ALTERNATIVE PERFORMANCE MEASURES (APM)

The company presents its results in accordance with generally accepted accounting standards (IFRS). Management also provides other financial measures not regulated in the IFRS, called APM's, (Alternative Performance Measures) in both the Management Report and the Consolidated Annual Accounts, according to the European Securities and Markets Authority (ESMA) Guidelines. Management uses these APMs in decision-making and to evaluate the performance of the company. Below are the breakdowns required by the ESMA for each APM on definition, reconciliation, explanation of use, comparison and coherence. More detailed information on the reconciliation with the financial statements is provided on the corporate website: https://www.ferrovial.com/en/ir-shareholders/financial-information/quarterly-financial-information/.

EBITDA = GROSS OPERATING PROFIT (GOP)

- **Definition:** operating result before provisions to fixed asset depreciation.
- **Reconciliation:** the company presents the EBITDA calculation in the Consolidated Income Statement (refer to the Consolidated Income Statement in section 1.3 of the Management Report and the Financial Statements included in the Consolidated Annual Financial Statement) as: EBITDA = Total Operating Income - Total operating expenditure (excluding expenditures related to depreciation provisions, which are separately reported on another line).
- **Explanation of the use:** EBITDA provides an analysis of the operating results excluding depreciation and amortization, as they are non-cash variables which can vary substantially from company to company depending on accounting policies and the accounting value of the assets. EBITDA is the best approximation to pre-tax operating cash flow and reflects cash generation before working capital variation. EBITDA is used as a starting point to calculate cash flow, adding the variation of the working capital. Finally, it is an APM indicator widely used by investors when evaluating businesses (multiples valuation), rating agencies and creditors to evaluate the level of debt, comparing EBITDA with net debt.
- **Comparison:** the Company presents comparative reports from previous years.
- **Coherence:** the criteria employed for calculating EBITDA is the same as the previous year.

COMPARISON (“LIKE FOR LIKE GROWTH”)

- **Definition:** relative year-on-year variation in comparable terms of the figures for revenues, EBITDA/GOP, operating results and the portfolio. The comparison is calculated by adjusting the present year and the previous one, in accordance with the following rules:
  - Elimination of the exchange-rate effect, calculating the results of both periods at the rate in the current period.
  - Elimination from the EBIT of both periods of the impact of fixed asset impairments and results from company disposals (corresponding to the figure reported in the line “ Impairments and disposals of fixed assets”).
  - In the case of company disposals and loss of control, the homogenization of the operating result is undertaken by eliminating the operating results of the sold company when the impact occurred in the previous year, or if it occurred in the year under analysis, considering the same amount of months in both periods.
  - Eliminating restructuring costs in both periods.
  - In acquisitions of new companies that are considered to be material, elimination in the current period of the operating results derived from those companies, except in the case where this elimination is not possible due to the high level of integration with other reporting units (material companies have revenues representing ≥5% of the reporting unit’s revenues before the acquisition).
  - Elimination in both periods of other non-recurrent impacts (mainly related to tax and human resources) considered relevant to better understand the company’s underlying results.
  - Note: new contracts in the Toll Roads business coming into operation are not considered acquisitions and thus are not adjusted in the comparison.
- **Reconciliation:** comparable growth is presented in separate columns under Business Performance in section 1.3 of the Management Report.
- **Explanation of the use:** the comparison provide a more homogeneous measure of the underlying profitability of the businesses, excluding non recurrent elements that could lead to a misinterpretation of the reported growth, impacts such as exchange-rate variations or changes in the consolidation perimeter that distort the comparability of the information. It also enables the presentation of homogenous information, thus ensuring uniformity and providing a better understanding of the performance of each one of our businesses.
- **Comparisons:** the comparison is itemized only for the current period compared with the previous period.
- **Coherence:** the criteria employed for calculating the Comparison is the same as the previous year.

ADJUSTMENTS FOR FAIR VALUE

- **Definition:** the adjustments to the Consolidated Income Statement relating to results from changes in the fair value of derivatives and other financial assets and liabilities, impairment of assets and the impact of the two previous elements on "profit sharing of companies accounted for using the equity method".
- **Reconciliation:** a detailed itemization of the Adjustments for Fair Value is included in the Consolidated Income Statement (see the Consolidated Income Statement in section 1.3 of the Management Report and the Financial Statements included in the Consolidated Annual Financial Statement).
- **Explanation of the use:** Adjustments for Fair Value could be useful for investors and financial analysts when assessing the underlying profitability of the Company, as they are capable of excluding elements that do not generate cash and could vary substantially from one year to another because of the accounting method used to calculate the fair value.
- **Comparisons:** the company presents comparisons of previous years.
- **Coherence:** the criteria employed for calculating Adjustments for Fair Value is the same as the previous year.

CONSOLIDATED NET DEBT

- **Definition:** this is the net Treasury balance and equivalents (including short and long-term restricted cash), less short and long-term financial debt (bank debt and bonds) including the balance relating to exchange rate derivatives that cover debt issuance in currency different from the currency of the issuing company and cash positions with exchange rate risk.
- **Reconciliation:** the detailed reconciliation is itemized in Note 5.2. Consolidated Net Debt in the Consolidated Annual Financial Statements and in the section Net Debt and Corporate Reporting in the Management Report.
- **Explanation of the use:** financial indicator used by investors, financial analysts, rating agencies, creditors and other parties to ascertain a company's debt position. Net Debt is also broken down into two categories:
  - Net Debt of Infrastructure Projects. Ring-fenced debt with no recourse for shareholder or with a recourse limited to the granted guarantees.Debt corresponding to the companies considered as a Project.
  - Net Debt (ex Projects). Net debt of the other businesses, including group holding companies and other businesses not considered to be Project companies. The debt included in this calculation is with recourse, and is therefore the measure used by investors, financial analysts and rating agencies to appraise the leverage, financial strength, flexibility and risks of the Company.

- **Comparisons:** the Company presents comparative reports from previous years.
- **Coherence:** the criteria used to calculate the net debt is different from last year due to the incorporation in the calculation of the effect of the derivatives by exchange rate related to cash positions.

PORTFOLIO

- **Definition:** the income pending execution corresponding to contracts that the Company has entered into on the date and regarding which there is a certainty concerning their future performance. The total income from a contract corresponds to the agreed price or rate corresponding to the delivery of goods and/or the rendering of the contemplated services. If the execution of a contract is pending the closure of financing, the income from said contract will not be added to the portfolio until financing is closed. The portfolio is calculated by adding the contracts of the actual year to the balance of the contract portfolio at the end of the previous year, less the income recognized in the current year.
- **Reconciliation:** the portfolio is presented under "Key figures" and under Services and Construction in the December Management Report. There is no comparable financial measure in IFRS. However, a breakdown of reconciliation with Construction and Services sales figures is provided in note "2.1. Operating Income" of the Financial Statements. This reconciliation is based on the portfolio value of a specific construction being comprised of its contracting value less the construction work completed, which is the main component of the sales figure. The difference between the construction work completed and the Construction and Services sales figure reported in Ferrovial's Financial Statements is attributable to the fact that consolidation adjustments, compensations, the sale of machinery, confirming income and other adjustments are made to the latter. In addition to contracts awarded and the construction work completed, the exchange rate of contracts awarded in foreign currency, rescissions (when a contract is terminated early) or changes to the scope are all aspects that also have an impact on the movement between the original portfolio (corresponding to the previous year) and the end portfolio (for the year in question), as shown in the Appendices available on the corporate website. Management believes that the portfolio is a useful indicator in terms of the future income of the company, as the portfolio for a specific construction will be comprised of the final sale of said construction less the net construction work undertaken.
- **Explanition of use:**The Management believes that the portfolio is a useful indicator with respect to the future income of the Company, due to the portfolio for a specific work will be the final sale of said work less the work executed net at source.
- **Comparisons:** the Company presents comparisons with the previous year.
- **Coherence:** the criteria employed for calculating the portfolio is the same as the previous year.

WORKING CAPITAL VARIATION

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

TOTAL SHAREHOLDER RETURN

- **Definition:** sum of the dividends received by shareholders, revaluation/depreciation of the shares and other payments such as the delivery of shares or buy-back plans.
- **Reconciliation:** the total shareholder return is presented under the share part of section 1.1 of the Management Report. There is a breakdown of the reconciliation with the shareholder return in the financial statements.
- **Explanition of use:** it is a financial indicator used by investors and financial analysts, to evaluate the performance that shareholders have received throughout the year in exchange for their contribution in capital of the Company.
- **Comparisons:** the company presents comparative reports from previous years.
- **Coherence:** the criteria employed for calculating shareholder return is the same as the previous year.

MANAGED INVESTMENT

- **Definition:** managed investment is presented under Toll Roads in section 1.2 of the Management Report. During the construction phase, it is the total investment to make. During the operating phase, this amount is increased by the additional investment. Projects are included after signing the contract with the corresponding administration (commercial close), on which date the provisional financing terms and conditions, which will be confirmed after the financial closing, are normally available. 100% of investment is considered for all projects, including those that are integrated by the equity method, regardless of Ferrovial's participation. Projects are excluded with criteria in line with the exit from the consolidation scope.
- **Reconciliation:** Managed investments at the end of December 2017 came to 19.590 billion euros and are made up of 26 concessions in 10 countries. The composition of managed investments by asset type is as follows:
  (1) Model projects Intangible Assets IFRIC 12 (in operation), 4.833 billion euros. The managed investment coincides with the gross investment balance in these projects included in the table in section 3.3.1 of the Consolidated Financial Statements: 734 million euros from Ausol included in Spain Highways, 3.713 billion euros from NTE and LBJ included in USA Highways and 386 million euros from the Azores, included in Other Highways.
  (2) Model projects Intangible Assets IFRIC 12 (under construction), 1.375 billion euros. Includes American highways NTE35W and I-77 (918 and 457 million euros of management investment, respectively). As they are under construction, the balance at year-end only reflects the assets in construction as part of these projects, which comes to 912 and 217 million euros, respectively, included in the table in section 3.3.1 of the Consolidated Financial Statements, in USA Highways, excluding future investment commitments.
  (3) Model projects Accounts Receivable IFRIC 12 (in operation), 232 million euros. Includes the managed investment in Autema. The balance at year-end comes to 659 million euros, including the long term and short term (see section 3.3.2 of the Consolidated Financial Statements) and, amongst others, financial remuneration of the accounts receivable, which is not considered an increase in the managed investment in the asset.
  (4) Consolidation using the equity method, 13.150 billion euros. Includes both projects in operation and under construction that are consolidated using the equity method, such as 407ETR (3.128 billion euros of managed investment, 100%) or I-66 (2.517 billion euros, 100%). In the consolidated statement of financial position, these projects are included under Investments in associates, meaning the investment cannot be reconciled with the balance sheet.
- **Explanation of use:** data useful by Management to indicate the size of the portfolio of managed assets.
- **Comparisons:** no comparisons with previous years are itemized, though it is nevertheless a figure provided annually.
- **Coherence:** the criteria employed for calculating the managed investment is the same as the previous year.