

ENERGY

COMMITMENT TO ENERGY TRANSITION



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

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

PHOTOVOLTAIC
SOLAR ENERGY

50MW_p
in operation

TRANSMISSION LINES

924
kilometers* under
construction and operation

CIRCULAR ECONOMY

800,000
annual tons
of MSW managed

68
kilometers of
new allotment

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

ACTIVITIES

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

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

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

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

EL BERROCAL PROJECT

50 MWp

Solar photovoltaic plant, Seville, Spain



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

STRATEGY

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

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

BACKGROUND

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

- The need and willingness to have greater energy autonomy at regional, national and supranational levels.
- National, regional and local regulation on economic incentives or disincentives to CO₂ production, use of public spaces, regulation of planning and rights to energy assets, etc.
- Social changes driven by growing awareness of climate change and the trend toward individual preferences for more personalized services. Its was accelerated by the COVID-19 pandemic.
- Variations in asset costs due to technological progress that have been altered by rising inflation, shortages of certain components and logistical stresses.
- New products, services and business models driven by technological and process innovation.

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

EXPECTED BUSINESS PERFORMANCE IN 2024

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

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

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

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

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