	Operation	2015	2042	Equity consolidation
407 East Extension	Canada	Operation	2016	2045	Equity consolidation
Scot Roads Partnership Project Limited	UK	Operation	2017	2047	Equity consolidation
Nexus Infr. Unit Trust (Toowoomba)	Australia	Operation	2019	2043	Equity consolidation
Blackbird Infr. Group (407 East Phase 2)	Canada	Operation	2019	2047	Equity consolidation
Ruta del Cacao S.A.S	Colombia	Construction	2015	2040	Equity consolidation
Zero Bypass Ltd.	Slovakia	Operation	2016	2050	Equity consolidation
Netflow OSARs Western	Australia	Construction	2017	2040	Equity consolidation
Riverlinx, Ltd.	UK	Construction	2019	2050	Equity consolidation

(*) First year of the concession (if in service) or year construction began (if it is in the construction phase).

1.3.3.3. Other balance sheet and income statement items

Impairment and disposal of fixed and intangible assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indicator exists, the asset's recoverable amount is compared with its carrying value (i.e. net of accumulated depreciation). A provision for impairment is recognized in the income statement if the recoverable amount is lower than the carrying value. The provision is reversed in future years if the recoverable amount exceeds the carrying value.

The Group also assesses at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist.

The line "Impairment and disposal of fixed assets" primarily includes asset impairment and gains or losses on the purchase, sale and disposal of investments in Group companies and associates. When any such acquisitions or disposals of assets results in a takeover or loss of control, the capital gain relating to the updating of the fair value in respect of the stake maintained is recognized in the column showing fair value adjustments.

Leases

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets which are expensed. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets (Note 3.7).

The Group recognizes right-of-use assets at lease inception (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Group applies the exception set forth in the IFRS 16 paragraph 5(a), based on which leases that have a term of less than twelve months are treated as operating leases.

Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

Deferred tax assets and liabilities are not offset in these financial statements, as Ferrovial´s subsidiaries do not have a clear intention to settle current tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously.

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

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

Fair value measurement

When measuring derivatives, the credit risk of the parties to the agreement is taken into account. The impact of credit risk will be taken to the income statement unless the derivatives qualify as effective cash flow hedges, in which case the effect will be recognized in reserves.

The Group uses appropriate measurement methods based on the circumstances and on the volume of inputs available for each item, attempting to maximize the use of relevant observable inputs and avoiding the use of unobservable inputs. According to IFRS 13, the Group establishes a fair value band that categorizes the inputs to measurement methods used to measure fair value into the following three levels:

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

As explained in Note 5.5 Financial derivatives, all the Group's financial derivatives are on Level 2.

Financial instruments

Impairment of financial assets

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

This model applies to all financial assets, including commercial assets contracted under IFRS 15, non-trade assets and receivables under the IFRIC 12 model. For this calculation, the Group has developed a method whereby certain rates are applied to financial asset balances that reflect expected credit losses based on the credit profile of the counterparty (the customer, in the case of trade and other receivables and the awarding entity for financial assets under IFRIC 12).

These percentages reflect probability of default (receivables not being cashed) and loss in case default materializes.

The assignment of ratings and rate trends is overseen by the Financial Risk department, which performs an update at each year-end based on credit risks. If during the analysis a significant increase in risk is identified with respect to that initially recognized, the expected loss is calculated considering lifetime probability of default.

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

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

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

Classification and measurement of financial assets.

Under IFRS 9, the classification and measurement method are based on two aspects: the characteristics of the contractual cash flows from the financial asset and the entity's business approach to managing financial assets.

This entails three potential measurement methods: amortized cost, fair value through other comprehensive income (equity) and fair value through profit or loss. The Group's financial assets are mainly assets held to maturity, the cash flows of which only comprise payments of principal and interest, so financial assets are carried at amortized cost. It should be noted that there is an option to report fair value changes in other comprehensive income from the outset in the case of equity instruments measured by default at fair value through profit or loss. This decision is irrevocable and must be made for each individual asset.

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

Other equity instruments

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

Non-refundable grants related to assets

Non-repayable capital grants are measured at the amount granted under "Deferred income" (Note 6.1) in the consolidated statement of financial position and are progressively released to the income statement in proportion to the depreciation charged during the year on the assets financed by the grants. From a cash flow standpoint, the investments made are presented separately from the non-refundable grants received during the year.

Trade payables

The heading "Trade payables" also includes the liability to pay for goods or services acquired from suppliers under reverse factoring arrangements with banks.

These balances are classified as trade payables and the related payments as cash flows from operating activities in line with IAS 1, as they are part of the working capital used in the entity's normal operating cycle. Payments are made to the banks on the same terms agreed with the suppliers and with no extensions beyond the due dates agreed with the suppliers, and there are no special guarantees securing the payments to be made.

Provisions

This heading includes provisions covering risks arising in the course of business (see Note 6.3). The accounting treatment of each type of provision is as follows:

i. Litigation provisions and taxes: These provisions are recognized and reversed against operating profit/(loss), against net financial income/(expense) and/or against corporate income tax, depending on the nature of the tax for which the provision has been recognized (penalties, related interest, and/or contested tax assessments).
ii. Provisions for replacements under IFRIC 12: These provisions are recognized and reversed against depreciation charged during the period in which the obligations accrue, until the replacement becomes operational. The net depreciation charges amounted to EUR -6 million and EUR 28 million in 2023 and 2022, respectively.
iii. Provisions for other long-term risks: They are recognized and reversed against changes to provisions in operating profit/(loss), as and when the landfill closure costs are incurred
iv. Trade provisions: These provisions are recognized and reversed against changes to provisions in operating profit/(loss).

Share-based remuneration schemes

Share-based remuneration scheme are accounted for as a future and therefore the value of the foreseeable dividends up to the date is discounted to the value of the shares at the grant date using a rate of return equal to the average cost of borrowings over the share award period.

1.3.3.4 Revenue recognition

Ferrovial has a common revenue recognition policy adapted to IFRS 15 "Revenue from contracts with customers" so as to ensure a consistent approach across all lines of business.

i) General revenue recognition approach

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

A single performance obligation is generally identified in construction contracts due to the high degree of integration and customization of the various goods and services forming a combined output that is transferred to the customer over time.

In general, performance obligations in Construction activities carried out by Ferrovial are satisfied over time rather than at a point in time, since the customer simultaneously receives and consumes the benefits of the Company's work as the service is provided.

As regards the approach to recognizing revenue over time (a way of measuring the progress of a performance obligation), Ferrovial has established certain criteria that are applied consistently to similar performance obligations.

In this regard, the Group has chosen the output method as its preferred approach when measuring goods and services the control of which is transferred to the customer over time.

In contracts for goods and services that are different but closely interrelated when making a combined product, which often occurs under construction contracts, the applicable output method consists of measuring the work carried out or surveying performance completed to date, in which the revenue recognized reflects the work units executed and the unit price. Under this method, the units completed under each contract are measured and the relevant output is recognized as revenue.

Costs of works or services are recognized on an accrual basis, expensing amounts actually incurred (Note 1.3.3.4.IV on provisions for deferred expenses).

For recurring and routine services (involving substantially the same services) such as maintenance, showing the same pattern over time and remuneration consisting of a recurring fixed amount over the contract term (e.g. monthly or annual payments), such that the customer benefits from the services as they are provided, the Group opted for the time-elapsed output method to recognize revenue. Under this method, revenue is recognized on a straight-line basis over the term of the contract and costs are recognized on an accrual basis.

The costs-incurred input method only is applied to contracts that are not for recurring and routine services and for which the unit price of the units to be executed cannot be determined. Under this method, the Company recognizes revenue based on costs incurred as a percentage of the total costs forecast to complete the work, taking account of the expected profit margins for the whole project, based on the most recently updated budget.

This method entails measuring the costs incurred as a result of the work completed to date as a proportion of the total costs forecast and recognizing them as revenue in proportion to the total revenues expected.

As indicated above, this method only applies to lump-sum construction or service contracts in which it is not possible to break down the price and the measurement of units to be completed.

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

In the case of concession agreements in which Ferrovial both builds and operates the infrastructure, the construction company is the principal if it is ultimately responsible for fulfilling the contractual obligation to execute the work in accordance with the concession agreement specifications and therefore assumes the consequences in the event of a claim or delay. Revenues and results of those construction services are therefore recognized by the Construction Division. Conversely, the concession company acts as an agent in connection with the construction performance obligation and does not therefore recognize revenues or results in this regard.

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

Modifications are understood as changes to the initial contract's scope of works that could result in a change to the contract revenues. Changes to the initial contract require the customer’s technical and financial approval prior to the issuance of billings and collection of the amounts relating to additional work.

The Group generally does not recognize any revenue from such additional work until it has been approved by the customer. When the scope of work has been approved but the impact on revenue has yet to be valued, the “variable consideration” requirement (as explained below) will apply. This entails recognizing revenue in an amount that is highly unlikely to be reversed.

Any costs associated with the units completed or services rendered will be recognized when they are incurred, regardless of whether or not the modification has been approved.

A claim is a request for payment or compensation to the customer (e.g., compensation events, reimbursement of costs, legally mandated inflation adjustment) subject to an application procedure directly to the customer. The general criterion followed by the Group is not to recognize revenue until the request has been approved by the customer. In the event that the work is approved but the valuation is pending, the requirement mentioned below for the case of “variable consideration” in accordance with IFRS 15 is applied, recording the amount for which it is highly probable that there will not be a significant reversal. This treatment is also applied in exceptional cases where no approval has been received from the customer, recording revenue provided there is a legal report justifying that the disputed rights are clearly enforceable, as well as a technical report supporting the technical basis of the request or claim in question and approval from the Division’s CFO and General Counsel.

A dispute is the result of an incident of non- compliance or rejection after a claim has been made to the customer under the terms of the contract, the result of which is pending in a procedure being pursued directly with the customer or in court or arbitration proceedings.

In line with the criteria followed by the Group, in the event that the revenues relating to a dispute in which the enforceability of the amount being claimed are in doubt, these revenues will not be recognized and any amount recognized earlier will be cancelled, since the dispute shows that the customer has not given its approval for the completed work.

In the event that the customer questions the value of the work completed, revenues will be recognized on the basis of the criteria applied in cases of “variable consideration”, as explained below.

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

iii) Determination of the transaction price

The transaction price must allocate a price to each performance obligation (or distinct good or service) in an amount that represents the consideration to which the entity expects to be entitled in exchange for the transfer of committed goods or services to the customer. To this end, the transaction price of each performance obligation identified in the contract is allocated as a separate selling price in relative terms.

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

Variable consideration

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

Financing component

In general, when more than one year elapses between the date on which the good or service is delivered and the date on which the customer is expected to make payment, an implicit financing component is included when calculating the price of a performance obligation. This component is treated as financial income.

Where a performance obligation relates to a period of less than one year between the date on which the company transfers a good and the date on which the customer makes payment, the practical expedient permitted by the accounting standard is applied to avoid adjusting the amount of the consideration.

In cases in which there is a contractual or legal right to charge late-payment interest based on the contractually agreed terms, the late-payment interest is only recognized when it is highly probable that it will be effectively received.

iv) Balance sheet items related to revenue recognition

Completed work pending certification/work certified in advance

Unlike revenue recognition, amounts billed to the customer are based on the various milestones reached under the contract and on acknowledgement thereof by the customer by means of a contractual document referred to as a progress billing certificate. Therefore, the amounts recognized as revenue for a given year do not necessarily match those billed to or certified by the customer.

For contracts in which the revenue recognized exceeds the amount billed or certified, the difference is recognized in an asset account named “Completed work pending certification” (as a contract asset) under “Trade receivables for sales and services”, while for contracts in which the revenue recognized is lower than the amount billed or certified, the difference is recognized in a liability account named “Work certified in advance” (as a contract liability) under “Short-term trade and other payables”.

Bidding and mobilization costs

In addition to the balance sheet items described above, the Group also recognizes assets reflecting costs of obtaining contracts (bidding costs), costs incurred to fulfil contracts or start-up costs (mobilization costs) directly related to the main contract, provided they are recoverable during the performance of the contract. These balances are included in a separate asset account in the balance sheet under “Inventories” (Note 4.1).

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

Bidding costs incurred before a contract is awarded or the contractor selected as preferred bidder are recognized as an expense, unless they are explicitly recoverable from the customer in any event (whether or not the contract is obtained). They are amortized systematically as the goods and services related to the asset are transferred to the customer.

Any costs that are necessary to start up a contract or mobilization costs are capitalized whenever it is probable that they will be recoverable in the future, excluding any expenses that would have been incurred if the contract had not been obtained. They expensed based on the proportion of actual output to estimated output under each contract. Otherwise, they are taken directly to the income statement.

v) Provisions for contracts with customers

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

- Provisions for deferred expenses. They cover expenses that are expected to be incurred at contract close-out, such as for the removal of construction machinery or decommissioning, as well as estimated repairs to be carried out during the warranty period. These provisions reflect an existing obligation stipulated in the contract on the basis of which the company is likely to allocate resources to satisfy the obligation, the amount of which can be reliably estimated. The provisions are based on the best available information. They may be calculated as a percentage of the total revenue expected from the contract, if there is historical information for similar contracts.

Warranty obligations included in this type of provisions are not treated as a separate performance obligation, unless the customer has the option of contracting the warranty separately, therefore they are recognized in accordance with IAS 37.

These provisions are classified as current liabilities since they relate to the operating construction projects cycle, in line with IFRS 1.

- Provisions for budgeted losses. These provisions are recognized when it becomes apparent that the total costs expected to fulfil a contract exceed expected contract revenues. For the purpose of determining, where appropriate, the amount of the provision, budgeted contract revenue will include the forecast revenue that is considered probable, in line with IAS 37 (paragraph 14 (b) as well as incremental costs and those directly related to the contract. General costs are not directly attributable to a contract and are therefore excluded from the calculation unless they are explicitly passed on to the counterparty in accordance with the contract, in line with paragraph 68 (a) of IAS 37.

This differs from the IFRS 15 approach described above in Note 1.3.3.4 “Revenue recognition”, according to which revenue is only recognized when considered highly probable.

Should the total profit expected from a contract be lower than the amount recognized applying the above-mentioned revenue recognition approach, the difference is reflected as a negative margin provision.

vi) Segment-specific revenue recognition approach

Toll Roads business

The contracts included in this line of business are accounted for in accordance with IFRIC 12, which provides for the classification of contract assets on the basis of the intangible asset model and the financial asset model (mixed models could also be applied) (Note 1.3.3.2).

In the case of contracts classified as intangible assets, the customer is the infrastructure user and therefore each use of the infrastructure by users is deemed a performance obligation and the revenue is recognized at a point in time. In the case of contracts accounted for using the financial asset model, in which the public administration is the customer, revenue recognition depends on the various services provided (e.g. operation or maintenance), which are recognized as separate performance obligations to which market prices must be allocated.

Where a separate selling price is not directly observable, the best possible estimate is employed, applying the forecast business margin.

As mentioned above in point 1.3.3.4.i, in the case of concession agreements in which Ferrovial both builds and operates the infrastructure, the construction company is the principal if it is ultimately responsible for fulfilling the contractual obligation to execute the work in accordance with the concession agreement specifications and therefore assumes the consequences in the event of a claim or delay.

Airports business

Generally speaking, these are short-term services rendered to the customer (airlines or airport users), in which revenues will be recognized at a point in time.

It should be noted that JFK NTO LLC is acting as an agent in relation to the construction performance obligation. In this case, the design and construction services are the responsibility of a third-party company, contracted for this purpose by the former (such third party, the construction company). The conclusion that it was acting as an agent for the construction activity was reached after performing an assessment following the provisions of IFRS 15, especially considering paragraphs B35 and B37.

Energy Infrastructures and Mobility business

These contracts cover a number of services that are substantially the same and are transferred based on the same pattern. The monthly rate reflects the value of the services rendered. This type of contract includes a single performance obligation that is transferred over time for which revenues are recognized using the output method.

1.3.4. Accounting estimates and judgments

These financial statements are prepared in accordance with IFRS-IASB and with IFRS as adopted by the European Union, which require the use of estimates, judgments and assumptions that affect the carrying amount of assets and liabilities, the disclosure of contingent assets and liabilities and the amount of income and expenses recognized. The estimates and associated assumptions are based on management´s best judgement of aspects that are known when the financial statements are prepared, on historical experience and on any other factor that is deemed to be relevant.

The estimations of items for which there is a risk that a material difference could arise in the future in respect of the carrying amounts of assets and liabilities, involves significant analysis and estimation and requires management to make judgments when determining the assumptions, as discussed in the following paragraphs:

i) Revenue from long-term construction contracts with customers (Note 1.3.3.4), particularly as regards to:

- Application of the output method to recognize revenue over time, measuring the work carried out or surveying performance completed to date, in which the revenue recognized reflects the work units executed. Under this method, the units completed in each contract are the basis used to recognize revenue. Those units are calculated by each project team based on the technical progress made up to the financial statements date. The revenue recognized reflects the work units executed valued applying the unit price established in the contract.
- Application of the input method to recognize revenue over time on those contracts where the output method cannot be applied, estimating the total costs forecast to complete the work, using most recent contract budgets approved for each project by the relevant members of management, making assumptions on future prices of materials and subcontractors' work. Prices included in future materials supply arrangements and subcontractors' contracts are used. In case no supply contracts are in place, materials or subcontractors' costs are calculated based on market evidence or supply arrangements recently signed for other contracts.
- Provisions for deferred expenses: Management bases its calculations on historic experience and bears in mind the different countries and contract requirements.
- Provisions for contractual losses: They are recognized when the probable budget scenario, adjusted for internal fees, shows a loss.
- Recognition of revenue for variable consideration, for a modification, for a claim or for a dispute. In this regard, management bases its calculation on the specific clauses included in each contract and also considers past experience in other contracts. Management needs to make assumptions regarding the amount of incurred costs that will give rise to these additional sources of revenue and whether those costs meet the conditions for variable considerations, modifications, claims or disputes arising in connection with the contract.

ii) Toll Roads and Airports financial information under IFRIC-12 (Note 3.3 on Investments in infrastructure projects; Note 6.3 on Provisions) and the related impairment test (Note 3.1. on Goodwill and acquisitions) performed based on a discounted cash flow model, which involves management assumptions, mainly related to:

- Future traffic volumes (vehicles and passengers for toll roads and airports, respectively): For concessions already in operation, traffic estimates are built on actual traffic and growth patterns are derived from macroeconomic data, external studies in certain cases and any other information and plans that may impact future traffic. For concessions under construction, external projections (e.g. airports traffic forecast from international agencies) and researches (e.g. impact of e-commerce on heavy vehicles traffic or home working habits on the use of private vehicles for toll roads) are used.

- Pricing: Specific pricing arrangements included in concession contracts are considered. In case the arrangements do not include a fixed price, internal estimates of elasticity of demand regarding prices and other related inputs are used.
- Future operating expenses: Estimates of future prices of materials, subcontractors and other costs required to operate the concessions are based on historical experience, estimating price index grow and considering related requirements established in the concession agreements.
- Discount rates: Management calculates weighted average cost of capital based on external information sourced obtained from banks reports and converts it into a pre-tax discount rate for impairment test purposes.

iii) Fair value of assets held for sale related to discontinued operations (Note 1.1.5.), which only applies to 2021 and 2022: If the divestment process is in an advanced stage, non-binding and binding offers received from potential buyers are the main input. Where there are no offers in place, calculations based on publicly available multiples of similar transactions are also used.

iv) Allocation of the consideration transferred on the acquisition of I-66 at December 2021 and Dalaman at June 2022 to the fair value of its assets and liabilities and calculation of the corresponding goodwill, as well as calculation of the fair value of the previously held 50% stake in I-66 (Note 1.1.6).

Fair value of the toll road, which is accounted for in the "Fixed asset infrastructure projects-Intangible asset model" caption of the consolidated statement of financial position, was calculated based on the enterprise value implicit in the acquisition of the above mentioned 5,704%, as the toll road is the only relevant asset in the acquired company.

1.3.5. Disclosures

It should also be noted that information or disclosures that need not be included on the basis of qualitative significance have been omitted from these consolidated financial statements due to being immaterial under the IFRS Conceptual Framework.

1.4. EXCHANGE RATE

As indicated previously, Ferrovial has business outside the eurozone through various subsidiaries. The exchange rates used to translate their financial statements for Group consolidation purposes are as follows:

For balance sheet items (exchange rates at December 2023 and at December 2022 for the comparative period):

Closing exchange rate	2023	2022	Change 23/22 (*)
Pound sterling	0.8669	0.8853	(2)%
US dollar	1.1039	1.0705	3 %
Canadian dollar	1.4606	1.4506	1 %
Australian dollar	1.6206	1.5717	3 %
Polish zloty	4.3430	4.6852	(7)%
Chilean peso	967.7800	908.1600	7 %
Indian rupee	91.9427	88.1544	4 %

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

For items in the income statement and cash flow statement (cumulative average rates in December 2023, December 2022 and December 2021 for the comparative period):

Average exchange rate	**2023**	**2022**	**2021**	**Change 23/22 (*)**	**Change 22/21(*)**
Pound sterling	0.8696	0.8527	0.8586	1.98%	-0.69%
US dollar	1.0815	1.0533	1.1796	2.67%	-10.70%
Canadian dollar	1.4592	1.3698	1.4790	6.52%	-7.38%
Australian dollar	1.6288	1.5169	1.5785	7.38%	-3.91%
Polish zloty	4.5412	4.6847	4.5656	-3.06%	2.61%
Chilean peso	908.7522	917.5334	901.4610	-0.96%	1.78%
Indian rupee	89.3135	82.7262	87.2774	7.96%	-5.21%

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

The impact recorded in equity attributable to the parent company for this reason is EUR -83 million in 2023 and EUR 43 million in 2022 (see Note 5.1.1 Changes in equity).

The exchange rate effects are also analyzed in the notes to the financial statements, where relevant.

1.5. SEGMENT REPORTING

For management purposes, the Group is organized into business units based on its activities and services and has four reportable segments, as follows (Note 1.1.4):

- Construction, which undertakes the design and/or build of all sorts of public and private works, including most notably the construction of public infrastructures.
- Toll Roads, which carries out the development, financing and operation of toll roads.
- Airports, which is engaged in developing, financing and operating airports.

- Energy Infrastructures and Mobility, which basically focuses on developing energy transmission and renewable energy infrastructures, and also on the Mobility businesses and some services related to waste treatment in the UK.

No segments have been aggregated to form the above reportable segments.

The global Chief Executive Officer is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Furthermore, information reported to the market is also broken down into the above four segments.

The income statement is shown below by segment for 2023, 2022 and 2021. The "Other" column includes the income and/or expenses of companies not assigned to any of the business segments, including most notably the parent company Ferrovial SE and its other smaller subsidiaries. The "Adjustments" column reflects inter-segment consolidation eliminations.

As can be seen in the following tables, Construction and Toll Roads revenues account for more than 10% of the Group's consolidated revenue. The Airports segment used to exceed that threshold, but temporarily, and as a result of the pandemic, does not. Nevertheless, it is a distinct business line, managed separately and therefore disclosed as a reporting segment. The Energy and Infrastructures Mobility segment is a relatively new business area on which the Group is focusing. The CEO assesses its performance separately based on an income statement measured consistently with profit or loss in the consolidated financial statements and with a similar presentation.

Income statement by business segment: 2023, 2022 and 2021 (Million euro).

	Construction	Toll Roads	Airports	Energy and mobility	Other	Adjustments	Total 2023
Revenue	7,070	1,085	80	334	181	(236)	8,514
Total operating expenses	6,853	286	58	324	239	(236)	7,524
Fixed asset depreciation	141	213	20	20	7	–	401
Impairment and disposal of fixed assets	–	37	–	(2)	–	–	35
Operating profit/(loss)	**77**	**623**	**2**	**(12)**	**(65)**	**–**	**625**
Profit/(loss) on derivatives and other net financial income/(expense)	(29)	5	(12)	9	62	(2)	33
Net financial income/(expense) from financing	117	(224)	3	(4)	(111)	2	(217)
Net financial income/(expense)	**88**	**(219)**	**(9)**	**5**	**(49)**	**–**	**(184)**
Share of profits of equity-accounted companies	–	198	11	6	–	–	215
Profit/(loss) before tax from continuing operations	**165**	**602**	**4**	**(1)**	**(114)**	**–**	**656**
Income/(expense) tax	(61)	(54)	(20)	6	87	–	(42)
Profit/(loss) net of tax from continuing operations	**104**	**548**	**(16)**	**5**	**(27)**	**–**	**614**
Profit/(loss) net of tax from discontinued operations	–	–	–	–	16	–	16
Net profit/(loss)	**104**	**548**	**(16)**	**5**	**(11)**	**–**	**630**
Net profit/(loss) for the period attributed to non-controlling interests	(51)	(126)	7	–	–	–	(170)
Net profit/(loss) for the period attributed to the parent company	**53**	**422**	**(9)**	**5**	**(11)**	**–**	**460**

	Construction	Toll Roads	Airports	Energy and mobility	Other	Adjustments	Total 2022 (*)
Revenue	6,463	780	54	296	178	(220)	7,551
Total operating expenses	6,289	230	56	283	189	(222)	6,825
Fixed asset depreciation	113	160	7	12	7	–	299
Impairment and disposal of fixed assets	–	(3)	–	(3)	–	–	(6)
Operating profit/(loss)	**63**	**387**	**(9)**	**(2)**	**(16)**	**–**	**423**
Profit/(loss) on derivatives and other net financial income/(expense)	(34)	(110)	19	1	48	(2)	(78)
Net financial income/(expense) from financing	35	(240)	–	(9)	(30)	2	(242)
Net financial income/(expense)	**1**	**(350)**	**19**	**(8)**	**18**	**–**	**(320)**
Share of profits of equity-accounted companies	1	158	7	(1)	–	–	165
Profit/(loss) before tax from continuing operations	**65**	**195**	**17**	**(11)**	**2**	**–**	**268**
Income/(expense) tax	(5)	(39)	2	(4)	16	–	(30)
Profit/(loss) net of tax from continuing operations	**60**	**156**	**19**	**(15)**	**18**	**–**	**238**
Profit/(loss) net of tax from discontinued operations	–	–	–	–	64	–	64
Net profit/(loss)	**60**	**156**	**19**	**(15)**	**82**	**–**	**302**
Net profit/(loss) for the period attributed to non-controlling interests	(42)	(65)	(9)	–	–	(1)	(117)
Net profit/(loss) for the period attributed to the parent company	**18**	**91**	**10**	**(15)**	**82**	**(1)**	**185**

	Construction	Toll Roads	Airports	Energy and mobility	Other	Adjustments	Total 2021
Revenue	6,077	588	2	252	157	(166)	6,910
Total operating expenses	5,833	173	28	264	168	(165)	6,301
Fixed asset depreciation	112	141	–	12	5	–	270
Impairment and disposal of fixed assets	22	1,117	–	–	1	(1)	1,139
Operating profit/(loss)	**154**	**1,392**	**(26)**	**(24)**	**(16)**	**(1)**	**1,479**
Profit/(loss) on derivatives and other net financial income/(expense)	(24)	(86)	(6)	4	23	1	(88)
Net financial income/(expense) from financing	(6)	(198)	–	(7)	(36)	–	(247)
Net financial income/(expense)	**(30)**	**(284)**	**(6)**	**(3)**	**(13)**	**1**	**(335)**
Share of profits of equity-accounted companies	–	81	(254)	(6)	1	–	(178)
Profit/(loss) before tax from continuing operations	**124**	**1,189**	**(286)**	**(33)**	**(28)**	**–**	**966**
Income/(expense) tax	(49)	(71)	7	5	116	1	9
Profit/(loss) net of tax from continuing operations	**75**	**1,118**	**(279)**	**(28)**	**88**	**1**	**975**
Profit/(loss) net of tax from discontinued operations	115	–	–	–	246	–	361
Net profit/(loss)	**190**	**1,118**	**(279)**	**(28)**	**334**	**1**	**1,336**
Net profit/(loss) for the period attributed to non-controlling interests	(105)	(29)	–	–	(3)	(1)	(138)
Net profit/(loss) for the period attributed to the parent company	**85**	**1,089**	**(279)**	**(28)**	**331**	**–**	**1,198**

SECTION 2: PROFIT/(LOSS) FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

This section comprises the notes relating to the profit/(loss) for the year.

For the year ended December 31, 2023:

Net profit for the year reached EUR 460 million thanks to traffic and revenue per transaction growth in the Toll Roads business in US, as well as by the Construction Division's results, particularly the contributions from the businesses in Spain and Poland (Budimex).

In addition, net profit/(loss) for the year was impacted by several positive tax effects, highlighting the Spanish Supreme Court judgment (Note 6.5.1) on the application of the deduction for export activities regarding the 2006 investment made in the former BAA (Heathrow) with a positive impact of EUR 119 million.

Also noteworthy is the sale of the Azores toll road in Portugal (EUR 41 million) and the positive impact of financial derivatives (EUR 43 million), highlighting equity swaps impact due to the positive performance of the Company´s shares and Autema toll road interest rate swaps positive variation.

For the year ended December 31, 2022:

Net profit for 2022 reached EUR 185 million, primarily on the back of traffic growth in Toll Roads, explained due to the lifting of the COVID-19 restrictions and revenue per transaction growth in the US, as well as by the positive Construction Division's results, highlighting the business contributions in Spain and Poland (Budimex).

In addition, net profit/(loss) for the year was impacted by a profit of EUR 64 million from discontinued operations relating mainly to the divestments of the business operated in the UK through the subsidiary Amey (Note 1.1.5).

Finally, of particular note is the recognition of EUR 26 million in deferred tax liabilities, in addition to the EUR 41 million recognized in December 2021, for deferred taxes on the repatriation of future dividends from Canada (Note 2.7.2).

For the year ended December 31, 2021:

Net profit for the year stood at EUR 1,198 million was primarily affected by the capital gain in the concession operator I-66 Express Mobility Partners Hold. LLC (EUR 1,117 million), due to the revaluation of the pre-existing shareholding following the acquisition of an additional 5.704% (Note 1.1.6).

In addition, net profit/(loss) for the year was impacted by a profit of EUR 361 million (EUR 299 million impact on net income) from discontinued operations relating to two divestment transactions:

- Profit of EUR 246 million from the Services business (Notes 1.1.5 and 2.8), primarily derived from the Environment activity (Spain and Portugal) sold on December 1, 2021, with an impact of EUR 335 million.
- Profit from the sale of the Budimex Group's Polish real estate business (B.N.I.) on February 22, 2021 at a gain of EUR 115 million (EUR 53 million in net profit/(loss, after non-controlling interests).

Other non-recurring effects on the impairment and disposals line reaching EUR 22 million relate basically to sale transactions in the Construction Division, particularly the gain on the divestment of the 19.86% ownership interest in Nalanda, the sale of 22% ownership of Urbicsa and the divestment in Figueras.

These 2021 results were still affected by the impact of COVID-19 on the Airports business, particularly on Heathrow Airport (HAH) and AGS airport, both being equity-accounted investment, for which losses of EUR 238 million and EUR 20 million were recognized respectively through the income statement at December 31, 2020, reducing the ownership interests to zero.

NOTES ON PROFIT/(LOSS) FROM CONTINUING OPERATIONS

2.1. OPERATING INCOME

The Group's revenue as of and for the years ended December 31, 2023, 2022 and 2021 from contracts with customers, as interpreted by IFRS 15, amounted to EUR 8,339 million, EUR 7,385 million and EUR 6,810 million, respectively (Note 4.4).

Revenue includes financial income from services provided by the concession operators that apply the financial asset model, totaling EUR 10 million, EUR 10 million and EUR 15 million in 2023, 2022 and 2021, respectively.

Set out below is a breakdown of revenue by segment and comparative figures for 2023, 2022 and 2021:

For the year ended December 31, 2023 :

(Million euro)	External sales	Inter-segment sales	Total	Var. %
Construction	6,581	489	7,070	9 %
Toll Roads	1,084	1	1,085	39 %
Airports	80	-	80	59 %
Energy and mobility infrastructures	334	-	334	13 %
Other activities (*)	25	156	181	2 %
Adjustments	-	(236)	(236)	7 %
Total	**8,104**	**410**	**8,514**	**13 %**

(*) Corresponds to support services provided by the Corporation Division to the rest of the Group's businesses, which are eliminated in the consolidation process.

For the year ended December 31, 2022 (**):

(Million euro)	External sales	Inter-segment sales	Total	Var. %
Construction	5,432	1,031	6,463	6 %
Toll Roads	779	1	780	33 %
Airports	54	-	54	2600 %
Energy and mobility infrastructures	296	-	296	17 %
Other activities (*)	39	139	178	13 %
Adjustments	-	(220)	(220)	33 %
Total	**6,600**	**951**	**7,551**	**9 %**

(*) Corresponds to support services provided by the Corporation Division to the rest of the Group's businesses, which are eliminated in the consolidation process.

(**) Restated figures (Note 1.1.7)

For the year ended December 31, 2021 :

(Million euro)	External sales	Inter-segment sales	Total
Construction	5,044	1,033	6,077
Toll Roads	587	1	588
Airports	1	1	2
Energy and mobility infrastructures	252	-	252
Other activities (*)	3	154	157
Adjustments	-	(166)	(166)
Total	**5,887**	**1,023**	**6,910**

(*) Corresponds to support services provided by the Corporation Division to the rest of the Group's businesses, which are eliminated in the consolidation process.

The inter-segment sales that are not eliminated in the Group's consolidated financial statements relate to works completed by the Construction Division for the infrastructure concession operators (Note 1.3.2 and Note 6.8).

The breakdown of sales by geographic area is as follows:

(Million euro)	2023	2022 (*)	Var. 23/22	2021	Var. 22/21
USA	2,879	2,906	(27)	2,639	267
Poland	2,160	1,842	318	1,735	107
Spain	1,475	1,154	321	1,092	62
UK	771	708	63	644	64
Canada	161	100	61	80	20
Other	1,068	841	227	720	121
TOTAL	**8,514**	**7,551**	**963**	**6,910**	**641**

(*) Restated figures (Note 1.1.7)

The Ferrovial Group's sales in its five main markets accounted for 87% of total sales in 2023 (89% in 2022 and 90% in 2021).

2.2. OTHER OPERATING EXPENSES

Set out below is a breakdown of other operating expenses:

(Million euro)	2023	2022 (*)	Var. 23/22	2021	Var. 22/21
Subcontracted work	3,337	2,975	362	2,824	151
Leases (Note 3.7)	250	256	(6)	235	21
Repairs and maintenance	82	89	(7)	70	19
Independent professional services	485	449	36	331	118
Changes in provisions for liabilities (Note 6.3)	53	(68)	121	51	(119)
Other operating expenses	671	481	190	412	69
Total other operating expenses	**4,878**	**4,182**	**696**	**3,923**	**259**

(*) Restated figures (Note 1.1.7)

2.3. PERSONNEL EXPENSES

Set out below is a breakdown of personnel expenses:

(Million euro)	2023	2022(*)	Var.23/22	2021	VAR 22/21
Wages and salaries	1,350	1,111	239	1,006	105
Social security contributions	179	158	21	148	10
Pension plan contributions	15	13	3	10	2
Share-based payments	11	8	4	-9	17
Other welfare expenses	43	156	-113	138	18
TOTAL	**1,599**	**1,446**	**153**	**1,293**	**153**

(*) Restated figures (Note 1.1.7)

The trend in the number of employees at December 31, 2023, 2022 and 2021 by professional category and gender is as follows:

				12.31.2023
CATEGORY	**MEN**	**WOMEN**	**TOTAL**	**VAR. 23/22**
Executive directors	2	0	2	— %
Senior managers	11	2	13	— %
Executives	2,819	703	3,522	10 %
Managers/Professionals/Supervisors	4,145	2,132	6,277	2 %
Administrative/Support personnel	670	766	1,436	16 %
Manual workers	12,910	639	13,549	— %
Total	**20,558**	**4,241**	**24,799**	**3 %**

				12.31.2022(*)
CATEGORY	**MEN**	**WOMEN**	**TOTAL**	**VAR. 22/21**
Executive directors	2	0	2	— %
Senior managers	12	1	13	— %
Executives	2,580	635	3,215	8 %
Managers/Professionals/Supervisors	4,117	2,044	6,161	4 %
Administrative/Support personnel	565	668	1,233	11 %
Manual workers	12,864	703	13,567	(2)%
Total	**20,140**	**4,051**	**24,191**	**1 %**

(*) Restated figures (Note 1.1.7)

Discontinued operations included no workforce in 2023 and 2022. Set out below are the data for 2021, distinguishing between continuing and discontinued operations:

CONTINUED OPERATIONS			**12.31.2021**
CATEGORY	**MEN**	**WOMEN**	**TOTAL**
Executive directors	2	0	2
Senior managers	12	1	13
Executives	2,442	540	2,982
Managers/Professionals/Supervisors	3,995	1,930	5,925
Administrative/Support personnel	519	589	1,108
Manual workers	13,141	762	13,903
Total	**20,111**	**3,822**	**23,933**

DISCONTINUED OPERATIONS			**12.31.2021**
CATEGORY	**MEN**	**WOMEN**	**TOTAL**
Executive directors	0	0	0
Senior managers	0	0	0
Executives	1,450	437	1,887
Managers/Professionals/Supervisors	4,995	1,444	6,439
Administrative/Support personnel	110	497	607
Manual workers	13,717	16,488	30,205
Total	**20,272**	**18,866**	**39,138**

At December 31, 2023, 2022 and 2021, there were 121, 107 and 1,482 employees, respectively, with a disability rating of 33% or more, accounting for, 0.5%, 0.4% and 2.3% of the total workforce at the end of each period.

The average workforce by business division for the three periods is as follows:

BUSINESS				**12.31.2023**
	MEN	**WOMEN**	**TOTAL**	**VAR. 23/22**
Construction	16,067	3,345	19,412	5 %
Toll Roads	678	233	911	68 %
Airports	195	42	237	1 %
Energy infrastructures and mobility	3,622	411	4,033	2 %
Other	292	280	572	22 %
Total	**20,855**	**4,311**	**25,166**	**(27)%**

BUSINESS				**12.31.2022(*)**
	MEN	**WOMEN**	**TOTAL**	**VAR. 22/21**
Construction	15,316	3,135	18,451	(3)%
Toll Roads	373	169	542	— %
Airports	192	43	235	6 %
Energy infrastructures and mobility	3,541	415	3,956	1 %
Other	261	208	469	13 %
Total continuing operations	**19,683**	**3,970**	**23,653**	**–**
Total discontinued operations	**7,346**	**3,352**	**10,698**	**–**
Total	**27,029**	**7,322**	**34,351**	**(956)%**

(*) Restated figures (Note 1.1.7)

BUSINESS			**12.31.2021**
	MEN	**WOMEN**	**TOTAL**
Construction	16,059	3,042	19,101
Toll Roads	385	159	544
Airports	22	10	32
Energy infrastructures and mobility	3,564	374	3,938
Other	229	186	415
Total continuing operations	**20,259**	**3,771**	**24,030**
Total discontinued operations	**32,652**	**21,851**	**54,503**
Total	**52,911**	**25,622**	**78,533**

2.4. IMPAIRMENT AND DISPOSALS

There follows a breakdown of the main gains and losses due to impairment and disposals for the corresponding periods.

2023

(Million euro)	Impact on profit/(loss) before tax	Impact on profit/(loss) after tax
Azores sale	39	41
Capital gains and disposals	**39**	**41**
Aravia	(2)	(2)
Zity Sale	(2)	(2)
Impairment gains/(losses)	**(4)**	**(4)**
TOTAL IMPAIRMENT AND DISPOSALS	**35**	**37**

2022 (*)

(Million euro)	Impact on profit/(loss) before tax	Impact on profit/(loss) after tax
Algarve sale	(3)	(3)
Capital gains and disposals	**(3)**	**(3)**
Impairment of the ownership interest in MaaS Global	(3)	(3)
Impairment gains/(losses)	**(3)**	**(3)**
TOTAL IMPAIRMENT AND DISPOSALS	**(6)**	**(6)**

2021

(Million euro)	Impact on profit/(loss) before tax	Impact on profit/(loss) after tax
Acquisition of 5.704% of I-66	1,117	1,117
Nalanda sale	17	17
Urbicsa sale	17	17
Nevasa sale	1	1
Figueras sale	(9)	(9)
Capital gains and disposals	**1,142**	**1,141**
Fixed asset impairment losses FB Serwis	(3)	(3)
Impairment gains/(losses)	**(3)**	**(3)**
TOTAL IMPAIRMENT AND DISPOSALS	**1,139**	**1,139**

(*) Restated figures (Note 1.1.7)

2.5. NET FINANCIAL INCOME/(EXPENSE)

The following tables provide an itemized breakdown of changes in net financial income/(expense) in 2023, 2022 and 2021.

Net financial income/(expense) for these years from the infrastructure project companies is presented separately from that of ex-infrastructure project companies (see the definition in Note 1.1.4 and in each case a distinction is made between net financial income/(expense) from financing (which includes borrowing costs on bank borrowings and bonds, and returns on financial investments and loans granted) and net financial income/(expense) from derivatives and other items (including the effect of the fair value measurement of ineffective hedges, and other income and expenses not directly related to financing).

For 2023, as compared to 2022:

(Million euro)	2023	2022 (*)	Var. %
Financial income from infrastructure project financing	34	8	325 %
Financial expense from infrastructure project financing	(362)	(251)	44 %
Net financial income/(expense) from financing, infrastructure project companies	**(328)**	**(243)**	**35 %**
Net financial income/(expense) from derivatives and other fair value adjustments, infrastructure project companies	13	(105)	(112)%
Other net financial income/(expense), infrastructure project companies	(57)	(17)	235 %
Other net financial income/(expense), infrastructure project companies	**(44)**	**(122)**	**(64)%**
Net financial income/(expense) from infrastructure projects	**(372)**	**(365)**	**2 %**
Financial income, other companies	216	104	108 %
Financial expense, other companies	(105)	(103)	2 %
Net financial income/(expense) from financing, other companies	**111**	**1**	**11000 %**
Net financial income/(expense) from derivatives and other fair value adjustments, other companies	11	47	(77)%
Other net financial income/(expense), other companies	66	(3)	(2300)%
Other net financial income/(expense), other companies	**77**	**44**	**75 %**
Net financial income/(expense), other companies	**188**	**45**	**318 %**
Total net financial income/(expense)	**(184)**	**(320)**	**(43)%**

(*) Restated figures (Note 1.1.7)

For 2022, as compared to 2021:

(Million euro)	2022 (*)	2021	Var. %
Financial income from infrastructure project financing	8	-	— %
Financial expense from infrastructure project financing	(251)	(220)	14 %
Net financial income/(expense) from financing, infrastructure project companies	**(243)**	**(220)**	**10 %**
Net financial income/(expense) from derivatives and other fair value adjustments, infrastructure project companies	(105)	(84)	25 %
Other net financial income/(expense), infrastructure project companies	(17)	(3)	467 %
Other net financial income/(expense), infrastructure project companies	**(122)**	**(87)**	**40 %**
Net financial income/(expense) from infrastructure projects	**(365)**	**(307)**	**19 %**
Financial income, other companies	104	24	333 %
Financial expense, other companies	(103)	(51)	102 %
Net financial income/(expense) from financing, other companies	**1**	**(27)**	**(104)%**
Net financial income/(expense) from derivatives and other fair value adjustments, other companies	47	1	4600 %
Other net financial income/(expense), other companies	(3)	(2)	50 %
Other net financial income/(expense), other companies	**44**	**(1)**	**(4500)%**
Net financial income/(expense), other companies	**45**	**(28)**	**(261)%**
Total net financial income/(expense)	**(320)**	**(335)**	**(4)%**

(*) Restated figures (Note 1.1.7)

The following table provides a breakdown of financial expense from infrastructure project companies showing capitalized expenses relating to toll roads under construction:

Infrastructure project financing expenses from infrastructures (Million euro)	2023	2022	2021
Accrued financial expenses	(379)	(347)	(257)
Expenses capitalized during the construction period	17	96	37
Financial expenses in P&L	**(362)**	**(251)**	**(220)**

2.6. SHARE OF PROFITS OF EQUITY-ACCOUNTED COMPANIES

The share of profits of equity-accounted companies in 2023 amounted to EUR 215 million (EUR 165 million in 2022 and EUR (178) million in 2021). Set out below is a breakdown of the most significant companies:

Profit/(loss) of equity-accounted companies (Million euro)	2023	2022 (*)	2021
HAH	0	0	-238
407 ETR	154	124	52
AGS	0	0	-20
JFK	4	1	0
IRB	14	22	0
Serveo Group	11	6	0
Other	32	12	28
TOTAL	**215**	**165**	**(178)**

(*) Restated figures (Note 1.1.7)

Note 3.5 provides further details of these companies' profits/(losses).

2.7.CORPORATE INCOME TAX EXPENSE AND DEFERRED TAXES

2.7.1 Breakdown of current and deferred tax expense and tax paid for the year

The breakdown of income tax expense for 2023, 2022, and 2021, distinguishing between current tax, deferred tax, withholdings on a foreign operation and changes in prior year tax estimates and other items, is as follows.

(Million euro)	2023	2022 (*)	2021
Tax expense for the year	**-42**	**-30**	**9**
Current tax expense	-146	-64	-31
Deferred tax expense	65	42	50
Withholdings in a foreign operation	-50	-21	-3
Change to the prior-year tax evaluation and other	89	13	-7

(*) Restated figures (Note 1.1.7)

Corporate income tax paid during the year amounted to EUR 170 million (EUR 82 million in 2022, EUR 155 million in 2021), as shown in the note on cash flows (Note 5.3).

2.7.2. Explanation of corporate income tax expense for the year and the applicable tax rate

In 2023, corporate tax losses were recognized in the amount of EUR -42 million (income of EUR -30 million in 2022; income of EUR 9 million in 2021) as shown in the following table:

(Million euro)	**2023**	**2022 (*)**	**2021**
Profit/(loss) before tax on continuing operations	**656**	**267**	**964**
Results of associates	-215	-165	178
Pass-through tax rules (US & Canada)	-94	-71	-38
Adjusted profit/(loss) before tax on continuing operations adjusted	**348**	**31**	**1,104**
Theoretical income tax expense (25.8%)	**-90**	**-8**	**-285**
Recognition of previously unrecognized net operating losses and use of deductions	73	6	9
Unrecognized tax losses	-56	-44	-7
I-66 fair value reassessment after additional 5.704% stake acquisition	0	0	235
5% taxable dividends received in Spain and eliminated on consolidation	-3	-15	0
Non-deductible financial expense	-45	-1	-1
Derivatives associated with taxable dividends (eliminated at consolidated level)	17	11	0
Effect of different tax rates of subsidiaries operating in other jurisdictions	20	17	-21
Prior-year tax	87	14	65
Withholding tax	-50	-19	0
Other adjustments	3	8	15
Income tax expense	**-42**	**-30**	**9**
Effective tax rate (%)	**6.5 %**	**11.3 %**	**(1.0)%**

(*) Restated figures (Note 1.1.7)

For the analysis of the effective tax rate, these are the items previously adjusted:

- Results of associates: the results of the equity method companies already include the tax effect, so they must be adjusted for the analysis.
- Pass-through tax rule: Profit/(loss) on consolidation with no tax impact. Primarily relates to profit/losses in concession project companies in the US and Canada, which are fully consolidated. However, the associated tax credit was recognized based solely on Ferrovial's ownership interest, as these companies are taxed under pass-through tax rules, whereby the shareholders are the taxpayers.

The main adjustments to theoretical income tax expense excluding the items already discussed in relation to the results of associates and the pass-through tax rule for the year, are as follows:

- Recognition of previously unrecognized net operating losses and use of deductions, primarily in Spain, US and Canada (EUR 73 million in 2023).
- Unrecognized tax losses, primarily generated in the Netherlands and international construction business in Colombia, for which no tax credit had been recognized. Additionally, derecognition of previously recognized DTA in the UK.
- Positive result from the fair value reassessment of the previous 50% stake in I-66 Express Mobility Partners, which had no tax impact in 2021.
- 5% of dividends in Spain that are taxable but are eliminated on consolidation and treated as a permanent difference.
- Non tax deductible financial expenses primarily in the Netherlands, due to the limit applicable to this deduction to the lesser of two amounts: 20% of the operating profit or EUR 1 million.
- Derivatives associated with taxable dividends received in the Netherlands from Canada, which were eliminated on consolidation and treated as a permanent difference.
- Effect of different tax rates of subsidiaries operating in other jurisdictions, highlighting USA, Poland and the UK.

- Prior-years tax effects recognized in 2023 mainly include:
  - Deduction for export activities litigation. On September 12, 2023, the Spanish Supreme Court ruled in favor of Ferrovial regarding the assessment issued by the Spanish tax authorities for 2006 Corporate Income Tax. The dispute related to the application of a tax deduction for export activities connected to the investment made to acquire the ownership interest in the former BAA (now Heathrow Airport Holding Limited). The estimated amount claimed from Ferrovial by the Spanish tax authorities at December 2022 including interest, was EUR 119 million (EUR 73 million effect on corporate income tax and EUR 46 million on financial results, recorded in the line item "Profit/(loss) on derivatives and other net financial income/(expense)").
  - For the purpose of assessing the recoverability of tax-loss carryforwards in Spain, a model was designed based on the Group companies' latest available earnings projections, which implied the recognition of future net operating losses of EUR 36 million and tax credits EUR 27 million.
  - Provision for net operating losses recognized from previous years in the Netherlands in the amount of EUR -18 million as will not be recovered in the future.
  - Deferred tax movement during the year related to withholding tax on future dividends from Canada (EUR -22.5 million), as a net effect of EUR -72 million deferred tax recognition in 2023 corresponding to expected future dividends, partially offset by EUR 50 million deferred tax applied related to withholding tax on dividends paid during 2023 already recognized at December 2022, commented in the following item.
- EUR 50 million recognition related to withholding tax paid during 2023 from dividends received from Canada (EUR 19 million euros impact for 2022).

2.7.3. Movements in deferred tax assets and liabilities

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

ASSETS

(Million euro)	2022 (*)	Prior years, transfers and other	Charged/credited to income statement	Charged/credited to equity	Foreign exchange effect	2023
Tax credits	370	26	119	0	-13	503
Differences between tax and accounting criteria	274	46	87	4	11	422
Equity measurement adjustments	86	-1	11	-47	0	48
Other items	55	9	-31	1	0	33
TOTAL	**784**	**80**	**186**	**-42**	**-2**	**1,006**

LIABILITIES

(Million euro)	2022 (*)	Prior years, transfers and other	Charged/credited to income statement	Charged/credited to equity	Foreign exchange effect	2023
Deferred taxes on goodwill	21	0	1	0	0	22
Deferred fair value adjustments to acquisitions	315	13	-12	0	-8	308
Differences between tax and accounting criteria	378	65	131	0	-13	561
Equity measurement adjustments	64	2	1	3	-1	69
Other items	145	-22	0	0	2	126
TOTAL	**924**	**58**	**121**	**3**	**-20**	**1,086**

(*) Restated figures (Note 1.1.7)

Set out below is a breakdown of movements in deferred tax assets and liabilities in 2022 (*):

ASSETS

(Million euro)	2021 (*)	Prior years, transfers and other	Charged/credited to income statement	Charged/credited to equity	Foreign exchange effect	2022 (*)
Tax credits	192	21	145	2	10	370
Differences between tax and accounting	304	-2	-26	0	-3	274
Equity measurement adjustments	90	12	18	-34	0	86
Other items	-16	34	8	27	2	55
TOTAL	**570**	**66**	**145**	**-5**	**9**	**784**

LIABILITIES

(Million euro)	2021 (*)	Prior years, transfers and other	Charged/credited to income statement	Charged/credited to equity	Foreign exchange effect	2022 (*)
Deferred taxes on goodwill	20	0	1	0	0	21
Deferred fair value adjustments to acquisitions	255	44	0	0	16	315
Differences between tax and accounting	277	-10	99	2	10	378
Equity measurement adjustments	45	0	2	18	-1	64
Other items	90	55	1	0	-1	145
TOTAL	**687**	**89**	**103**	**20**	**25**	**924**

(*) Restated figures (Note 1.1.7)

Deferred tax assets

a) Tax credits

This item relates to tax credits that have not yet been used by the Group companies.

It does not include all the tax credits available, only those that the Group expects to be able to use in the short or medium term, based on a 10 year-period financial projections performed. The total balance recognized amounts to EUR 503 million, of which EUR 473 million relates to tax credits for tax-loss carryforwards and EUR 30 million to other tax credits.

Set out below is a breakdown of tax-loss carryforwards pending offset, and showing the maximum tax credit and the tax credit recognized:

2023

(Million euro) Country	Tax-loss carryforwards	Limitation period	Maximum tax credit	Tax credit recognized
US tax consolidated group	1,790	No expiry date	409	376
Spanish tax consolidated group	585	No expiry date	146	36
Netherlands tax consolidated group	227	No expiry date	59	0
UK	201	No expiry date	50	5
Canada	106	2024-2044	28	20
Turkey	81	2024-2028	20	0
Other	559	2024 - No expiry date	141	36
Total	**3,549**		**853**	**473**

2022 (*)

(Million euro) Country	Tax-loss carryforwards	Limitation period	Maximum tax credit	Tax credit recognized
Spanish tax consolidated group	642	No expiry date	160	0
US tax consolidated group	1,564	No expiry date	328	274
Turkey	105	2023-2028	21	0
Canada	137	2023-2042	36	11
UK	193	No expiry date	48	17
Other	461	2023-No expiry date	119	66
Total	**3,102**		**712**	**368**

(*) Restated figures (Note 1.1.7)

Spanish and US tax-consolidated groups:

In relation to the Spanish tax group, for the purpose of assessing the recoverability of tax-loss carryforwards, a model was designed based on the Group companies' latest available earnings projections, the decision having been taken not to recognize all the tax credits available, given the reasonable doubts regarding recovery in the short and medium term.

Regarding US tax group, similarly to what is indicated in the previous paragraph and in accordance with IAS 12, an amount of tax credits was recognized equal to the excess of liability temporary differences over asset temporary differences, amounting to EUR 26 million (EUR 17 million in 2022).

UK:

Considering that the tax-loss carryforwards generated after April 1, 2017 may be used by any UK Group company, tax credits were recognized for tax losses in the amount of EUR 5 million in respect of continuing operations. (EUR 17 million in 2021).

b) Assets arising from temporary differences between accounting and tax criteria

This item reflects the tax effects arising from the different timing of the recognition of certain expenses and income for accounting and tax purposes.

The recognition of an asset means that certain expenses have been recognized for accounting purposes before they may be recognized for tax purposes and therefore the company will recover the income or expense for tax purposes in future years.

The main deferred tax assets are set out below:

- Provisions recognized in the financial statements that do not have tax effects until they are applied (EUR 195 million) (EUR 145 million in 2022).
- Deferred tax assets of EUR 216 million due to differences between the tax and accounting approach to revenue recognition, mainly in the Construction Division. (EUR 133 million in 2022).
- Different between the tax and accounting depreciation/amortization (EUR 7 million) (EUR 3 million in 2022).

c) Deferred taxes arising from measurement adjustments recognized in reserves.

This reflects the cumulative tax effect of measurement adjustments to various items recognized in reserves. The effect is reflected as an asset or liability since there is generally no direct tax effect until the amount in reserves is taken to the income statement.

The deferred asset balance relates to losses accumulated in reserves that will have a tax effect when they are taken to the income statement. They relate mostly to deferred tax assets arising from financial derivatives, which amount to EUR 48 million (EUR 86 million in 2022).

Deferred tax liabilities

a) Deferred taxes relating to goodwill

These relate to deferred tax liabilities relating to the tax credit for goodwill amounting to EUR 21 million, which mainly include those related to the amortization of Webber, LLC goodwill. (EUR 21 million in 2022).

b) Deferred taxes due to the fair value adjustment to acquisitions

I-66 Mobility Partners

This reflects deferred tax liabilities due to differences between tax and accounting values:

- EUR 222 million recognized due to the difference between tax and accounting values following the restatement of the I-66 toll road assets on December 31, 2022. (EUR 231 million at December 31, 2022). EUR 35 million recognized as a result of measuring the concession debt at fair value on December 31, 2022 (EUR 38 million at December 31, 2022).

These amounts were recognized in 2021 with a balancing item in goodwill in the same amount, in accordance with IAS 12, paragraph 66.

Dalaman

EUR 51 million recognized as a result of the acquisition of the 60% interest held by the Group in the company, as deferred tax (see Note 1.1.4) in 2022 (EUR 46 million at December 31, 2022). The increase in deferred tax is a consequence of the change in the tax rate from 20% to 25% in Turkey.

According to paragraphs 19 and 20 of IAS 12, if in a business combination a balance sheet item is measured at fair value but its tax value does not change, a deferred tax asset or liability must be recognized.

c) Liabilities arising from temporary differences between accounting and tax criteria

A liability represents an expense that is recognized for tax purposes before it may be recognized for accounting purposes, or income recognized in the financial statements before it is declared in the tax return.

Deferred tax liabilities relate essentially to:

- Deferred tax liabilities for differences between tax and accounting amortization (EUR 242 million). (EUR 287 million in 2022).
- Deferred tax liabilities of EUR 201 million arising as a result of differences between the tax and accounting methods used to recognize revenue under IFRIC 12, mainly in the Toll Roads Division. (EUR 66 million in 2022).

d) Deferred taxes arising from equity measurement adjustments.

This reflects the cumulative tax effect of measurement adjustments to various items recognized in reserves. The effect is reflected as an asset or liability since there is generally no direct tax effect until the amount in reserves is taken to the income statement.

The deferred liability balance reflects profits not yet recognized for tax purposes. They relate mostly to deferred tax liabilities arising from financial derivatives, which amount to EUR 69 million. (EUR 64 million in 2022).

Other deferred taxes

e) Deferred tax liabilities relating to dividends pending payment by investees

The Group recognizes EUR 72,5 million in deferred tax liabilities in relation to withholding tax on the repatriation of future dividends from Canada, as shown on the "Other items" line in the above table. (EUR 50 million in 2022)

2.7.4. International Tax Reform - Pillar Two

The Organization for Economic Cooperation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) addresses the tax challenges arising from the digitalization of the global economy. The Pillar Two Global Anti-Base Erosion rules (GloBE Rules) represent the first substantial overhaul of international tax rules in almost a century. The GloBE Rules propose four new taxing mechanisms under which multinational enterprises (MNEs) would pay a minimum level of tax (Minimum Tax).

Substantially based on the GloBE Rules, the Council Directive (EU) 2022/2523 of December 14, 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union entered into force on December 23, the day following publication in the Official Journal of the European Union. Member States had to transpose the Directive into their domestic law by December 31, 2023.

In alignment with Council Directive (EU) 2022/2523, the legislative proposal of the Netherlands to transpose Pillar Two into the Dutch company tax system, entitled Minimum Tax Act 2024 proposal, was adopted by the Dutch Senate on December 19, 2023. The new legislation has therefore been substantively enacted as of that date.

Under IAS 12, a new tax law is effective when it is enacted or substantively enacted in a particular jurisdiction. MNEs need to monitor regulatory developments in respect of the (substantive) enactment of the GloBE Rules in all of the jurisdictions where they operate, whether through wholly- or partially-owned subsidiaries, joint ventures, flow-through entities or permanent establishments.

In May 2023, the IASB amended IAS 12 to provide timely relief for affected entities, avoid diverse interpretations of IAS 12 and improve disclosures. The amendments introduced a temporary exception to the requirements to recognize and disclose deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also brought in targeted disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

In this respect, Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The legislation is effective for the Group's financial year beginning January 1, 2024. The Group is within the scope of the enacted or substantively enacted legislation and has performed an assessment of its potential exposure to Pillar Two income taxes.

The assessment of potential exposure to Pillar Two income taxes is based on the Group companies' most recent tax filings, country-by-country reporting and financial statements. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where transitional safe harbor relief does not apply and the Pillar Two effective tax rate is close to 15%. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

2.7.5. Years open to tax inspection

In accordance with prevailing legislation, taxes may not be deemed to be finally settled until the returns filed have been inspected by the tax authorities or the legally stipulated limitation period has elapsed.

The following inspections are in progress, in the jurisdictions indicated:

Spain: The start of general tax audit for Ferrovial S.E. (successor Company of Ferrovial S.A) and its subsidiaries has been notified in June 2023, including Corporate Income Taxes FY 2017-2020, Withholding Tax FY 2019-2020, and VAT FY 2019-2020. Verification and investigation will be carried out in a single inspection procedure for the tax group. Documentation required is currently being submitted.

The last four financial years are generally open to inspection for the main applicable taxes.

Canada: The Canadian tax authorities (CRA) initiated a tax audit to Corporate Income Tax for fiscal years 2013 to 2019 in relation to Cintra 4352238 Investments Inc and in relation to Cintra 11200232 Investments Inc. in 2019. The CRA challenges the tax deductibility of intragroup charges made by Cintra Servicios de Infraestructuras, S.A. (Spanish company) for the provision of financial services and reclassifies the transaction as dividend for fiscal years 2013 to 2016.

No settlement proposal has yet been issued for fiscal years 2017 to 2019. As this tax audit involves intragroup transactions of a different nature to those that took place in the years already assessed, the inspectorate's stance in this regard is unknown. The regularization pending of payment for financial services is estimated at EUR 2 million (CAD 2.9 million), including the non-deductible expense, withholding tax per Double Taxation Treaty, interest and penalties.

The claim in the Canadian courts is held in abeyance until Mutual Agreement Procedure (MAP) initiated is resolved.

The Netherlands: The Dutch tax authorities have questioned the existence of Ferrovial International, S.E's horizontal tax consolidated group in the Netherlands in 2019 and the first two months of 2020. The potential impact of regularization in the event that the Dutch tax authorities consider that all the Group's Dutch companies should be taxed under the individual scheme has been estimated at EUR 2.5 million (for 2019 and 2020).

Chile - Transmission lines: The Chilean tax authorities have initiated an inspection of Transchile Charrua for 2018 and 2019, in which they have questioned the deductibility of financial expenses on third- party financing and the arm's length nature of intercompany financing. The potential impact is expected to be EUR 1.2 million. The tax audit proposal is awaiting a judicial ruling which is not expected until 2026. In January 2023, notification was received of the start of an inspection of the company Ferrovial Power Infrastructures for 2019 and 2020. The Chilean tax authorities have challenged the arm's length nature of an intercompany loan. The tax audit is currently under administrative review and the impact is estimated at EUR 0.9M.

Morocco: regarding the previous activity of Ferrovial in this country, the Moroccan tax authorities have sent a settlement proposal to the Ferrovial branch following the inspection of the period 2016 to 2021 carried out as part of the branch closure process. A settlement of EUR 5 million is proposed for corporate income tax, VAT and withholdings on payments to non-residents. An administrative appeal has been lodged against the proposal (partially provisioned).

The companies are subject to a statute of limitations of between three and five years in most of the countries in which the Group has operations.

In view of the different interpretations to which tax regulations lend themselves, any inspections that may be undertaken in the future by the tax authorities for the years open to inspection could give rise to tax liabilities the amount of which cannot currently be objectively quantified. Nonetheless, the likelihood that significant liabilities in addition to those recognized could have a material impact on the Ferrovial Group's equity is regarded as remote.

NOTES ON PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

2.8.PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

Profit from discontinued operations for 2023, 2022 and 2021 amounted to EUR 16 million, EUR 64 million and EUR 361 million, respectively, relating to the Services Division (amounting to EUR 16 million in 2023, EUR 64 million in 2022 and EUR 246 million in 2021) and the Construction Division (amounting to EUR 115 million in 2021).

Services Division

2022 saw the completion of the Services Division divestment process, as explained in Note 1.1.5, .

During 2023, profit from discontinued operations amounted to EUR 16 million and relates mainly to the update of the indemnities and earn-outs following the divestment of the Services Business in Spain and Portugal and other adjustments related to the Amey business divestment in the UK.

The main impact recognized in discontinued operations in 2022 relates to the divestment of the Amey business in the UK, completed in December 2022, generating a capital gain of EUR 58 million, including the transfer to the income statement of currency translation differences accumulated in equity (EUR -156 million) and the interest rate hedge derivatives (EUR -15 million) (see Note 5.1.1).

The main impact recognized in 2021 profit/(loss) from discontinued operations related to the divestments of the Environment Services business in Spain and Portugal completed at the end of 2021 at a net capital gain of EUR 335 million.

The Environment Services revenue for 2021 includes a profit for the year of EUR 119 million.

For a better understanding of the results of the Services business and the way in which they have been included in the Group's consolidated results, the accompanying table provides a breakdown by line of profit/(loss) from these discontinued operations in 2022 and 2021.

(Million euro)	2023	2022	2021
Revenue	-	2,303	4,947
Operating profit/(loss)	**28**	**9**	**260**
Net financial income/(expense)	(15)	(1)	(23)
Share of profits of equity-accounted companies	-	5	9
Consolidated profit/(loss) before tax	**13**	**13**	**246**
Corporate income tax	3	(10)	(47)
Profit/(loss) after tax	**16**	**3**	**199**
Profit/(loss) for the year attributed to non- controlling interests	-	-	(3)
Profit/(loss) for the year attributed to the parent company	**16**	**3**	**196**
Adjustments to discontinued operations	-	61	50
Profit/(loss) from discontinued operations	**16**	**64**	**246**

Construction Division

On February 22, 2021, an agreement was reached to sell the real estate business of the Budimex Group (B.N.I.), which was included in discontinued operations.

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

(Million euro)	2021
Revenue	56
Fixed asset depreciation	-
Operating profit/(loss) before impairment and disposal of fixed assets	**9**
Impairment and disposal of fixed assets	130
Operating profit/(loss)	**139**
Net financial income/(expense)	**-**
Share of profits of equity-accounted companies	-
Consolidated profit/(loss) before tax	**139**
Corporate income tax	(24)
Profit/(loss) from discontinued operations	**115**

These results of EUR 115 million include both the amount recognized up to the company's exclusion from the consolidation scope (EUR 8 million) and the capital gain (EUR 130 million) generated by the transaction (EUR 107 million net of tax), on the line impairment and disposal of fixed assets. The effect for Ferrovial was EUR 53 million net of non-controlling interests.

NOTES ON PROFIT/(LOSS) FROM NON-CONTROLLING INTERESTS, NET PROFIT/(LOSS) AND EARNINGS PER SHARE

2.9. PROFIT/(LOSS) FROM NON-CONTROLLING INTERESTS

In 2023, profit/(loss) attributed to non-controlling interests amounted to EUR -170 million (EUR -117 million at December 2022, EUR -138 million at December 2021)

This figure relates to the profits obtained by Group companies that are attributable to the company's other shareholders. Positive figures reflect loss-making companies and the negative figures refer to profit-making companies.

(Million euro)	2023	2022(*)	2021	NON-GROUP
Grupo Budimex	-83	-60	-109	49.86 %
Autopista Terrasa Manresa, S.A.	-8	19	14	23.72 %
LBJ Infraestructure Group	-20	-9	2	45.40 %
NTE Mobility Partners	-60	-47	-25	37.00 %
NTE Mobility Partners Segments 3 LLC	-41	-33	-20	46.30 %
FAM Construction LLC	34	26	7	30.00 %
Sugar Creek Construction LLC	0	-2	-1	30.00 %
I-77 Mobilility Partners	-12	-6	-1	27.80 %
I-66 Mobility Partners	16	10	0	44.30 %
Yda Havalimani Yatrim Ve (Dalaman)	7	-8	0	40.00 %
Webber United LLC	1	0	0	40.00 %
Other companies	-4	-7	-1	
TOTAL continuing operations	**-170**	**-117**	**-134**	
TOTAL discontinued operations	**0**	**0**	**-3**	
TOTAL	**-170**	**-117**	**-138**	

(*) Restated figures (Note 1.1.7)

2.10. NET PROFIT/(LOSS) AND EARNINGS PER SHARE

The calculation of earnings per share attributed to the parent company for 2023, 2022 and 2021 is as follows:

(Million euro, except otherwise indicated)	2023	2022 (**)	2021
Net profit/(loss) attributable to ordinary equity holders of the parent:			
Continuing operations	444	121	840
Discontinued operations	16	64	358
Net cost of subordinated perpetual bond	-5	-8	-8
Profit/(loss) attributable to ordinary equity holders of the parent for basic earnings	**455**	**177**	**1,190**
Effects of dilution	0	0	0
Profit/(loss) attributable to ordinary equity holders of the parent adjusted for the effect of dilution	**455**	**177**	**1,190**
Weighted average number of ordinary shares for basic EPS (*) (thousands of shares)	**728,255**	**723,477**	**731,772**
Effects of dilution	0	0	0
Weighted average number of ordinary shares adjusted for the effect of dilution (thousands of shares)	**728,255**	**723,477**	**731,772**
Profit/(loss) attributable to ordinary equity holders of the parent from discontinued operations for the basic EPS calculations	**16**	**64**	**358**
Effects of dilution	0	0	0
Profit/(loss) attributable to ordinary equity holders of the parent from discontinued operations for the diluted EPS calculations	**16**	**64**	**358**

(*) The weighted average number of ordinary shares takes into account the weighted effect of changes in treasury shares during the year.

(**) Restated figures (Note 1.1.7)

Basic earnings per share have been calculated by dividing profit for the year attributed to the parent company's shareholders, adjusted for the net coupon for the year on the subordinated perpetual bonds issued by the Group and taken directly to equity (Note 5.1.2), by the weighted average number of ordinary shares outstanding, excluding the average number of treasury shares held during the year.

As regards diluted earnings per share, it should be noted that the Group did not have any dilutive potential ordinary shares, since no convertible debt instruments were issued and the share-based remuneration schemes will not give rise to any share capital increases in the Group. Consequently, no dilutive impact is envisaged when employee rights under the plans are exercised. Hence there was no difference between basic and diluted earnings per share, as shown in the following table:

		2023	2022 (*)	2021
Net earnings per share attributed to the parent company (in euros)	Diluted	0.62	0.24	1.63
	Basic	0.62	0.24	1.63
Net earnings per share attributed to the parent company, discontinued operations (in euros)	Diluted	0.02	0.09	0.49
	Basic	0.02	0.09	0.49

(*) Restated figures (Note 1.1.7)

Profit/(loss) per business segment is shown in Note 1.5 for 2023, 2022 and 2021.

SECTION 3: NON-CURRENT ASSETS

This section includes the notes on non-current assets in the balance sheet, excluding deferred tax assets (Section 2) and financial derivatives (Section 5).

The main components of Ferrovial's non-current assets at December 2023 are "Fixed assets in infrastructure projects" amounting to EUR 13,495 million (EUR 13,667 million in 2022) and accounting for 70% (71% in 2022) of total non-current assets (Note 3.3); "Investments in associates" totaling EUR 2,038 million (EUR 1,951 million in 2022) (relating mainly to the investments in 407 ETR, IRB and JFK NTO), accounting for 11% (10% in 2022) of total non-current assets (Note 3.5). "Goodwill on consolidation"of EUR 475 million (EUR 479 million in 2022) accounts for 2% (3% in 2022) of total non- current assets.

Investments in infrastructure projects

INVESTMENTS IN INFRASTRUCTURE PROJECTS
(Million euro)

	2023	2022 (*)
Opening balance at 01.01	**13,667**	**11,184**
Additions	695	1,398
Depreciation	-235	-145
Disposals	-4	-12
Exchange rate effect	-374	608
Changes in the scope of consolidation and others	-254	634
Closing balance at 12.31	**13,495**	**13,667**

(*) Restated figures (Note 1.1.7)

The variation under Investments in infrastructure projects during the year was EUR -172 million, mainly due to the scope changes following the sale of Euroscut Azores in Portugal for EUR -254 million in May 2023. There was also a positive variation as a result of the increase in the investments in the I-66 and NTE 3. These two projects increased infrastructure project fixed assets by EUR 695 million, net of foreign exchange effects. The foreign exchange effect during the year (EUR -374 million) was also significant, due primarily to the impact of the euro/US dollar exchange rate on the US toll roads, particularly the North Tarrant Express Extension, the I-77 Mobility Partners LLC toll road and the I- 66 Express Mobility Partners LLC toll road.

During 2022, the variation was EUR 2,482 million, mainly due to the increase in the investments in the I-66 and NTE3 toll roads. The foreign exchange effect during the year (EUR 608 million) was also significant, due primarily to the impact of the euro/US dollar exchange rate on the US toll roads.

Lastly, changes in the 2022 scope of consolidation are mainly due to the acquisition of Dalaman International Airport in Turkey for EUR 634 million in July 2022.

Investments in associates

INVESTMENTS IN ASSOCIATES
(Million euro)

	2023	2022 (*)
Opening balance at 01.01	**1,951**	**1,838**
Share of profit	215	164
Exchange rate effect	-43	-29
Dividends	-311	-258
Changes in share capital	214	77
Other movements	12	160
Closing balance at 12.31	**2,038**	**1,951**

(*) Restated figures (Note 1.1.7)

During 2023, the line "Investments in associates" increased by EUR 87 million due to the share capital increase in JFK NTO Airport (EUR 214 million), the share of these companies' profits (EUR 215 million), relating primarily to 407 ETR (EUR 154 million), the accounting hedge gains recognized under "Other movements" (EUR 12 million), mainly resulting from JFK, dividend payments of EUR -321 million (mainly 407 ETR) and the foreign exchange effect (EUR -33 million) of the euro's appreciation against the US dollar.

During 2022, the variation under "Investments in associates" was EUR 113 million due to the acquisition of 49% of JFK NTO Airport (EUR 59 million), the share of these companies' profits (EUR 164 million), relating primarily to 407 ETR (EUR 124 million), the accounting hedge gains recognized under "Other movements" (EUR 160 million), mainly resulting from the JFK NTO acquisition, dividend payments of EUR-258 million (mainly 407 ETR) and the foreign exchange effect (EUR -29 million) of the euro's depreciation against sterling and against the Indian rupee.

Goodwill

As regards changes in goodwill, in 2023 there was a decrease of EUR -5 million, primarily due to the exchange rate.

During 2022 there was an increase of EUR 48 million, primarily due to the acquisition of the 60% ownership interest in Dalaman International Airport (EUR 27 million) in July 2022.

3.1. GOODWILL AND ACQUISITIONS

Movements in goodwill during 2023 and 2022 are set out below:

(Million euro)	BALANCE AT 12.31. 2022	Changes in consolidation scope and other	Exchange rate	BALANCE AT 12.31. 2023
Construction	**132**	**0**	**3**	**135**
Budimex	65	0	5	70
Webber	67	0	-2	65
Toll Roads	**265**	**0**	**-6**	**259**
I-66 Express Mobility Partners Hold. LLC	265	0	-6	259
Airports	**27**	**0**	**0**	**27**
Dalaman	27	0	0	27
Energy Infrastructures	**56**	**0**	**-2**	**54**
Power Transmission Serv. Chile	45	0	-1	43
Mining Services Chile	11	0	-1	10
TOTAL	**479**	**0**	**-5**	**475**

(Million euro)	BALANCE AT 12.31. 2021	Changes in consolidation scope and other	Exchange rate	BALANCE AT 12.31. 2022
Construction	**127**	**2**	**3**	**132**
Budimex	64	2	-1	65
Webber	50	13	4	67
Ferrovial Services Infrastructure	13	-13	0	0
Toll Roads	**251**	**0**	**14**	**265**
I-66 Express Mobility Partners Hold. LLC	251	0	14	265
Airports	**0**	**27**	**0**	**27**
Dalaman	0	27	0	27
Energy Infrastructures	**52**	**0**	**3**	**56**
Power Transmission Services Chile	42	0	3	45
Mining Services Chile	10	0	1	11
TOTAL	**431**	**29**	**19**	**479**

Impairment test

The Group analyzes at least once a year (in December) whether its assets show signs of impairment, in which case it performs the corresponding impairment test, according to the applicable accounting standards IAS 36 "Impairment of assets" and IAS 38 "Intangible assets". The Group also systematically tests for impairment the cash-generating units that include goodwill.

The goodwill recovery is analyzed at the level of each cash generating unit. The projections used in the impairment tests coincide with the last available business projections approved by the Board and the conclusion was drawn that there is no impairment as at December 31, 2023. Sensitivity analyses were not performed due to the existing headroom (difference between the recoverable amount and the carrying amount).

A. Construction Division goodwill (Webber and Budimex):

Methodology

In the case of Webber, in 2023 the goodwill impairment test, based on a 5-year projection, reflects a headroom of 174% with respect to its carrying amount of EUR 362 million. The flows were discounted at a rate of 8.9% (9.6% before taxes), calculated using the CAPM based on current market input and in line with the method used in prior years.

As Budimex is listed on the Warsaw Stock Exchange and there is free float, we consider the share price is representative of its value. Therefore, the goodwill was tested for impairment by ascertaining whether Budimex's closing market price at December 31, 2023 was higher than its carrying amount. Budimex's share price at December 31, 2023 was 1,086% higher than its carrying amount of EUR 156 million; so there are no indications of impairment.

B. Toll Roads Division goodwill (I-66):

The I-66 toll road goodwill arose following the acquisition of an additional 5.704% of the concession operator I-66 Express Mobility Partners Hold. LLC in December 2021. The toll road became operational in the last quarter of 2022.

In 2023, traffic ramped up to reach 29 million transactions and a 76.9% EBITDA margin. Therefore, there are no indications that the recoverable amount is below its carrying amount.

The impairment test considers the whole concession term. As pointed out in Note 1.3.4, traffic estimates are based on internal projections and research (e.g. impact of e-commerce in traffic of heavy vehicles or working from home habits in the use of private vehicles); tariffs used are in line with traffic estimates and contract clauses. The 2023 impairment test reflects a headroom of 20% with respect to the carrying amount of EUR 1,971 million. The flows were discounted at a rate of 8.8% (9.7% before taxes).

C. Energy Infrastructures and Mobility Goodwill (Transchile and Ferrovial Services Chile):

The goodwill of Power Transmission Services, the company owning the power transmission lines in Chile, reached EUR 43 million in December 2023.

Based on the goodwill impairment test findings, which used long-term projections that go beyond one year after the first 20 years of the regulated period, when the concessionaire is remunerated based on availability payments, the headroom was 79% with respect to the carrying amount of EUR 34 million at December 31, 2023. The flows were discounted at a rate of 10.9% (11.3% before taxes) in 2023.

Goodwill was also recognized in Mining Services Chile, which is engaged mainly in providing mining industry operation and maintenance services, reclassified as a continuing operation in 2022 after being strategically allocated into the Group's Energy Infrastructures and Mobility Division.

The impairment test, based on a 5-year projection, identified a headroom of 12% in relation to the carrying amount, which was EUR 16 million at December 31, 2023). The flows were discounted at a rate (WACC) of 12.8% (17.9% before taxes).

D. Airports Goodwill (Dalaman):

The goodwill recognized on the acquisition in 2022 amounts to EUR 27 million in December 2023 (EUR 27 million in December 2022) and is essentially a balancing item for the tax effects.

The 2023 impairment test reflected a headroom of 26% in relation to the carrying amount which was EUR 146 million at December 31, 2023. The flows were discounted at a rate of 12.7% (13.5% before taxes).

3.2. INTANGIBLE ASSETS

At year-end 2023, the balance of intangible assets, excluding infrastructure project companies, amounted to EUR 122 million (EUR 138 million in 2022).

This heading includes mainly:

- "Concession rights", reflecting rights to operate the concessions that are not classified as Projects (see definition in Note 1.1.2). At December 31, 2023, the carrying amount of EUR 3 million (EUR 20 million at December 31, 2022) relates primarily to the UK Waste Treatment activity.
- "Computer software" with a net value of EUR 28 million (EUR 24 million at December 31, 2022).
- "Other intangible assets", different from IFRIC 12 intangible rights, amounting to EUR 90 million (EUR 90 million at December 31, 2022), relating essentially to the Budimex Services business included in the Construction Division (EUR 25 million), licenses for the Parque Solar Casilla photovoltaic plant amounting to EUR 9 million, and the easements of the Chilean power transmission lines amounting to EUR 44 million (EUR 40 million at December 31, 2022).
- No significant fully-depreciated assets were written off during 2023 and 2022.

3.3. INVESTMENTS IN INFRASTRUCTURE PROJECTS

3.3.1. Intangible asset model

(Million euro)	BALANCE AT 01/01/2023 (*)	TOTAL ADDITIONS	TOTAL DISPOSALS	FOREIGN EXCHANGE EFFECT	CONSOLIDATION SCOPE CHANGES AND TRANSFERS	BALANCE AT 12/31/2023
Spanish toll roads	714	7	0	0	0	721
US toll roads	12,547	670	-1	-393	0	12,823
Other toll roads	391	0	0	0	-387	4
Toll road investment	**13,653**	**677**	**-1**	**-393**	**-387**	**13,549**
Accumulated depreciation/amortization	-781	-201	0	16	132	-834
Net investment in toll roads	**12,872**	**476**	**-1**	**-377**	**-255**	**12,715**
Investment in other infrastructure projects	632	18	0	0	0	650
Depreciation/amortization of other infrastructure projects	0	-34	0	0	0	-34
Total net investment in other infrastructure projects	**632**	**-16**	**0**	**0**	**0**	**616**
TOTAL INVESTMENT	**14,285**	**695**	**-1**	**-393**	**-387**	**14,199**
TOTAL DEPRECIATION/AMORTISATION AND PROVISION	**-781**	**-235**	**0**	**17**	**132**	**-867**
TOTAL NET INVESTMENT	**13,504**	**460**	**-1**	**-376**	**-255**	**13,333**

(*) Restated figures (Note 1.1.7)

(Million euro)	BALANCE AT 01/01/2022	TOTAL ADDITIONS	TOTAL DISPOSALS	FOREIGN EXCHANGE EFFECT	CONSOLIDATION SCOPE CHANGES AND TRANSFERS	BALANCE AT 12/31/2022 (*)
Spanish toll roads	713	0	0	0	1	714
US toll roads	10,527	1,388	0	632	0	12,547
Other toll roads	391	0	0	0	0	391
Toll road investment	**11,632**	**1,388**	**0**	**632**	**1**	**13,653**
Accumulated depreciation/amortization	-617	-145	0	-19	0	-781
Net investment in toll roads	**11,014**	**1,244**	**0**	**613**	**1**	**12,872**
Investment in other infrastructure projects	0	0	0	0	632	632
Depreciation/amortization of other infrastructure projects	0	0	0	0	0	0
Total net investment in other infrastructure projects	**0**	**0**	**0**	**0**	**632**	**632**
TOTAL INVESTMENT	**11,632**	**1,388**	**0**	**632**	**633**	**14,285**
TOTAL DEPRECIATION/AMORTIS ATION AND PROVISION	**-617**	**-145**	**0**	**-19**	**0**	**-781**
TOTAL NET INVESTMENT	**11,014**	**1,243**	**0**	**613**	**633**	**13,504**

(*) Restated figures (Note 1.1.7)

The most significant changes in 2023 and 2022 were as follows:

- Toll road additions amounted to a gross EUR 677 million in 2023, relating to the US toll roads (EUR 1,388 million in 2022). Out of these, the most significant were the I-66 Express Mobility Partners LLC toll road for EUR 489 million (EUR 1,126 million in 2022) and the North Tarrant Express Extension for EUR 178 million (EUR 261 million in 2022).
- Exchange rate fluctuations resulted in a change of EUR -376 million in 2023 (EUR 613 million in 2022) in these asset balances, the full amount of which was attributed to the effect of the euro/US dollar exchange rate on the US toll roads (Note 1.4).
- At December 31, 2023 “consolidation scope changes and transfers” of EUR -255 million relate to the sale of the Euroscut Azores toll road. At December 31, 2022, they related essentially to the consolidation of the Dalaman International Airport assets acquired in July 2022 (Note 1.1.4).

All the concession assets of the infrastructure project companies are pledged to secure borrowings (Note 5.2).

Related borrowing costs capitalized in 2023 and 2022 are described in Note 2.6.

3.3.2. Financial assets from financial asset model concessions

They mainly relate to long-term receivables (more than twelve months) from public administrations in return for services rendered or investments made under concession arrangements, as a result of applying the IFRIC 12 financial asset model. Movements during 2023 and 2022 are set out below:

(Million euro)	INFRASTRUCTURE PROJECT RECEIVABLES 2023	INFRASTRUCTURE PROJECT RECEIVABLES 2022 (*)
OPENING BALANCE	**163**	**169**
Additions	9	9
Disposals	-12	-12
Transfers and other	0	0
Foreign exchange effect	2	-4
Other	0	0
Reclassified to held for sale	0	0
YEAR-END BALANCE	**162**	**163**

Note: Balances net of provisions

(*) Restated figures (Note 1.1.7)

The following tables show the financial assets by concession operator for 2023 and 2022:

CONCESSION OPERATOR (Million euro)	BALANCES AT 12/31/2023 LONG-TERM RECEIVABLES	SHORT-TERM RECEIVABLES	TOTAL
Concesionaria de Prisiones Lledoners	52	3	55
Depusa Aragón	22	1	23
Budimex Parking Wrocław	11	0	11
CONSTRUCTION	**85**	**4**	**89**
UK Waste Treatment (Thalia)	77	0	77
UK WASTE TREATMENT	**77**	**0**	**77**
GROUP TOTAL	**162**	**4**	**166**

	BALANCES AT 12/31/2022 (*)		
CONCESSION OPERATOR (Million euro)	**LONG-TERM RECEIVABLES**	**SHORT-TERM RECEIVABLES**	**TOTAL**
Concesionaria de Prisiones Lledoners	53	3	56
Depusa Aragón	23	1	24
Budimex Parking Wrocław	10	0	10
CONSTRUCTION	**86**	**3**	**89**
UK Waste Treatment (Thalia)	77	0	77
UK WASTE TREATMENT	**77**	**0**	**77**
GROUP TOTAL	**163**	**3**	**166**

(*) Restated figures (Note 1.1.7)

3.3.3 Cash flow effect

The cash flow effect of project additions primarily accounted for using the intangible asset model amounted to EUR -310 million (Note 5.3) (EUR -784 million in 2022), which differed from the additions recognized in the balance sheet for the following main reasons:

- Payments owed under the concession agreement on the I-66 toll road (Note 6.4).
- For projects in which the intangible asset model is applied, due to differences between the accrual basis and cash basis of accounting, as well as capitalized financial costs attributable to projects under construction, which do not give rise to cash outflows.
- For projects in which the financial asset model is applied, due to increases in receivables as a balancing entry for revenue from services rendered, which also do not give rise to cash inflows.
- The impact on cash flows also reflects movements on the held for sale line, related to the sale of Azores (Note 1.1.6).

3.4. PROPERTY, PLANT AND EQUIPMENT

Movements under property, plant and equipment in the consolidated statement of financial position for 2023 and 2022 are set out below:

Movements during 2023 (Million euro)	**Land and buildings**	**Plant and machinery**	**Fixtures, fittings, tooling and furniture**	**Total**
Investment: Balance at 01.01.2023 (*)	**94**	**480**	**395**	**969**
Additions	4	69	142	215
Disposals	(2)	(34)	(27)	(63)
Scope changes and transfers	8	3	(11)	-
Foreign exchange effect	2	5	(4)	3
Balances at 12.31.2023	**106**	**523**	**495**	**1,124**
Accumulated depreciation and impairment losses at 01.01.2023 (*)	**(29)**	**(297)**	**(164)**	**(490)**
Depreciation charge	(6)	(48)	(19)	(73)
Disposals	-	18	14	32
Scope changes and transfers	1	7	(5)	3
Foreign exchange effect	(1)	(3)	1	(3)
Impairment of property, plant and equipment	-	-	1	1
Balances at 12.31.2023	**(35)**	**(323)**	**(172)**	**(530)**
Carrying amount at 12.31.2023	**71**	**200**	**323**	**594**

(*) Restated figures (Note 1.1.7)

Movements during 2022 (Million euro) (*)	**Land and buildings**	**Plant and machinery**	**Fixtures, fittings, tooling and furniture**	**Total**
Investment: Balance at 01.01.2022	**100**	**445**	**287**	**832**
Additions	17	75	115	207
Disposals	-	(43)	(13)	(56)
Scope changes and transfers	(24)	(3)	5	(22)
Foreign exchange effect	1	6	1	8
Balances at 12.31.2022	**94**	**480**	**395**	**969**
Accumulated depreciation and impairment losses at 01.01.2022	**(31)**	**(297)**	**(150)**	**(478)**
Depreciation charge	(4)	(26)	(17)	(47)
Disposals	-	27	8	35
Scope changes and transfers	6	1	1	8
Foreign exchange effect	-	(2)	-	(2)
Impairment of property, plant and equipment	-	-	(6)	(6)
Balances at 12.31.2022	**(29)**	**(297)**	**(164)**	**(490)**
Carrying amount at 12.31.2022	**65**	**183**	**231**	**479**

(*) Restated figures (Note 1.1.7)

Significant changes in 2023 and 2022 by business division were as follows:

Additions:

(Million euro)	2023	2022 (*)
Construction	103	98
Toll Roads	9	17
Energy Infrastructures and Mobility	102	86
Other	1	6
TOTAL	**215**	**207**

(*) Restated figures (Note 1.1.7)

Additions in the Construction Division related to the acquisition of machinery and other equipment; in the Energy Infrastructures and Mobility Division, they primarily arose from the construction of the Centella electricity transmission infrastructure.

In 2022, additions totaled EUR 207 million, the most significant relating to the Construction Division (EUR 98 million) due to the acquisition of machinery and fixtures, fittings, tooling, furniture and vehicles, and to the Energy Infrastructures and Mobility Division (EUR 86 million), arising primarily from the construction of the Parque Solar Casilla renewable energy generation plant.

Cash flow effect:

The 2023 impact on cash flows arising from additions to property, plant and equipment amounted to EUR -77 million (EUR -80 million in 2022), of which EUR -73 million (EUR -74 million in 2022) relates to the Construction Division.

Disposals due to sales or retirement:

As of December 31, 2023, disposals due to sales or retirement amounted to EUR 63 million. Approximately EUR 52 million of this amount relates to Construction, mainly machinery and other equipment.

In 2022, disposals due to sales or retirements amounted to EUR 56 million. Approximately EUR 7 million of this amount relates to sales of Grand Parkway Infrastructure property, plant and equipment, specifically two four-track pavers (EUR 4 million) and two dump trucks (EUR 2.4 million), among other items. The remaining amount relates mainly to the disposal or retirement of fully-depreciated or obsolete assets, having no significant effect on the consolidated income statement.

Other disclosures relating to property, plant and equipment:

The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are subject and any claims that may be brought in the course of business. These policies are considered to provide sufficient coverage for the related risks.

Property, plant and equipment under construction totaled EUR 191 million in 2023 (EUR 150 million in 2022).

At December 31, 2023 and 2022, no significant property, plant or equipment were subject to ownership restrictions or pledged as collateral for liabilities.

3.5. INVESTMENTS IN ASSOCIATES

Due to their significance, the investments in HAH (25%), 407 ETR (43.23%), JFK NTO (49%), AGS (50%) and IRB (24.86%) are presented separately. The considerable losses posted in 2020 and 2021 in the Airports business reduced the investments in HAH and AGS to zero, as losses exceeded the amount of the shareholdings, there being no commitments to inject additional funds (pursuant to IAS 28). The following table shows the main items that explain the variation in these investments.

2023 (Million euro)	HAH (25%)	407 ETR (43,23%)	AGS (50%)	IRB (24,86%)	JFK (49%)	OTHER	TOTAL
Balance at 12.31.22 (*)	**-**	**1,063**	**-**	**377**	**235**	**276**	**1,951**
Changes in share capital	-	-	-	-	214	-	214
Share of profit/(loss)	-	154	-	14	4	43	215
Dividends	-	(281)	-	(1)	-	(39)	(321)
Foreign exchange differences	-	(8)	-	(14)	(12)	1	(33)
Derivatives	-	-	-	1	31	(15)	17
Other	-	-	-	(1)	(1)	(3)	(5)
Balance at 12.31.23	**-**	**928**	**-**	**376**	**471**	**263**	**2,038**

(*) Restated figures (Note 1.1.7)

2022 (Million euro) (*)	HAH (25%)	407ETR (43,23%)	AGS (50%)	IRB (24,86%)	JFK (49%)	OTHER	TOTAL
Balance at 12.31.21	**-**	**1,181**	**-**	**378**	**-**	**280**	**1,838**
Share capital contributions	-	-	-		59	17	77
Share of profit/(loss)	-	124	-	22	1	18	165
Dividends	-	(237)	-	(2)	-	(19)	(258)
Foreign exchange differences	-	(4)	-	(18)	(4)	(3)	(29)
Derivatives	-	-	-	(4)	117	100	213
Changes in scope of consolidation	-	-	-	-	-	(111)	(111)
Other	-	-	-	2	61	(5)	58
Balance at 12.31.22	**-**	**1,063**	**-**	**377**	**235**	**276**	**1,951**

(*) Restated figures (Note 1.1.7)

3.5.1. Disclosures relating to HAH

Possible divestment of Heathrow stake

At December 31, 2023 the completion of the transaction continues to be subject to the satisfaction of the tag-along condition, together with applicable regulatory conditions, and consequently, there can be no certainty that the transaction will be completed. Therefore, this possible divestment does not affect the 2023 Financial Statements.

On November 28, 2023 Ferrovial, through its subsidiary Hubco Netherlands B.V. ("Hubco"), entered into a share purchase agreement (the "Heathrow SPA") with InfraEuropa SCA represented by its managing general partner InfraEuropa Management S.a r.l (entities and funds managed or controlled by Ardian France SA and its affiliates) ("Ardian") and Alrahala First Investment Company (a wholly owned subsidiary of The Public Investment Fund) ("PIF", together with Ardian, the "Buyers"), pursuant to which Hubco agreed to sell and the Buyers agreed to purchase Hubco's full stake (approximately 25% interest) in FGP Topco Limited ("FGP"), which is a direct shareholder of Heathrow Airports Holdings Limited, the owner of the Heathrow airport in London, United Kingdom (the "Proposed Transaction").

Pursuant to the Heathrow SPA, Ardian is expected to acquire an approximately 15% interest in FGP and PIF is expected to acquire an approximately 10% interest in FGP. Ardian and PIF are entering into the transaction as individual buyers. However, neither the Hubco nor the Buyers are obliged to complete the transaction unless both Ardian and PIF acquire their respective stakes. The purchase price payable for Hubco's interest in FGP is comprised of: (i) GBP 2,165 million (the "Base Consideration"); plus (ii) an amount equal to the aggregate of the daily interest on the Base Consideration in the period from (and excluding) December 31, 2021 (the "Locked Box Date") to (and including) the completion of the Proposed Transaction, which will accrue from day to day and be compounded annually, assuming 365 days in a year. Under the Heathrow SPA, Hubco also undertakes to the Buyers that no Leakage, as defined in the Heathrow SPA, including any dividend or distribution to the Ferrovial Group, to Hubco or an affiliate of Hubco will occur from the Locked Box Date until completion of the Proposed Transaction and, if any such Leakage does occur, it shall be deducted from the purchase price or, if not deducted from the purchase price, Hubco will reimburse the Buyers for any such leakage. As at the date of entry into the SPA, no such Leakage had occurred.

The Proposed Transaction is expected to close in the second or third quarter of 2024 and is conditional upon: (i) the pre-emption and full tag-along rights in favor of the other FGP shareholders under FGP's Bylaw and/or shareholders' agreement; and (ii) the UK Government granting approval of each of the Buyers under the National Security and Investment Act 2021. Given the conditionality in points (i) and (ii), there can be no assurance that closing will occur.

In January 2024, in accordance with the tag-along process, some of FGP Topco's shareholders exercised their tag-along rights in respect of shares representing 35% of the share capital of FGP Topco (the "Tagged Shares"). It is a condition under the Heathrow SPA for the completion of the Proposed Transaction that the Tagged Shares are also sold. The parties are working towards satisfaction of such condition by exploring different options.

a. Balance sheet and income statement movements 2023-2022

The balance sheet figures shown reflect HAH's full balances and are presented in pound sterling (details of the exchange rate used in 2023 for the balance sheet and the income statement figures are provided in Note 1.4.).

Balance sheet 2023-2022

HAH (100%) Million GBP	2023	2022	Var.
Non-current assets	**16,478**	**16,506**	**(28)**
Fixed assets in infrastructure projects	12,384	12,369	15
Financial derivatives	952	1,145	(193)
Other non-current assets	3,142	2,992	150
Current assets	**2,904**	**3,317**	**(413)**
Financial derivatives	92	1	91
Other current assets	2,812	3,316	(504)
TOTAL ASSETS	**19,382**	**19,823**	**(441)**

HAH (100%) Million GBP	2023	2022	Var.
Equity	**(2,693)**	**(3,018)**	**325**
Non-current liabilities	**19,947**	**21,334**	**(1,387)**
Borrowings	16,913	18,025	(1,112)
Financial derivatives	2,010	2,436	(426)
Other non-current liabilities	1,024	873	151
Current liabilities	**2,128**	**1,507**	**621**
Borrowings	1,571	1,008	563
Financial derivatives	27	40	(13)
Other current liabilities	530	459	71
TOTAL LIABILITIES	**19,382**	**19,823**	**(441)**

Equity

As detailed previously, the ownership interest in this company had zero value in 2023 and 2022 since the prior-year losses caused by Covid-19 brought equity attributable to Ferrovial to zero.

The following table shows movements in the 25% equity interest in the company, including both results for the year and results not consolidated because losses for the year exceeded the investment's value, relating mainly to pensions and derivatives:

2023 (Million euro)	HAH (25%)
Balance at 12.31.2021 without IAS 28	**(176)**
Share of profit/(loss)	49
Derivatives	21
Pensions	(101)
Currency translation differences	10
Balance at 12.31.2022 without IAS 28	**(197)**
Share of profit/(loss)	97
Derivatives	1
Pensions	(6)
Currency translation differences	(4)
Balance at 12.31.2023 without IAS 28	**(108)**

Income statement 2023-2021

The following table shows HAH's income statement movements for 2023, 2022 and 2021 .

HAH (100%) Million GBP	2023	2022	2021
Operating income	3,687	2,913	1,214
Operating expenses	(1,456)	(1,210)	(858)
Fixed asset depreciation	(754)	(795)	(828)
Operating profit/(loss)	**1,478**	**909**	**(472)**
Net financial income/(expense)	(1,012)	(687)	(1,509)
Profit/(loss) before tax	**465**	**222**	**(1,981)**
Corporate income tax	(127)	(54)	319
Net profit/(loss)	**338**	**168**	**(1,662)**
25% Profit/(loss) attributed to Ferrovial (million euro)	**98**	**49**	**(484)**
Profit/(loss) attributed to Ferrovial under IAS 28 (EUR million)	**–**	**–**	**(238)**

Heathrow traffic experienced a strong recovery during 2023 as the aviation sector bounced back from the impact of the pandemic.

3.5.2. Disclosures relating to 407 ETR

Given that Ferrovial's ownership interest in 407 ETR was restated when control was lost in 2010, analyzing the implicit existence of goodwill, as stipulated paragraph 40 and following paragraphs of IAS 28, an impairment exercise is conducted on an annual basis.

a. Impairment analysis

This asset performed well in 2023, revenue having grown by 12.7% and operating profit by 12.7%. It should be noted that in both the in-house valuation of this concession carried out by Ferrovial and the average valuation of 407 ETR carried out by the stock market analysts that follow Ferrovial (more than 20 analysts), the value is more than nine times its carrying amount.

b. Balance sheet and income statement movements 2023-2022.

These figures reflect the company's full balances and are presented in millions of Canadian dollars (details of the exchange rate used in 2023 for the balance sheet and the income statement figures are provided in Note 1.4.).

Balance sheet 2023-2022

407 ETR (100%) (million CAD)	Dec. 2023	Dec. 2022	Var. 23/22
Non-current assets	**4,584**	**4,565**	**19**
Fixed assets in infrastructure projects	3,954	3,972	(18)
Non-current financial assets	568	533	35
Deferred taxes	62	60	2
Current assets	**1,014**	**883**	**130**
Short-term trade and other receivables	322	265	57
Cash and cash equivalents	691	618	73
Total assets	**5,598**	**5,448**	**150**
Equity	**(5,791)**	**(5,407)**	**(384)**
Non-current liabilities	**10,908**	**10,640**	**268**
Borrowings	10,318	10,060	258
Deferred taxes	590	580	11
Current liabilities	**481**	**216**	**265**
Borrowings	403	139	265
Short-term trade and other payables	77	77	-
Total liabilities	**5,598**	**5,448**	**150**

There follows a description of the main movements in 407 ETR's balance sheet at December 31, 2023 compared to the previous year:

<u>Equity</u>

Equity fell by CAD 384 million with respect to the previous year, primarily due to the payment of CAD 950 million in dividends to shareholders, which was offset by the profit for the year of CAD 567 million.

The 43.23% of the subsidiary's shareholders' funds does not reflect the consolidated carrying amount of the ownership interest, since the latter also includes the amount of the gain arising from the fair value measurement of the investment retained following the divestment of a 10% ownership interest in this company in 2010, recognized as an increase in the investment's value, and the goodwill that arose in 2009 as a result of the merger of Grupo Ferrovial, S.A. and Cintra Concesiones de Infraestructuras de Transportes, S.A.

Therefore, the consolidated carrying amount of 407 ETR (EUR 928 million, CAD 1,356 million) is calculated taking into account the 43.23% of the shareholder´s funds presented above (CAD -2,503 million) and the gain and goodwill related with the above-mentioned operations in 2009 and 2010 (CAD 3,859 million).

<u>Borrowings</u>

Overall financial debt (short and long term) increased in relation to December 2022 by CAD 500 million due to issuance of new borrowings.

Income statement 2023-2022

The following table shows movements in 407 ETR's income statement during the financial years ended December 2023, December 2022 and December 2021:

407 ETR (100%) (million CAD)	Dec.23	Dec.22	Dec.21
Operating income	1,495	1,327	1,023
Operating expenses	(212)	(188)	(164)
Fixed asset depreciation	(97)	(100)	(102)
Operating profit/(loss)	**1,187**	**1,039**	**757**
Net financial income/(expense)	(412)	(447)	(465)
Profit/(loss) before tax	**775**	**592**	**292**
Corporate income tax	(208)	(156)	(79)
Net profit/(loss)	**567**	**435**	**213**
Profit/(loss) attributable to Ferrovial (million CAD)	245	188	92
Intangible asset amortization adjustment (CAD million)	(21)	(19)	(15)
Adjusted net profit/(loss) attributable to Ferrovial (43.23%) (million CAD)	**225**	**169**	**77**
Adjusted net profit/(loss) attributable to Ferrovial (43.23%) (million euro)	**154**	**124**	**52**

Positive performance driven largely by the lifting of the COVID-19 restrictions by the province of Ontario and the resulting increases in traffic, with return-to-work policies in place and supported by rehabilitation construction works in competing Highway 401.

It should be noted that the profit/(loss) attributable to Ferrovial also includes the depreciation charged over the concession term on the remeasurement recognized following the loss of control of the company as a result of the sale in 2010 mentioned above.

3.5.3. Disclosures relating to JFK NTO LLC

As indicated in Note 1.1.6, the agreement whereby Ferrovial invested in the capital of JFK NTO LLC, which will remodel, build, finance, operate and maintain the facilities of the new terminal one at New York's John F. Kennedy International (JFK) Airport, came into effect on June 10, 2022. Ferrovial holds a 49% indirect ownership interest in the project.

As also commented in that note, Ferrovial agreed with Carlyle Group on the payment of earn-out consideration should Carlyle divest its outstanding 4% interest in Mars NTO LLC. This earn-out payment would be triggered either if Carlyle transfers its stake to a third party or to Ferrovial. This payment depends on the value creation by the project. An estimation of the earn-out payment was included in our valuation of the investment as presented in the audited financial statements. Any future changes in the valuation of the earn-out may affect our results.

The shareholders made a commitment to inject share capital of USD 2,330 million, of which Ferrovial will contribute USD 1,142 million. At December 31, 2023, USD 600 million had been disbursed (USD 294 million relates to Ferrovial).

Dividend payments by the company are restricted during the construction phase, which is estimated to end in mid-2026. Dividend payments are also subordinated to the payment of concession rent to the Airport Authority of New York and New Jersey.

The balance sheet resulting from the application of the intangible model (IFRIC 12) is shown below:

Balance sheet 2023

JFK (100%) Million USD	Dec. 2023	Dec. 2022
Non-current assets	**6,478**	**5,265**
Fixed assets in infrastructure projects	2,247	1,062
Right of use (Port Authority)	3,921	3,805
Non-current financial assets	178	270
Trade receivables	132	128
Current assets	**325**	**116**
Short-term trade and other receivables	178	13
Cash and cash equivalents	148	103
Total assets	**6,803**	**5,381**
Equity	**931**	**382**
Share capital	600	127
Share of profit/(loss)	11	3
Hedging instrument impact	321	252
Non-current liabilities	**5,559**	**4,940**
Long-term borrowings	1,740	1,137
Other long-term payables	3,819	3,802
Current liabilities	**313**	**59**
Short-term borrowings	40	54
Short-term trade and other payables	273	5
Total liabilities	**6,803**	**5,381**

JFK NTO's main assets and liabilities are described below:

- Fixed assets in infrastructures projects, which fundamentally comprise:
  - Intangible assets (USD 2,247 million), including all the expenses necessary to obtain the concession contract, as well as the project's construction and development costs.
  - Payments to the Port Authority (USD 3,921 million) related to the present value of the future payments, throughout the concession period, for the acquisition of the concession. Also, a liability of the same amount has been recorded, corresponding to the value of future payment obligations, under financial debt in non-current liabilities ("Other long-term payables").
- Long-term borrowings (USD 1,740 million) relating to the credit line carried at amortized cost under non-current liabilities, mainly the USD 2 billion nominal amount of the Munibond issued on December 6, 2023. This bond emission mitigates nearly one-third of the refinancing risk with still three years to refund the initial bank loan. A portion of the issuance (USD 800 million) was insured by Assured Guaranty Municipal Corp. ("AGM"). JFK NTO, as a matter of its ongoing business operations, continues monitoring the refinancing market for its bank facility and may refinance any outstanding amounts thereunder when market conditions are deemed appropriate by the lessee.
- In addition, JFK NTO has contracted interest rate swaps (IRS) associated with the project's bank borrowings and future debt issuances, for a notional amount of USD 3,005 billion, which have been treated as effective accounting cash flows hedges. During the year there has been an impact on the company's reserves in the amount of USD 69 million (EUR 31 million at Ferrovial's ownership interest).
- Equity (USD 931 million). Movements in equity are primarily explained by the capital contributions under this same heading in the amount of USD 473 million and USD 69 million reflecting the impact on reserves of the change in market value of the derivative associated with the current debt since the acquisition date.

3.5.4. Disclosures relating to AGS

Among the other equity-accounted businesses, the most noteworthy is the 50% ownership interest in the company AGS, which owns Aberdeen, Glasgow and Southampton airports in the UK.

The three airports were severely affected by Covid-19, although in 2023 passenger numbers reached 10.4 million (9.2 million in 2022). The airports are still below 2019 due primarily to the negative effect of the Flybe bankruptcy.

The consolidation of the resulting losses reduced the value of the ownership interest to zero at both December 2023 and December 2022.

The following table shows movements in the 50% equity interest in the company, including both results for the year and results not consolidated because losses for the year exceeded the investment's value, relating mainly to pensions and derivatives:

2023 (Million euro)	AGS (50%)
Balance at 12.31.2021 without IAS 28	**(60)**
Share of profit/(loss)	(17)
Derivatives	10
Pensions	(4)
Other	(1)
Currency translation differences	14
Balance at 12.31.2022 without IAS 28	**(58)**
Share of profit/(loss)	(13)
Derivatives	(7)
Pensions	(3)
Currency translation differences	23
Balance at 12.31.2023 without IAS 28	**(59)**

Agreement to amend and extend the AGS syndicated loan

AGS closed the agreement with a syndicate of banks to amend and extend the facility agreement concluded in February 2017 in the amount of GBP 793 million (the amount of GBP 757 million having been drawn). The negotiation of a refinancing operation with the financial institutions was progressing at year-end 2023 and is expected to be closed in the first months of 2024.

The Company has reassessed the recoverability of the shareholder loan, concluding that it is recoverable on the basis of projections updated to account for the refinancing agreement.

3.5.5 Consolidation of IRB

As indicated in Ferrovial's 2021 consolidated financial statements, the Group (through Cintra) acquired a 24.86% stake in the Indian listed company IRB Infrastructure Developers Ltd on December 29, 2021. The deal was completed after a preferential share issue by IRB Infrastructure Developers. The amount paid totaled EUR 369 million. The transaction price was set in accordance with applicable legislation, taking into account the average price weighted by the trading volume during the two-week period prior to the year-end.

The price of IRB's stock at December 31, 2023 is INR (Indian Rupee) 41.55 per share (29.09 at December 31, 2022).

The company's fiscal year runs from April through March. IRB's latest audited available financial statements are those of March 2023. IRB contributed a profit of EUR 14.5 million to Ferrovial for the period between January to December 2023.

3.5.6. Other disclosures relating to associates

a) Movements relating to the remaining associates

The associates breakdown, showing consolidated ownership interests and the main data, is disclosed in Appendix I.

A summary is presented in the following table:

Million euro	2023	2022 (*)
Madrid Calle 30	52	51
Riverlinx Limited – Silvertown Tunnel	52	55
Netflow OSARS (Western)	42	50
Ruta del Cacao	22	8
FMM Company LLC	19	19
A66 Benavente - Zamora	17	17
Other	59	76
TOTAL	**263**	**276**

(*) Restated figures (Note 1.1.7)

b) Other information

There are no significant restrictions on the capacity of associates to transfer funds to the parent company in the form of dividends, debt repayments or advances, other than such restrictions as might arise from the financing agreements of those associates or from their own financial position, and there are no contingent liabilities relating to associates that might ultimately be assumed by the Group.

There are no significant companies in which the ownership interest exceeds 20% that are not equity-accounted.

The guarantees provided by Group companies to equity-accounted companies are detailed in Note 6.5.2.

3.6. NON-CURRENT FINANCIAL ASSETS

Set out below is a breakdown of movements at December 31, 2023 and December 31, 2022:

MOVEMENTS (Million euro)	LONG- TERM LOANS TO ASSOCIATES	RESTRICTED CASH FROM INFRASTRUCTURE PROJECT COMPANIES AND OTHER FINANCIAL ASSETS	FINANCIAL INVESTMENTS CARRIED AT FAIR VALUE	LOANS ASSOCIATED WITH DIVESTMENT TRANSACTIONS	OTHER LONG- TERM RECEIVABLES	TOTAL
BALANCE AT 01/01/2022	**228**	**580**	**41**	**-**	**33**	**882**
Additions	36	153	12	192	1	394
Disposals	(4)	(172)	-		(35)	(211)
Transfers and other	-	-	(19)	(3)	21	(1)
Foreign exchange	(13)	36	1	-	7	31
BALANCE AT 12/31/2022 (*)	**247**	**597**	**35**	**189**	**27**	**1,095**
Additions	40	432	9	10	6	497
Disposals	(37)	(381)	-	-	(5)	(423)
Transfers and other	-	-	1	(13)	-	(12)
Foreign exchange	12	(20)	-	-	(1)	(9)
BALANCE AT 12/31/2023	**262**	**628**	**45**	**186**	**27**	**1,148**

Note: Balances net of provisions

(*) Restated figures (Note 1.1.7)

Long-term loans to associates

Ferrovial granted a subordinated loan amounting to GBP 121 million (EUR 139 million) to the company AGS, not including the provision for expected losses recognized under IFRS 9, which stands at GBP 9 million (EUR 11 million). The company's other shareholder has granted loans on the same terms.

In addition, a subordinated debt loan is granted to Concesionaria Ruta del Cacao, S.A.S., in the amount of EUR 62 million. The increase in the year corresponds to the capitalization of interest.

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

Future asset trends: AGS owns the assets, so operations are not subject to a concession period. Accordingly, a model was prepared in which traffic is assumed to progressively recover. The assumptions in this model are consistent with forecasts of air traffic trends obtained from different sources. The model shows a total value for AGS that is above the carrying amount of the current investment.

Liquidity: The contingency plans adopted during 2021 and 2022 allowed the Company to end the year in a positive liquidity position. Projections show that the available liquidity would be sufficient to keep the business running based on estimated traffic levels.

Bank borrowings: Following the agreement in 2021 to amend and extend the loan granted by a syndicate of banks, AGS will have until June 2024 to repay it. The company is, at the end of 2023, in the last steps of agreeing a new refinancing of its external debt with a new syndicate of banks.

On the basis of the three factors analyzed, the amounts borrowed by the company are likely to be recovered, in view of the information currently available. The above notwithstanding, an expected loss provision of GBP 9 million (EUR 11 million) was set up in its balance sheet in accordance with IFRS 9.

Restricted cash from infrastructure project companies

The item "Restricted cash from infrastructure project companies and other financial assets" (EUR 432 million) relates primarily to the NTE Mobility Partners toll road (EUR 336 million) and the I-77 Mobility Partners toll road (EUR 62 million).

The 2023 variation is related mainly to NTE Mobility Partners Segments 3 LLC (EUR -374 million), due primarily to dividend payments. The note on the net cash position provides details of the main balances and changes recognized in relation to this line item.

Loans associated with divestment transactions

The item relates to the debt generated by divestments made on deferred payment terms in connection with the sale of Amey debt, as discussed in Note 1.1.5 of these notes to the financial statements.

As explained in the above-mentioned notes, the business carried on in the United Kingdom through the subsidiary Amey was sold in 2022. The purchase consideration was received partly in cash and partly in the form of loans granted to the buyers for an amount of GBP 151.8 million (EUR 172.8 million), to a company controlled by funds managed by One Equity Partners, in association with its shareholder Buckthorn Partners. At December 2023, and derived from the agreement reached with Buckthorn to repay the loan, an impairment loss of GBP 13 million has already been recorded through the income statement.

Additionally, the energy and water infrastructure maintenance services business was sold to the British fund Rubicon for the amount of GBP 18 million (EUR 20 million). In the final quarter of the year, Rubicon repaid GBP 2 million based on the agreed repayment schedule.

Following the divestment operation, the Company assessed the recoverability of the loans, concluding that they are recoverable on the basis of the latest projections.

Other long-term receivables

Interests in investment funds amounting to EUR 20 million and relating to the Credit Suisse (Lux) Supply Chain Finance Fund, which invested in supplier invoices insured by companies with an investment grade rating (average of AA-). This fund is currently in the process of liquidation. The amount invested is regarded as recoverable and is expected to be recovered after more than one year.

3.7. RIGHT-OF-USE ASSETS AND ASSOCIATED LIABILITIES

Set out below are movements in right-of-use assets in the balance sheet:

MOVEMENTS (Million euro)	LAND	BUILDINGS	VEHICLES	PLANT AND MACHINERY	OFFICE EQUIPMENT AND OTHER	TOTAL
BALANCE AT 12/31/2021	**12**	**67**	**70**	**23**	**4**	**176**
Additions	6	25	21	15	3	70
Disposals	(2)	(6)	(8)	(2)	(3)	(21)
Transfers and other	(2)	3	(8)	2	1	(4)
Depreciation/amortization	(1)	(13)	(15)	(10)	(2)	(41)
Scope changes	-	-	-	-	-	-
Foreign exchange effect	-	1	1	1	-	3
BALANCE AT 12/31/2022 (*)	**13**	**77**	**61**	**29**	**3**	**183**
Additions	2	16	34	30	5	87
Disposals	2	3	1	(2)	(1)	3
Transfers and other	(2)	6	-	(2)	-	2
Depreciation/amortization	(1)	(15)	(27)	(20)	(2)	(65)
Scope changes	(2)	(4)	(5)	(1)	-	(12)
Foreign exchange effect	-	-	(1)	(1)	-	(2)
BALANCE AT 12/31/2023	**12**	**83**	**63**	**33**	**5**	**196**

(*) Restated figures (Note 1.1.7)

The most significant variations under this heading relate to additions totaling EUR 87 million (EUR 70 million in 2022), of which EUR 72 million (EUR 64 million in 2022) is associated with Construction Division leases.

Movements in lease liabilities are set out below:

	LEASE LIABILITIES
BALANCE AT 12.31.2021	**173**
Additions under new leases	86
Associated financial expenses	12
Disposals due to payments	(72)
Foreign exchange effect	1
Consolidation scope change and other	(15)
BALANCE AT 12/31/2022 (*)	**184**
Additions under new leases	97
Associated financial expenses	14
Disposals due to payments	(87)
Foreign exchange effect	(1)
Consolidation scope changes and other	(7)
BALANCE AT 12/31/2023	**200**
Short-term lease liabilities 2023	**59**
Long-term lease liabilities 2023	**141**

(*) Restated figures (Note 1.1.7)

Financial expenses associated with lease agreements amounted to EUR 14 million at December 31, 2023 (EUR 12 million at December 31, 2022). Lease payments in 2023 amounted to EUR -87 million (EUR -72 million in 2022) (Note 5.3).

Set out below are future maturities of lease liabilities in each business area at December 31, 2023:

	2024	2025	2026	2027	2028	2029 AND BEYOND	TOTAL
Corporation	2	3	3	3	3	13	27
Construction	47	35	23	12	7	27	151
Toll Roads	2	1	1	-	-	-	4
Energy and mobility infrastructures	8	4	2	1	-	3	18
TOTAL LEASE LIABILITIES	**59**	**43**	**29**	**16**	**10**	**43**	**200**

At December 31, 2023 lease expenses recognized in operating profit/(loss) reached EUR 250 million (EUR 256 million in 2022 and EUR 236 million in 2021) and relate to the following items:

a. Expenses under agreements that, though meeting the definition of a lease under IFRS 16 are using the exemptions granted by the standard for short-term leases and leases for which the underlying asset is of low value. Given the nature of the Group's business, assets are normally leased to carry out various phases of a project for periods of less than one year or are considered to have a low value (below EUR 5,000).

b. Agreements that are not leases as defined in IFRS 16 as they do not convey the right to control the use of an identified asset or even if an asset is specified, the supplier has the substantive right to substitute the asset throughout the period of use. This is especially frequent in construction projects.

SECTION 4: TRADE CURRENT ASSETS AND LIABILITIES AT DECEMBER 31, 2023 AND 2022

This section contains the notes on Inventories (Note 4.1), Short-term trade and other receivables (Note 4.2) and Short-term trade and other payables (Note 4.3). The net balance of these items is referred to as working capital.

Million euro	2022 (*)	Exchange rate	Consolidation scope changes	Other	2023
Inventories	476	5	–	(23)	458
Short-term trade and other receivables	1,609	19	(12)	62	1,677
Short-term trade and other payables	(3,430)	(23)	1	(194)	(3,646)
TOTAL	**(1,346)**	**1**	**(11)**	**(155)**	**(1,511)**

Million euro	2021	Exchange rate	Consolidation scope changes	Other	2022
Inventories	404	9	–	63	476
Short-term trade and other receivables	1,344	(10)	15	260	1,609
Short-term trade and other payables	(2,813)	(4)	(6)	(608)	(3,430)
TOTAL	**(1,065)**	**(4)**	**9**	**(285)**	**(1,346)**

(*) Restated figures (Note 1.1.7)

Section 4.4 contains a more detailed analysis of the balance sheet items relating to the recognition of revenue from contracts with customers in the Construction business, including the disclosures required by IFRS 15 in relation to those contracts.

4.1.INVENTORIES

Inventories break down as follows at December 31, 2023 y 2022:

Million euro	2022 (*)	Exchange rate	Consolidation scope changes	Other	2023
Goods purchased for resale	24	–	–	(4)	20
Raw materials and other supplies	322	8	–	(27)	303
Bidding and mobilization costs	129	(2)	–	8	135
Inventories	**476**	**5**	**–**	**(23)**	**458**

(*) Restated figures (Note 1.1.7)

Goods purchased for resale relates primarily to the Construction business (EUR 19 million in 2023, compared to EUR 24 million in 2022).

EUR 303 million in 2023 (compared to EUR 322 million in 2022) in raw materials and other supplies relates mainly to the Construction Division, primarily the Poland activity reaching EUR 140 million (EUR 159 million in 2022) and the US activity standing at EUR 101 million (EUR 96 million in 2022).

Bidding and mobilization costs are written off systematically as the goods and services relating to the assets are transferred to customers. In 2023, EUR 14 million of bidding costs and EUR 0.02 million of mobilization costs were amortized. The increase in the year (EUR 8 million) is mainly in US.

4.2. SHORT-TERM TRADE AND OTHER RECEIVABLES

Set out below is a breakdown of this heading at December 31, 2023 and 2022:

Million euro	2022 (*)	Exchange rate	Consolidation scope changes	Other	2023
Trade receivables for sales and services	1,300	15	(12)	51	1,353
Other receivables	309	4	–	11	324
TOTAL RECEIVABLES	**1,609**	**19**	**(12)**	**62**	**1,677**

(*) Restated figures (Note 1.1.7)

a) Trade receivables for sales and services

Trade receivables break down as follows at December 31, 2023 and 2022:

Million euro	2022 (*)	Exchange rate	Consolidation scope changes	Other	2023
Trade receivables	962	13	(12)	1	963
Bad debt provisions	(209)	(1)	–	(6)	(216)
Net trade receivables	**753**	**12**	**(12)**	**(5)**	**748**
Completed work pending certification	406	2	–	38	446
Retentions	141	1	–	18	160
TRADE RECEIVABLES FOR SALES AND SERVICES	**1,300**	**15**	**(12)**	**51**	**1,353**

(*) Restated figures (Note 1.1.7)

The change under the heading “Other” (EUR 51 million) is explained primarily by the increase in Construction (EUR 43 million), particularly in Poland (EUR 61 million), as a result of business performance.

In addition, the scope changes during the year relate primarily to the Euroscut Azores toll road disposal.

Finally, there are no balance sheet items relating to factoring agreements at December 31, 2023 or 2022.

Set out below is a breakdown of the main trade receivables by debtor type:

At 12.31.2023 (Million euro)	CONSTRUCTION		OTHER AND ADJUSTMENTS		TOTAL	
Public sector	777	57 %	93	n.a.	870	64 %
Private sector	414	30 %	13	n.a.	427	32 %
Group companies and associates	171	13 %	(116)	n.a.	55	4 %
TOTAL	**1,363**	**100 %**	**(10)**	**N.A.**	**1,353**	**100 %**

At 12.31.2022 (Million euro)	CONSTRUCTION		OTHER AND ADJUSTMENTS		TOTAL	
Public sector	813	66 %	90	n.a.	904	70 %
Private sector	324	26 %	22	n.a.	346	27 %
Group companies and associates	97	8 %	(47)	n.a.	50	4 %
TOTAL	**1,235**	**100 %**	**65**	**N.A.**	**1,300**	**100 %**

The Group has pre- and post-contracting measures in place to manage customer credit risk, such as consulting debtor registers, ratings or solvency studies, and monitoring incidents and default while the work is in progress.

Changes to trade provisions are set out below:

(Million euro)	2023	2022 (*)
Opening balance	**209**	**209**
Amounts charged to the income statement:	5	(1)
Charges	12	5
Reversals	(8)	(4)
Applications	–	(2)
Foreign exchange effect	1	–
Transfers and other	1	1
Closing balance	**216**	**209**

(*) Restated figures (Note 1.1.7)

Group management considers that the carrying amount of trade receivables approximates fair value.

b) Other receivables

Other receivables breakdown is as follows at December 31, 2023 and 2022:

Million euro	2022 (*)	Exchange rate	Consolidation scope changes	Other	2023
Advance payments to suppliers	61	–	–	6	67
Sundry receivables	96	4	–	10	110
Infrastructure project receivables	3	–	–	–	4
Amounts receivable from Public Administrations	148	1	–	(5)	144
OTHER RECEIVABLES	**309**	**4**	**–**	**11**	**324**

(*) Restated figures (Note 1.1.7)

4.3. SHORT-TERM TRADE AND OTHER PAYABLES

Set out below is a breakdown of this heading at December 31, 2023 and 2022:

Million euro	2022 (*)	Exchange rate	Consolidation scope changes	Other	2023
Trade payables	1,663	13	(2)	24	1,698
Work certified in advance	962	(3)	–	165	1,124
Advance payments	402	5	–	(1)	406
Other non-trade payables	403	9	1	6	419
TRADE AND OTHER PAYABLES	**3,430**	**23**	**(1)**	**194**	**3,646**

(*) Restated figures (Note 1.1.7)

a) Trade payables

Set out below is a breakdown of trade payables at December 31, 2023 and 2022:

Million euro	2022 (*)	Exchange rate	Consolidation scope changes	Other	2023
Trade payables	1,187	7	(2)	(35)	1,158
Trade payables sent for reverse factoring	234	–	–	48	281
Withholdings made from suppliers	242	5	–	11	259
TRADE PAYABLES	**1,663**	**13**	**(2)**	**24**	**1,698**

(*) Restated figures (Note 1.1.7)

Trade payables increased by EUR 35 million compared to the balance recognized at December 31, 2022. Excluding the foreign exchange effect and scope changes, trade payables grew by EUR 24 million, primarily in the Construction Division (EUR 80 million), partially offset by the deferred payment for the acquisition of Dalaman airport in the previous year (EUR -26 million) and payments in the Energy Infrastructures and Mobility business (EUR -15 million).

Trade payables pending payment to suppliers under reverse factoring arrangements (Note 1.3.3.3 on accounting policies) increased by EUR 48 million compared to the balance at December 31, 2022.

Group management considers that the carrying amount of trade receivables approximates fair value.

b) Work certified in advance and advance payments from customers

This heading includes:

- Work certified in advance (see definition in Notes 4.4 and 1.2.3.4) increased by EUR 165 million against December 2022 (excluding the foreign exchange effect and scope changes), primarily in the US and Canada, relating particularly to the Ontario Metro project (EUR 72 million).
- The balance of advance payments from customers (see definition in point 4.4) decrease by EUR -1 million in relation to December 2022.

c) Other non-trade payables

"Other non-trade payables" breakdown is as follows:

Million euro	2022 (*)	Exchange rate	Consolidation scope changes	Other	2023
Accrued wages and salaries	190	5	–	32	227
Taxes payable	173	4	–	(14)	162
Other payables	41	–	1	(12)	30
OTHER NON- TRADE PAYABLES	**403**	**9**	**1**	**6**	**419**

(*) Restated figures (Note 1.1.7)

4.4. BALANCES FROM CONTRACTS WITH CUSTOMERS AND OTHER DISCLOSURES RELATING TO IFRS 15

Information on the balance sheet relating to IFRS 15

As indicated in Note 1.3.3.4 in relation to the policy for recognizing contract revenue (IFRS 15), for contracts in which the performance obligations are measured over time, the difference between the revenues recognized for services rendered and the amounts actually billed to the customer are systematically analyzed on a contract- by-contract basis.

If the amount billed is lower than the revenue recognized, the difference is recognized as an asset under "Trade receivables for sales and services - Completed work pending certification" (Note 4.2.a), whereas if the revenue recognized is lower than the amount billed, a liability is recognized under "Short-term trade and other payables - Work certified in advance" (Note 4.3).

For certain construction contracts, advances are agreed, paid by the customer at contract inception and offset against progress billings as the works are executed.

These balances are carried on the liabilities side of the balance sheet under the heading "Trade payables" (Note 4.3.a).

In contrast to the advance payments, under some contracts the customer retains a portion of the payment of each progress billing to guarantee certain contractual obligations are met, which is not reimbursed until the contract is definitively settled. These balances are carried on the assets side of the balance sheet under "Trade receivables for sales and services" (Note 4.2.a).

Unlike completed work pending certification and work certified in advance, advances and retentions are balances that will have an impact on future cash flows, since in the case of the advances a lower amount will be collected in the future as the advances are discounted from the progress billings, whereas the retentions will give rise to higher collections in the future, since the customer will reimburse the related amounts as and when the contract work is settled. Most of the Revenue recognised in the reporting period was included in the contract liability balance at the beginning of the period.

Set out below is a breakdown of these items at December 31, 2023 and 2022:

Million euro	2022 (*)	Exchange rate	Consolidation scope changes	Other	2023
Completed work pending certification	406	2	–	38	446
Retentions	141	1	–	18	160
Total customer contract assets	**547**	**3**	**–**	**56**	**605**
Work certified in advance	962	(3)	–	165	1,124
Advance payments	402	5	–	(1)	406
Total customer contract liabilities	**1,364**	**2**	**–**	**164**	**1,529**

(*) Restated figures (Note 1.1.7)

The balance of completed work pending certification at December 31, 2023 relates almost entirely to revenue under the main contract with the customer since, according to the Group's general policy, only work that is due and payable, i.e. has been approved by the customer, may be recognized in the financial statements. Claims only include cases in which it is deemed highly likely that there will be no reversal of revenue in the future.

In general, performance obligations in the construction business are fulfilled over time. Therefore, the balance relates basically to differences between work completed and work certified due to timing differences in the customer certification and review process, billing milestones or certification schedule.

Other disclosures relating to IFRS 15:

Revenue from contracts with customers:

EUR 8,339 million of the total revenue recognized in 2023 (Note 2.1 Operating income) relates to revenue from contracts with customers, which accounts for 97.9% of revenue recognized (97.8% and 98.6% in 2022 and 2021, respectively).

Million euro	2023	2022 (*)	2021
Construction	6,909	6,287	5,799
Toll Roads	1,071	765	570
Airports	8	5	2
Other segments	351	328	822
Revenue from contracts with customers	**8,339**	**7,385**	**6,810**

(*) Restated figures (Note 1.1.7)

The table below shows a breakdown of income pending recognition in relation to uncompleted performance obligations at year-end by business area and includes an estimate of the years in which it is expected to appear in income.

REVENUE	2024	2025	2026	2027	2028 and beyond	TOTAL
Construction	6,552	4,200	2,006	1,179	1,695	**15,632**
Energy Infrastructures and Mobility	179	137	88	76	446	**926**
Total	**6,731**	**4,337**	**2,094**	**1,255**	**2,141**	**16,558**

There are a total of 1,236 contracts in force in the Construction businesses (1,159 contracts in 2022) and 31 Energy Infrastructure contracts (29 contracts in 2022).

SECTION 5: CAPITAL AND FINANCING STRUCTURE AT DECEMBER 31, 2023 AND 2022

The notes in this section describe trends in Ferrovial's financial structure, at December 31, 2023 and 2022, addressing both changes in equity (Note 5.1) and cash and cash equivalents and borrowings (Note 5.2), broken down by project companies and ex-project companies. They also describe the Group's exposure to the main financial risks and risk management policies (Note 5.4), as well as derivatives contracted for such purposes (Note 5.5).

At December 31, 2023, the Company´s equity (Note 5.1) attributed to shareholders decreased in relation to the previous year, due essentially to the net profit for the year, partially offset by shareholder remuneration and the hybrid loan reimbursement.

EQUITY ATTRIBUTED TO SHAREHOLDERS	Million euro
Closing balance at 12.31.2022 (*)	**4,113**
Net profit/(loss)	460
Income and expenses recognized directly in equity	-80
Amounts transferred to the income statement	8
Shareholder remuneration	-250
Share-based remuneration scheme	12
Hybrid bond reimbursement	-513
Other	16
Closing balance at 12.31.2023	**3,766**

(*) Restated figures (Note 1.1.7)

Regarding infrastructure projects borrowings, the variation during 2023 was primarily due to the foreign exchange effect (EUR -211 million) and the impact of scope changes relating to the Azores Toll Road disposal (EUR -281 million). The increase of EUR 440 million is mainly explained by the US projects due to the debt drawn down by NTE Mobility Partners toll road, capitalization of interest and accrued unmatured interest.

BORROWINGS OF INFRASTRUCTURE PROJECTS	(Million euro)
Closing balance at 12.31.2022 (*)	**7,967**
Net drawdowns	440
Exchange rate effects	-211
Changes in scope of consolidation	-281
Closing balance at 12.31.2023	**7,915**

(*) Restated figures (Note 1.1.7)

Regarding ex-infrastructure projects borrowings, the variation during the year is primarily due to the net drawdowns on corporate debt.

BORROWINGS OF EX INFRASTRUCTURE PROJECTS	(Million euro)
Closing balance at 12.31.2022 (*)	**3,691**
Net drawdowns	-228
Exchange rate effects	0
Changes in scope of consolidation	0
Closing balance at 12.31.2023	**3,463**

(*) Restated figures (Note 1.1.7)

5.1.EQUITY

5.1.1 Changes in equity

There follows a breakdown of the main equity impacts in 2023, net of taxes, which explain the changes in equity from December 2022 to 2023:

	Attributed to shareholders	Attributed to non-controlling interest	Total equity
Equity at 01.01.2022	**4,039**	**1,790**	**5,829**
Consolidated profit/(loss) for the year	185	117	302
Impact on hedge reserves	348	(15)	333
Impact on defined benefit plan reserves	–	–	–
Currency translation differences	43	80	123
Income and expenses recognized directly in equity	391	65	456
Amounts transferred to the income statement	131	–	131
TOTAL RECOGNIZED INCOME AND EXPENSES	**707**	**182**	**889**
Scrip dividend/other dividends	(132)	(160)	(292)
Treasury share transaction	(446)	–	(446)
SHAREHOLDER REMUNERATION	**(578)**	**(160)**	**(738)**
Share capital increases/reductions	–	356	356
Share-based remuneration scheme	–	–	–
Hybrid bond	(8)	–	(8)
Scope changes	(88)	67	(21)
Other movements	41	5	46
OTHER TRANSACTIONS	**(55)**	**428**	**373**
Equity at 12.31.2022 (*)	**4,113**	**2,240**	**6,353**
Consolidated profit/(loss) for the year	460	170	630
Impact on hedge reserves	3	3	6
Impact on defined benefit plan reserves	–	–	–
Currency translation differences	(83)	(42)	(125)
Income and expenses recognized directly in equity	(80)	(39)	(119)
Amounts transferred to the income statement	8	–	8
TOTAL RECOGNIZED INCOME AND EXPENSES	**388**	**131**	**519**
Scrip dividend/other dividends	(136)	(379)	(515)
Treasury share transaction	(114)	–	(114)
SHAREHOLDER REMUNERATION	**(250)**	**(379)**	**(629)**
Share capital increases/reductions	–	117	117
Share-based remuneration scheme	12	–	12
Hybrid bond reimbursement	(513)	–	(513)
Scope changes	–	2	2
Other movements	16	2	18
OTHER TRANSACTIONS	**(485)**	**121**	**(364)**
Equity at 12.31.2023	**3,766**	**2,113**	**5,879**

(*) Restated figures (Note 1.1.7)

There follows a description of the main movements in shareholders' funds in 2023 and 2022, which resulted in a decrease of EUR -347 million in 2023 and an increase of EUR 74 million in 2022 in equity attributable to shareholders.

Consolidated profit/(loss) for 2023 and 2022 attributed to the parent company reached EUR 460 million and EUR 185 million, respectively.

Income and expense recognized directly in equity relate to:

- Hedging instruments: recognition of the changes in value of the effective portion of derivatives designated as hedges, as detailed in Note 5.5, with a positive impact of EUR 3 million in 2023, of which EUR -9 million related to fully-consolidated companies, EUR 17 million to equity-accounted companies and EUR -5 million to companies held for sale, as compared to EUR 348 million in 2022, of which EUR 187 million related to fully-consolidated companies and EUR 161 million to equity-accounted companies.
- Currency translation differences: in 2023, the currencies to which Ferrovial was most exposed in terms of equity (mainly the Canadian dollar, US dollar, pound sterling and Indian rupee), as detailed in Note 5.4.b, gave rise to currency translation differences of EUR -83 million attributed to the parent company, primarily the US dollar (EUR -52 million) and Canadian dollar (EUR -34 million). These translation differences are presented net of the effect of foreign currency hedging instruments contracted by the Group (Note 5.5).

  During 2022, the currencies to which Ferrovial was most exposed in terms of equity (mainly the Canadian dollar, US dollar, pound sterling and Indian rupee), as detailed in Note 5.4.b, gave rise to currency translation differences of EUR 43 million attributed to the parent company, so the appreciation of the Canadian dollar (EUR 29 million) and US dollar (EUR 59 million) against the euro was partially offset by the depreciation of the pound sterling (EUR -23 million) and the Indian rupee (EUR -18 million) against the euro. These translation differences are presented net of the effect of foreign currency hedging instruments contracted by the Group (Note 5.5).

Amounts transferred to the income statement:

At December 31, 2023

This reflects the impact of the reclassification from shareholders' funds to results (under IAS 21) of the effect accumulated in reserves of derivatives contracted to hedge the bank borrowings obtained by Ferrovial SE in 2022 (which were voluntarily repaid in September 2023), in the amount of EUR -9 million after tax (positive impact on the income statement). This was partially offset by the reclassification to the income statement of the impact accumulated in reserves of the derivatives used to hedge the debt of Euroscut Azores, the toll road sold in December 2023, as indicated in Note 1.1.6, and the pre-hedged bond issue initially planned for 2018 by Ferrovial Emisiones S.A. and cancelled in 2020 as indicated in Note 5.5, in the amounts of EUR 11 million and EUR 6 million after tax, respectively (negative effects on the income statement).

At December 31, 2022

This reflects the impact of the reclassification from shareholders' funds to results (under IAS 21) of the amounts accumulated in equity in respect of currency translation differences and the derivatives hedging divestment transactions and acquisitions, as mentioned in Note 1.1.6, with a special focus on derivatives hedging the borrowings of the Infrastructure Services business in Spain (EUR 7 million net of taxes), as well as the currency translation differences and debt hedging derivatives relating to the Amey business in the UK, amounting to EUR 156 million and EUR 15 million, respectively.

The aforementioned amounts were partially offset by the reclassification to the income statement of the impact accumulated in reserves of the pre-hedged bond issuance initially planned for 2022, which finally was not issued, in the amount of EUR -46 million after tax (positive impact on the income statement), as indicated in Note 5.5.

Shareholder remuneration:

- Scrip dividend: For the tenth consecutive year, Ferrovial approved a flexible shareholder remuneration scheme whereby the shareholders may freely choose to receive new shares or an amount in cash.
  - In July 2023, 5,051,417 new shares were issued (3,968,559 in May 2022). The amount paid in cash was EUR 58 million (EUR 108 million in May 2022).
  - In November 2023, 8,193,687 new shares were issued (12,116,333 new shares in November 2022). The amount paid in cash was EUR 78 million (EUR 24 million in 2022), representing a price per share of EUR 0.4276 (EUR 0.41 in 2022).
- The cash flow impact of shareholder remuneration in 2023 amounted to EUR 250 million (EUR 578 million in 2022).

Share-based remuneration schemes:

In 2023, no shares were acquired (315,000 shares in 2022 representing 0.043% of Ferrovial's share capital), for subsequent delivery, together with a part of the treasury shares recognized at the beginning of the year, under share-based remuneration schemes.

The total gain on these remuneration schemes recognized in the Company's equity was EUR 12 million in 2023 (with a counterparty impact through income statement EUR 11 million (Note 6.6.).

The total acquisition cost of the shares in 2022 was EUR 7.7 million and there was no equity impact since the effect of settling the plan falling due during the year was offset by the reversal of the provision recognized so as to reflect the degree of fulfillment of the plan that matured in 2023.

As explained in Note 5.5, the Company has equity swaps hedging against the possible equity impact of these share-based remuneration schemes. The equity swaps had a fair value effect of EUR 25 million in 2023 on net financial income/(expense) (EUR -9 million in 2022).

Subordinated hybrid bond:

In February 2023, and as a result of the reverse merger transaction described in Note 1.1.2, Ferrovial committed to repurchase its subordinated hybrid bond. As of June 2023, the company obtained acceptance of 94.28% of the amount of the issuance to which the offer was directed. Specifically, of the EUR 500 million that the placement amounted to, holders of a total of EUR 471.44 million accepted Ferrovial's early purchase proposal, leaving a balance of around EUR 29 million in short-term debt to be paid at end-June. The company executed the fully cancellation of the bond on August 7. Therefore, at the close of these financial statements, no balance is recorded in relation to this hybrid bond.

This subordinated hybrid bond was treated as an equity instrument (IAS 32.16), as mentioned in Note 1.3.3., because the issuer did not have a contractual obligation to (i) deliver cash or another financial asset to another entity; or (ii) exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the issuer.

Scope changes related to the following transactions:

The impact in 2023 is explained by the completion of the sale agreement reached in June 2023 to sell 89.2% of the Azores toll road (Note 1.1.6).

The impact in 2022 is due to the purchase of 7.135% of the I-77 Mobility Partners LLC toll road (Note 1.1.6) in December 2022. In accordance with IFRS 3, and since the company was already fully consolidated, the difference between the price paid and the book value of the acquired stake was recorded against the parent company reserves (EUR -88 million) and the amount of minority interests was reduced accordingly (EUR -15 million).

5.1.2 Equity components

There follows an explanation of each equity item reflected in the consolidated statement of changes in equity:

a) Share capital

As commented in Note 1.1.2, the merger between Ferrovial, S.A. and Ferrovial International SE (now Ferrovial SE) had no impact on a consolidated level, and only affected the breakdown of equity (see Consolidated Statement of Changes in Equity).

As a result of this transaction, the Ferrovial Group's new parent company is Ferrovial SE, a European public limited company ("Societas Europaea") domiciled in the Netherlands and currently listed on both the Dutch and the Spanish stock markets. Ferrovial SE´s opening share capital consists of 727,443,261 shares with a par value of 0.01 euros per share.

At December 31, 2023, share capital stood at EUR 7,406,883.65, fully subscribed and paid in, corresponding to Ferrovial SE as the parent holding company of the Group (see Consolidated Statement of Changes in Equity). Share capital consists of 740,688,365 ordinary shares in a single class with a par value of one euro cent (EUR 0.01) each. Movements during the year, broken down in the following table, relate to the share capital increase and reduction transactions mentioned in the preceding section.

SHARES	NUMBER	PAR VALUE
Opening balance	727,443,261	7,274,433
Scrip dividend	13,245,104	132,451
Share capital reduction	—	—
CLOSING SHARES	**740,688,365**	**7,406,884**

At December 31, 2022, share capital stood at EUR 145,488,652.20, fully subscribed and paid in, corresponding to the former parent company Ferrovial S.A. previous to the merger transaction, as commented at the beginning of this note (see Consolidated Statement of Changes in Equity). Share capital consisted of 727,443,261 ordinary shares in a single class with a par value of twenty euro cents each (EUR 0.20). Movements during the year 2022, broken down in the following table, relate to the share capital increase and reduction transactions mentioned in the preceding section.

SHARES	NUMBER	PAR VALUE
Opening balance	733,602,481	146,720,496
Scrip dividend	16,084,892	3,216,978
Share capital reduction	(22,244,112)	(4,448,822)
CLOSING SHARES	**727,443,261**	**145,488,652**

At December 31, 2023 and 2022, the only company with an ownership interest over 10% was Rijn Capital BV, which held 20.56% (20.42% in 2022) of the shares and is controlled by the Chairman of the Company's Board of Directors, Rafael del Pino y Calvo Sotelo.

At December 31, 2023 , as a result the business reorganization (as explained in Note 1), the new parent company's shares were traded on the Dutch Stock Exchange and the Spanish Stock Exchange.

At December 31, 2022 and 2021, prior to the business reorganization, the parent company's shares were traded on the Spanish Electronic Trading System (SIBE) and on the Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V. (the "Dutch Stock Exchange"). They all carried the same voting and dividend rights.

b) Share premium and merger premium

As commented in Note 1.1.2, the merger between Ferrovial, S.A. and Ferrovial International SE had no impact on a consolidated level, and only affected the breakdown of equity (see Consolidated Statement of Changes in Equity). This transaction gave rise to a merger share premium of EUR 4,426 million. The reduction in the share/merger premium in relation to the balance at January 1, 2023 is explained by the redemption of treasury shares agreed in the Buy-Back Program explained in the following section. Consequently, at December 31, 2023 the share/merger premium totaled EUR 4,316 million. They are both classed as unrestricted reserves.

The reduction during 2022 in the share premium and merger premium, which arose in 2009 as a result of the merger of Grupo Ferrovial, S.A. with Cintra Concesiones de Infraestructuras de Transporte, S.A. (formerly Ferrovial, S.A.), in relation to the previous year is explained by the redemption of treasury shares agreed in the Buy-Back Program explained in the following section. Consequently, at December 31, 2022 there was no share premium or merger premium. They are both classed as unrestricted reserves.

c) Treasury shares

Movements during 2023 and 2022 were as follows:

TRANSACTION PERFORMED/OBJECTIVE	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES APPLIED TO PURPOSE	TOTAL NUMBER OF SHARES
Balance at 12.31.2022			**1,168,290**
Share capital	3,900,000	—	3,900,000
Remuneration schemes	—	(308,980)	(308,980)
Shares received - scrip dividend	—	—	—
Balance at 12.31.2023			**4,759,310**

TRANSACTION PERFORMED/OBJECTIVE	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES APPLIED TO PURPOSE	TOTAL NUMBER OF SHARES
Balance at 12.31.2021			**5,072,018**
Share capital reduction	17,912,899	(22,244,112)	(4,331,213)
Remuneration schemes	315,000	(338,815)	(23,815)
Shares received - scrip dividend	451,300	—	451,300
Balance at 12.31.2022			**1,168,290**

On November 30, 2023 Ferrovial SE announced its decision to implement a buy-back program for its own shares for a maximum of up to 34 million shares and for a maximum amount of EUR 500 million, the purpose of which was a subsequent capital reduction by redeeming the shares. The Program has been authorised for the period from December 1, 2023 to May 1, 2024 (both inclusive), although the Company may extend the latter date in view of the prevailing circumstances and in the interest of the Company and its shareholders.

In December 2023 1,900,000 treasury shares were acquired at an average price of EUR 32.46 per share totaling EUR 62 million. Over the course of 2024, 5,510,954 treasury shares were acquired at an average price of EUR 34.45 per share totaling EUR 189 million.

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

On October 16, 2023 Ferrovial SE announced a second interim scrip dividend of EUR 0.4276 per Ferrovial share. The dividend was payable in cash or shares at the choice of the shareholder, against Ferrovial's reserves. There were no tradable rights in respect of the scrip dividend.

Over the course of 2023, 3,900,000 treasury shares were acquired at an average price of EUR 29.17 per share giving rise to a payment of EUR 114 million (17,912,899 treasury shares at an average price of EUR 24.83 per share totaling EUR 446 million in 2022).

The market value of the treasury shares held by Ferrovial at December 31, 2023 (4,759,310 shares) was EUR 157 million (EUR 29 million in 2022).

d) Measurement adjustments

“Measurement adjustments” in the consolidated statement of changes in equity reached EUR -849 million in 2023 (EUR -777 million in 2022) and comprise adjustments to currency translation differences accumulated in reserves of EUR -405 million (EUR -322 million in 2022), pension plans of EUR -455 million (EUR -455 million in 2022) and derivatives of EUR 11 million (EUR -1 million in 2022).

e) Retained earnings and other reserves

This heading includes retained earnings and other reserves totaling EUR 370 million (EUR 4,263 million in 2022). Other reserves include the impact of the merger between Ferrovial, S.A. and Ferrovial International SE (EUR -4,288 million) which, although it does not have an impact on a consolidated level, does affect the breakdown of equity (see Consolidated Statement of Changes in Equity).

Adjustments relating to share-based remuneration schemes and the impact of the subordinated perpetual bond coupons and associated costs are also recognized under this heading.

5.1.3 Proposed distribution of 2023 profit/(loss)

The Company posted a profit for 2023 of EUR 428 million.

The Board of Directors proposed to the Company’s Annual General Meeting the following distribution of Ferrovial's individual profit/(loss), at December 31, 2023:

Million EUR	2023
Profit/(loss) of Ferrovial SE. (individual company)	**428**
Distribution (million euros):	
Other reserves	428

5.1.4 Non-Group companies with significant ownership interests in subsidiaries.

At December 31, 2023 and 2022, non-controlling interests in the share capital of the most significant fully-consolidated Group companies were as follows:

At December 31, 2023:

FERROVIAL GROUP SUBSIDIARY	NON-GROUP %	NON-GROUP SHAREHOLDER
TOLL ROADS		
Autopista Terrassa-Manresa, S.A.	23.72 %	Acesa (Autopista Concesionaria Española, S.A.)
LBJ Infrastructure Group Holding LLC	28.33%-17.07%	LBJ Blocker (APG)- Meridiam Infr. S.a.r.l. (MI LBJ)
NTE Mobility Partners Holding LLC	37.03 %	Meridiam Infrastrucuture S.a.r.l.
NTE Mobility Partners SEG 3 Holding LLC	28.84%-17.49%	NTE Segments 3 Blocker, Inc. (APG) - Meridiam Infraestructure NTE 3A/3B LLC
I-77 Mobility Partners, LLC	24.58%-3.18%	John Laing I-77 Holco Corp./Aberdeen Infr. Invest.
I-66 Mobility Partners, LLC	29.75%-14.55%	Meridiam Infrastrucuture S.a.r.l. - I-66 Blocker (APG)
CONSTRUCTION		
Budimex S.A.	9.8%-6.3%-33.8%	AVIVA OFE Aviva BZ WBK-Nationale Nederlanden OFE-Traded
AIRPORTS		
Dalaman	40.00 %	YDA Group

The financial highlights of the most significant Group companies in which there are non-controlling interests are as follows (data on 100% terms):

2023 (Millon euro)	ASSETS	LIABILITIES	SHAREHOLDERS' FUNDS	NET CASH POSITION	NET PROFIT/(LOSS)
Autopista Terrassa-Manresa, S.A.	590	196	394	18	27
LBJ Infrastructure Group Holding LLC	2,084	2,296	(212)	(1,828)	24
NTE Mobility Partners Holding LLC	1,967	1,954	13	(1,144)	102
NTE Mobility Partners SEG 3 Holding LLC	2,019	1,735	284	(1,471)	48
I-77 Mobility Partners, LLC	775	509	266	(183)	31
I-66 Mobility Partners, LLC	6,108	2,567	3,542	(1,469)	(20)
Budimex	2,029	1,616	413	874	80
Dalaman	710	478	232	(86)	(10)

The main movements under "Equity attributable to non-controlling interests" in 2023 were as follows:

Company (Million euro)	Balance at 12.31.2022	Profit/(loss)	Derivatives	Currency translation differences	Dividends	Capital contributions	Other movements	Balance at 12.31.2023
Autopista Terrassa-Manresa, S.A.	94	8	4	–	(13)	–	–	93
LBJ Infrastructure Group Holding LLC	(89)	20	–	3	(31)	–	–	(96)
NTE Mobility Partners Holding LLC	9	60	–	–	(64)	–	–	5
NTE Mobility Partners Segments 3 LLC	282	41	–	(6)	(216)	30	–	131
I-77 Mobility Partners, LLC	64	12	–	(2)	–	–	–	74
I-66 Mobility Partners, LLC	1,610	(16)	–	(49)	–	26	–	1,571
FAM Construction LLC (I-66)	(28)	(34)	–	–	–	60	–	–
Budimex	192	83	–	13	(54)	–	–	234
Dalaman	94	(7)	(2)	–	–	–	1	86
Otros	11	2	–	(2)	(1)	–	4	15
TOTAL	**2,240**	**170**	**3**	**(43)**	**(379)**	**117**	**5**	**2,113**

The heading "Capital contributions" reflects the impact of the increase in funds attributable to non-controlling interests of the toll roads I-66 Mobility Partners LLC, FAM Construction LLC (I-66) and NTE Segment 3, amounting to EUR 26 million, EUR 60 million and EUR 30 million, respectively.

At December 31, 2022:

FERROVIAL GROUP SUBSIDIARY	NON-GROUP %	NON-GROUP SHAREHOLDER
TOLL ROADS		
Autopista Terrassa-Manresa, S.A.	23.72 %	Acesa (Autopista Concesionaria Española, S.A.)
LBJ Infrastructure Group Holding LLC	28.33%-17.07%	LBJ Blocker (APG)- Meridiam Infr. S.a.r.l. (MI LBJ)
NTE Mobility Partners Holding LLC	37.03 %	Meridiam Infrastrucuture S.a.r.l.
NTE Mobility Partners SEG 3 Holding LLC	28.84%-17.49%	NTE Segments 3 Blocker, Inc. (APG) - Meridiam Infraestructure NTE 3A/3B LLC
I-77 Mobility Partners, LLC	24.58%-3.18%	John Laing I-77 Holco Corp./Aberdeen Infr. Invest.
I-66 Mobility Partners, LLC	29.75%-14.55%	Meridiam Infrastrucuture S.a.r.l. - I-66 Blocker (APG)
CONSTRUCTION		
Budimex S.A.	9.8%-6.3%-33.8%	AVIVA OFE Aviva BZ WBK-Nationale Nederlanden OFE-Traded
AIRPORTS		
Dalaman	40.00 %	YDA Group

The main financial statement aggregates of the most significant Group companies in which other shareholders own interests are as follows (data on 100% terms):

2022 (Millon euro)	ASSETS	LIABILITIES	SHAREHOLDERS' FUNDS	NET CASH POSITION	NET PROFIT/(LOSS)
Autopista Terrassa-Manresa, S.A.	576	180	396	13	(60)
LBJ Infrastructure Group Holding LLC	2,168	2,363	(195)	(1,887)	10
NTE Mobility Partners Holding LLC	1,716	1,692	24	(1,142)	79
NTE Mobility Partners SEG 3 Holding LLC	2,327	1,719	608	(1,152)	38
I-77 Mobility Partners, LLC	753	522	231	(240)	12
I-66 Mobility Partners, LLC	5,804	2,177	3,627	(1,536)	(12)
Budimex	1,668	1,343	325	673	57
Dalaman	704	452	252	(103)	13

The main movements under "Equity attributable to non-controlling interests" in 2022 were as follows:

Company (Million euro)	Balance at 12.31.2021	Profit/(loss)	Derivatives	Currency translation differences	Dividends	Capital contributions	Other movements	Balance at 12.31.2022
Autopista Terrassa-Manresa, S.A.	147	(19)	(21)	–	(13)	–	–	94
LBJ Infrastructure Group Holding LLC	(68)	9	–	(4)	(26)	–	–	(89)
NTE Mobility Partners Holding LLC	11	47	–	1	(54)	–	4	9
NTE Mobility Partners Segments 3 LLC	196	33	–	11	–	39	3	282
I-77 Mobility Partners, LLC	70	6	–	3	–	–	(15)	64
I-66 Mobility Partners, LLC	1,288	(10)	–	76	–	256	–	1,610
FAM Construction LLC (I-66)	(59)	(26)	–	(4)	–	61	–	(28)
Budimex	202	60	–	(3)	(67)	–	–	192
Dalaman	–	8	3	–	–	–	83	94
Otros	3	9	3	–	–	–	(3)	12
TOTAL	**1,790**	**117**	**(15)**	**80**	**(160)**	**356**	**72**	**2,240**

5.2. CASH AND CASH EQUIVALENTS AND BORROWINGS

In order to aid understanding of the Group's financial performance, and as mentioned in Note 1.1.4, the Group analyzes cash and cash equivalents and borrowings for each corresponding period distinguishing between infrastructure project companies and ex infrastructure companies.

The main items forming the Group's cash and cash equivalents and borrowings, are described below.

5.2.1. Cash and cash equivalents

a) Cash and cash equivalents and restricted cash of infrastructure projects companies

The cash and cash equivalents of infrastructures project companies as at December 31, 2023 and December 31, 2022 stood at EUR 204 million and EUR 168 million, respectively.

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

Restricted cash is classified as short-term or long-term depending on whether it must remain restricted for less than or more than one year. These funds are invested in highly-liquid financial products earning floating interest. The type of financial product in which the funds may be invested is also restricted by the financing agreements or, where no restrictions are stipulated, the decision is made on the basis of the Group's policy for the placement of cash surpluses.

For 2023:

Short-term balances, which amounted to EUR 31 million, are recognized under cash and cash equivalents in the balance sheet, whereas long-term balances totaling EUR 596 million are registered as financial assets. Therefore, short- and long-term restricted cash recognized at December 31, 2023 amounts to EUR 627 million and relates to the NTE Segment 3, LBJ, I-77, I-66 and NTE Mobility Partners toll roads (EUR 23 million, EUR 7 million, EUR 99 million, EUR 134 million and EUR 333 million, respectively), as well as to other European concessions in the amount of EUR 31 million, primarily treatment plants in the United Kingdom and the Autovía de Aragón toll road in Spain (EUR 14 million and EUR 17 million, respectively). The variation of EUR 33 million compared with December 2022 is explained by:

- A net increase in the restricted cash amount of EUR 60 million (excluding exchange rate effects), essentially from the NTE Mobility Partners toll road (EUR 336 million), LBJ (EUR 5 million), I-66 (EUR 28 million), I-77 (EUR 62 million), the Autovía de Aragón toll road (EUR 3 million), which was partially offset by a decrease of EUR -374 million in the NTE Segment 3 toll road.
- The scope change during the year due to the Euroscut Azores toll road disposal (EUR -9 million).
- The exchange rate effect of EUR -18 million, caused mainly by US dollar fluctuations (Note 1.4).

Other cash and cash equivalents relate to bank accounts and highly-liquid investments subject to interest rate risk.

For 2022:

Short-term balances, which amounted to EUR 38 million, were recognized under cash and cash equivalents in the balance sheet, whereas long-term balances, of EUR 556 million, were classified as financial assets. Therefore, restricted cash recognized at December 31, 2022, both short and long -term, amounted to EUR 594 million, relating to the NTE Segment 3, LBJ, I-77, I-66 and NTE Mobility Partners toll roads (EUR 401 million, EUR 2 million, EUR 40 million, EUR 110 million and EUR 3 million, respectively), as well as to other European concessions in the amount of EUR 37 million, primarily treatment plants in the United Kingdom, the Autovía de Aragón toll road and other European Toll Roads (EUR 14 million, EUR 14 million and EUR 9 million, respectively).

Other cash and cash equivalents relate to bank accounts and highly-liquid investments subject to interest rate risk.

b) Cash and cash equivalents and restricted cash of ex-infrastructure projects

The cash and cash equivalents of ex-infrastructure project companies at December, 31 2023 and December, 31 2022 amounted to EUR 4,585 million and EUR 4,962 million, respectively. At December 2023, 1,479 million correspond to Canadian dollars and the exchange rate risk related to this cash and cash equivalents is fully hedged with forward derivatives.

The method generally used to classify cash and cash equivalents as short- and long-term balances matches the approach applied when preparing the 2023, 2022 and 2021 consolidated financial statements.

At December, 31 2023, certain accounts totaling EUR 4 million (EUR 29 million at December, 31 2022) were restricted due mainly to Thalia. This is cash but kept in escrow so that Thalia cannot access it without Environment Agency's consent. When there is a need to pay for aftercare of the landfill in the future the cash can be used at that time.

5.2.2. Borrowings

a) Infrastructure project companies

ab.1) Breakdown by project, significant changes during the year and main features of the borrowings

There follows a breakdown of borrowings guaranteed by the project cash flows, distinguishing between bonds and bank borrowings, short- and long-term, and changes during 2023 and 2022:

			2023			2022 (*)			Change 23/22
(Million euro)	Bonds	Bank borrowings	Total	Bonds	Bank borrowings	Total	Bonds	Bank borrowings	Total
Long term	**4,441**	**3,412**	**7,852**	**4,123**	**3,770**	**7,893**	**317**	**-358**	**-41**
Toll roads	**4,441**	**2,937**	**7,378**	**4,123**	**3,361**	**7,484**	**317**	**-424**	**-107**
US toll roads	4,441	2,307	6,748	4,123	2,438	6,561	317	-131	187
Spanish toll roads	0	611	611	0	626	626	0	-16	-16
Portuguese toll roads	0	0	0	0	264	264	0	-264	-264
Other concessions	0	19	19	0	33	33	0	-14	-14
Airports	**0**	**89**	**89**	**0**	**95**	**95**	**0**	**-5**	**-5**
Construction	**0**	**102**	**102**	**0**	**95**	**95**	**0**	**6**	**6**
Energy infrastructures and Mobility	**0**	**284**	**284**	**0**	**219**	**219**	**0**	**65**	**65**
Short term	**1**	**62**	**63**	**0**	**74**	**74**	**1**	**-12**	**-10**
Toll roads	**1**	**31**	**33**	**0**	**43**	**43**	**1**	**-12**	**-10**
US toll roads	1	0	1	0	0	0	1	0	1
Spanish toll roads	0	17	17	0	13	13	0	5	5
Portuguese toll roads	0	0	0	0	17	17	0	-17	-17
Other concessions	0	14	14	0	13	13	0	1	1
Airports	**0**	**15**	**15**	**0**	**18**	**18**	**0**	**-3**	**-3**
Construction	**0**	**5**	**5**	**0**	**4**	**4**	**0**	**1**	**1**
Energy infrastructures and Mobility	**0**	**11**	**11**	**0**	**9**	**9**	**0**	**2**	**2**
TOTAL	**4,442**	**3,473**	**7,915**	**4,123**	**3,844**	**7,967**	**319**	**-370**	**-52**

(*) Restated figures (Note 1.1.7)

The following table shows, for 2023 movements in infrastructure project borrowings, broken down into variations in borrowings with balancing entries in cash flows, exchange rate effects and scope changes, as well as movements in borrowings due to the accrual of interest, which do not affect period cash positions.

(Million euro)	Dec. 2022 (*)	Increase/decrease with impact on cash flow	Foreign exchange effect	Impact of scope changes and other	Capitalized/accrued interest	Dec. 2023
Infrastructures project borrowings	**7,967**	**441**	**-211**	**-281**	**-1**	**7,915**

(*) Restated figures (Note 1.1.7)

Infrastructure project borrowings in 2023 decreased by EUR -52 million with respect to December 2022, mainly for the following reasons:

- Effect of scope changes due to the disposal of Euroscut Azores toll road (Note 1.1.4) totaling EUR -281 million.
- Exchange rate effect reaching EUR -211 million, mainly due to the depreciation of the US dollar against the euro.
- Increase of EUR 440 million in debt, excluding the foreign exchange effect and scope changes, with respect to year-end 2022, relating primarily to the US projects and attributable to the debt drawn down by the NTE Mobility Partners toll road, capitalization of interest and to accrued unmatured interest.

US toll roads

NTE Mobility Partners, LLC

The debt comprises a USD 871.1 million taxable bond issuance maturing in 2049 at a fixed interest rate of 3.92% and a USD 331.8 million issuance of PABs (Private Activity Bonds) at a fixed interest rate of 4.00% on USD 122.8 million and 5.00% on USD 209.1 million, repayable from 2030 to 2039.

Additional debt was raised in August, 2023, through the issuance of USD 397 million in bonds at a fixed interest of 5.50%, repayable from 2052 to 2058, for the funding of the Mandatory Capacity Improvement project.

NTE Mobility Partners Seg 3 LLC

The borrowings for the 3A-3B segments entailed issuing USD 265,9 million in PABs.

In November 2023, the Series 2013 3A-3B bonds were cancelled by a new issuance of PABs (Series 2023), repayable from 2033 to 2043 at a rate of 5.00% fixed interest on USD 32.4 million, 5.13% on USD 22.5 million, 5.25% on USD 23.7 million, 5.38% on USD 64.7 million and 5.50% on USD 122.6 million.

This company also has a TIFIA loan of USD 531 million bearing a fixed rate of 3.84%, against which USD 562.8 million had been drawn down at December 31, 2023 (USD 427.3 million of principal and USD 135.5 million of interest added to the principal), finally maturing in 2053.

On March 30, 2023, Cintra executed the financing transaction for NTE Mobility Partners Seg 3 LLC 5-year bonds to be used for the 2023 and 2024 principal prepayments of the TIFIA loan. Out of a total committed USD 221 million, USD 2.9 million were drawn on March 31, 2023 to cover the transaction costs, and USD 103.7 million were drawn on June 26, 2023 to be used for the partial prepayment of the TIFIA loan.

The 3C segment debt comprises a USD 653.9 million issuance of PABs (total of USD 750 million including the issuance premium) repayable from 2047 to 2058, at a fixed interest rate of 5.00%.

LBJ Infr. Group LLC

The debt structure comprises a USD 537.5 million issuance of PABs (total of USD 615 million including the premium) at a fixed interest rate of 4.00%, repayable from 2030 to 2040; and a USD 615.5 million taxable bond issuance (of which USD 7 million accrues a fixed interest rate of 2.75% and falls due in 2026, and USD 608.5 million accrues fixed interest of 3.80% and falls due in 2057).

It also has a TIFIA loan granted by the US Federal Government, the value of which at December, 31 2023 is USD 835.6 million with a repayment profile from 2035 to 2050, which bears interest at a fixed rate of 4.22%.

A credit line was arranged in December 2022 for future CAPEX investments. It falls due in 2027, has a limit of USD 72.65 million and accrues fixed interest of 4.51%. USD 6.9 million had been drawn at December 31, 2023.

I-77 Mobility Partners, LLC

This concession operator is financed through a USD 100 million issuance of PABs (5.00% fixed interest), of which USD 6.9 million have final maturities between 2026 and 2030, USD 13.1 million has a final maturity in 2037 and USD 80 million has a final maturity in 2054.

It also has a TIFIA loan of USD 189 million against which USD 220.9 million had been drawn down at December 31, 2023 (USD 189 million of principal and USD 31.8 million of capitalized interest). This loan bears interest at a fixed rate of 3.04% and finally matures in 2053.

I-66 Mobility Partners, LLC

The concession operator is funded by a USD 737 million PABs issuance (total of USD 800.4 million including the premium) at a fixed rate of 5.00%, of which USD 30.9 million falls due in 2047, USD 130.9 million in 2049, USD 222.4 million in 2052 and USD 352.8 million in 2056.

It also has a TIFIA loan balance of USD 1,362.6 million against which USD 1,229.1 million had been drawn down, USD 5.5 million has been prepaid and USD 139 million of interest capitalized as of December 31, 2023. This loan bears interest at a fixed rate of 2.80% and finally matures in 2057.

Spanish toll roads

Cintra Inversora Autopistas de Cataluña (Terrasa-Manresa toll road)

The company is funded by a loan consisting of tranche A and tranche B with limits of EUR 300 million and EUR 316 million, respectively, both of which accrue interest at the 6-month EURIBOR rate +3.930% +1.50% at the year-end. Both tranches were fully utilized and fall due in 2035. The respective balances at December 31, 2023 are EUR 283.5 million and EUR 298.7 million. The debt also includes a liquidity tranche (tranche C) with a balance of EUR 40.7 million at December 31, 2023, drawable up to a maximum of EUR 25 million (the year-end interest rate is the 6-month EURIBOR +3.930% +1.50%). It should also be noted that this company has a derivative with a notional amount of EUR 568.6 million, a guaranteed interest rate of 5.304% and maturity in 2035. The fair value of the derivative (recognized under "Derivative financial instruments", Note 5.5) was EUR -90.6 million at the year- end 2023.

Breakdown of other projects:

		2023			2022 (*)		
(Million euro)	**Long term**	**Short term**	**Total**	**Long term**	**Short term**	**Total**	**Change 23/22**
Autovía de Aragón	19	14	33	33	13	46	-13
Pilum, S.A.	0	0	0	0	0	0	0
Dalaman International Airport	89	15	104	95	18	112	-9
Conc. Prisiones Lledoners,S.A.	63	2	65	65	2	67	-2
Depusa Aragón S.A.	24	1	25	25	1	26	-1
Budimex Group	15	1	16	5	0	5	10
Parque Solar Casilla	20	3	23	0	0	0	23
Transchile Charrúa Transmisión, S.A.	91	8	99	98	6	104	-5
Centella Transmisión, S.A.	125	0	125	73	0	73	52
UK Waste Treatment (Thalia)	48	1	49	48	3	51	-3
TOTAL Other infrastructure project company borrowings	**494**	**44**	**538**	**442**	**43**	**486**	**52**

(*) Restated figures (Note 1.1.7)

Other project borrowings increased by EUR 52 million against December 2022, mainly due to debt drawdowns for the Chilean Energy Infrastructure projects.

a.2) Maturities by currency and fair value of infrastructure project company borrowings

At December 31, 2023

(Million euro)	Currency	Fair value 2023	Carrying amount 2023	2024	2025	2026	2027	2028	2029+	Total maturities
Infrastructure project company obligations		**4,092**	**4,442**	**0**	**1**	**7**	**1**	**1**	**2,625**	**2,636**
TOLL ROADS		**4,092**	**4,442**	**0**	**1**	**7**	**1**	**1**	**2,625**	**2,636**
	USD	4,092	4,442	0	1	7	1	1	2,625	2,636
	EUR	0	0	0	0	0	0	0	0	0
Bank borrowings of infrastructure project companies		**3,473**	**3,473**	**76**	**60**	**285**	**61**	**169**	**4,782**	**5,434**
TOLL ROADS		**2,968**	**2,968**	**34**	**38**	**34**	**35**	**141**	**4,627**	**4,909**
	USD	2,307	2,307	3	0	0	0	97	4,154	4,253
	EUR	661	661	31	38	34	35	44	473	656
AIRPORTS		**104**	**104**	**10**	**14**	**16**	**18**	**20**	**37**	**115**
	EUR	104	104	10	14	16	18	20	37	115
CONSTRUCTION		**106**	**106**	**4**	**4**	**4**	**5**	**5**	**84**	**106**
	EUR	91	91	4	4	4	5	5	69	91
	PLN	15	15	0	0	0	0	0	15	15
ENERGY INFRASTRUCTURES AND MOBILITY		**295**	**295**	**28**	**5**	**230**	**3**	**4**	**34**	**304**
	EUR	22	22	23	0	0	0	0	0	23
	USD	224	224	2	2	228	0	0	0	232
	GBP	49	49	3	3	3	3	4	34	49
TOTAL INFRASTRUCTURE PROJECT COMPANY BORROWINGS		**7,565**	**7,915**	**76**	**61**	**292**	**62**	**171**	**7,407**	**8,070**

At December 31, 2022

(Million euro)	Currency	Fair value 2022	Carrying amount 2022 (*)	2023	2024	2025	2026	2027	2028+	Total maturities
Infrastructure project company obligations		**3,007**	**4,123**	**0**	**0**	**1**	**8**	**1**	**2,716**	**2,726**
TOLL ROADS		**3,007**	**4,123**	**0**	**0**	**1**	**8**	**1**	**2,716**	**2,726**
	USD	3,007	4,123	0	0	1	8	1	2,716	2,726
	EUR	0	0	0	0	0	0	0	0	0
Bank borrowings of infrastructure project companies		**3,844**	**3,844**	**107**	**68**	**81**	**257**	**79**	**4,820**	**5,412**
TOLL ROADS		**3,404**	**3,404**	**90**	**49**	**59**	**56**	**53**	**4,647**	**4,955**
	USD	2,438	2,438	49	0	0	0	0	3,944	3,994
	EUR	966	966	41	49	59	56	53	703	961
AIRPORTS		**112**	**112**	**9**	**10**	**14**	**16**	**18**	**57**	**124**
	EUR	112	112	9	10	14	16	18	57	124
CONSTRUCTION		**99**	**99**	**3**	**4**	**4**	**4**	**5**	**79**	**99**
	EUR	94	94	3	4	4	4	5	74	94
	PLN	5	5	0	0	0	0	0	5	5
ENERGY INFRASTRUCTURES AND MOBILITY		**228**	**228**	**4**	**5**	**5**	**181**	**3**	**37**	**234**
	USD	177	177	1	2	2	178	0	0	183
	GBP	51	51	3	3	3	3	3	37	51
TOTAL INFRASTRUCTURE PROJECT COMPANY BORROWINGS		**6,851**	**7,967**	**107**	**68**	**82**	**265**	**80**	**7,536**	**8,137**

(*) Restated figures (Note 1.1.7)

At December 31, 2023 the difference between the total maturities of bank borrowings of EUR 8,070 million (EUR 8,137 million in 2022) and the carrying amounts recognized at December 31, 2023 in the amount of EUR 7,915 million (EUR 7,967 million in 2022) is explained mainly by the difference between the nominal values and carrying amounts of the borrowings, as certain adjustments are made in accordance with applicable accounting rules. Thus, the accrued interest payable and the application of the amortized cost method had an impact of EUR 155 million (EUR 170 million in 2022), considering that the maturities of the borrowings do not include interest.

The fair value reflected in the table above is calculated as follows:

- For fixed-rate bonds, subject to changes in value due to fluctuations in market interest rates: since they are quoted in an active market, the related market value is used.
- For fixed-interest bank borrowings, also subject to changes in value due to fluctuations in rates: future cash flows are discounted using a market interest rate, calculated using an internal valuation model.
- Lastly, for floating-rate bank borrowings: no significant differences are deemed to exist between the fair value of the borrowings and their carrying amount and therefore the carrying amount is used.

a.3) Information on credit limits and credit drawable for infrastructure projects

Below is a comparative analysis of borrowings not drawn down at December 31, 2023 and 2022:

(Million euro)	2023				2022 (*)			
	Limit	Utilized	Drawable	Debt recognized	Limit	Utilized	Drawable	Debt recognized
Toll Roads	**7,545**	**7,545**	**0**	**7,410**	**7,748**	**7,681**	**68**	**7,527**
US toll roads	6,889	6,889	0	6,749	6,787	6,719	68	6,561
Spanish toll roads	623	623	0	628	636	636	0	639
Other concessions	33	33	0	33	325	325	0	327
Energy Infrastructures and Mobility	**304**	**304**	**0**	**295**	**291**	**234**	**57**	**228**
Airports	**115**	**115**	**0**	**104**	**124**	**124**	**0**	**112**
Construction	**106**	**106**	**1**	**106**	**99**	**99**	**0**	**99**
TOTAL BORROWINGS	**8,070**	**8,070**	**1**	**7,915**	**8,262**	**8,137**	**125**	**7,967**

(*) Restated figures (Note 1.1.7)

At December 31, 2023, the entire drawable amount of EUR 1 million related to borrowings not utilized in the Polish energy projects.

At December 31, 2022, the entire drawable amount of EUR 125 million related to borrowings not utilized in the Chilean energy projects (EUR 57 million) and in the US toll road companies (EUR 68 million). It should be noted that this drawable amount is associated exclusively with the projects, based on the nature and performance thereof, as discussed below.

a.4) Guarantees and covenants for project borrowings

The borrowings classified as project borrowings are without recourse to the project shareholders or with recourse limited to the guarantees given. The guarantees given by Ferrovial subsidiaries for project borrowings are described in Note 6.5 Contingent liabilities.

At December 31, 2023 and 2022, all the fully-consolidated project companies fulfilled the significant covenants in force.

b) Ex-infrastructure projects

b.1) Breakdown of short- and long-term borrowings, changes during 2023 and main features

(Million euro)	2023			2022 (*)		
	Long term	Short term	Total	Long term	Short term	Total
Corporate bonds and debentures	2,270	320	**2,590**	2,072	16	**2,088**
Euro Commercial Paper	0	500	**500**	0	696	**696**
Corporate liquidity lines	296	0	**296**	802	3	**805**
Other borrowings	5	58	**63**	9	88	**97**
TOTAL BORROWINGS EXCLUDING INFRASTRUCTURE PROJECT COMPANIES	**2,570**	**879**	**3,449**	**2,883**	**804**	**3,686**

(*) Restated figures (Note 1.1.7)

The following table shows changes to ex-infrastructure project borrowings, broken down into variations in borrowings with balancing entries in cash flows, exchange rate effects and scope changes, as well as changes in borrowings due to the accrual of interest during 2023, which do not affect period cash positions:

(Million euro)	Dec. 2022 (*)	Increase/decrease with impact on cash flow	Foreign exchange effect	Impact of scope changes	Capitalized/accrued interest and other	Dec. 2023
Bank borrowings/ Project bonds	3,686	-224	-9	0	-4	3,449
Cross- currency swaps	5	0	9	0	0	13
Ex-infrastructure projects borrowings	**3,691**	**-224**	**0**	**0**	**-4**	**3,463**

(*) Restated figures (Note 1.1.7)

b.1.1) Corporate debt

Corporate debt comprises the following debt instruments:

Corporate bonds:

The carrying amount totals EUR 2,590 million at December 31, 2023 (EUR 2,088 million at December, 31 2022). The breakdown is as follows:

Issuance date	Nominal value (Million euro)	Maturity	Annual coupon
7/15/2014	300	7/15/2024	2.50%
3/29/2017	500	3/31/2025	1.375%
5/14/2020	780	5/14/2026	1.382%
11/12/2020	500	11/12/2028	0.54%
9/13/2023	500	9/13/2030	4.375%

All issuances completed as from 2014 to 2022 are traded on the AIAF Fixed Income Market (Spain). All of these are guaranteed by the Group's parent company Ferrovial SE.

In 2023, non-current bonds included a sustainability-linked bond amounting to EUR 500 million issued on September 10, 2023, with an interest rate of 4.375%, and maturing on September 13, 2030. The issuance price was 99.587%. This bond was fully subscribed and paid in by investors on that date and admitted to trading on the Irish Stock Exchange's regulated market.

Euro Commercial Paper:

In the first quarter of 2018, the Company arranged a Euro Commercial Paper (ECP) program for a maximum amount of EUR 1,000 million, with maturities between 1 and 365 days as from the issue date, allowing further diversification of capital market funding and more efficient liquidity management. At the end of 2019, the maximum limit was increased up to EUR 1,500 million.

This note issuance program has been renewed each year since 2018. Until March 30, 2023, Company´s ECPs were issued under the EUR 1.500 million ECP program admitted to trading on the Euronext Dublin regulated market.

Other corporate debt:

In July 2018, Ferrovial refinanced the liquidity facility and included sustainability criteria in the process for a maximum of EUR 1.100 million. This limit was reduced to EUR 900 million in 2023. The balance can be drawn down in EUR, USD, CAD and GBP. USD 260 million (EUR 236 million) had been utilized at December 31, 2023 and USD 260 million (EUR 245 million) had been utilized at December 31, 2022.

In order to hedge possible interest rate and foreign exchange fluctuations affecting the amount drawn, Ferrovial arranged cross currency swaps for USD 260 million, maturing in 2025 for an agreed equivalent value of EUR 250 million, the fair value of which amounts to EUR -13 million (EUR -5 million at December 31, 2022).

During the year 2023, Ferrovial has a loan for a total of EUR 60 million, which matures in 2027 at a fixed rate of 0.425%.

The variation in corporate debt compared to December 2022 (EUR -203 million) is explained mainly by the lower volume of ECPs issued (EUR -196 million) compared to the previous year, at an average rate of 3.13%.

The Group's liquidity stood at EUR 5,387 million and EUR 6,118 million (Note 5.4.d) at December 31, 2023 and 2022, respectively.

b.1.2) Information on corporate debt limits and drawable balances.

Set out below is a breakdown of corporate debt limits and drawable balances at December 31, 2023 and at December 31, 2022:

	2023				2022 (*)			
(Million euro)	Limit	Utilized	Drawable	Consolidated debt	Limit	Utilized	Drawable	Consolidated debt
Bonds	2,581	2,581	0	**2,590**	2,081	2,081	0	**2,088**
Syndicated facility	900	250	650	**236**	1,100	250	850	**245**
ECPs	500	500	0	**500**	696	696	0	**696**
Credit lines	60	60	0	**60**	560	560	0	**560**
TOTAL CORPORATE DEBT	**4,041**	**3,391**	**650**	**3,386**	**4,437**	**3,587**	**850**	**3,589**

(*) Restated figures (Note 1.1.7)

The Company's credit rating

The credit rating agencies Standard & Poor's and Fitch maintained their opinion regarding the financial rating of Ferrovial's corporate debt in 2023 and 2022, respectively rating it at BBB and BBB with stable outlook and, therefore, within the "Investment Grade" category.

b.1.3) Other borrowings

At December 31, 2023 "Other borrowings" of EUR 63 million (EUR 97 million at December 31, 2022) related primarily to the Energy Infrastructures and Mobility Division bank borrowings.

At December 31, 2022 "Other borrowings" of EUR 97 million mainly included Construction Division bank borrowings.

b.1.4) Information on limits and drawable balances of other borrowings:

Set out below is a breakdown of debt limits and drawable balances at December 31, 2023 and 2022:

(Million euro)	2023 Limit	2023 Utilized	2023 Drawable	2023 Consolidated debt	2022 (*) Limit	2022 (*) Utilized	2022 (*) Drawable	2022 (*) Consolidated debt
Construction	163	26	137	**13**	149	37	112	**33**
Airports	0	0	0	**31**	0	0	0	**41**
Energy Infrastructures and Mobility	22	20	2	**19**	24	22	2	**23**
OTHER BORROWINGS	**185**	**46**	**139**	**63**	**173**	**59**	**114**	**97**

(*) Restated figures (Note 1.1.7)

The differences between total bank borrowings and the carrying amount at December 31, 2023 and 2022 are explained mainly by the difference between the face values and carrying amounts of the borrowings, as certain adjustments are made in accordance with applicable accounting rules.

b.2) Maturities by currency and fair value of borrowings excluding infrastructure project companies

At December 31, 2023

Borrowings (Million euro)	Currency	Fair value 2023	Carrying amount 2023	2024	2025	2026	2027	2028	2029+	Total maturities
Corporate debt		**3,331**	**3,386**	**800**	**750**	**781**	**60**	**500**	**500**	**3,391**
	EUR	3,331	3,386	800	750	781	60	500	500	3,391
Other borrowings		**63**	**63**	**21**	**5**	**13**	**6**	**1**	**0**	**46**
	EUR	3	3	0	0	0	0	1	0	1
	PLN	9	9	1	5	2	1	0	0	9
	CLP	19	19	20	0	0	0	0	0	20
	Other	32	32	0	0	11	5	0	0	16
TOTAL BORROWINGS EXCLUDING INFRASTRUCTURE PROJECT COMPANIES		**3,394**	**3,449**	**821**	**755**	**794**	**66**	**501**	**500**	**3,437**

At December 31, 2022

Borrowings (Million euro)	Currency	Fair value 2022	Carrying amount 2022 (*)	2023	2024	2025	2026	2027	2028+	Total maturities
Corporate debt		**3,385**	**3,589**	**696**	**300**	**750**	**781**	**560**	**500**	**3,587**
	EUR	3,385	3,589	696	300	750	781	560	500	3,587
Other borrowings		**97**	**97**	**22**	**3**	**9**	**17**	**8**	**2**	**59**
	EUR	13	13	0	0	0	0	0	1	2
	PLN	14	14	0	1	9	3	1	1	14
	CLP	23	23	22	1	0	0	0	0	22
	Other	48	48	0	0	0	14	7	0	21
TOTAL BORROWINGS EXCLUDING INFRASTRUCTURE PROJECT COMPANIES		**3,482**	**3,686**	**718**	**303**	**759**	**798**	**568**	**502**	**3,646**

(*) Restated figures (Note 1.1.7)

The differences between the total maturities of borrowings and the carrying amounts of the debt at December 31, 2023 and 2022 are primarily explained by the difference between the nominal values and carrying amounts of the borrowings, as certain adjustments are made in accordance with applicable accounting legislation (basically accrued interest payable and the application of the amortized cost method).

The fair value of bank borrowings excluding infrastructure project companies matches the related carrying amount because the borrowings are tied to floating market interest rates and therefore changes to the benchmark interest rates do not affect fair value.

As corporate debts are quoted in an active market, the related market value is used.

On this basis, the estimated total fair value of bank borrowings and bonds excluding infrastructure project companies at December 31, 2023 and December 31, 2022 stood at EUR 3,394 million and EUR 3,482 million, respectively.

The 2024 maturities reached EUR 821 million and primarily relate to the ECPs (EUR 500 million) and corporate bonds (EUR 300 million). The debt maturities do not include interest.

5.3. CASH FLOW

The following table summarizes the cash flows from operating, investing and financing activities for each of the years ended December 31, 2023, 2022 and 2021.

(Million euro)	2023	2022 (*)	2021
Cash flows from operating activities ex tax payments	**1,433**	**1,084**	**965**
Tax payments	(170)	(82)	(155)
Cash flows from operating activities	**1,263**	**1,002**	**810**
Investment	(468)	(1,161)	(1,164)
Divestment	43	429	1,621
Cash flows from investing activities	**(425)**	**(732)**	**457**
Cash flows before financing activities	**838**	**270**	**1,267**
Cash flows from financing activities	**(1,305)**	**(316)**	**(2,221)**
Change in cash and cash equivalents	**(341)**	**(406)**	**(990)**

(*) Restated figures (Note 1.1.7)

Cash flows from discontinued operations:

The cash flows from discontinued operations are included in the Group's reported cash flows. The following table shows the disclosure corresponding to the period 2023, 2022 and 2021:

(Million euro)	2023	2022	2021
Cash flows from operating activities ex tax payments	**–**	**83**	**231**
Tax payments	–	(4)	(74)
Cash flows from operating activities	**–**	**78**	**157**
Investment	–	(2)	(67)
Divestment	–	9	–
Cash flows before financing activities	**–**	**86**	**90**

5.4. . FINANCIAL RISK AND CAPITAL MANAGEMENT

The Group's businesses are affected by changes to financial variables, such as interest rates, exchange rates, inflation, credit, liquidity and equities.

The following are specific data on the Group's exposure to each of these risks and an analysis of the sensitivity to a change in the various variables, together with a brief description of the way in which each risk is managed.

a. Exposure to interest rate fluctuations

Ferrovial's businesses are exposed to interest rate fluctuations, which may affect the Company's net financial expense due to the variable interest on financial assets and liabilities, as well as the measurement of financial instruments arranged at fixed interest rates.

Ferrovial manages interest rate risk so as to optimize the financial expense borne by the Group and achieve suitable proportions of fixed- and variable-rate debt based on market conditions. Therefore, when interest rates are low, the Group seeks to fix future amounts at the ex-infrastructure project company level, although such hedging can affect liquidity in the event of cancellation.

At the infrastructure project company level, banks and rating agencies require a higher percentage of fixed-rate debt. These strategies are implemented by issuing fixed-rate debt or by arranging financial derivative hedges, a breakdown of which is provided in Note 5.5 Financial derivatives at fair value.

The accompanying table shows a breakdown of the Group's borrowings, indicating the percentage considered to be hedged (either by a fixed rate or by derivatives).

BORROWINGS				**2023**				**2022 (*)**
(Million euro)	**Total debt**	**% debt hedged**	**Net exposed debt**	**Impact on profit/(loss) + 100 bps**	**Total debt**	**% debt hedged**	**Net exposed debt**	**Impact on profit/(loss) + 100 bps**
Ex-infrastructure project companies	**3,463**	**92%**	**260**	**3**	**3,691**	**79%**	**772**	**8**
Toll Roads	7,410	99%	51	1	7,527	98%	157	2
Construction	106	91%	10	0	99	97%	3	0
Energy Infrastructures and Mobility	295	93%	22	0	228	80%	46	0
Airports	104	100%	0	1	112	100%	0	3
Infrastructure project companies	**7,915**	**99%**	**83**	**1**	**7,967**	**96%**	**317**	**3**
Total borrowings	**11,378**	**97%**	**339**	**4**	**11,658**	**92%**	**962**	**11**

(*) Restated figures (Note 1.1.7)

Accordingly, in the fully-consolidated companies, a linear increase of 100 basis points in market interest rate curves at December 31, 2023 and 2022 would increase financial expenses in the income statement by an estimated EUR 4 million (EUR 11 million at December 31, 2022), of which EUR 1 million (EUR 3 million at December, 31 2022) relates to infrastructure project companies and EUR 3 million (EUR 8 million at December 31, 2022) to ex- infrastructure project companies, entailing a net effect on Ferrovial's results of EUR 3 million (EUR 7 million at December 31, 2022) (expense).

The Group's cash resources amounted to EUR 4,789 million in 2023, a large portion of which accrued variable rates, improving the financial result for the year.

It is also necessary to take into account changes in the fair value of the financial derivatives arranged, which are indicated in Note 5.5.

Regarding these interest rate hedging instruments, a linear increase of 100 basis points in the market yield curves at December 31, 2023 would, in the case of the effective hedges, have a positive impact of approximately EUR 109 million on shareholders' funds attributable to the parent from fully consolidated companies (EUR 55 million at December 31, 2022), while a decrease of 100 basis points would have a negative impact of approximately EUR 41 million (EUR 67 million at December 31, 2022).

As a balancing entry to this impact, should be noted that a drop in interest rates would trigger an increase in the value of the projects, through a lower discount rate.

b. Exposure to foreign exchange fluctuations

Ferrovial regularly monitors net exposure to each currency over the coming years for dividends receivable, investments in new projects and potential divestments.

Ferrovial establishes its hedging strategy by analyzing past fluctuations in both short- and long-term exchanges rates and has monitoring mechanisms in place, such as future projections and long-term equilibrium exchange rates. These hedges consist of foreign currency deposits or derivatives (Note 5.5 for more details).

The following tables show, by type of currency, the value of assets, liabilities, non-controlling interests and shareholders' funds attributed to the parent company at December 2023, adjusted to account for the above-mentioned currency forwards relating to each currency:

				DEC. 2023
Currency (Million euro)	**Assets**	**Liabilities**	**Parent company shareholders' funds**	**Non-controlling interests**
Euro	7,957	5,996	1,780	181
Pound sterling	715	477	237	1
US dollar	13,399	11,294	408	1,696
Canadian dollar	976	469	507	–
Australian dollar	269	225	44	–
Polish zloty	2,011	1,613	164	234
Chilean peso	301	191	110	–
Colombian peso	230	142	89	–
Indian rupee	380	4	376	–
Other	81	28	52	1
GROUP TOTAL	**26,318**	**20,439**	**3,766**	**2,113**

				DEC. 2022 (*)
Currency (Million euro)	**Assets**	**Liabilities**	**Parent company shareholders' funds**	**Non-controlling interests**
Euro	9,503	7,072	2,244	186
Pound sterling	1,126	638	487	1
US dollar	12,307	10,032	414	1,860
Canadian dollar	541	377	164	–
Australian dollar	186	141	45	–
Polish zloty	1,653	1,341	119	193
Chilean peso	342	244	98	–
Colombian peso	167	105	61	–
Indian rupee	380	1	379	–
Other	141	39	102	–
GROUP TOTAL	**26,344**	**19,991**	**4,113**	**2,240**

(*) Restated figures (Note 1.1.7)

Note 1.4 contains a breakdown of year-end exchange rates. As a result of these changes, the impact of currency translation differences on equity at December 31, 2023 was EUR -83 million (EUR 43 million at December 31, 2022) for the parent company. A breakdown by currency is set out in Note 5.1.1.

After analyzing sensitivity to exchange rate effects, for 2023 Ferrovial estimates that a 10% depreciation in the value of the euro at the year-end against the main currencies in which the Group holds investments would have an impact on the parent company shareholders' funds of EUR 215 million, of which 26% would relate to the effect of the Canadian dollar, 21% to the US dollar, 12% to the pound sterling and 19% to the Indian rupee.

Note 1.4 contains a breakdown of average exchange rates for 2023 and 2022. In this regard, the impact on the income statement of a 10% appreciation of the euro against other currencies would have amounted to a change of EUR 52 million in 2023 (EUR 35 million in 2022).

c. Exposure to credit and counterparty risk

The Group's main financial assets exposed to credit or counterparty risk are as follows:

	2023	2022 (*)	Var. 23/22
Investments in financial assets (1)	671	569	101
Non-current financial assets	1,310	1,258	52
Net financial derivatives (assets)	285	331	-46
Trade and other receivables	1,677	1,609	69

(1) Included in cash and cash equivalents

(*) Restated figures (Note 1.1.7)

- Ferrovial actively and continuously monitors counterparty risk affecting financial transactions and performs internal credit quality analyses on each of the financial institutions with which there is exposure.
- The internal rules for managing cash surpluses impose maximum investment limits for each counterparty, based on objective criteria: minimum acceptable risk requirements for the investment of cash surpluses and limits on the amounts invested in line with the defined risk in each case. In addition, the Risk Department monitors each counterparty's performance and proposes appropriate protective or corrective measures depending on the specific circumstances.
- Geographies: Ferrovial monitors trends in markets (geographies) where it has operations, as well as in its target markets. The Financial Risk Department proposes potential actions to be taken should changes in risk levels be expected in a particular geography or market.
- Customers: Ferrovial analyses and monitors customer credit risk by means of an internal method used by all the Group companies to assign credit ratings to Ferrovial's customers.

d. Exposure to liquidity risk

The Group has the necessary mechanisms in place to preserve the required liquidity through periodic procedures that take account of cash flow projections, cash needs, short-term collections and payments, and long-term obligations.

Ex-infrastructure project companies

At December 31, 2023, cash and cash equivalents reached EUR 4,585 million (EUR 4,962 million in 2022). At that date, undrawn credit lines totaled EUR 789 million (EUR 964 million in 2022), forwards hedging cash flows denominated in a currency other than the euro amounted to EUR -18 million (EUR 151 million in 2022) and long term restricted cash stood at EUR 32 million (EUR 41 million in 2022).

Therefore, liquidity totaled EUR 5,387 million (EUR 6,118 million in December 2022).

Infrastructure project companies

At December 31, 2023, cash and cash equivalents (including short- term restricted cash) amounted to EUR 204 million (EUR 168 million in 2022). Also, at that date undrawn credit lines stood at EUR 1 million (EUR 125 million in 2022), and were primarily arranged to hedge committed investment needs.

Liquidity (including long-term restricted cash) totaled EUR 817 million (EUR 841 million in December 2022).

e. Equity risk exposure

Ferrovial is exposed to the risk of fluctuations in its own share price. This exposure arises in equity swaps used to hedge against risks of appreciation of share-based remuneration schemes, the detail of which is shown in Note 5.5 to these consolidated financial statements.

As the equity swaps are not classified as accounting hedges, the market value has an impact on profit or loss. Accordingly, a EUR 1 increase/ decrease in Ferrovial's share price would have a positive/negative impact of EUR 2.8 million on Ferrovial's net profit/(loss).

f. Exposure to inflation risk

Most of the revenue from infrastructure projects is associated with prices tied directly to inflation. This is the case of the prices of both the toll road concession contracts and those of Heathrow. Therefore, an increase in inflation as is currently the case will increase cash flows from assets of this kind.

The recent rise in inflation may have an adverse effect on operating margins under the construction contracts, therefore the risk is hedged by closing the main direct costs at the time of bidding.

The toll road concession operator Autema records a derivative linked to inflation in Spain. At year-end 2020, 37% of the derivative was cancelled as a result of the shift from the concession model to the intangible asset model. The remaining 63% is still treated as a hedge accounting instrument. An increase of 100 bps across the inflation curve would have a negative effect on reserves of EUR -95 million and EUR -56 million on profit/(loss)s.

g. Capital management

The Group aims to achieve a debt-equity ratio that makes it possible to optimize costs while safeguarding the capacity to continue managing recurring activities and the capacity to continue to grow through new projects in order to create shareholder value.

With regard to borrowings, the Ferrovial Group seeks to maintain a level of indebtedness, excluding infrastructure project companies, so as to retain an investment grade credit rating. To achieve this, a clear and consistent financial policy has been established in which a relevant metric refers to the maintenance of the Consolidated Net Debt of ex-infrastructure project companies (gross debt less cash) to EBITDA ratio, plus project dividends, of no more than 2x.

5.5. FINANCIAL DERIVATIVES AT FAIR VALUE

a) Breakdown by type of derivative, movements, maturity dates and main features

The table below includes the fair values of the derivatives arranged at December 31, 2023 and 2022, as well as the maturity dates of the notional amounts to which the derivatives relate (maturities of notional amounts are shown as positive figures and already-arranged future increases are presented as negative amounts):

TYPE OF INSTRUMENT	FAIR VALUE	NOTIONAL MATURITIES					
(Million euro)	BALANCES AT 12/31/2023	2024	2025	2026	2027	2028 and beyond	TOTAL
ASSET BALANCES	**285**	**943**	**38**	**-1**	**-1**	**2,515**	**3,493**
Toll road index-linked swaps	115	-2	-3	-4	-3	78	66
Toll road cross-currency swaps	72	0	0	0	0	1,850	1,850
Transchile and Centella IRS	50	0	0	0	0	457	458
Dalaman interest rate swaps	3	0	0	0	0	100	100
Toll road interest rate swaps	1	0	0	0	0	5	5
Equity swaps - Corporate	20	73	0	0	0	0	73
Toll roads foreign exchange derivatives	11	766	0	0	0	0	766
Other derivatives	13	106	41	3	2	24	175
LIABILITY BALANCES	**132**	**2,065**	**338**	**42**	**37**	**523**	**3,004**
Toll Roads IRS	91	28	34	37	32	471	602
Corporate cross-currency swaps	13	0	250	0	0	0	250
Corporate interest rate swaps	0	0	50	0	0	0	50
Corporate foreign exchange derivatives	0	15	0	0	0	0	15
Toll roads foreign exchange derivatives	18	1,786	0	0	0	0	1,786
Other derivatives	9	237	4	5	5	52	302
NET BALANCES (ASSETS)	**153**	**3,008**	**376**	**41**	**36**	**3,037**	**6,497**

The maturities of cash flows comprising the fair value of the derivatives are set out below:

TYPE OF INSTRUMENT	FAIR VALUE	CASH FLOW MATURITIES					
(Million euro)	BALANCES AT 12/31/2023	2024	2025	2026	2027	2028 and beyond	TOTAL
ASSET BALANCES	**285**	**41**	**1**	**-3**	**-5**	**252**	**285**
Toll road index-linked swaps	115	10	10	10	10	75	115
Toll road cross-currency swaps	72	-18	-18	-18	-17	143	72
Transchile and Centella IRS	50	6	4	4	2	33	50
Dalaman interest rate swaps	3	2	1	0	0	0	3
Toll road interest rate swaps	1	2	0	0	0	0	1
Equity swaps - Corporate	20	20	0	0	0	0	20
Toll roads foreign exchange derivatives	11	11	0	0	0	0	11
Other derivatives	13	8	4	0	0	1	13
LIABILITY BALANCES	**132**	**26**	**36**	**15**	**13**	**42**	**132**
Toll Roads IRS	91	10	15	14	12	40	91
Corporate cross-currency swaps	13	-6	20	0	0	0	13
Corporate interest rate swaps	0	0	0	0	0	0	0
Corporate foreign exchange derivatives	0	0	0	0	0	0	0
Toll roads foreign exchange derivatives	18	18	0	0	0	0	18
Other derivatives	9	5	1	1	1	2	9
NET BALANCES (ASSETS)	**153**	**14**	**-35**	**-18**	**-18**	**210**	**153**

Derivative project companies

Interest Rate Swaps

To hedge interest rate risk in infrastructure projects, the borrowings of which accrue variable interest (primarily Cintra Inversora Autopistas de Cataluña, S.A., Transchile, Centella, Autovía de Aragón, Depusa Aragón, Dalaman International Airport and the UK waste treatment businesses (Thalia)). The companies have contracted interest rate hedges on project debt, establishing a fixed or increasing interest rate, for a total notional amount of EUR 1,250 million at December 31, 2023. Overall, the fair value valuation of these hedges has decreased from EUR -10 million at December 2022 to EUR -39 million at December 2023.

In general, hedge effectiveness measurements performed periodically show that derivatives are effective, so changes in their fair value are recorded in reserves, amounting to EUR-36 million (EUR -30 million after taxes and minority interests attributable to the parent company).

The movement in settlements and accruals had an impact on net financial income/(expense) of EUR -8 million and on cash of EUR 6 million.

Index-linked swaps

They relate solely to Autema, which arranged an index-linked swap fixing the annual inflation rate at 2.5% in 2008 to hedge revenue variability. The underlying hedged items are the toll flows and price compensation flows received by the Catalan Regional Government, which are inflation-adjusted.

The reduction in the hedged item due to the change of concession scheme entailed the partial discontinuance of the hedge, so that 63% of the derivative is currently classed as a hedge and the remainder is classed as speculative. The rise in inflation during 2023 had an impact of EUR 25 million on reserves and a fair value impact of EUR 13 million on results.

Derivatives ex-project companies

Interest rate swaps

In September 2023, the Group cancelled the interest rate derivatives which were contracted (mainly by Ferrovial SE) to hedge bank borrowings, as the debt has been also cancelled. By the end of 2022 these IRS had a notional amount of EUR 359 million and a fair value of EUR 10 million.

In December, the Group closed new interest rate swaps. Ferrovial SE contracted a pre-hedge to hedge the refinancing of a future bond with a notional of EUR 50 million, and Parque Solar Casilla, one to hedge El Berrocal financing (an energy project), with a notional of EUR 23 million.

Cross-currency swaps

At December 31, 2023, Ferrovial SE recorded cross-currency swaps to hedge a corporate liquidity line in US dollars (Note 5.2.2). These instruments have a notional value of USD 260 million (EUR 250 million agreed equivalent value) and expire in 2025 and have a fair value of EUR -13 million (EUR -5 million in 2022).

The results of the effectiveness tests carried out show that the derivatives are effective. The change in fair value during the year had an impact on reserves of EUR -1 million, on the financial result of EUR 6 million and on cash of EUR -6 million.

On the other hand, the Cintra Infrastructure SE Company and 407 Toronto Highway BV have cross currency swaps (CCS) as fair value coverage of its net investment in the US in USD and the investment in Canada in CAD . These instruments have a notional amount of EUR 1,712 million and EUR 138 million, a maturity in 2032 and a fair value of EUR 72 million and EUR 0.01 million.

The result of the effectiveness tests carried out shows that the derivatives are effective. The interest rate component of these derivatives, considered as a hedging cost, amounts to -11 million euros and is recorded as reserves. As the coupons for the interest rate differential are paid, this cost will be transferred to income. In addition, the impact of the hedging of the investment was EUR 51 million recognized as translation differences.

Exchange rate derivatives

There are exchange rate risk hedges, designed to hedge the investment that the Group has in CAD. Its notional amounts to EUR 1,786 million at December 31, 2023 (CAD 2,639 million) (Note 1.3). Its fair value amounts to EUR -18 million.

Changes in their valuation are recorded under the conversion differences heading and amount to EUR 57 million in 2023. Additionally, the movement of settlements and accruals has had an impact on the financial result of EUR -19 million and on cash of EUR -140 million.

Additionally there are hedges of foreign currency risk, which aim is to protect against the volatility of future cash flows in foreign currencies (primarily US dollar, pound sterling and polish zloty). Their notional value amounted to EUR 1,149 million at December 31, 2023, of which EUR 229 million relate to pound sterling and EUR 777 million to the US dollar and EUR 142 million to zloty, they all expire in the short-term.

Value changes are recognized as translation differences and amounted to EUR 22 million in 2023 (for effective derivatives). Options, which are not classified as accounting hedges, are recognized in net financial income/(expense) at fair value, entailing an expense of EUR 9 million during the year.

Equity swaps

The Company has arranged equity swaps hedging the potential financial impact of the exercise of share-based remuneration schemes granted to employees. These swaps contracted by the Company generally hedge its own shares, therefore, they are treated as economic hedging derivatives but not as accounting hedges (speculative), so the change in fair value of these derivatives in recognized through the income statement as a fair value adjustment.

These contracts are described below:

- The calculation base comprises a given number of Ferrovial shares and a reference price, which is usually the share price on the execution date.
- During the swap term, Ferrovial pays interest at a given interest rate (EURIBOR plus a spread to be applied to the result of multiplying the number of shares by the strike price) and receives remuneration equal to the dividends on those shares.
- When the swap expires, if the share price has risen, Ferrovial will receive the difference between the arithmetic mean of the share price during the observation period and the reference price, by the number of shares contracted. Otherwise, Ferrovial would pay this differential to the financial institution.

Its fair value at December 31. 2023 is EUR 20 million. The change in value during the year was due to the increase in the Ferrovial share price from EUR 24.47 at December 31, 2022 to EUR 33.02 at December 31, 2023, entailing an impact of EUR 25 million under the income statement heading "Changes in the fair value of financial instruments". In the column "Impact on Net financial income/(expense)" includes the remuneration as income and the finance cost of these instruments as an expense in the amount of EUR -2 million (Note 2.6). The total impact of these instruments on cash resources amounted to EUR -6 million.

At December 2023 , these derivatives had a notional value equivalent to 2,796 thousand shares which, based on the strike price of the equity swaps (price at which they must be settled with the banks), represented a total notional amount of EUR 73 million.

b) Main effects on the income statement and equity

Set out below is a breakdown of the main derivatives arranged by fully-consolidated companies showing movements in fair values at December 31, 2023 and 2022 and the effect on reserves, profit/(loss) and other balance sheet items:

	FAIR VALUE								EFFECTS	
TYPE OF INSTRUMENT (Million euro)	**BALANCES AT 12/31/2023**	**BALANCES AT 12/31/2022**	**Var.**	**EFFECT ON RESERVES (I)**	**FAIR VALUE EFFECT ON PROFIT/(LOSS) (II)**	**EFFECT ON FINANCIAL PROFIT/ (LOSS) (III)**	**CASH (IV)**	**EXCHANGE RATE (V)**	**OTHER EFFECTS ON BALANCE SHEET OR INCOME**	**TOTAL**
Inflation derivatives	**115**	**77**	**38**	**25**	**13**	**4**	**-11**	**0**	**7**	**38**
Cash flow hedge	115	77	38	25	13	4	-11	0	7	38
Interest rate derivatives	**-39**	**0**	**-40**	**-39**	**12**	**-7**	**-5**	**-2**	**2**	**-40**
Cash flow hedge	-39	0	-40	-48	12	-7	-5	-2	11	-40
Fair value hedge	0	0	0	8	0	0	0	0	-8	0
Cross-currency swaps	**58**	**-32**	**91**	**30**	**-1**	**6**	**12**	**51**	**-7**	**91**
Cash flow hedge	-13	-5	-9	-1	0	6	-6	0	-7	-9
Hedge of net investment in foreign	72	-28	99	32	-1	0	18	51	0	99
Fair value hedge	0	0	0	0	0	0	0	0	0	0
Foreign exchange derivatives	**-1**	**172**	**-173**	**1**	**-3**	**-19**	**-166**	**12**	**2**	**-173**
Fair value hedge	0	3	-3	0	0	0	-12	9	0	-3
Hedge of net investment in foreign	-8	169	-177	0	-4	-19	-157	3	0	-177
Cash flow hedge	11	1	11	1	7	0	0	1	2	11
Speculative	-4	0	-4	0	-7	0	3	0	0	-4
Equity swaps	**20**	**2**	**17**	**0**	**25**	**-2**	**-6**	**0**	**0**	**17**
Speculative	20	2	17	0	25	-2	-6	0	0	17
TOTAL	**153**	**219**	**-66**	**16**	**46**	**-18**	**-175**	**61**	**4**	**-66**

(*) Restated figures (Note 1.1.7)

Derivatives are recognized at market value at inception and at fair value at later dates. Changes in the value of these derivatives are recognized for accounting purposes as follows:

- Fair value changes during the year to cash flow hedging derivatives are recognized, with a balancing entry in reserves by the effective portion (column I).
- Fair value changes to derivatives that do not qualify for hedge accounting or are deemed to be speculative are recognized separately as a fair value adjustment in the Group's income statement (column II).
- "Effect on net financial income/(expense)" (column III) reflects the effects from financing of interest flows accrued during the year.
- The "Cash" column (IV) refers to net settlements of receipts and payments during the year.
- The effect of foreign exchange fluctuations from December 31, 2023 to December 31, 2022 on currency translation differences is also presented separately (column V).
- The "Other effects" column shows the effects on operating profit/(loss), net financial income/(expense) (exchange rate) and other effects not previously mentioned (column VI).

c) Derivative measurement methods

All the Group's financial derivatives and other financial instruments carried at fair value are included in Level 2 of the fair value hierarchy since, though they are not quoted on regulated markets, they are based on directly or indirectly observable inputs.

Fair value measurements are made by the Company using a tool developed in-house based on market best practices. However, they are reconciled against the values indicated by the counterparty banks on a monthly basis.

Equity swaps are measured as the difference between the quoted share price on the calculation date and the unit settlement (strike) price agreed at inception, multiplied by the number of shares under the contract.

The other instruments are measured by quantifying net future flows of payments and receipts, discounted to present value, as specified below:

- Interest rate swaps (IRS): future flows tied to floating reference rates are estimated using market projections on the measurement date for each currency and settlement frequency. Each flow is discounted using the discount factors on the date of each settlement period and currency at the measurement date.
- Index-linked swaps (ILS): future flows are estimated by projecting the future behavior implicit in the market curves on the measurement date for each currency and settlement frequency, for both reference interest rates and reference inflation rates. As in the cases described above, the flows are discounted at rates obtained at the measurement date for each flow settlement period and currency.
- Cross-currency swaps (CCS): future flows tied to floating reference rates are estimated using market projections on the measurement date for each currency and settlement frequency. Each flow is discounted using the market zero-coupon rate corresponding to the settlement period and currency at the measurement date, taking account of cross-currency basis spreads. The present value of the flows in a currency other than the measurement currency is translated at the spot exchange rate prevailing at the measurement date.

- Foreign currency derivatives: as a general rule, future flows are estimated using the exchange rates and market curves associated with each currency pair (forward points curve), and each flow is discounted using the market discount rate corresponding to the settlement period and currency at the measurement date. For other more complex instruments (options, etc.), appropriate measurement methods are used for each instrument, taking into consideration the necessary market data.

Lastly, credit risk, which is included when measuring derivatives under IFRS 9, is estimated as follows:

- To calculate the adjustments associated with own and counterparty credit risk (CVA/DVA), Ferrovial applies a method based on calculating the future exposure of the various financial products using Monte Carlo simulations. A probability of default and a loss given default is applied to this potential exposure based on the parties' business and credit quality, as well as a discount factor based on the currency and term at the measurement date.
- To calculate probabilities of default for the Ferrovial Group companies, the Financial Risks Department assesses the counterparty's rating (company, project, etc.) using an in-house, rating agency-based method. This rating is used to obtain market spread curves for the currency and term in question (generic curves per rating level).
- Probability of counterparty default is calculated using the companies' CDS curves, if they are available. Otherwise, the CDS curves of a similar entity (proxy) or a generic spread curve per rating level are used.

SECTION 6: OTHER DISCLOSURES

This section includes other notes required under the applicable legislation.

Note 6.5 stands out on contingent liabilities and assets, as it describes the main lawsuits in which Group companies are involved and the guarantees given. Special emphasis is placed on the guarantees given by ex-infrastructure project companies on behalf of infrastructure project companies.

Movements in liabilities other than current liabilities and borrowings, such as provisions (Note 6.3), are also analyzed.

6.1. DEFERRED INCOME

Deferred income breaks down as follows at December 31, 2023 and 2022:

(Million euro)	2023	2022 (*)	Var. 23/22
Capital grants	1,317	1,377	(60)
Other deferred income	17	33	(16)
TOTAL DEFERRED INCOME	**1,334**	**1,410**	**(76)**

(*) Restated figures (Note 1.1.7)

Capital grants awarded by government bodies relate entirely to infrastructure projects in the Toll Roads Division at December 31, 2023 and 2022.

These grants are primarily found in the following Toll Road projects: EUR 407 million and EUR 425 million for LBJ Infrastructure Group in 2023 and 2022, respectively. EUR 486 million and EUR 512 million for NTE Mobility Partners, in 2023 and 2022, respectively. EUR 204 million and EUR 211 million for NTE Mobility Partners Segments 3 LLC, in 2023 and 2022, respectively and, lastly, EUR 205 million and EUR 214 million for I-77 Mobility Partners, in 2023 and 2022, respectively.

Amounts received by the US companies decreased by EUR -41 million and increased by EUR 86 million in 2023 and 2022 respectively, due to the dollar's appreciation against the euro.

These capital grants are released to the income statement for each year at the same rate as the depreciation charged on the assets. As the charge estimated for the following 12 months is not significant, the balance as at December 31, 2023 is presented as non-current in the balance sheet. The impact of the grants on cash flows are presented as an increase in investments for 2023, 2022 and 2021.

The effect of these grants on cash flows is presented net of cash flows from investing activities.

6.2. PENSION PLAN DEFICIT

This heading reflects the deficit in pension and other employee retirement benefit plans. At December 31, 2023, the provision recognized in the balance sheet amounted to EUR 3 million and solely related to Budimex (EUR 2 million at December 31, 2022).

6.3. PROVISIONS

The provisions recognized by the consolidated Group cover risks arising in the course of business. They are recognized using best estimates of the risks. This note provides a breakdown of all provisions disclosed separately on the liabilities side of the balance sheet. In addition to these items, other provisions net certain asset items and are disclosed in the specific notes on those assets.

Movements in long- and short-term provisions presented separately on the liabilities side of the balance sheet are set out below at December 31, 2023 and 2022:

(Million euro)	LITIGATION AND TAXES	REPLACEMENTS AND UPGRADES, IFRIC 12	OTHER LONG-TERM RISKS	TOTAL NON-CURRENT PROVISIONS	SHORT-TERM PROVISIONS	TOTAL
Balance at December 31, 2022 (*)	**272**	**97**	**47**	**416**	**930**	**1,346**
Scope changes and transfers	**5**	**-5**	**-9**	**-9**	**-6**	**-15**
Charges:						
Operating profit/(loss)	14	0	1	15	532	547
Net financial income/(expense)	3	7	0	10	2	12
Impairment and disposals	2	0	0	2	0	2
Corporate income tax	1	0	0	1	0	1
Fixed asset depreciation	0	24	0	24	0	24
Reversals:						
Operating profit/(loss)	-11	0	-7	-17	-292	-309
Net financial income/(expense)	-53	0	0	-53	0	-53
Impairment and disposals	0	0	-7	-7	-1	-8
Corporate income tax	-75	0	0	-75	0	-75
Fixed asset depreciation	-1	0	0	-1	0	-1
Applications with balancing entries in current accounts	**-4**	**0**	**0**	**-4**	**-201**	**-204**
Applications with balancing entries in other assets	**1**	**-34**	**0**	**-34**	**-6**	**-40**
Foreign exchange differences	**1**	**-2**	**1**	**-1**	**52**	**51**
Balance at December 31, 2023	**156**	**86**	**26**	**268**	**1,011**	**1,279**

(*) Restated figures (Note 1.1.7)

Litigation and tax provisions

This includes the following provisions:

- Provisions to cover the possible risks resulting from lawsuits and litigation in progress, amounting to EUR 71 million and EUR 68 million in 2023 and 2022, respectively, and largely relating to the Construction business. This provision is recognized and reversed against changes to provisions in operating profit/(loss).
- Provisions for tax claims amounting to EUR 85 million and EUR 204 million in 2023 and 2022, arising in relation to local or central government duties, taxes or other levies as a result of the different possible interpretations of tax legislation in the various countries in which the Group operates (Note 6.5.1).

Provision for replacements under IFRIC 12

This heading includes provisions for replacement investments under IFRIC 12 (Note 1.3.3.2), totaling EUR 86 million and EUR 97 million in 2023 and 2022, respectively.

Provisions for other long-term risks

This heading includes provisions recognized to cover certain long- term risks other than those attributable to litigation or tax claims, such as third-party liability resulting from the performance of contracts, guarantees given and exposed to enforcement risk, and other similar items, which amounted to EUR 26 million at December 31, 2023 (EUR 47 million at December 31, 2022).

At December 31, 2023, it also contains the estimated cost of landfill closure and post- closure activities relating to Budimex and UK waste treatment businesses (Thalia). The provision is calculated based on a technical estimate of total landfill capacity consumed to date. It is recognized and reversed against changes to provisions in operating profit/loss, as and when the landfill closure costs are incurred. The balance recognized for this item at December 31, 2023 amounted to EUR 14 million.

Short-term provisions

This heading relates essentially to provisions for contracts with customers, such as provisions for deferred expenses (relating to construction projects close-out costs under the contract), amounting to EUR 313 million and EUR 276 million in 2023 and 2022 respectively), and provisions for budgeted losses totaling EUR 604 million and EUR 567 million in 2023 and 2022 respectively.

Provisions for budgeted losses relate primarily to the Construction Division in the amount of EUR 561 million and EUR 497 million in 2023 and 2022 respectively, and UK waste treatment businesses (Thalia) in the amount of EUR 46 million and EUR 69 million at December 31, 2023 and 2022, respectively.

The change during 2023 is essentially explained by net provisions recognized in the Construction Division (EUR 150 million), basically in the Polish business, and to the application of provisions (EUR -119 million), relating particularly to budgeted losses in the US business.

For the accounting treatment of each provision, see Notes 1.3.3.3.and 1.3.3.4.v.

6.4. OTHER LONG-TERM PAYABLES

This heading mainly includes:

- Participating loans accruing interest granted by Spain's Central Government to various infrastructure project concession operators totaling EUR 53 million at December 31, 2023 and EUR 51 million at December 31, 2022 owed by "Autovía de Aragón"in the Toll Roads Division.
- Long-term loans from associates of the Toll Roads Division, amounting to EUR 21 million at December 31, 2023 and EUR 22 million at December 31, 2022.
- Debt owed by Dalaman International Airport to the administration for the concession fee, which amounted to EUR 276 million in the long term at the year-end (EUR 277 million at December 31, 2022).
- Mandatory payments owed under the concession agreement on the I-66, which amounted to EUR 865 million (EUR 485 million at December 31, 2022).

6.5.CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS

6.5.1.Litigation

The Group is exposed to risks derived from the resolution of lawsuits or litigation of different kinds arising in the course of its business. When such risks are deemed to be probable, provisions must be booked using the best estimate of the disbursements that are expected to be necessary to settle the obligations arising from those lawsuits and litigation. These provisions are set out in Note 6.3. When such risks are less likely to materialize, contingent liabilities arise. No significant liabilities are envisaged to have a material adverse effect on the Group other than those for which provisions have already been recognized.

There are also contingent assets, meaning assets that might arise from various proceedings in progress. Assets of this kind are not recognized in the financial statements unless it is virtually certain that they will materialize, as required by accounting legislation.

There follows a description of the most significant litigation, in terms of the amount, in the Group's various business divisions: This includes those that may generate both liabilities or assets.

a) Litigation and other contingent liabilities relating to the Toll Road business

Ongoing litigation at December 2023

US Toll roads: NTE 35W

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

As a result of this incident, the concession company NTE Mobility Partners Segment 3 LLC, which is 53.66% -owned by Ferrovial, together with several non-Group US companies, is a party in 29 of the claims that have been filed and are in the early stages of legal proceedings.

Following consultation with external legal advisors, the concession company expects no material impact even in the event of an unfavorable ruling due to the insurance policies in place.

Therefore, no provision has been recorded to date in relation to this risk.

Portugal- Auto-Estradas Norte Litoral, S.A.

The insolvency estate of J. Gomes - Construções do Cávado, S.A., (the "J. Gomes Parent") filed a civil lawsuit against Cintra Infrastructures SE ("CISE") seeking the invalidity of its purchase of shares of Auto-Estradas Norte Litoral, S.A. ("AENL") (the "AENL Shares") by CISE from J. Gomes – Concessões Norte, Unipessoal, Lda. (the "J. Gomes Subsidiary"), a fully-owned subsidiary of J. Gomes Parent. J. Gomes Parent initiated proceedings against both CISE and J. Gomes Subsidiary on the basis that the purchase price paid by CISE was lower than the fair market value of the AENL Shares. J. Gomes Subsidiary is not an insolvent entity (unlike the claimant, J. Gomes Parent). CISE acquired the AENL Shares from J. Gomes Subsidiary and the rest of the minority shareholders of AENL, paying the same price per share to all shareholders.

The claimant, J. Gomes Parent has requested that (i) CISE return to the claimant (a) the AENL Shares and (b) an amount corresponding to the total dividends received in connection with those shares since the date on which the sale took place; and (ii) the claimant is allowed to pay a small fraction of the price received by the J. Gomes Subsidiary from CISE for such AENL Shares, with the remainder of the price to be claimed by CISE as a common creditor under the J. Gomes Parent insolvency proceedings.

The Company estimates the value of the claim, including accrued legal interest, that although not yet claimed, may be requested in connection with the proceedings by J. Gomes Parent, to be an amount under EUR 10 million.

The Company believes, after consultation with external legal advisors, that its position is reasonable and therefore has not recorded a provision in relation to this risk.

Litigation ended during or before 2023

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

In June 2013 a group of financial institutions forming part of the banking syndicate financing the Radial 4 project commenced court proceedings in Madrid Court of First Instance No. 61 against the shareholders of the concession company, Cintra Infrastructures, SE and Sacyr Concesiones, S.L. The concession shareholders had guaranteed a contingent capital contribution upon occurrence of certain events set forth in the relevant project financing agreement.

Specifically, the group of financial institutions sought enforcement of a EUR 23 million corporate guarantee put in place by the shareholders (of which Cintra Infrastructures, SE's proportional share is EUR 14.95 million), on the grounds of an alleged breach of certain financial agreement ratios.

Madrid Court of First Instance No. 61 dismissed the lawsuit, declaring the lack of legal standing of the bank syndicate to request an enforcement of such guarantee. The bank syndicate then lodged an appeal before the Madrid Provincial Court, which was also dismissed by the court that upheld the Madrid Court of First Instance No. 61 judgement. The group of financial institutions decided to lodge an extraordinary appeal for procedural infringement before the Spanish Supreme Court, which the court admitted. As a result, the Madrid Provincial Court heard and reviewed the merits of the case. The Madrid Provincial Court upheld the appeal lodged by the bank syndicate.

Following the Madrid Provincial Court's resolution in favor of the group of financial institutions, Cintra Infrastructures, SE and Sacyr Concesiones, S.L. filed a cassation appeal with the Spanish Supreme Court on December 10, 2020.

On October 23, 2023 Cintra Infrastructures SE received the Supreme Court's Decision dismissing the cassation appeal filed on December 10, 2020. Such dismissal rendered the Madrid Provincial Court's resolution final and binding. As a consequence, on November 15, 2023 Cintra Infrastructures, SE paid EUR 14.95 million plus EUR 6.38 million in accrued interest, that were totally provided for. At present, only the legal costs requested by the defendants remain outstanding.

b) Litigation relating to the Construction business

The Construction Division is involved in several ongoing legal proceedings, relating principally to potential construction defects in the building work it has completed and claims for civil liability. As indicated in Note 6.3, as of December 31, 2023 and 2022, respectively, provisions amounting to EUR 68 million and EUR 68 million had been recorded globally, in relation to these proceedings, with the provisions recorded for each lawsuit not exceeding EUR 10 million. The provision for each of the lawsuits corresponds to the best estimate made by Ferrovial on the possible impact of the same.

Below is a description of the most relevant lawsuits in terms of amount.

<u>Ongoing litigation at December 2023</u>

Construction business Spain:

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

On July 6, 2022, the CNMC issued a resolution finding that Ferrovial Construcción S.A. had committed a "very serious infringement" of Article 1 of Law 15/2007, of July 3,2007, on the Defense of Competition and Article 101 of the European Union Treaty and imposing a fine of EUR 38.5 million.

Ferrovial Construcción, S.A. filed a contentious-administrative appeal against the CNMC's resolution in the Spanish National High Court on October 4, 2022. The claim also requested a precautionary measure staying enforcement.

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

The Group considers the outcome of this lawsuit is unlikely to be unfavorable and therefore no amount has been provisioned in this respect.

D4R7 project (Slovakia)

There are two proceedings under way:

Criminal Investigation for Alleged Environmental Risks and Damage in Connection with the Exploitation of Plots of Land in Jánošíková.

In June 2019, by the Provincial Headquarters of the National Police in Bratislava (Slovakia) initiated a criminal investigation ex officio against D4R7 Construction s.r.o., the joint venture established to carry out the D4R7 toll road construction project in Bratislava, which was formed by Ferrovial and PORR (with 65% and 35% stakes in the joint venture, respectively). The grounds for the investigation are alleged environmental risks and damage, as defined in the Slovakian Criminal Code, due to an alleged failure to obtain the necessary permits to excavate dirt from two plots of land in Jánošíková, Slovakia. The alleged damages were quantified at EUR 8.7 million.

The two plots requiring the environmental permits do not form part of the toll road site layout, although materials extracted from the plots were used to construct the project pursuant to agreements with the owners, who incurred no environmental damage. The excavation work, which also included obtaining the property owners' consent, as well as the necessary environmental permits to extract the dirt material, was subcontracted to a local company specialized in this type of work.

The investigation is ongoing and several people have been charged and a variety of defense submissions in response to said alleged charges and expert reports have been submitted by the Slovakian authorities, as the investigator/prosecutor, and by the joint venture, as the investigated party/defendant. The last expert report in connection with the investigation was submitted by the joint venture in December 2022, after which the prosecutor submitted the investigation file to the court. Upon review, the court will decide whether there is sufficient evidence to support the allegations and if all legal requirements have been met to set the case for trial or otherwise will revert the investigation file to the prosecutor's office for further investigation.

The Group considers improbable that the investigation will give rise to risk and, therefore, no provision has been set aside with respect to this dispute.

Criminal Investigation for Alleged Hazardous Substances and Environmental Damage in Connection with the Exploitation of Plots of Land in Blatná na Ostrove

On June 2, 2023, the Presidium of the Police Force for the National Center of Special Types of Criminality, the division investigating hazardous substances and environmental crimes, filed charges against D4R7 Construction s.r.o. for an alleged crime of "endangering and damaging the environment" in violation of Section 300(1) of the Slovak Criminal Procedure Code. The charges allege that, between May and December 2018, D4R7 Construction s.r.o. caused environmental damage quantified at EUR 6,6 million on certain protected parcels of land located in Blatná na Ostrove by extracting more than 200,000 tons of dirt without a permit. The excavation work, as well as the necessary environmental permits to extract the dirt material, was subcontracted to a local company specialized in this type of work. A hearing date has not yet been set. D4R7 disputes these charges and intends to file a timely response.

The Group considers improbable that the investigation will give rise to risk and, therefore, no provision has been set aside with respect to this dispute.

FBSerwis (Poland)

On February 1, 2023, the President and Vice-President of the Management Board of FBSerwis, S.A., a subsidiary of Budimex, were detained in Warsaw, Poland, by the Polish Central Anticorruption Office. According to the information provided publicly by the Polish National Prosecutor's Office, the arrests were related to a broader investigation for alleged tax fraud and money laundering, invoice forgery, and bribery. According to these public sources, over a dozen people have been detained as part of the ongoing proceedings, including three employees of FBSerwis, S.A.. On March 28, 2023, the supervisory board of FBSerwis, S.A. decided to dismiss the president and vice-president of the management board from said management board. FBSerwis, S.A. has therefore terminated their employment contracts. The investigation is ongoing and FBSerwis S.A. is cooperating with the authorities.

FBSerwis S.A.'s management board does not presently identify any significant risk for its operations. In addition, it commissioned an independent law firm to investigate any irregularities related to the above-mentioned events. This investigation is now concluded.

In May 2023, the supervisory board named a new president of the management board.

The management board of FBSerwis, S.A. has established an internal control office to monitor compliance with its policies and procedures, which have been reviewed and improved in 2023.

Considering the above, the management board of FBSerwis,S.A. believes that, at present, there is no need to make adjustments to the financial statements in connection with these events. In the opinion of the external legal counsel engaged by FBSerwis S.A., the risk that the company could be held liable for the events under investigation is remote and is not expected to exceed EUR 1 million. Therefore, as of 31 December 2023 we have not recognized a liability in our financial statements in relation to this matter.

Bucaramanga Project (Colombia)

In December 2023, the National Infrastructure Authority (ANI) of Colombia imposed a fine for project delays on the concessionaire for the Ruta del Cacao project, Concesionaria Ruta del Cacao, S.A.S. The fine flows on a "back-to-back" basis to Consorcio Ferrocol Santander (CJV), the entity responsible for the construction of the project and in which Ferrovial Construcción has a 70% stake. The fine amounts to approximately USD 15 million and has been appealed. The delay that triggered the fine relates to the completion of segment 8 (UF8) of the project and was caused by unforeseeable geological conditions in the terrain that have resulted in multiple landslides. These conditions constitute unforeseen conditions that are contractually beyond the responsibility of the concessionaire, and consequently the CJV, under the concession contract with ANI. The concessionaire and CJV have initiated several proceedings seeking the nullity of the imposed fines as well as a declaration of force majeure due to said unforeseeable geological conditions. If either proceeding is successful, the fines would be rendered void. The impact of this delay and the associated costs have been considered in the provision for future losses in 2023 relating to this project.

I-66 and I-285 projects (USA)

In 2015, Georgia's Department of Transportation awarded the design and construction of the I-285/SR-400 improvement project to North Perimeter Contractors, LLC whose sole member is Ferrovial Construction US Corp.

In 2016, FAM Construction, LLC (in which Ferrovial Construction US Corp. holds a 70% interest and Allan Myers VA holds a 30% interest) was awarded the design and construction of the Interstate 66 Outside the Beltway project.

These design-build projects are near completion but have incurred losses due to unforeseen events beyond the above contractors' control, including due to the impact of the Covid-19 pandemic, client-directed scope changes, and weather events, among others. The above contractors have accordingly initiated upstream claims proceedings to recover part of the costs incurred. The claims have thus far been denied, and the respective contractors have accordingly initiated claim proceedings to recover the incurred losses.

These claims have been considered in the calculation of the group's future loss provisions in accordance with IFRS 15.

c) Tax-related litigation

<u>Ongoing litigation at December 2023:</u>

As indicated in Note 6.3, Ferrovial has provisions for taxes recognized in its balance sheet for a total amount of EUR 85 million, EUR 200 million and EUR 209 million at December 31, 2023, 2022 and 2021 respectively.

These provisions relate essentially to ongoing litigation arising from tax assessments raised following tax audits in Spain for a disputed sum of EUR 207 million, EUR 332 million and EUR 333 million for 2023, 2022 and 2021 respectively, the most significant amounts relating to corporate income tax and VAT for the periods 2002 to 2017.

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

The most noteworthy litigation is the proceedings related to the amortization for tax purposes of financial goodwill on the acquisitions of Amey and Swissport. On September 27, 2023, the European General Court issued a ruling overturning the European Commission's October 15, 2014, decision, which considered the Spanish tax depreciation of financial goodwill with respect to the indirect acquisition of non-resident companies to be "state aid" incompatible with the EU Treaty. The European General Court's ruling upheld the appeals of Spain and several Spanish companies, including Ferrovial, and found that the European Commission's decision violated the principles of legal certainty and protection of legitimate expectations. The ruling was subject to appeal by the European Commission before the Court of Justice of the European Union.

On December 14, 2023 the European Commission logged its appeal against this ruling before the Court of Justice of the European Union (C-780/23 P). The proceeding is currently ongoing.

As the Group considers there are sound grounds supporting its procedural stance in this proceeding, no provision has been recorded as of December 31, 2023. However, if the final ruling is unfavorable there will be an adverse effect of EUR 87.6 million on the Group's income statement in relation to additional Spanish Corporate Income Tax for 2002 to 2022. The maximum amount payable in connection with a potential unfavorable result would be EUR 42 million, as the remainder has already been settled by the Group. In case of a favorable ruling the Spanish Tax Agency must refund the initially claimed and paid amounts (EUR 45.6 million).

Unconstitutional Royal Decree-Law 3/2016

On January 18, 2024, the Spanish Constitutional Court announced its ruling related to Royal Decree-Law 3/2016 (RDL 3/2016), on tax measures aimed at the consolidation of public finances, which amended corporate income taxation by limiting the offsetting of net operating losses (25% current limit versus 70% previous to RDL 3/2016), establishing limits on the application of double taxation deductions and forcing the inclusion in the tax base of impairment losses on portfolio investments deducted in previous years.

The Spanish Constitutional Court ruling, officially published on February 20, 2024, resolves that the use of the Royal Decree-Law is not suitable for amending the essential elements of Corporate Income Tax (CIT), and this practice infringes constitutional requirements. Based on the aforementioned grounds, the Spanish Constitutional Court overturned the RDL 3/2016, which is considered null and void. The Company filed several lawsuits with respect to its CIT assessment for tax years 2016 through 2023 based on the same argument.

As a result of the Spanish Constitutional Court ruling, the Company believes it is likely it will obtain a favorable ruling, with the expected amount to be recovered by the Group in relation to years 2016 to 2023 amounting to EUR 37 million. The Company has not recorded any impact in its2023 consolidated financial statements as the RDL 3/2016 was not overturned at December 31, 2023 and, according to IAS 37.35, contingent assets are only accounted for if its recoverability has become virtually certain in the year. The total expected effect would impact the Company´s 2024 consolidated financial statements.

The Company estimates an additional EUR 49 million positive impact of this ruling on its tax-loss recoverability analysis for years beyond 2023, which would also impact the Company´s 2024 consolidated financial statements. Any change in legislation may have an impact in this estimate.

Litigation ended during or before 2023

Settlement resolution arising from the tax assessment of 2006 Spanish Corporate Income Tax

The Company had an ongoing dispute in connection with the Group's 2006 Spanish CIT assessment pertaining to the application of a deduction for export activities relating to an investment made to acquire the ownership interest in the former BAA (now Heathrow Airport Holding Limited). The Group filed a cassation appeal with the Spanish Supreme Court against the settlement resolution arising from the Spanish tax authority's tax assessment raised on Ferrovial's 2006 Spanish CIT. The Group had recorded a provision of EUR 119.2 million as of December 31, 2022. On September 12, 2023, the Spanish Supreme Court ruled in favor of Ferrovial.

The ruling resolves the dispute and declares the tax audit assessment null and void, therefore the provision registered in the financial statements was released in 2023, affecting financial results and income tax.

6.5.2. Guarantees

a) Bank guarantees and other guarantees issued by insurance companies

In the course of business, the Group is exposed to possible risks the materialization of which is uncertain, relating to liability under the various contracts entered into in its business divisions.

The Group obtains bank guarantees and other guarantees issued by insurance companies to cover such liabilities. At December 31, 2023, the balance amounted to EUR 8,533 million (EUR 8,093 million in 2022).

The following table contains a breakdown of the risk covered in each business area:

(Million euro)	Dec. 2023	Dec. 2022
Construction	7,013	6,067
Toll Roads	404	642
Airports	799	1,044
Energy and mobility infrastructures	66	81
Other	251	258
Total continuing operations	**8,533**	**8,093**
TOTAL	**8,533**	**8,093**

The EUR 8,533[1] million, by type of instrument, relate to: i) EUR 3,358 million of bank guarantees; ii) EUR 4,507 million of guarantees provided by bonding agencies and iii) EUR 668 million of bank guarantees provided by insurance companies.

These guarantees cover the liability to customers for the proper performance of construction or services contracts involving Group companies; the guarantee would be enforced by the customer were a project not carried out.

Despite the significant amount of these guarantees, the impact that might arise is very low, since the Group Companies perform contracts in accordance with the terms and conditions agreed upon with the customers and recognize provisions within the results of each contract for potential risks that might arise from performance thereof (Note 6.3).

Lastly, of the total amount of the Group's bank guarantees for continuing operations listed in the above table, EUR 796 million secures commitments to invest in the capital of infrastructure project companies, mainly, in JFK-NTO (Note 6.5.3).

b) Guarantees given by Group companies for other Group companies

As indicated previously, guarantees are generally given among the Group companies to cover third-party liability arising from contractual, commercial or financial relationships.

Although these guarantees do not have any effect at the Group's consolidated level, there are certain guarantees provided by ex- infrastructure project companies to infrastructure project companies (Note 1.1.2.) which should be noted due to the classification of project borrowings as without recourse to the shareholders or with limited recourse to the guarantees provided (see b.1 contingent capital guarantees).

Other guarantees have also been given to equity-accounted companies (see b.2. below).

b.1) Guarantees provided by ex-infrastructure project companies to infrastructure project companies to secure borrowings, which could give rise to future additional capital disbursements should the guaranteed events take place (contingent capital guarantees).

Two types of guarantees are given by ex-infrastructure project companies to infrastructure project companies:

- Guarantees securing the proper performance of construction and service contracts (Note 6.5.2.a).
- Guarantees related to risks other than the correct performance of construction and service contracts, which could give rise to future additional capital disbursements should the guaranteed events take place (some of which are also included in note 6.5.2.a) because they are bank guarantees).

The latter guarantees are explained in further detail in this section since, as mentioned in Note 5.2. on cash and cash equivalents and borrowings, infrastructure project company borrowings are without recourse to the shareholders or with limited recourse to the guarantees provided and, therefore, it is relevant to distinguish the guarantees which, should the guaranteed event occur, could be enforced and lead to payments to the infrastructure project companies or the holders of their debt, other than the committed capital or investment mentioned in Note 6.5.3. They are referred to as contingent capital guarantees.

The detail, by beneficiary company, purpose and maximum amount, of the outstanding guarantees of this nature at December 31, 2023 relating to fully consolidated infrastructure project companies is as follows. It should be noted that the following amounts relate to Ferrovial:

BENEFICIARY COMPANY (PROJECT)	GUARANTEE PURPOSE	Dec. 2023
Conc. Prisiones Lledoners	Technical guarantee to repay amounts to the bank in the event of termination of the contract. Does not cover insolvency (default) or breach by the awarding entity	64
GUARANTEES FOR CONSTRUCTION PROJECTS		**64**
I-66	Guarantee covering project cost overruns.	15
GUARANTEES FOR TOLL ROAD PROJECTS		**15**
Centella	Bank guarantees to cover the achievement of various milestones and payment of any fines during the initial execution period. PCG to cover the liquidity gap up to EUR 20 million	35
GUARANTEES FOR ENERGY AND MOBILITY PROJECTS		**35**
Dalaman	Bank guarantee to cover the debt ratios	6
AIRPORT PROJECT GUARANTEES		**6**
TOTAL GUARANTEES FOR FULLY-CONSOLIDATED INFRASTRUCTURE PROJECTS		**120**

The detail of the amounts of the guarantees, in relation to the financing of the equity-accounted infrastructure projects and, accordingly, the borrowings of which are not included in the Group's consolidated financial statements is as follows.

BENEFICIARY COMPANY (PROJECT)	GUARANTEE PURPOSE	Dec. 2023
Serrano Park (Cintra)	Guarantee covering repayment of borrowings	3
Extensión ETR	Guarantee covering project cost overruns.	15
407 EXT PHASE II	Guarantee covering project cost overruns.	8
TOTAL GUARANTEES FOR EQUITY-ACCOUNTED INFRASTRUCTURE PROJECT COMPANIES		**26**

b.2) Other guarantees given to waste treatment plant companies (Note 3.2.)

The "Thalia" Group operates four waste treatment plants generating energy during the process in the UK. The plants are run under construction and operation concessions granted by the local authorities. Each of these plants (Cambridge, North York, Milton Keynes and Isle of Wight) are in operation with the energy recovery facility of Isle of Wight in the commissioning phase. The four concessions contracts represent the majority of our waste management operations and expire between 2033 and 2042. Other current waste management contracts expire earlier, starting in 2024.

1

The plants were being operated by Thalia, which was still part of the Amey Group, so the contractual commitments were secured by Amey and by Cespa (Prezero nowadays), the parent company of the waste treatment business in Spain that was sold to a third party in 2021. Thalia's assets were excluded from the scope of the Amey sale. As the Amey sale was completed in December 2022, those assets had already been transferred within the Ferrovial Group. In parallel, the guarantees securing fulfillment of commitments relating to the assets are expected to be transferred to other Group companies in 2024.

The guarantees given by various Group companies total GBP 358 million (GBP 322 million in 2022). The guarantee may be unlimited in certain specific scenarios involving fraud, willful misconduct or abandonment of the asset.

In recent years, the plants have had issues in both the construction phase and the commissioning and operation phase, particularly in the case of Milton Keynes and the Isle of Wight. At year-end 2023, the Group recognized a provision for future losses covering these plants in the amount of GBP 40 million (GBP 61 million as of December 31, 2022). The provision does not include structural costs of the business estimated at GBP 8 million per annum.

b.3) Guarantees given in divestment processes

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

Guarantees that met the relevant requirements of accounting legislation (IAS 37) were provisioned at the year-end. These provisions amount to EUR 22 million.

The main guarantees are as follows:

<u>Litigation relating to the penalty proceedings opened by the Spanish National Markets and Competition Commission (CNMC) in relation to the road maintenance sector (see point 6.5 of the 2021 Ferrovial consolidated</u> financial statements<u>):</u>

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

In August 2021, notice was received of a Resolution by the CNMC's Board declaring a very serious infringement of Article 1 of the Spanish Competition Law (LDC) and Article 101 of the Treaty on the Functioning of the European Union (TFUE). The Board imposed a fine of EUR 5.7 million.

A contentious-administrative appeal has been filed against the resolution at the National High Court. In December 2021, notification was received of the admission of the appeal. On February 22, 2022, notification was received of the decision to suspend the penalty resolution in relation to both the fine and the prohibition on contracting. The appealed was suspended on May 10,2022.

Ferroser Infraestructuras, S.A. (now Serveo Infraestructuras, S.A.) is one of the companies sold as a result of the divestment of the infrastructure maintenance business in Spain completed on January 31, 2022 and is therefore no longer controlled by Ferrovial, S.A.

Ferrovial gave a guarantee of EUR 6 million to the buyer in relation to this lawsuit, though for a limited period. This amount has been provisioned.

<u>Tax Proceedings</u>

Guarantees have been granted to PREZERO in connection with various ongoing tax proceedings. The amount of the guarantees, which have been provisioned, amounts to EUR 5.9 million.

c) Security interests in assets

Security interests in assets are described in the following notes:

- Guarantees given for fixed assets (Note 3.4)
- Security interests in deposits or restricted cash (Note 5.2).

d) Guarantees received from third parties.

At December 31, 2023, Ferrovial had received guarantees from third parties totaling EUR 1,757 million (EUR 1,631 million at December 31, 2022), mainly in the Ferrovial Construcción companies in the United States (EUR 1,326 million), the Budimex Group (EUR 161 million) and other construction companies (EUR 271 million), particularly noteworthy were the companies in the UK (EUR 114 million) and Australia (EUR 115 million).

These third-party guarantees are technical guarantees that are offered by certain subcontractors or suppliers in the construction business in order to guarantee complete compliance with their contractual obligations with regard to the work they are engaged to complete and may not be sold or pledged.

6.5.3. Commitments

As described in Note 1.1, the infrastructure projects are performed through long-term contracts where the concession operator is a company in which the Group has interests, either alone or together with other partners, and the borrowings necessary for financing the project are allocated to the project itself, without recourse to the shareholders or with recourse limited to the guarantees provided, under the terms set forth in Note 5.2. From a management viewpoint, Ferrovial takes into account only the investment commitments relating to project capital, since the investment in the assets is financed by the project company's borrowings.

a) Investment commitments

The investment commitments undertaken by the Group in relation to the capital contribution in infrastructure projects amount to EUR 850 million (EUR 1,163 million in December 2022). The decrease during the year 2023 is explained primarily by the investments made by Ferrovial to contribute capital to the new Terminal One at New York's JFK Airport and US Toll Roads. The investment commitments to the new Terminal One at New York´s JFK Airport at December 31, 2023 amount to EUR 768 million (EUR 1,013 million in December 2022). This reduction related to the investment commitments has been partially offset by an increase in capital committed to the Energy and Mobility business due to new transmission projects in Chile.

A breakdown of the Group's commitments to investment in infrastructure project company capital is as follows:

(Million euro)	2024	2025	2026	2027	2028	2028 AND BEYOND	TOTAL
Toll Roads	12	0	0	0	0	0	12
Energy and Mobility	9	13	17	0	0	3	42
INVESTMENTS IN FULLY- CONSOLIDATED INFRASTRUCTURE PROJECT COMPANIES	**21**	**13**	**17**	**0**	**0**	**3**	**54**
Toll Roads	0	27	0	0	0	0	27
Airports	459	242	67	0	0	0	768
Construction	1	0	0	0	0	0	1
INVESTMENTS IN EQUITY- ACCOUNTED INFRASTRUCTURE PROJECT COMPANIES	**460**	**269**	**67**	**0**	**0**	**0**	**796**
TOTAL INVESTMENTS IN INFRASTRUCTURE PROJECT COMPANIES	**481**	**282**	**84**	**0**	**0**	**3**	**850**

Under the AGS refinancing agreement described in Note 5.4.c.v, Ferrovial also committed to inject up to GBP 15 million into AGS (50% share capital - 50% debt) subject to the fulfillment of certain liquidity conditions to the maturity date of the loan in 2024.

In addition, commitments were made to invest up to EUR 41 (EUR 53 million in December 2022) million in companies in which Ferrovial holds non-controlling interests that are engaged in innovation projects related primarily to energy and mobility.

b) Environmental commitments

Any operation undertaken mainly to prevent, reduce or repair damage to the environment is treated as an environmental activity.

Costs incurred to protect and improve the environment are taken to profit or loss in the year in which they are incurred, irrespective of when the resulting monetary or financial flow takes place.

Provisions for probable or certain environmental liability, litigation in progress and indemnities or other outstanding obligations of undetermined amount not covered by insurance policies are recorded when the liability or obligation giving rise to the indemnity or payment arises.

6.6. SHARE-BASED REMUNERATION SCHEMES

Performance-based share plan.

Executive Directors participate in a long-term variable remuneration scheme based on performance share plans, in which other executives and key professionals of the Group also participate (the "LTVR"). These plans are usually structured in overlapping multiyear cycles (currently three years), granting "units" each year (which may be converted into shares at the end of the vesting period (currently three years) if the metrics to which the LTVR is subject are fulfilled). The LTVR can be summarized as follows:

The 2020-2022 plan

- The 2020-2022 plan was approved for the Executive Directors and certain other managers of the Group by the Ferrovial, S.A. Board on December 19, 2019, and consequently approved for the Executive Directors at the General Meeting of Ferrovial, S.A. on April 17, 2020.
- The 2020-2022 Long-Term Remuneration Plan (the "LTRP") provides for the allocation of "units," potentially convertible into shares, in 2020, 2021 and 2022. These shares, as the case may be, are to be delivered in the year in which the third anniversary of the allocation of the corresponding units is reached (i.e. 2023 for the 2020 grant, 2024 for the 2021 grant, and 2025 for the 2022 grant).
- The "units" granted under the 2020-2022 LTRP may be converted into shares if (i) the beneficiaries remain in the Company for a period of three years from the date of grant of the units, except in exceptional circumstances such as retirement, disability or death, and (ii) certain objectives linked to internal or external metrics reflecting economic-financial aspects and value creation for the company are met, as approved by the Board of Directors of Ferrovial, S.A. and the General Meeting of Ferrovial, S.A.

The 2023-2025 plan

- The 2023-2025 LTRP was approved for the Executive Directors and certain other managers of the Group by the Ferrovial Board on December 15, 2022. The 2023-2025 LTRP was also consequently approved for the Executive Directors at the General Meeting of Ferrovial, S.A. on April 13, 2023, as required under Spanish corporate law.
- The 2023 LTRP provides for the grant of "units", potentially convertible into shares, in 2023, 2024 and 2025. These shares, as the case may be, will be delivered in the year in which the third anniversary of the grant of the corresponding units is reached (i.e., 2026 for the 2023 grant, 2027 for the 2024 grant and 2028 for the 2025 grant).
- The "units" granted under the 2023-2025 LTRP may be converted into shares if (i) the beneficiaries remain in the Company for a period of three years from the date of grant of the units, expect in circumstances such as retirement, disability or death, and (ii) certain objectives linked to internal or external metrics reflecting economic-financial aspects, value creation for the company and ESG targets are met, as approved by the Board of Directors of Ferrovial, S.A. and the General Meeting of Ferrovial, S.A.

Both the 2020-2022 plan and the 2023-2025 plan as they apply to the Executive Directors were subsequently submitted to approval at the General Shareholders' Meeting of Ferrovial International SE for approval as this relates to the plans' post-Merger implementation on June 13, 2023.

There were 1,953,016 shares outstanding on December 31, 2023 relating to these plans, as commented in Note 5.1.1.

Changes to the share-based remuneration schemes in 2023, 2022 and 2021 are summarized below:

	2023	2022	2021
Number of shares at beginning of year	**1,782,127**	**2,054,531**	**2.468.724**
Plans granted	653,611	702,675	909,578
Plans settled	-277,493	-356,958	-292,413
Shares surrendered and other	-192,425	-526,552	-954,346
Shares exercised	-12,804	-91,569	-77,012
Number of shares at year-end	**1,953,016**	**1,782,127**	**2.054.531**

These share award plans are addressed in Note 6.7 on remuneration of executive directors and senior managers.

The impact of these remuneration schemes on the Group's income statement in 2023 was an expense of EUR 11 million (expense of EUR 8 million in 2022 and income of EUR 9 million in 2021) with a balancing entry in equity. The change of the effect between 2022 and 2021 is due to the fact that a smaller amount was reversed from the provision during the year to bring the cost into line with plan fulfillment (higher degree of fulfillment).

Measurement of performance-based share plans.

This plan was accounted for as a future and therefore the value of the foreseeable dividends up to the delivery date is discounted to the value of the shares at the grant date using a rate of return equal to the average cost of borrowings over the share award period. It is equity settled and thus measured when granted. The initially calculated value is not re-estimated. The related amounts are recognized under "Staff costs" with a balancing entry in reserves.

6.7. REMUNERATION OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

6.7.1. Directors' remuneration in their capacity as such (i.e. for their membership of the Board)

Under the Company's current remuneration scheme, regulated by Article 8.5 of its Articles of Association, the Annual General Meeting determines the maximum annual remuneration for all the members of the Board of Directors.

The Directors' Remuneration Policy adopted by the Company's General Meeting on June 13, 2023 (as also approved by the General Meeting of Ferrovial, S.A. held on April 13, 2023), which came into effect upon completion of the merger between Ferrovial, S.A. and Ferrovial International SE (renamed Ferrovial SE), fixed the overall maximum annual amount of Directors' remuneration at EUR 1,900,000 for the duration of the Policy.

Directors' remuneration comprises: (i) a fixed allocation, a part of which is paid on a quarterly basis and the remainder (complementary fixed allocation) in a single payment at the end of the financial year; and (ii) attendance fees for actual attendance at Board and Committee meetings. Remuneration is linked to the functions and responsibilities assigned to each Director, membership of Board committees and other objective circumstances that the Board of Directors deems relevant, thereby ensuring their long-term independence and commitment.

On the same date these financial statements are approved, the Board of Directors approves a Remuneration Report which is published on the Company's website as part of the Management Report. The report describes in greater detail aspects of the Company's remuneration policy applicable in the current year, providing an overview of how it has been applied in 2022 . The table below shows the itemized remuneration of the members of the Board of Directors in their capacity as such accrued during 2023 and 2022.

Should more meetings be held than initially envisaged or, for any other reason, the total and joint maximum annual amount is exceeded, the difference is firstly deducted from the amount of the complementary fixed allocation proportionally for each Director proportionally to his/her condition. In accordance with the resolutions adopted by the Board of Directors, if the amount of the attendance fees plus the amount of fixed components does not reach the said maximum annual figure, the difference will be distributed among the Directors on a pro rata basis according their period of office during the year, if the Board so determines. This distribution was carried out in 2022 and 2023, adding the amount to the complementary fixed allocation.

The difference between the amounts of attendance fees and complementary fixed allocation in 2023 and 2022 is explained by the fact that: (i) there were more meetings in 2023 than in 2022; y (ii) the amount distributed to the Directors as described in the last two sentences of the previous paragraph was higher in 2022.

This table does not include remuneration received by the Executive Directors for discharging executive duties at the Company, as described in Note 6.7.2.

				2023
DIRECTOR (Thousand euro)	FIXED ALLOWANCE	PER DIEMS	ADDITIONAL FIXED REMUNERATION (a)	TOTAL
Rafael del Pino Calvo-Sotelo	35	119	99	**253**
Oscar Fanjul Martín	35	86	87	**208**
Ignacio Madridejos Fernández	35	60	53	**148**
María del Pino y Calvo-Sotelo	35	57	53	**145**
José Fernando Sánchez-Junco Mans	35	66	53	**154**
Philip Bowman	35	55	53	**143**
Hanne Birgitte Breinbjerg Sorensen	35	47	53	**135**
Bruno Di Leo	35	55	53	**143**
Juan Hoyos Martínez de Irujo	35	60	53	**148**
Gonzalo Urquijo Fernández de Araoz	35	62	53	**150**
Hildegard Wortmann	35	42	53	**130**
Alicia Reyes Revuelta	35	55	53	**143**
TOTAL	**420**	**764**	**716**	**1,900**

(a) Includes the amount of the difference up to the maximum annual amount of the 2022 compensation distributed pro rata among the Directors.

(*) The amounts shown are rounded.

				2022
DIRECTOR (Thousand euro)	FIXED ALLOWANCE	PER DIEMS	ADDITIONAL FIXED REMUNERATION (a)	TOTAL
Rafael del Pino Calvo-Sotelo	35	103	107	**245**
Oscar Fanjul Martín	35	73	96	**204**
Ignacio Madridejos Fernández	35	51	61	**148**
María del Pino y Calvo-Sotelo	35	51	61	**148**
José Fernando Sánchez-Junco Mans	35	58	61	**154**
Philip Bowman	35	47	61	**143**
Hanne Birgitte Breinbjerg Sorensen	35	41	61	**137**
Bruno Di Leo	35	49	61	**146**
Juan Hoyos Martínez de Irujo	35	51	61	**148**
Gonzalo Urquijo Fernández de Araoz	35	54	61	**150**
Hildegard Wortmann	35	36	61	**132**
Alicia Reyes Revuelta	35	47	61	**143**
TOTAL	**420**	**662**	**818**	**1,900**

(a) Includes the amount of the difference up to the maximum annual amount of the 2022 compensation distributed pro rata among the Directors.

(*) The amounts shown are rounded.

6.7.2. Individual executive directors´ remuneration

a) Remuneration accrued in 2023, 2022 and 2021

In 2023, the following remuneration accrued to the executive directors for the performance of their functions, irrespective of the remuneration referred to in the preceding section.

			2023
EXECUTIVE DIRECTORS' REMUNERATION * (Thousand euro)	RAFAEL DEL PINO (2)	IGNACIO MADRIDEJOS (2)	TOTAL
Fixed remuneration	1,500	1,313	2,813
Variable remuneration	2,809	1,926	4,735
Life insurance premiums	10	5	15
Other remuneration in kind	3	13	16
Plans linked to shares (1)	795	795	1,590
Total 2023	**5,117**	**4,052**	**9,169**

*Remuneration as executive directors

(1) In March 2023, a number of shares equivalent to the level of completion of the units allocated in 2020 were delivered, after the relevant withholdings had been made. The Spanish Regulator, the CNMV, was notified of the shares received by Rafael del Pino and by Ignacio Madridejos on 13/3/2023 and 9/3/2023, respectively (at that time, Ferrovial shares were only traded on the Spanish Stock Exchanges)

(2) EUR 1,150 thousand until June 15, 2023 and EUR 1,450 thousand from June 16, 2023 onwards.

The 2022 information is shown in the following table:

			2022
EXECUTIVE DIRECTORS' REMUNERATION * (Thousand euro)	RAFAEL DEL PINO	IGNACIO MADRIDEJOS (2)	TOTAL
Fixed remuneration	1,500	1,150	2,650
Variable remuneration	2,609	1,538	4,147
Life insurance premiums	10	5	15
Share plans (1)	883	183	1,066
Total 2022	**5,002**	**2,876**	**7,878**

*Remuneration as executive directors

(1) In March 2022, a number of shares equivalent to the level of completion of the units allocated in 2019 were delivered, after the relevant withholdings had been made. The CNMV was notified of the shares received by Rafael del Pino and by Ignacio Madridejos on 21/3/2022 and 17/3/2022, respectively.

(2) In 2022, the amount of EUR 8 thousand was allocated to Ignacio Madridejos as remuneration in kind relating to a company car.

The 2021 information is shown in the following table:

			2021
EXECUTIVE DIRECTORS' REMUNERATION * (Thousand euro)	RAFAEL DEL PINO	IGNACIO MADRIDEJOS (2)	TOTAL
Fixed remuneration	1,500	1,100	2,600
Variable remuneration	2,275	1,283	3,558
Life insurance premiums	9	4	13
Share plans (1)	490	0	490
Total 2021	**4,274**	**2,387**	**6,661**

*Remuneration as executive directors

(1)In March 2021, a number of shares equivalent to the level of completion of the units allocated in 2018 were delivered, after the relevant withholdings had been made. The CNMV was notified on 22/3/2021.

(2) In 2021, the amount of EUR 8 thousand was allocated to Ignacio Madridejos as remuneration in kind relating to a company car

b) Share-based remuneration schemes

There follows a breakdown of the share-based remuneration schemes linked to objectives, entitlement to which has not yet vested:

EXECUTIVE DIRECTORS' PLAN AT 31.12.2023	UNITS		NO. OF VOTING RIGHTS	% NO. OF VOTING RIGHTS
	2021 allocation	67,500	67,500	0.009%
Rafael del Pino y Calvo-Sotelo	2022 allocation	56,400	56,400	0.008%
	2023 allocation	50,680	50,680	0.007%
	2021 allocation	67,500	67,500	0.009%
Ignacio Madridejos Fernández	2022 allocation	56,400	56,400	0.008%
	2023 allocation	69,925	69,925	0.009%

6.7.3. Pension funds and plans of life insurance premiums

As in 2022, no contributions were made in 2023 to pension plans or funds for former or current members of the Company's Board of Directors or for directors of the Company who are members of other Boards of Directors and/or senior managers of Group companies and associates. No such commitments were made during the year.

As regards life insurance premiums, the Company has insurance policies covering death (for which premiums totaling EUR 15 thousand were paid in 2023; EUR 15 thousand in 2022), under which the executive directors are beneficiaries. No life insurance premiums were paid for Company directors who are members of other Boards of Directors and/or senior managers of Group companies or associates.

Lastly, the Company has arranged a third-party liability insurance policy covering the directors and managers of the Group companies parented by the Company. The insured parties include the Company's directors. The premium paid in 2023 under the aforementioned insurance policy amounted to EUR 1,073 thousand (EUR 1,097 thousand in 2022).

6.7.4. Advances and loans

At 31 December 2023, no advances or loans had been granted by the Company to the directors in their capacity as such or as members of other Boards of Directors or senior managers of Group companies or associates.

6.7.5. Senior management remuneration

The overall remuneration accrued to the Company's senior managers in 2023 is analyzed below (*):

SENIOR MANAGEMENT REMUNERATION (Thousand euro) (*)	2023	2022
Fixed remuneration	5,094	4,755
Variable remuneration	5,534	4,822
Performance-based share plan	1,934	1,629
Remuneration as members of administrative bodies of other Group companies, jointly-controlled entities or associates	33	32
Insurance premiums	19	19
Other (1)	486	0
Other (2)	533	0
Total	**13,633**	**11,257**

(1) Separation of members of the Non-Management Committee in 2023 (amount subject to personal income tax).

(2) Expatriates´ payments

(*) The average remuneration of senior management is not broken down by gender in order to preserve the confidentiality of remuneration, as there are two women in this group.

The remuneration shown corresponds to the holders of the following positions: General Secretary, Chief Financial Officer, Chief Human Resources Officer, Chief Construction Officer, Chief Airports Officer, Chief Toll Roads Officer, Chief Energy and Mobility Infrastructure Officer, Chief Information and Innovation Systems Officer, Chief Internal Audit Officer, Chief Communications and Corporate Responsibility Officer, Chief Strategy Officer, Chief Compliance and Risk Officer and Chief Sustainability Officer. The remuneration of the members of senior management who have been Executive Directors at the same time is not included, since it is indicated in the Note 6.6.2.

The Company has also implemented a "Flexible Remuneration Scheme", which allows employees to voluntarily change their remuneration package based on personal needs, replacing a portion with certain benefits in kind. These products include a life and retirement savings group insurance scheme. Participants may request that a portion of their gross annual remuneration be paid by the Company in the form of a premium under a life and retirement savings group insurance policy. The senior managers requested contributions totaling EUR 71 thousand from the Company, replacing the remuneration shown in the table above (EUR 39 thousand in 2022).

6.7.6. Other disclosures on remuneration

The agreements between the Company and the senior managers specifically provide for the right to receive the indemnities referred to in Article 56 of the Spanish Labour Statute in the event of unfair dismissal.

In order to encourage loyalty and continuity, a deferred remuneration scheme was granted to ten senior managers, including one executive director. The scheme consists of extraordinary remuneration that will only be paid in one of the following circumstances:

- Exit of the senior manager by mutual agreement upon reaching a certain age.
- Unfair dismissal or exit at the Company's discretion without cause for dismissal, before the senior manager reaches the age initially agreed, if the amount exceeds the figure stipulated in the Labour Statute.
- Death or disability of the senior manager.
- To cover this incentive, each year the Company makes contributions to a group savings insurance policy under which the Company is both policyholder and beneficiary. The contributions are quantified on the basis of a certain percentage of each senior manager's total monetary remuneration. Contributions made in 2023 amounted to EUR 2,076 thousand (EUR 1,921 thousand in 2022), of which EUR 527 thousand relates to the executive director (EUR 461 thousand in 2022).

6.8. RELATED-PARTY TRANSACTIONS

Related party transactions are reported following the standards set forth by International Accounting Standard 24 ("IAS 24"). The commercial transactions between the Company (or the Group companies) and related parties carried out in 2023, 2022 and 2021 are disclosed below, in four separate categories: a) transactions between Ferrovial and its directors or senior managers; b) transactions between Group companies and the Company's directors or senior managers; c) transactions with Group companies and equity-accounted companies; and d) transactions between Group companies.

Transactions carried out by Ferrovial (or its Group companies) with related parties are entered into in the ordinary course of business and on normal market terms.

Where the profit or loss from a transaction cannot be disclosed, as it pertains to the provider entity or individual, the transaction is marked with an asterisk (*).

a) Transactions between Ferrovial and its directors or senior managers

This section includes the transactions between Ferrovial and its directors and senior managers, their close family members, or entities in which one or the other holds control or joint control. For 2022 and 2021, in accordance with regulations applicable at that time to Ferrovial S.A. (the former parent company of the Ferrovial Group), this section also includes: (i) transactions with entities in which the executive directors of Ferrovial are directors or senior managers or the non-executive directors of Ferrovial are executive directors or senior managers, or (ii) entities over which Ferrovial's directors could exercise significant influence. For entities mentioned in (i) and (ii) ordinary transactions, made on standard customer terms and immaterial, are not included.

If the related party were a related party for a part of the year, transactions during that period are disclosed.

There were no transactions of this type for the years ended December 31, 2023, 2022 and 2021.

b) Transactions between subsidiaries of Ferrovial, S.A. and their directors or senior managers

This section includes the transactions between Group companies and Ferrovial's directors or senior managers, or their close family members or entities in which one or the other holds control or joint control. For 2022 and 2021, in accordance with regulations applicable at that time to Ferrovial, S.A.(the former parent company of the Ferrovial Group), this section also includes: (i) transactions with entities in which the executive directors of Ferrovial are directors or senior managers, or the non-executive directors of Ferrovial are executive directors or senior managers, or (ii) over which Ferrovial directors could exercise significant influence. For entities mentioned in (i) and (ii) ordinary transactions made on standard customer terms and immaterial are not included.

If the party related to the Company was a related party for a part of the year, the transactions carried out in that period are disclosed.

For the years ended 31 December 2023, 2022 and 2021, the following transactions were carried out with related parties. Only material transactions are disclosed in 2023.

At December 31, 2023:

(Thousand euro)

NAME/COMPANY NAME	TRANSACTIONS (1)	AMOUNT	PROFIT OR LOSS	BALANCE
Juan del Pino Fdez-Fontecha	Services rendered	25	-12	27
Ignacio del Pino Fdez-Fontecha	Services rendered	25	-12	27
Rafael del Pino Fdez-Fontecha	Services rendered	25	-12	27

1 Please see point 2.8.4.1 of the Corporate Governance section on transactions with conflicts of interest, included in the Management Report. It describes two contracts entered into with a Ferrovial Group company. The first by an entity controlled by the Chairman of the Company and the second by certain close family members of the Chairman. The amounts already invoiced in 2023 under the latter contract are disclosed in the table above.

At December 31, 2022:

(Thousand euro)

NAME/COMPANY NAME	TRANSACTIONS (2)	AMOUNT	PROFIT OR LOSS	BALANCE
D. Rafael del Pino y Calvo-Sotelo	Services rendered	2	0	0
Dª. María del Pino y Calvo-Sotelo	Services rendered	5	1	0
Criu, S.L.	Services rendered	1	0	0
Polan, S.A.	Services received	-12	0	0
Polan, S.A.	Services rendered	17	1	0

At December 31, 2021:

(Thousand euro)

NAME/COMPANY NAME	TRANSACTIONS (2)	AMOUNT	PROFIT OR LOSS	BALANCE
D. Rafael del Pino y Calvo-Sotelo	Services rendered	7	0	1
Dª. María del Pino y Calvo-Sotelo	Services rendered	6	1	0
Criu, S.L.	Services rendered	17	1	2
Polan, S.A.	Services rendered	159	1	59

c) Transactions with equity-accounted companies

This section includes the transactions carried out between Group companies and equity-accounted companies entered into in the ordinary course of business and on normal market terms

(Million euro)	2023	2022	2021
Services received	-3	-2	0
Services provided	111	89	632
Net financial expenses/Income	28	22	14
Payables to related parties	23	28	21
Receivables from related parties	294	252	203

d) Transactions between Group companies

This section includes the transactions carried out between the Group companies in the ordinary course of business, in terms of purpose and conditions, and were not eliminated on consolidation for the following reason.

As explained in detail in Note 1.3.2., balances and transactions relating to construction work performed by the Construction Division for the Group's infrastructure concession operators are not eliminated on consolidation since, at the consolidated level, contracts of this type are classed as construction contracts in which the work, while being executed, is deemed to be performed for third parties, as the ultimate owner of the works is the awarding entity from both a financial and a legal viewpoint.

In 2023 Ferrovial's Construction Division billed those concession operators for EUR 375,680 thousand (EUR 865,487 thousand in 2022 and EUR 955,920 thousand in 2021), for work performed and related advance payments and, in this respect, recognized sales for that construction work totaling EUR 489,259 thousand (EUR 1,030,639 thousand in 2022 and EUR 1,016,628 thousand in 2021).

In 2023 the profit from these transactions attributable to the Company's holdings in the concession operators in question and not eliminated on consolidation, net of taxes and non-controlling interests, was EUR -34,942 thousand. In 2022, this amounted to EUR -60,507 thousand and in 2021, this amounted to EUR 5,748 thousand.

6.9. AUDIT FEES

The following table summarizes the fees for professional services provided by Ernst & Young for the fiscal years 2023 and 2022.

Million euros	2023	2022
Fees for audit services	**13.53**	**4.79**
Recurring services	8.54	4.79
No recurring services	4.99	0.00
Fees for audit related services	**0.67**	**0.42**
Tax fees	**0.00**	**0.01**
Other non-audit services	**0.04**	**0.57**

"Fees for audit services" relate to the following recurring audit services:

- Statutory consolidated financial statements;
- Statutory subsidiaries' financial statements,
- Consolidated financial statements under PCAOB standards filed with the SEC;
- Review of the half year interim consolidated financial statements performed in June.

During 2023, the principal accountant also provided non-recurrent services, which amount to EUR 4,990 thousand, related to the registration process of the Company within the SEC. Specifically, the principal auditor provided audit services under PCAOB standards in relation to the financial statements of the years 2020, 2021 and 2022 included within the registration statement with the SEC.

"Fees for audit related services" are assurance and related services that are reasonably related to the performance of the audit or review of the Group's financial statements. This category includes fees related to the preparation of comfort letters for debt issued and verification of the no financial information among others.

"Tax fees" relate to fees incurred for tax compliance, tax advice and tax planning.

The figures for 2022 exclude, for comparative purposes, the fees of those companies that, as a result of the divestment processes, have already left Ferrovial's perimeter.

Approval from the Audit and Control Committee is required for non-audit services provided by the external auditor.

6.10. EVENTS AFTER THE REPORTING PERIOD

Impact of the Spanish Royal Decree-Law 3/2016 ruling

On January 18, 2024, the Spanish Constitutional Court announced its ruling related to Royal Decree-Law 3/2016 (RDL 3/2016), on tax measures aimed at the consolidation of public finances, which amended corporate income taxation by limiting the offsetting of net operating losses (25% current limit versus 70% previous to RDL 3/2016), establishing limits on the application of double taxation deductions and forcing the inclusion in the tax base of impairment losses on portfolio investments deducted in previous years.

The Spanish Constitutional Court ruling, officially published on February 20, 2024, resolves that the use of the Royal Decree-Law is not suitable for amending the essential elements of Corporate Income Tax (CIT), and this practice infringes constitutional requirements. Based on the aforementioned grounds, the Spanish Constitutional Court overturned the RDL 3/2016, which is considered null and void. The Company filed several lawsuits with respect to its CIT assessment for tax years 2016 through 2023 based on the same argument.

As a result of the Spanish Constitutional Court ruling, the Company believes it is likely it will obtain a favorable ruling, with the expected amount to be recovered by the Group in relation to years 2016 to 2023 amounting to EUR 37 million. The Company has not recorded any impact in its2023 consolidated financial statements as the RDL 3/2016 was not overturned at December 31, 2023 and, according to IAS 37.35, contingent assets are only accounted for if its recoverability has become virtually certain in the year. The total expected effect would impact the Company´s 2024 consolidated financial statements.

The Company estimates an additional EUR 49 million positive impact of this ruling on its tax-loss recoverability analysis for years beyond 2023, which would also impact the Company´s 2024 consolidated financial statements. Any change in legislation may have an impact in this estimate

Treasury share buy-back program

In connection with the buy-back program for Ferrovial SE own shares explained in Note 5.1, over the course of 2024, 5,510,954 treasury shares were acquired at an average price of EUR 34.45 per share totaling EUR 189 million.

6.11. APPENDICES

Appendix I. Subsidiaries (fully-consolidated companies) (million euro)

Entity	Type	Parent	% Ownership	Net Cost Ownership	Audit
CONTINUING OPERATIONS					
CORPORATION					
SPAIN (Registered Office: Madrid)					
Ferrovial Inversiones, S.A. (a)		Ferrovial SE	100.0%	67	
Ferrovial Emisiones, S.A. (a)		Ferrovial SE	100.0%	13	1
Ferrovial Corporación, S.A. (a)		Ferrovial SE	100.0%	5	1
Ferrofin, S.L. (a)		Ferrovial Construcción, S.A. (a)	52.0%	24	1
Ferrofin, S.L. (a)		Ferrovial SE	48.0%	22	1
Temauri, S.L. (a)		Ferrovial SE	100.0%	7	
Ferrovial 001, S.A. (a)		Ferrovial SE	100.0%	0	
Ferrovial 008, S.L.U (a)		Ferrovial SE	100.0%	0	
Ferrovial 009, S.L.U (a)		Ferrovial SE	100.0%	0	
Ferrovial 011, S.A		Ferrovial SE	100.0%	0	
Ferrovial 012, S.A		Ferrovial SE	100.0%	0	
Ferrovial 013, S.A		Ferrovial SE	100.0%	0	
Ferrovial 014, S.A		Ferrovial SE	100.0%	0	
Ferrovial 015, S.L.		Ferrovial SE	100.0%	0	
Ferrovial 016, S.L.		Ferrovial SE	100.0%	0	
Ferrovial 017, S.L.		Ferrovial SE	100.0%	0	
Ferrovial Venture VI, S.A.U. (a)		Ferrovial SE	100.0%	6	
Ferrovial Ventures, S.A.U. (a)		Ferrovial SE	100.0%	15	
Pilum, S.A.	P	Ferrovial SE	94.1%	1	
UNITED KINGDOM (Registered Office: Oxford)					
Ferrocorp UK Ltd.		Ferrovial SE	100.0%	1	1
UNITED KINGDOM (Registered Office: London)					
Ferrovial Ventures, Ltd.		Ferrovial SE	100.0%	7	1
Ferrovial Services UK, Ltd.		Ferrovial EG SE	100.0%	0	
Thalia Waste Treatment B.V.		Ferrovial SE	100.0%	1	
IRELAND (Registered Office: Dublin)					
Landmille, Ltd		Ferrovial SE	100.0%	5	3
LUXEMBOURG (Registered Office: Luxembourg)					
Krypton RE, S.A.		Ferrovial SE	100.0%	8	1
NETHERLANDS (Registered Office: Amsterdam)					
Ferrovial Netherlands B.V.		Ferrovial SE	100.0%	105	1
Ferrovial Services Netherlands B.V.		Ferrovial SE	100.0%	14	2
Ferrovial Ventures Netherlands B.V.		Ferrovial SE	100.0%	9	
UNITED STATES (Registered Office: Austin)					
Ferrovial Holding US Corp		Cintra Infrastructures, SE	100.0%	3,228	
Landmille US LLC		Ferrovial Holding US Corp	100.0%	0	3
UNITED STATES (Registered Office: Wilmington)					
Ferrovial IT US, LLC		Ferrovial Holding US Corp	100.0%	0	
CONSTRUCTION					
GERMANY (Registered Office: Cologne)					
Budimex Bau GmbH		Budimex, S.A.	100.0%	5	1
RailBX GmbH		Budimex, S.A.	100.0%	0	1
ARABIA (Registered Office: Riyadh)					
Ferrovial Agroman Company		Ferrovial Construcción, S.A. (a)	97.5%	3	7
AUSTRALIA (Registered Office: Sidney)					
Ferrovial Construction (Australia) PTY LTD		Ferrovial Construction Holdings Ltd	100.0%	-4	1
BRASIL (Registered Office: Bela Vista, Sao Paulo)					
Constructora Ferrovial Ltd. (Brazil)		Ferrovial Construction International SE	100.0%	1	
CANADA (Registered Office: Alberta)					
Webber Infrastructure Management Alberta Ltd		Webber Infrastructure Management Canada Holdings Ltd	100.0%	0	
CANADA (Registered Office: Markham - Ontario)					
Ferrovial Construction CANADA Inc.		Ferrovial Construction International SE	100.0%	66	1
Webber Infrastructure Management Canada Ltd		Webber Infrastructure Management Canada Holdings Ltd	100.0%	11	
Webber Infrastructure Management Ontario Limited		Webber Infrastructure Management Canada Holdings Ltd	100.0%	30	
CANADA (Registered Office: Toronto)					
Webber Infrastructure Management Canada Holdings Ltd		Ferrovial Construction International SE	100.0%	6	5
CHILE (Registered Office: Santiago de Chile)					
Constructora Ferrovial Ltda.		Ferrovial Empresa Constructora Ltda.	97.2%	0	1
Ferrovial Construcción Chile S.A.		Ferrovial Empresa Constructora Ltda.	100.0%	33	1
Ferrovial Empresa Constructora Ltda.		Ferrovial Construction International SE	100.0%	24	1

Entity	Type	Parent	% Ownership	Net Cost Ownership	Audit
Siemsa Chile S.p.A.		Siemsa Industria S.A. (a)	100.0%	0	1
COLOMBIA (Registered Office: Bogotá)					
Ferrovial Construcción Colombia, S.A.S		Ferrovial Construction International SE	100.0%	0	
SLOVAKIA (Registered Office: Bratislava)					
Budimex Slovakia s.r.o.		Budimex, S.A.	100.0%	0	1
D4R7 Construction S.R.O.		Ferrovial Construction Slovakia S.R.O.	65.0%	3	3
Ferrovial Construction Slovakia S.R.O.		Ferrovial Construction Holdings Ltd	99.0%	9	3
SPAIN (Registered Office: Barcelona)					
Conc. Prisiones Lledoners,S.A. (a)	P	Ferrovial Construcción, S.A. (a)	100.0%	16	1
SPAIN (Registered Office: Bilbao)					
Cadagua, S.A. (a)		Ferrovial Construcción, S.A. (a)	100.0%	87	1
SPAIN (Registered Office: Madrid)					
Cocsa, S.A. (a)		Ferrovial Construcción, S.A. (a)	100.0%	8	1
Ditecpesa, S.A. (a)		Ferrovial Construcción, S.A. (a)	100.0%	1	1
Ferroconservación, S.A. (a)		Ferrovial Construcción, S.A. (a)	99.0%	20	1
Ferrovial Construcción, S.A. (a)		Ferrovial SE	100.0%	711	1
Ferrovial Medio Ambiente y Energía, S.A. (a)		Ferrovial Construcción, S.A. (a)	100.0%	1	
Ferrovial Railway S.A. (a)		Ferrovial Construcción, S.A. (a)	98.8%	0	
Siemsa Control y Sistemas S.A.U. (a)		Siemsa Industria S.A. (a)	99.0%	1	1
Siemsa Industria S.A. (a)		Ferrovial Construcción, S.A. (a)	99.0%	16	1
Urbaoeste, S.A. (a)		Ferrovial Construcción, S.A. (a)	99.0%	0	
Cimentaciones Especiales y Estructurales CIMSA, S.A.		Ferrovial Construcción, S.A. (a)	99.0%	0	
Arena Recursos Naturales, S.A.U. (a)		Ferrovial Construcción, S.A. (a)	100.0%	0	
SPAIN (Registered Office: Zaragoza)					
Depusa Aragón S.A. (a)	P	Ferrovial Construcción, S.A. (a)	42.3%	2	1
Depusa Aragón S.A. (a)	P	Cadagua, S.A. (a)	51.7%	2	1
UNITED STATES (Registered Office: Atlanta)					
Ferrovial Construction East, LLC		Ferrovial Construction US Corp.	100.0%	457	
UNITED STATES (Registered Office: Austin)					
Cadagua US LLC		Ferrovial Construction US Holding Corp.	100.0%	14	
Cintra ITR LLC		Ferrovial Construction US Corp.	44.0%	3	1
Ferrovial Agroman 56, LLC		Ferrovial Construction Texas, LLC	100.0%	35	
Ferrovial Agroman Indiana, LLC		Ferrovial Construction US Corp.	100.0%	0	
Ferrovial Construction Texas, LLC		Ferrovial Construction US Corp.	100.0%	158	
Ferrovial Construction US Corp.		Ferrovial Construction US Holding Corp.	100.0%	453	1
Ferrovial Construction US Holding Corp.		Ferrovial Holding US Corp.	100.0%	1,002	1
Grand Parkway Infrastructure LLC		DBW Construction LLC	30.0%	0	1
Grand Parkway Infrastructure LLC		Ferrovial Construction Texas, LLC	40.0%	0	1
Ferrovial Energy Solutions, LLC		Ferrovial Construction US Holding Corp.	100.0%	0	
Servicios (Delaware) Inc.		Webber Infrastructure Management Holding US Corp	100.0%	35	
Webber Infrastructure Management US Inc.		Servicios (Delaware) Inc.	100.0%	255	1
Webber Infrastructure Management Inc.		Webber Infrastructure Management US	100.0%	39	1
Webber Infrastructure Management Holding US Corp		Ferrovial Holding US Corp	100.0%	31	1
Ferrovial Construccion JFK T1 LLC		Ferrovial Construction US Corp.	100.0%	0	
Tecpresa Structural Solutions, LLC		Ferrovial Construction US Holding Corp.	100.0%	0	
UNITED STATES (Registered Office: Charlotte)					
Sugar Creek Construction LLC		Ferrovial Construction East, LLC	70.0%	64	
UNITED STATES (Registered Office: Dallas)					
Trinity Infrastructure LLC		DBW Construction LLC	40.0%	0	
Trinity Infrastructure LLC		Ferrovial Construction Texas, LLC	60.0%	0	
UNITED STATES (Registered Office: Fort Worth)					
North Tarrant Infrastructures		DBW Construction LLC	25.0%	0	1
North Tarrant Infrastructures		Ferrovial Construction Texas, LLC	75.0%	0	1
UNITED STATES (Registered Office: Georgia)					
North Perimeter Contractors LLC		Ferrovial Construction East, LLC	100.0%	39	1
UNITED STATES (Registered Office: Katy)					
52 Block Builders		Webber Commercial Construction, LLC	100.0%	0	1
UNITED STATES (Registered Office: Los Angeles)					
California Rail Builders		Ferrovial Construction West, LLC	80.0%	0	1
Ferrovial Construction West, LLC		Ferrovial Construction US Corp.	100.0%	0	1
UNITED STATES (Registered Office: North Richland Hills)					
Bluebonnet Contractor, LLC		DBW Construction LLC	40.0%	0	
Bluebonnet Contractor, LLC		Ferrovial Construction Texas, LLC	60.0%	0	
UNITED STATES (Registered Office: The Woodlands)					
DBW Construction LLC.		Webber, LLC	100.0%	40	1
PLW Waterworks LLC		Cadagua US, LLC	50.0%	2	1
PLW Waterworks LLC		Webber, LLC	50.0%	2	1

Entity	Type	Parent	% Ownership	Net Cost Ownership	Audit
Webber Materials, LLC		Webber Equipment & Materials LLC	100.0%	88	1
Webber, LLC		Ferrovial Construction US Holding Corp.	100.0%	584	1
Webber Barrier Services		Webber, LLC	100.0%	5	1
Webber Commercial Construction LLC		Webber, LLC	100.0%	6	1
Webber Equipment & Materials LLC		Webber, LLC	100.0%	227	1
Webber Management Group LLC		Webber Equipment & Materials LLC	100.0%	41	1
UNITED STATES (Registered Office: Virginia)					
FAM Construction LLC (I-66)		Ferrovial Construction US Corp.	70.0%	240	1
FRANCE (Registered Office: Paris)					
Ferrovial Construction France, S.A.		Ferrovial Construction International SE	100.0%	13	
NETHERLANDS (Registered Office: Amsterdam)					
Ferrovial Construction International SE		Ferrovial SE	100.0%	237	1
IRELAND (Registered Office: Dublin)					
Ferrovial Construction Ireland Ltd		Ferrovial Construction Holdings Ltd	100.0%	8	2
MEXICO (Registered Office: México DF)					
Cadagua Ferr. Industrial MEXICO		Cadagua, S.A. (a)	75.0%	0	
Cadagua Ferr. Industrial MEXICO		Ferrovial Medio Ambiente y Energía, S.A. (a)	25.0%	0	
NEW ZEALAND (Registered Office: Wellington)					
Ferrovial Construction (New Zeeland) Limited		Ferrovial Construcción Australia PTY LTD	100.0%	1	
PERU (Registered Office: Lima)				**1**	
Ferrovial Construcción Perú, S.A.C.		Ferrovial Construction International SE	100.0%	0	
POLAND (Registered Office: Cracow)					
Mostostal Kraków S.A.		Budimex, S.A.	100.0%	3	1
Mostostal Kraków Energetyka sp. z o.o.		Mostostal Kraków SA	100.0%	0	
POLAND (Registered Office: Kamieńsk)					
FBSerwis Kamieńsk Sp. z o.o.		FBSerwis SA	80.0%	8	1
POLAND (Registered Office: Kąty Wrocławskie)					
FBSerwis Wrocław Sp. z o.o.		FBSerwis SA	100.0%	21	1
POLAND (Registered Office: Ścinawka Dolna)					
FBSerwis Dolny Sląsk Sp. z o.o.		FBSerwis SA	100.0%	6	1
POLAND (Registered Office: Tarnów)					
FBSerwis Karpatia Sp. z o.o.		FBSerwis SA	100.0%	5	1
POLAND (Registered Office: Warsaw)					
Budimex, S.A.		Ferrovial Construction International SE	50.1%	83	1
Budimex Mobility, S.A.		Budimex, S.A.	100.0%	3	1
WM Serwis, S.A.		Budimex, S.A.	100.0%	0	1
BXF Energía SP. z.o.o.		Budimex, S.A.	51.0%	8	1
Budimex Budownictwo Sp. z o.o.		Budimex, S.A.	100.0%	0	1
Budimex Kolejnictwo SA		Budimex, S.A.	100.0%	19	1
Budimex Parking Wrocław Sp. z o.o.		Budimex, S.A.	51.0%	1	1
FBSerwis SA		Budimex, S.A.	100.0%	68	1
JZE Sp. z o.o.		FBSerwis SA	100.0%	1	1
Zaklad, Przetworstwa Odpadow Zawisty Sp. Z.o.o.		JZE Sp. z.o.o.O	100.0%	6	
PPHUH Konstralex Sp. z.o.o.		Mostostal Kraków SA	100.0%	0	
Green Waste Management 1 S.P. Z.o.o.		FBSerwis SA	100.0%	0	1
Green Waste Management S.P. Z.o.o.		FBSerwis SA	100.0%	0	1
Green Waste Management S.P. Z.o.o.		FBSerwis SA	100.0%	0	1
Green Waste Management S.P. Z.o.o.		FBSerwis SA	100.0%	0	1
Green Waste Management S.P. Z.o.o.		FBSerwis SA	100.0%	0	1
Green Waste Management S.P. Z.o.o.		FBSerwis SA	100.0%	0	1
CZECH REPUBLIC (Registered Office: Prague)					
Budimex Construction Prague S.P.O.		Budimex, S.A.	100.0%	0	1
PUERTO RICO (Registered Office: San Juan)					
Ditecpesa PR, LLC		Ferrovial Construction International SE	100.0%	1	
Ferrovial Construcción Puerto Rico, LLC		Ferrovial Construction International SE	100.0%	25	
UNITED KINGDOM (Registered Office: London)					
Ferrovial Construction (UK) Limited		Ferrovial Construction Holdings Ltd	100.0%	31	1
Ferrovial Construction Holdings Limited		Ferrovial Construction International SE	100.0%	31	1
FC Civil Solutions Limited		Ferrovial Construction Holdings Ltd	100.0%	0	1
TOLL ROADS					
SPAIN (Registered Office: Madrid)					
Cintra Infraestructuras España, S.L. (a)		Ferrovial, SE	100.0%	155	1
Cintra Infraestructuras Irlanda, S.L.U. (a)		Cintra Global SE	100.0%	3	1
Cintra Inversora Autopistas de Cataluña, S.L. (a)	P	Cintra Infraestructuras España S.L. (a)	100.0%	0	1
Inversora Autopistas de Cataluña, S.L. (a)	P	Cintra Inversora Autopistas de Cataluña, S.L. (a)(a)	100.0%	0	1
Cintra Inversiones, S.L.U. (a)		Cintra Infraestructuras España S.L. (a)	100.0%	46	
Cintra Servicios de Infraestructuras, S.A. (a)		Cintra Infraestructuras España S.L. (a)	100.0%	24	1

Entity	Type	Parent	% Ownership	Net Cost Ownership	Audit
Autopista Alcalá-O'Donnell, S.A. (a)		Cintra Infraestructuras España S.L. (a)	100.0%	15	
Autovía de Aragón, Sociedad Concesionaria, S.A.	P	Cintra Infraestructuras España S.L. (a)	30.0%	12	2
Pilum, S.A.	P	Cintra Infraestructuras España S.L. (a)	2.1%	0	2
Ferrovial Aravia, S.A.	P	Cintra Infraestructuras España S.L. (a)	30.0%	1	1
Cintra Desarrollo España, S.L.		Cintra Global SE	100.0%	0	
SPAIN (Registered Office: Barcelona)					
Autema, S.A. (a)	P	Inversora Autopistas de Cataluña, S.L. (a)	76.3%	414	1
AUSTRALIA (Registered Office: Melbourne)					
Cintra OSARS (Western) Holdings Unit Trust		Cintra OSARS Western Ltd	100.0%	23	
Cintra OSARS Western Unit Trust		Cintra OSARS (Western) Holdings Unit Trust	100.0%	-3	
AUSTRALIA (Registered Office: Sydney)					
Cintra Developments Australia PTY, Ltd		Cintra Infrastructures UK Ltd	100.0%	1	1
Cintra OSARS (Western) Holdings PTY Ltd		Cintra OSARS Western Ltd	100.0%	0	1
Cintra OSARS Western PTY Ltd		Cintra OSARS (Western) Holdings PTY Ltd	100.0%	0	1
CANADA (Registered Office: Toronto)					
Cintra 407 East Development Group Inc		407 Toronto Highway B.V.	100.0%	2	
Cintra OM&R 407 East Development Group Inc		407 Toronto Highway B.V.	100.0%	0	
Cintra 4352238 Investments INC		407 Toronto Highway B.V.	100.0%	12	
Blackbird Maintenance 407 Cintra GP Inc		407 Toronto Highway B.V.	100.0%	1	
Blackbird Infrastructure 407 Cintra GP Inc		407 Toronto Highway B.V.	100.0%	0	
COLOMBIA (Registered Office: Bogotá)					
Cintra Infraestructuras Colombia, S.A.S. (a)		Cintra Global SE	100.0%	18	1
UNITED STATES (Registered Office: Austin)					
Cintra Holding US Corp		Ferrovial Holding US Corp	96.8%	1,292	
Cintra Texas Corp		Cintra Holding US Corp	100.0%	-22	
Cintra US Services LLC		Cintra Texas Corp	100.0%	1	
Cintra ITR LLC		Cintra Holding US Corp	49.0%	0	
Cintra LBJ LLC		Cintra Holding US Corp	100.0%	303	
Cintra NTE LLC		Cintra Holding US Corp	100.0%	240	
Cintra NTE Mobility Partners Segments 3 LLC		Cintra Holding US Corp	100.0%	282	
Cintra Toll Services LLC		Cintra Holding US Corp	100.0%	0	
Cintra I-77 Mobility Partners LLC		Cintra Holding US Corp	100.0%	142	
Cintra 2 I-77 Mobility Partners LLC (2)		Cintra Holding US Corp	100.0%	66	
Cintra 2 I-66 Express Mobility Partners		Cintra Holding US Corp	100.0%	679	
I-66 Express Mobility Partners Holdings LLC	P	Cintra 2 I-66 Express Mobility Partners	50.0%	679	
I-66 Express Mobility Partners LLC	P	I-66 Express Mobility Partners Holdings LLC	100.0%	1,437	
Cintra 3I-66 Express Mobility Partners LLC		Cintra Holding US Corp	100.0%	200	
Cintra 3 I-77 Mobility Partners LLC		Cintra Holding US Corp	100.0%	104	
Cintra Digital Business Ventures LLC	P	Cintra Holding US Corp	100.0%	0	
Ferrovial Energy US, LLC		Ferrovial Holding US Corp	100.0%	0	
Ferrovial Energy US 1, LLC		Ferrovial Energy US, LLC	100.0%	0	
Cintra North Corridor Transit Partners LLC		Cintra Holding US Corp	100.0%	0	
UNITED STATES (Registered Office: Charlotte)					
I-77 Mobility Partners Holding LLC	P	Cintra I-77 Mobility Partners LLC	50.1%	108	
I-77 Mobility Partners Holding LLC	P	Cintra 2-I77 Mobility Partners Holding LLC	15.0%	68	
I-77 Mobility Partners Holding LLC	P	Cintra 3-I77 Mobility Partners Holding LLC	7.1%	104	
I-77 Mobility Partners LLC	P	I-77 Mobility Partners Holding LLC	100.0%	218	1
UNITED STATES (Registered Office: Dallas)					
LBJ Infrastructure Group Holding LLC	P	Cintra LBJ LLC	54.6%	302	
LBJ Infrastructure Group LLC	P	LBJ Infrastructure Group Holding LLC	100.0%	521	1
UNITED STATES (Registered Office: North Richland Hills)					
NTE Mobility Partners Holding LLC	P	Cintra NTE LLC	63.0%	240	1
NTE Mobility Partners LLC	P	NTE Mobility Partners Holding LLC	100.0%	322	1
NTE Mobility Partners Segments 3 Holding LLC	P	Cintra NTE Mobility Partners Segments 3 LLC	53.7%	276	1
NTE Mobility Partners Segments 3 LLC	P	NTE Mobility Partners Segments 3 Holding LLC	100.0%	436	1
NETHERLANDS (Registered Office: Amsterdam)					
Cintra Infrastructures SE		Ferrovial SE	100.0%	3,033	1
Cintra Global SE		Ferrovial SE	100.0%	3,242	1
407 Toronto Highway B.V.		Cintra Global SE	100.0%	2,664	2
Cintra INR Investments B.V.		Cintra Global SE	100.0%	369	5
Cintra Latam Highways B.V.		Cintra Global SE	100.0%	1	
INDIA (Registered Office: Mumbai)					
Cinfra India Private Limited		Cintra INR Investments BV	99.9%	0	1
IRELAND (Registered Office: Dublin)					
Financinfrastructures, Ltd		Cintra Global SE	100.0%	32	1
Cinsac, Ltd		Cintra Infraestructuras IRELAND, S.L.U. (a)	100.0%	1	1
PORTUGAL (Registered Office: Lisbon)					

Entity	Type	Parent	% Ownership	Net Cost Ownership	Audit
Vialivre, S.A.	P	Cintra Infrastructures SE	84.0%	0	1
UNITED KINGDOM (Registered Office: London)					
Cintra Silvertown Ltd		Cintra Infrastructures UK Ltd	100.0%	1	1
UNITED KINGDOM (Registered Office: Oxford)					
Cintra Infrastructures UK Ltd		Cintra Global SE	100.0%	42	1
Cintra Toowoomba Ltd		Cintra Infrastructures UK Ltd	100.0%	5	1
Cintra UK I-77 Ltd		Ferrovial Holding US Corp	100.0%	0	1
Cintra Slovakia Ltd		Cintra Global SE	100.0%	1	1
Cintra OSARS Western Ltd		Cintra Infrastructures UK Ltd	100.0%	23	1
CHILE (Registered Office: Santiago de Chile)					
Cintra Infraestructuras Chile, S.p.A		Cintra Global SE	100.0%	0	
AIRPORTS					
SPAIN (Registered Office: Madrid)					
Ferrovial Aeropuertos España, S.A. (a)		Ferrovial SE	100.0%	43	
UNITED STATES (Registered Office: Austin)					
Ferrovial Airports Holding US Corp		Ferrovial Holding US Corp	100.0%	325	
Ferrovial Vertiports US LLC		Ferrovial Airports Holding US Corp	100.0%	8	
Ferrovial Vertiports Florida LLC	P	Ferrovial Vertiports US LLC	100.0%	1	
UNITED STATES (Registered Office: Denver)					
Ferrovial Airports O&M Services LLC		Ferrovial Airports Holding US Corp	100.0%	0	
Ferrovial Airports US Terminal One LLC.		Ferrovial Airports Holding US Corp	100.0%	265	
UNITED STATES (Registered Office: New York)					
MARS NTO LLC.		Ferrovial Airports US Terminal One LLC.	96.1%	273	
NETHERLANDS (Registered Office: Amsterdam)					
Hubco Netherlands B.V.		Ferrovial Airports International, SE	100.0%	807	
FERROVIAL AIRPORTS FMM BV		Ferrovial Airports International, SE	100.0%	9	
Ferrovial Airports Turkey B.V.		Ferrovial Airports International, SE	100.0%	152	
UNITED KINGDOM (Registered Office: Oxford)					
Faero UK Holding Limited		Hubco Netherlands B.V.	100.0%	255	1
Ferrovial Airports International, SE		Ferrovial SE	100.0%	1,372	1
Ferrovial Vertiports UK Ltd.	P	Ferrovial Airports International, SE	100.0%	2	1
TURKEY (Registered Office: Ankara)					
YDA HAVALIMANI YATIRIM VE (Dalaman)		Ferrovial Airports Turkey B.V.	60.0%	145	1
ENERGY INFRASTRUCTURES AND MOBILITY					
SPAIN (Registered Office: Madrid)					
Ferrovial Transco España , S.A.U. (a)	P	Ferrovial Transco International, B.V.	100.0%	13	
Ferrovial Infraestructuras Energéticas, S.A.U. (a)		Ferrovial SE	100.0%	19	
Parque Solar Casilla, S.L.U. (a)	P	Ferrovial Infraestructuras Energéticas, S.A.U. (a)	100.0%	9	1
Ferrovial Mobility, S.L. (a)		Ferrovial SE	100.0%	35	
Cea Infraestructuras Energéticas (a)	P	Ferrovial Infraestructuras Energéticas, S.A.U. (a)	100.0%	0	
Jucar Infraestructuras Energéticas (a)	P	Ferrovial Infraestructuras Energéticas, S.A.U. (a)	100.0%	0	
Pisuerga Infraestructuras Energéticas, S.A.U. (a)	P	Ferrovial Infraestructuras Energéticas, S.A.U. (a)	100.0%	0	
Ferrovial Growth VI, S.L. (a)		Ferrovial Infraestructuras Energéticas, S.A.U. (a)	100.0%	10	
Roland Servicios Empresariales, S.L.U.		Ferrovial Mobility, S.L. (a)	100.0%	15	
Ferrovial 004, S.A. (a)		Ferrovial SE	100.0%	17	
CHILE (Registered Office: Santiago)					
Ferrovial Power Infrastructure Chile, SpA	P	Ferrovial Transco International, B.V.	100.0%	60	1
Ferrovial Transco Chile II SpA	P	Ferrovial Power Infraestructure Chile, SpA	100.0%	0	
Transchile Charrúa Transmisión, S.A.	P	Ferrovial Power Infraestructure Chile, SpA	99.9%	56	1
Ferrovial Transco Chile III SPA	P	Ferrovial Transco International, B.V.	100.0%	0	
Ferrovial Transco Chile IV SpA	P	Ferrovial Power Infraestructure Chile, SpA	100.0%	0	
Centella Transmisión, S.A.	P	Ferrovial Transco Chile III SPA	49.9%	0	1
Centella Transmisión, S.A.	P	Ferrovial Power Infrastructure Chile, SpA	50.1%	0	1
Centella Transmisión II, S.A.	P	Ferrovial Power Infrastructure Chile, SpA	50.1%	0	1
UNITED STATES (Registered Office: Austin)					
Ferrovial Mobility U.S., LLC		Ferrovial Holding US Corp	100.0%	2	
NETHERLANDS (Registered Office: Amsterdam)					
Ferrovial EG SE		Ferrovial SE	100.0%	52	2
Ferrovial Transco International B.V.		Ferrovial SE	100.0%	63	1
UNITED KINGDOM (Registered Office: London)					
Thalia Waste Management Limited		Thalia Waste Treatment BV	100.0%	0	1
Thalia MK ODC Limited		Thalia Waste Management Limited	100.0%	0	1
Thalia AWRP ODC Limited		Thalia Waste Management Limited	100.0%	0	1
Thalia WB HoldCo Limited		Thalia Waste Management Limited	100.0%	0	1
Thalia WB ODC Limited		Thalia WB HoldCo Limited	100.0%	0	1
Thalia WB Services Limited		Thalia WB ODC Limited	100.0%	0	1

Entity	Type	Parent	% Ownership	Net Cost Ownership	Audit
Thalia WB SPV Limited		Thalia WB Services Limited	100.0%	0	1
Thalia IOW SPV Limited		Thalia Waste Management Limited	100.0%	0	1
Thalia Services Limited		Thalia Waste Management Limited	100.0%	0	1
Thalia MK HoldCo Limited		Thalia Waste Management Limited	100.0%	0	1
Thalia MK SPV Limited		Thalia MK HoldCo Limited	100.0%	0	1
Thalia Ventures Limited		Thalia Holdco Ltd	100.0%	0	1
Thalia IOW ODC Ltd		Thalia Waste Management Limited	100.0%	0	1
Thalia Holdco Ltd		Thalia Waste Treatment BV	100.0%	0	1
CHILE (Registered Office: Antofagasta)					
Berliam S.p.A.		Ferrovial Servicios Chile, SpA	65.1%	0	2
Berliam S.p.A.		Inversiones Chile Ltda	34.9%	3	2
CHILE (Registered Office: Los Andes)					
Steel Ingenieria, S.A.		Ferrovial Servicios Chile SPA	99.9%	31	2
Veltis, Sp.a		Ferrovial EG SE	100.0%	12	
CHILE (Registered Office: Santiago)					
Walvis, S.A.		Berliam S.p.A.	99.7%	0	2
Inversiones (Chile) Holdings Limitada		Veltis, Sp.a	100.0%	27	2
Inversiones (Chile) Limitada		Inversiones (Chile) Holding Limitada	100.0%	0	
Ferrovial Servicios Salud, SpA		Ferrovial Servicios Chile SPA	100.0%	0	

Auditor Key:

Auditors: (1) EY; (2) Deloitte; (3) BDO; (4) PWC; (5) KPMG; (6) Vir Audit; (7) Elayouty

(a) Form part of the tax scope of Ferrovial, S.A. and subsidiaries.

(*) New legal names (effective as of the first week of January 2022)

(P) Project Company

(Net Cost Ownership: Net Cost of the parent company over subsidiary)

Appendix I. Associate companies(equity-accounted companies) (million euro)

Entity	Type	Parent	% Owner.	V Eq. Method	Assets.	Liab.	Reven.	Results	Audit
ENERGY INFRASTRUCTURES AND MOBILITY									
SPAIN									
Grupo Serveo, S.L.		Ferrovial 004, S.L.U.	24.8%	17	663	585	1,241	44	
CONSTRUCTION									
CANADA									
Ontario Transit Group Inc.		Ontario Transit FCCI (Hold Co) Inc.	50.0%	-9	875	893	214	0	
SPAIN									
Via Olmedo Pedralba, S.A.		Ferrovial Construccion, S.A.	25.2%	1	5	2	4	0	3
Boremer, S.A.		Cadagua, S.A.	50.0%	1	2	1	0	0	2
UNITED STATES									
Pepper Lawson Horizon Intl. Group		Webber Commercial Construction LLC	70.0%	0	2	2	0	0	1
OMAN									
International Water Treatment LLC		Cadagua, S.A.	37.5%	2	0	0	0	0	4
POLAND									
PPHU Promos Sp. z o.o.		Budimex SA	26.3%	1	0	0	0	0	
AIRPORTS									
UNITED KINGDOM									
FGP Topco Limited	P	Hubco Netherlands B.V.	25.0%	0	22,358	25,465	4,240	389	4
AGS Airports Holdings Limited	P	Faero UK Holding Limited	50.0%	0	1,476	1,488	228	-26	2
QATAR									
FMM Company LLC	P	Ferrovial Airports FMM B.V.	49.0%	19	69	29	99	15	
UNITED STATES				,					
JFK NTO SPONSOR AGGREGATOR LLC.	P	MARS NTO LLC	51.0%	471	5,966	5,162	66	7	1
TOLL ROADS									
AUSTRALIA									
Nexus Infrastructure Holdings Unit Trust	P	Cintra Toowoomba Ltd	40.0%	3	1	0	0	0	
Nexus Infrastructure Unit Trust	P	Nexus Infrastructure Holdings Unit Trust	40.0%	10	46	20	33	6	
Nexus Infrastructure Holdings PTY Ltd	P	Cintra Toowoomba Ltd	40.0%	0	0	0	0	0	
Nexus Infrastructure PTY Ltd	P	Nexus Infrastructure Holdings PTY Ltd	40.0%	0	0	0	0	0	
Netflow Osars (Western) GP	P	Cintra Osars (Western) Unit Trust	50.0%	42	165	81	51	2	
SPAIN									
Serranopark, S.A.	P	Cintra Infraestructuras España, S.L.	50.0%	1	74	47	7	6	2
Autovía de Aragón Sociedad Concesionaria, S.A.	P	Cintra Infraestructuras España, S.L.	30.0%	17	146	99	49	7	1
Bip & Drive, S.A.	P	Cintra Infraestructuras España, S.L.	20.0%	5	34	13	17	4	
Empresa Mant. y Explotación M30, S.A.		Ferrovial Construccion, S.A.	50.0%	-34	224	223	35	12	5
Madrid Calle 30, S.A.	P	Empresa Mant. y Explotación M30, S.A.	20.0%	52	655	140	146	62	8
CANADA									
407 International Inc	P	Cintra 4352238 Investment Inc.	43.2%	928	3,667	7,797	1,025	403	2
407 East Development Group General Partnership	P	Cintra 407 East Development Group Inc	50.0%	15	109	63	8	3	2
OM&R 407 East Development Group General Partnership	P	Cintra OM&R 407 East Development Group Inc	50.0%	1	6	4	6	1	2
Blackbird Maintenance 407 GP	P	Blackbird Maintenance 407 Cintra GP Inc	50.0%	1	5	4	5	0	3
Blackbird Infrastructures 407 GP	P	Blackbird Infrastructures 407 Cintra GP Inc	50.0%	12	94	69	7	2	3
COLOMBIA									
Concesionaria Ruta del Cacao S.A.S.	P	Cintra Infraestructuras Colombia S.A.S.	30.0%	22	815	739	183	51	2
INDIA									
IRB Infrastructure Developers Limited		Cintra INR Investments B.V.	100.0%	376	4,803	3,311	828	61	3
IRELAND									
Eurolink Motorway Operation (N4-N6) Ltd	P	Cintra Infraestructuras Irlanda, S.L.U.	20.0%	10	207	97	37	4	2
Eurolink Motorway Operations (M3) Ltd	P	Cinsac Ltd	20.0%	9	102	58	16	3	2
UNITED KINGDOM									
Scot Roads Partnership Holdings Ltd	P	Cintra Infrastructures UK Ltd	20.0%	0	0	0	0	0	
Scot Roads Partnership Finance Ltd	P	Scot Roads Partnership Holdings Ltd	20.0%	0	405	405	0	0	
Scot Roads Partnership Project Ltd	P	Scot Roads Partnership Holdings Ltd	20.0%	0	433	433	37	0	
Zero Bypass Holdings Ltd	P	Cintra Slovakia Ltd	35.0%	0	0	0	0	0	
Zero Bypass Ltd	P	Zero Bypass Holdings Ltd	35.0%	14	1,029	972	51	0	
RiverLinx Holdings Ltd	P	Cintra Silvertown Ltd	22.5%	0	0	0	0	0	
RiverLinx Ltd	P	RiverLinx Holdings Ltd	22.5%	52	1,500	1,269	275	5	
Total equity-accounted continuing operations				**2,038**					

Auditor key:(1) EY; (2) Deloitte; (3) BDO; (4) PWC; (5) KPMG; (6) Vir Audit; (7) Mazars; (8) PKF; (9) Martins Pereira, Joao Careca & Associados, Sroc.; (10) Grant Thornton UK LLP; (11) 3 Auditores SLP

(P) Project Company (Value Eq. Method: Net Cost of the parent company over the equity-accounted companies).

Amsterdam, 27 February 2024.

Board of Directors

Mr. Rafael del Pino y Calvo-Sotelo, *Executive Director (Chairman)*

Mr. Óscar Fanjul Martín, *Non-Executive Director (Vice-Chairman)*

Mr. Ignacio Madridejos Fernández, *Executive Director (Chief Executive Officer)*

Ms. María del Pino y Calvo-Sotelo, *Non-Executive Director*

Mr. José Fernando Sánchez-Junco Mans, *Non-Executive Director*

Mr. Philip Bowman, *Non-Executive Director*

Ms. Hanne Birgitte Breinbjerg Sørensen, *Non-Executive Director*

Mr. Bruno Di Leo, *Non-Executive Director*

Mr. Juan Hoyos Martínez de Irujo, *Non-Executive Director (Lead Director)*

Mr. Gonzalo Urquijo Fernández de Araoz, *Non-Executive Director*

Ms. Hildegard Wortmann, *Non-Executive Director*

Ms. Alicia Reyes Revuelta, *Non-Executive Director*