

Toll Roads

Stepping on it

Cintra helps reduce the investment shortfall in infrastructures mainly in increasingly congested urban settings with sustainable concession models that minimize the need for public funds.

Cintra carries out its activity in markets with predictable institutional frameworks, good economic perspectives (North America, Australia and Europe), with developed financial markets, and with

high demand for transport infrastructures, especially those that are resolving traffic congestion problems in urban areas (complex greenfield concessions) and with toll rate freedom. Its more than 50 years of experience, in-depth knowledge of new technologies applied to pricing (advanced analytics), as well as the synergies with Ferrovial Agroman make Cintra a company with high value creation and strong competitive advantages.

MAIN ASSETS

Cintra possesses 43.23% of the 407 ETR Toll Road in Toronto, Canada, and 62.97%, 54.6% and 53.67% of the NTE, LBJ and NTE 35W Managed Lanes in the state of Texas, respectively. In 2019, the I-77 (50.10%) in North Carolina was fully opened to traffic. The I-66 (50%) in Virginia remains in the construction phase.

In Managed Lanes, toll rates are dynamic and can be changed every five minutes according to the level of congestion, guaranteeing drivers a minimum speed at all times. Free-flow toll systems (no barriers) are notable for the long term of the concession, and broad rate flexibility and for an optimized long-term financial structure, making Cintra a leader in the private development of high-complexity transport infrastructures.

VALUE CREATION

High-complexity greenfield projects

Cintra is centered on complex greenfield projects owing to their high value-creation potential. Its ability to assess and assume higher levels of risk associated with the project in the bidding phase (construction, financing, operation and traffic) allows it to opt for higher initial rates of return (IRR). Thus, Cintra led a Consortium that in 2019

was awarded and closed the financing of the Silvertown project in London, a greenfield project with an investment of over 1,200 million pounds, which required over 1,100 million pounds of debt and which will be executed in the next 5 years to go into operation during the next 25.

The value creation process lies in the reduction in the discount rate of future cash flows and in the elimination (construction) or reduction (traffic/financing) of the project's risks as the concession progresses.

One example of this decrease in the discount rate is the refinancing of all of NTE's debt. 400 million dollars were raised in the market of private activity bonds (PAB's) at 20 years with an all-in cost of 3.05% and 871 million dollars in taxable bonds at 30 years with an all-in cost of 4.03%. Both issues were quite successful among investors. The result was a drop in the average cost of 1.50% (to 3.80%), an increase in the repayment term of the debt and an improvement of the rating (BBB from Fitch/Baa2 from Moody's), all this maximizing the payment to shareholders through the first dividend subscribed by the project in December 2019. Another example was the sale of 11.7% of the Ruta del Cacao Toll Road to the British infrastructure company John Laing for 28.6 million euros, which generated capital gains of close to 11 million euros, thanks to the fact that it materialised after the financial closure of the project and therefore eliminated that risk.

Cintra's advanced analytics team was consolidated in 2019 in Austin, Dallas and Toronto. It works on high-value projects like machine learning for dynamic real-time pricing or artificial intelligence for automatic vehicle detection. It is also developing new toll projects targetted at different client segments to support the use of Managed Lanes.

Turnover of mature assets

By reducing risks, the value created is materialised in the sale of mature projects, with use of the revenue for investment in new assets with greater value-creation potential. An example is the transfer to the Meridiam infrastructure fund of 65% of the Ausol toll roads for 451 million euros (with an implicit valuation 60% above the market consensus, showing the strong appetite for this asset category). Cintra continues to be the key industrial partner, with 15% of the asset, on which it has reserved a put option and granted a call option to Meridiam. In addition, Cintra has signed a management contract for the provision of certain long-term concession services.

NORTH AMERICA

96%

Cintra valuation

CONCESSIONS

23

Assets in 9 countries

KILOMETERS

1,474

DIVIDENDS (€M)

494

309 M€ from 407ETR and 166 M€ from NTE

61% of total flow (ex-Infra)

INVESTMENT MANAGED (M€)

21,949

94% International



CLICK

Managed Lanes

Socially responsible infrastructures

Owing to their complexity, innovation and efficiency, Cintra's projects offer sustainable solutions that improve congestion in large cities, reduce pollution, reduce accidents, increase users' satisfaction by improving its safety and people's quality of life. In the state of Texas, Cintra is operating the first carbon neutral toll road, the NTE, a feature that is evident when comparing the pre-existing scenario (existing road) and the present (the existing road plus the NTE), meaning that there is no emissions increase in the region despite the greater capacity of the infrastructure because of the reduction in congestion.

Users: excellence in service

Client satisfaction is a priority for Cintra. In 2019, the 407 ETR Toll Road achieved its high levels of client satisfaction of 87% in toll road service and in its call center, which handled 3.3 million requests and again won awards for its excellence in the quality of service for the sixth consecutive year as a World Class Call Center.

Employees: support for merit

Cintra offers opportunities for the professional development of all its employees by promoting internal mobility and ensuring that merit is the decisive factor in their career. In 2019, 16% of structure employees changed their job or location, and one of each four people are working in an international assignment.

NEW MANAGED LANES IN THE 35W: 3C SECTION

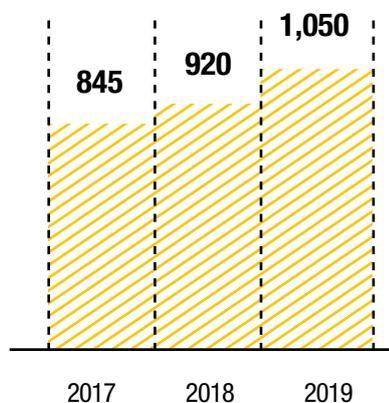
In 2019, Cintra financially closed a new section of the NTE 35W Toll Road, the 3C, in Texas, a Managed Lanes project of high technical complexity and high concession value, with an investment of roughly 1 billion dollars and a concession term of nearly 50 years. The agreement includes work on a section of nearly 11 kilometres of road, with renovation of existing lanes, which will remain toll-free; and the construction of two Managed Lanes in each direction, in addition to acceleration lanes. To finance the investment, Cintra has undertaken an issue of 750 million dollars in private activity bonds (PABs), with profitability (yield to worst) of 3.25% and maturing in 2058. The issue was also very successful among investors. The debt received a BBB rating from Fitch Ratings and Baa3 from Moody's.

URBAN MOBILITY PRICING

Cintra actively participates in initiatives to reduce pollution and congestion in urban areas through a sustainable approach. Ferrovial is developing a strategy to generate the right incentives to use more sustainable modes of transport in the city. Applying intelligent tariffs to available capacity can encourage the use of less polluting and higher occupancy vehicles at off-peak times, giving citizens more options, while reducing congestion and pollution, and ultimately creating more liveable cities.

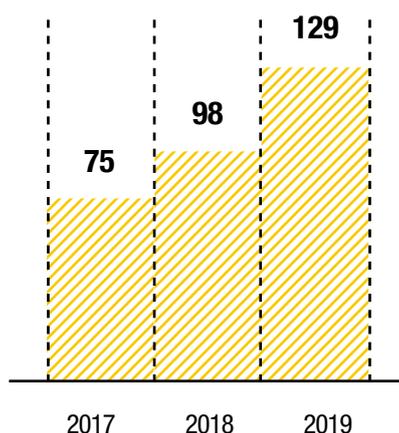
407 ETR (CANADA)

Dividends MCAD



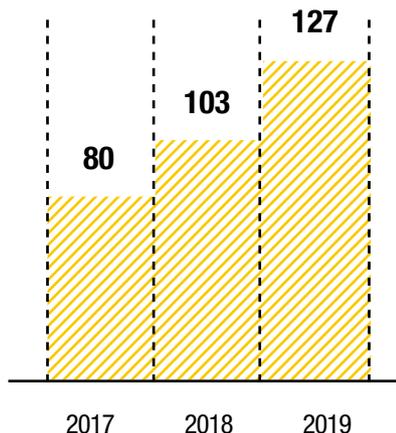
NTE (US)

EBITDA M\$



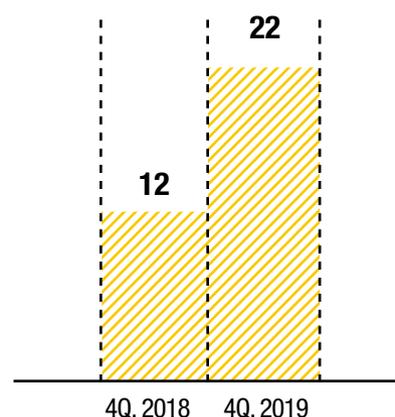
LBJ (US)

EBITDA M\$



NTE 35W* (US)

EBITDA M\$



* Data related to the last quarter of 2018 and 2019. The toll road opened in July 2018.

407 ETR CONTRIBUTION

407 ETR IS WELL KNOWN TO BE FAST, SAFE AND RELIABLE - THE THREE MAIN REASONS WHY OVER 400,000 DRIVERS AND THEIR PASSENGERS USE THE TOLL ROAD EACH WORKDAY IN TORONTO. THE ALL-ELECTRONIC BARRIER FREE TOLL ROADS MEANS DRIVERS ENTER AND EXIT WITHOUT HAVING TO WAIT AT CONGESTION CAUSING TOLL BOOTHS. DRIVERS OF 407 ETR ALSO REPORT SAVINGS ON FUEL AND VEHICLE MAINTENANCE COSTS AND KNOW THAT DRIVING THE TOLL ROAD REDUCES CARBON EMISSIONS.

GREAT FOR YOU, GREAT FOR ONTARIO

\$15.9 billion of economic benefits supported by Toll roads 407 ETR within Ontario since 1999.



KEEPING DRIVERS MOVING

Over 400,000 drivers and their passengers each workday, using Toll roads 407 ETR—the toll roads has increased capacity steadily to meet demand and keep traffic moving at the most important times of the day.



FEWER EMISSIONS

While driving at a safe and consistent speed on Toll roads 407 ETR—avoiding traffic congestion elsewhere—harmful vehicle emissions are reduced by 108 million kilograms of CO₂ every year.



SAFETY IS OUR PRIORITY

Over 3,000 drivers are assisted by our toll roads Safety Patrollers every year.

SUPPORTING ONTARIO

\$724 million /year of economic benefits (including employment, wages, government revenue and household income) supported by Toll roads 407 ETR within Ontario.



KEEPING TRANSIT ON-TIME

Each workday, public transit agencies move over 86,000 passengers on 407 ETR, making 1,750 trips.

MAINTENANCE AND IMPROVEMENTS

\$34 million towards maintenance and improvements in 2019: 60 km of concrete lanes—grinding and grooving, 12 km of asphalt lanes resurfaced, in addition to 13 bridges, 14 km of new lanes added between Markham Rd. and York Durham Line.



MOVING LARGE BUSINESSES

Truck traffic on 407 ETR has grown by over one million trips per year in the last 10 years and each workday, businesses make approximately 140,000 trips on Toll Road 407 ETR.

TIME SAVINGS

30.4 million hours /year saved by 407 ETR drivers. 22.7 million hours saved by personal vehicle drivers and another 7.7 million hours saved by businesses.

