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Expected
Business
Performance
2023

An aerial photograph of a large-scale construction project. The image shows a complex network of steel beams forming a structural framework. A prominent red lattice boom crane is positioned on the ground, extending its arm towards the structure. The ground is a mix of dirt and construction materials, with some areas covered in black plastic sheeting. The overall scene is one of active industrial construction.

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TOLL ROADS

In 2023, traffic is expected to increase on all assets above the level of 2022, a year in which mobility was affected by the Omicron variant of COVID-19 and restrictions reintroduced by the province of Ontario (Canada), which were gradually eased and lifted in the first quarter of the year. Traffic showed a solid month-over-month recovery during 2022 and is expected to continue to improve during 2023. At some assets in the U.S., traffic is expected to exceed pre-COVID levels, although with differences by geography.

In 2022, €388 million of dividends were received, compared to €469 million in the previous year. In 2023, the main infrastructure assets are expected to continue to distribute dividends consistently according to their operating performance. In addition, NTE35W is expected to start distributing dividends once the 3C segment opens to traffic. Cintra will focus its efforts on maximizing the quality of the service provided by optimizing its revenues and costs, within the framework allowed by the concession contracts. The expected evolution by geography is as follows:

- In **Canada**, the 407 ETR toll road was impacted during the first quarter of 2022 by mobility restrictions imposed due to the Omicron variant surge. Despite this, traffic showed a solid month-to-month recovery path, with Q4 2022 recording the highest traffic data since the start of the pandemic. During 2023, the 407 ETR will continue to focus on optimization and cost control measures, without abandoning the development of its strategy of generating value for the user. The toll road will maintain its investment in the Data Lab to better understand user behavior and be able to personalize its value propositions, as well as improve its customer management systems, which will enable it to offer more personalized attention through loyalty plans and individualized offers.
- In the **United States**, some assets exceeded pre-COVID traffic levels in 2022, even though they were affected by the mobility impact of the Omicron surge in January and February. This evolution demonstrates the robustness of the Managed Lanes and the economic strength of the environments in which the company operates, which has made it possible to mitigate the loss of revenue by taking advantage of the tariff flexibility of Managed Lanes contracts. The current inflationary context will imply an increase in revenues from the Dallas Managed Lanes, where the soft cap will increase in 2023 compared to the previous year. In this regard, the full opening of I-66 in November 2022, and the expected opening of segment 3C of NTE35W in 2023, will significantly increase revenues in the US market.
- In **Australia**, Cintra will continue to manage the Toowoomba Expressway, and the Western Roads Upgrade project that fully opened to traffic in November 2021.

- In **India**, where IRB Infrastructure Developers Ltd manages 22 projects and more than 2,500 kilometers of toll roads in India, it is expected to reach significant milestones in its development pipeline during 2023.
- In the **remaining markets**, Cintra will continue to operate the assets already in operation, including the D4R7 toll road in Slovakia, which opened to traffic in its entirety in October 2021. It will also complete the opening to traffic of several sections of the Ruta del Cacao, in Colombia, and will continue with the execution of the construction of Silvertown, in the United Kingdom.

In November 2022, NextPass, a mobile application for iPhone and Android that allows payment on any toll road, bridge, tunnel or express lane in Virginia, was launched, and is expected to expand its reach in 2023 to other US states such as California, Texas and North Carolina.

The company will continue its bidding activity in the company's target regions (North America, Europe, Australia, Colombia, Chile and Peru), focusing on complex greenfield projects, given their high potential for value creation. Cintra has been prequalified in two processes in the USA: SR400 Managed Lanes in Atlanta (Georgia) and I-10 Calcasieu River (Louisiana).

AIRPORTS

In 2023, traffic is expected to increase at all airports to figures close to those of 2019 and even higher in the case of Dalaman.

- Heathrow: 67.2 million passengers (83% of 2019 levels).
- AGS: 11.1 million passengers (82% of 2019 levels).
- Dalaman: 5.0 million passengers (3% above 2019 levels).

On June 28, the CAA published its Final Proposals for the H7 period at Heathrow. This proposed an average rate of £24.14 (2020 CPI) for the whole period. Heathrow responded to the CAA's Final Proposals on August 9 detailing why implementation of its Final Proposals would result in an airport that is well below what passengers expect. Heathrow currently expects the CAA to issue the final decision for the H7 review along with associated license modifications early in the new year.

The New Terminal One project will continue with the execution of Phase A construction and airline negotiations, among other activities, with a view to the Terminal opening in 2026.

Having developed a highly successful and sophisticated demand-driven model, Vertiports' strategy for 2023 is focused on continuing to grow and build strong relationships with key stakeholders in the emerging industry; continuing to build an experienced and versatile team; and pursuing the siting and leasing of sites in certain key markets to advance the network to coincide with the anticipated certification and deployment of eVTOLs aircraft in the coming years.

Ferrovial Airports has not distributed dividends in 2022. In the coming years, dividend payments will depend largely on traffic recovery and business performance.

Ferrovial Airports offers in-depth knowledge of the sector and a consistent track record in building strong relationships with partners and stakeholders. During 2023, Ferrovial Airports will continue to analyze investment opportunities that arise around the world, placing special emphasis on those identified as sustainable and high concession value infrastructures.

ENERGY INFRASTRUCTURE AND MOBILITY

During 2022, mobility has recovered to levels close to those prior to the COVID-19 pandemic, confirming some trends such as electrification or the use of alternative means to owning a vehicle. These patterns will continue and will have a positive impact on Zity and Inspiration Mobility.

In Energy Infrastructure, it is important to distinguish between generation and transmission:

- In the area of renewable electricity **generation**, Ferrovial will continue with the execution of greenfield projects in the main 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 continue to focus on expanding its assets, mainly in Chile, participating in public and private tenders, leveraging its existing presence and accelerating its integration throughout the value chain.

In the area of the circular economy, it will maintain its relationship with its customers in the United Kingdom, increasing plant utilization and, with it, both the generation of recycled material and renewable electricity.

Finally, in the area of ancillary services to the public and private sectors in Chile and Spain, it expects to continue to respond effectively to the needs of its customers, ensuring the reliability of their facilities and processes, as well as providing improvements in effectiveness and efficiency to help them mitigate the adverse effects of high levels of inflation.

CONSTRUCTION

In 2023, a stable level of sales is expected to be maintained with respect to the favorable positive figure achieved the previous year, supported by a record order book thanks to the important awards in 2022.

In terms of profitability, the 3.5% EBIT target set in the Horizon 24 Strategic Plan is maintained. In 2023, margins are expected to improve with respect to the previous year thanks to the mitigating and management measures adopted by the company to control inflation risk, including specific contingencies in new contracts, favored by price review formulas implemented by public administrations in countries such as Spain, Poland and Portugal, and by the completion of several of the contracts with the highest inflationary exposure, mainly in the USA.

The outlook for 2023, by market, is as follows:

- In **Spain**, sales are expected to grow compared to 2022 thanks to the good pace of contracting, with the award of several relevant contracts for railroads and for private clients, and once the delays

in bidding derived from COVID-19 have been overcome. In the medium term, the application of the European Next Generation funds will maintain the momentum of tendering, in addition to the good dynamics of public railway and healthcare initiatives, and private initiatives in industrial, building and renewable energy projects.

- In the **US and Canada**, the favorable investment in transportation infrastructure by the states and provinces will continue, with the recently approved new Texas highway plan for the next ten years, supported by the Infrastructure Investment & Jobs Act, which doubles federal funds for investment in transportation infrastructure, and by the Canadian Infrastructure Plan. In the medium term, the pipeline continues to be high, with relevant P3/DBF projects in which Ferrovial is the leader together with Ferrovial Construction as a builder. A drop in the level of sales is expected for 2023 due to the completion of large projects with relevant execution in 2022, such as the I-66 highways in Virginia and I-285/400 in Georgia, and the slower pace of execution of new contracts that are in the design phase, such as the Ontario Line of the Toronto Metro and other works such as I-35 in San Antonio, which is still in its initial construction phase.
- In **Poland**, public tendering maintains good prospects thanks to the national road and rail investment plans until 2025-26, supported by the high level of funding allocation under the EU's new 2021-27 multiannual financial framework, which ensures future stability of investment in the country. In 2023, stability in sales is expected, maintaining the strategy marked by greater selectivity in bidding, prioritizing profitability and expanding its diversification in sectors such as renewable energies or waste treatment.
- In the rest of the **international markets**, a significant growth in turnover is expected, thanks mainly to the higher rate of execution of the large tunnel projects awarded in previous years, such as the Silvertown Tunnel in London or the Sydney Underground in Australia, as well as the recently awarded Coffs Harbour Bypass in New South Wales. Likewise, the future outlook for tenders continues to be good, maintaining a selective approach in Australia, although with a greater implementation after the latest important awards. In the United Kingdom, there are important tunnel and railroad projects, and in Latin America, road, power transmission line and renewable energy concession projects in conjunction with other Ferrovial divisions.