Business performance 9M2022

1. FCC GROUP – EXECUTIVE SUMMARY

KEY FIGURES

(Millions of euros)	**Sept. 22**	**Sept. 21**	**Chg. (%)**
Revenue	5,542.1	4,864.1	13.9%
Gross Operating Profit (EBITDA)	940.2	814.7	15.4%
EBITDA Margin	17.0%	16.7%	*0.2 p.p*
Income attributable to the parent company	358.3	384.9	-6.9%
	Sept. 22	**Dec. 21**	**Chg. (%)**
Equity	5,078.4	4,440.7	14.4%
Net financial debt	3,547.6	3,225.7	10.0%
Backlog	39,849.2	30,196.9	32.0%

In the first nine months of 2022, the FCC Group increased its revenues by 13.9% to €5,542.1 million thanks to the sustained double-digit increase in activity in all business areas, among which the organic expansion in Environment and the expansion of the perimeter of the Real Estate area, executed in November 2021, stood out for their contribution.

EBITDA grew in this period to €940.2 million, up 15.4%, supported by the increase recorded in revenues, together with the increase in profitability generated in the Water and Real Estate activities, largely due to the effect of acquisitions and incorporations carried out since the fourth quarter of 2021. This offset the effect of higher energy costs in operating operations, especially visible in Cement, bringing the Group's gross operating margin to 17%, up from the same period in 2021.

It is worth mentioning that in the first and third quarters of last year the effect of the sale of various infrastructure concessions and Energy investee assets was recorded, which accounted for a combined contribution of €89.2 million, distributed between the headings of Other operating income (€9.6 million), Equity method (€66.9 million) and Financial (€12.7 million). In contrast, the positive effect of the exchange rate has increased the contribution of this heading by €68.8 million compared to the previous year. The combination of these two non-recurring events, together with the increase in the profit attributable to minority interests, largely explains why the profit attributable to the parent company was €358.3 million, 6.9% lower than in 2021.

Net financial debt ended the period at €3,547.6 million, up 10% on December 2021, almost entirely explained by the acquisition and incorporation into the balance sheet of the operating debt of GGU (owner and operator of the integral water cycle facility in the capital of Georgia) at the Water division. There was also an increase in planned investments in the start-up and development of new assets, mainly at the Environment and Water divisions. As a result, total payments for investments reached €711.7 million until September (€159 million corresponding to the acquisition of GGU), compared to €311.3 million in the same period of 2021.

Equity grew by 14.4% to €5,078.4 million, due to the increase in the Group's consolidated result to €485.6 million, of which €358.3 million corresponded to the parent company and €127.3 million to minority shareholders, mainly located in the Water area and to a lesser extent in Real Estate.

The FCC Group's revenue portfolio at 30 September amounted to €39,849.2 million, with a significant increase of 32%, balanced among all business areas, among which Construction stands out, followed by the increase in contracting in Water and Environment.

2. FCC GROUP – KEY FIGURES BY AREA

(Millions of euros)

Area	Sept. 22	Sept. 21	Chg. (%)	% of 22 total	% of 2021 total
REVENUE BY BUSINESS AREA					
Environment	2,692.4	2,397.4	12.3%	48.6%	49.3%
Water	970.3	870.5	11.5%	17.5%	17.9%
Construction	1,362.6	1,209.7	12.6%	24.6%	24.9%
Cement	377.3	325.6	15.9%	6.8%	6.7%
Real Estate	157.0	51.7	N/A	2.8%	1.1%
Corporate serv. and others	(17.5)	9.2	N/A	-0.3%	0.2%
Total	**5,542.1**	**4,864.1**	**13.9%**	**100.0%**	**100.0%**
REVENUE BY GEOGRAPHICAL AREA					
Spain	3,080.3	2,867.3	7.4%	55.6%	58.9%
United Kingdom	768.3	624.7	23.0%	13.9%	12.8%
Rest of Europe and Others	638.2	589.3	8.3%	11.5%	12.1%
Latin America and the USA.	502.9	276.1	82.1%	9.1%	5.7%
Czech Republic	293.6	258.7	13.5%	5.3%	5.3%
Middle East & Africa	258.8	248.0	4.4%	4.7%	5.1%
Total	**5,542.1**	**4,864.1**	**13.9%**	**100.0%**	**100.0%**
EBITDA*					
Environment	428.1	386.2	10.8%	45.5%	47.4%
Water	263.0	217.1	21.1%	28.0%	26.6%
Construction	86.5	75.6	14.4%	9.2%	9.3%
Cement	22.1	65.1	-66.0%	2.4%	8.0%
Real Estate	84.1	11.2	652.7%	8.9%	1.4%
Corporate serv. and others	56.4	59.5	-5.3%	6.0%	7.3%
Total	**940.2**	**814.7**	**15.4%**	**100.0%**	**100.0%**

Area	Sept. 22	Dec. 21	Chg. (%)	% of 22 total	% of 2021 total
NET FINANCIAL DEBT*					
Corporate					
With recourse	(392.5)	(326.0)	20.4%	-11.1%	-10.1%
Without recourse	0.0	0.5	-100.0%	0.0%	0.0%
Operating					
Environment	1,255.0	1,289.7	-2.7%	35.4%	40.0%
Water	1,576.9	1,247.6	26.4%	44.4%	38.7%
Cement	144.5	124.4	16.2%	4.1%	3.9%
Real Estate	963.7	889.7	8.3%	27.2%	27.6%
Total	**3,547.6**	**3,225.7**	**10.0%**	**100.0%**	**100.0%**
BACKLOG*					
Environment	13,148.8	10,746.4	22.4%	33.0%	35.6%
Water	20,441.8	15,361.1	33.1%	51.3%	50.9%
Construction	6,081.2	3,981.3	52.7%	15.3%	13.2%
Real Estate	177.4	108.1	64.2%	0.4%	0.4%
Total	**39,849.2**	**30,196.9**	**32.0%**	**100.0%**	**100.0%**

** See page 13 for a definition of the calculation in accordance with ESMA Guidelines (2015/1415en).*

3. PERFORMANCE BY BUSINESS AREA

3.1. Environment

(Millions of euros)	**Sept. 22**	**Sept. 21**	**Chg. (%)**
Revenue	2,692.4	2,397.4	12.3%
EBITDA	428.1	386.2	10.8%
EBITDA Margin	15.9%	16.1%	*-0.2 p.p*

Revenues in the Environment area increased by 12.3% to €2,692.4 million, due to the entry into operation of new contracts for street collection and cleaning in Spain and the US, and also due to increased treatment and recovery activity in the US, the UK and to a lesser extent Central Europe.

Breakdown of revenue by geographical area

(Millions of euros)	**Sept. 22**	**Sept. 21**	**Chg. (%)**
Spain	1,456.4	1,351.9	7.7%
United Kingdom	593.3	524.4	13.1%
Central Europe	449.9	413.4	8.8%
United States and other	192.8	107.7	79.0%
Total	**2,692.4**	**2,397.4**	**12.3%**

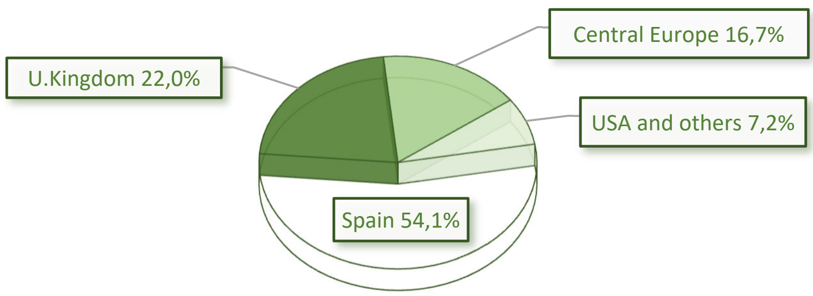
By geographical area, revenues in Spain grew by 7.7% to €1,456.4 million due to the good performance of waste collection and street cleaning activities, which were strengthened by new contracting, offsetting the slight decrease in urban waste treatment activity due to the reduction in revenues linked to the development phase of plants that are now fully operational.

In the United Kingdom, turnover grew by 13.1% to €593.3 million, supported by the increase in revenues generated in the recovery plants together with the favourable exchange rate trends (the pound sterling appreciated by 1.9% in the period).

In Central Europe, revenues increased by 8.8% to €449.9 million due to growth in all activities, especially by-product treatment and recovery, and in all countries of operation, mainly in the Czech Republic (also supported by the 4.5% appreciation of the Czech koruna against the euro) and Austria.

Finally, revenues in the US and other markets increased by a remarkable 79% to €192.8 million, due to the contribution of new contracts in the collection and treatment activities, mainly in the Florida, Texas and California markets and supported by the appreciation of the US dollar (12.4% in the period).

Breakdown of revenue by geographical area



EBITDA increased by 10.8% to €428.1 million based on the performance in revenues and higher by-product prices in the waste treatment and recovery activities, which offset the higher energy costs in the period. As a result, the operating margin remains at similar levels to the previous year, which also reflects a higher relative weight of activities in Other urban environmental services.

Breakdown of backlog by geographical area

(Millions of euros)	**Sept. 22**	**Dec. 21**	**Chg. (%)**
Spain	7,626.6	6,300.6	21.0%
International	5,522.2	4,445.8	24.2%
Total	**13,148.8**	**10,746.4**	**22.4%**

At the end of September, the portfolio registered in the Area amounted to €13,148.8 million, 22.4% more than in December 2021. In Spain, there was a high level of contracting, including the contract for urban waste collection and street cleaning in Zaragoza and the renovation of urban sanitation in the city of Vigo. In the international area, there is also a significant increase due to new contracting in Placer County in California (where only the first agreed management period is included) and Florida, both in the USA.

Operational and contracting milestones

- In Spain, FCC Medio Ambiente has maintained a positive rate of growth with various awards: in Zaragoza for urban waste collection and street cleaning in the capital, for more than €618 million over the next 10 years; in Vigo for waste management and street cleaning for the next 10 years, extendable to 12, for €380 million; renewal of the street cleaning and waste collection contract with the renovation and operation of the light packaging sorting plant in Salamanca, with a portfolio of €231.6 million over the next 12 years; renewal of the urban sanitation contract in Gerona for 8 years for €107 million; extension for 8 years of the Badajoz City Council contract for street cleaning and waste collection, for €84 million and in Mijas the awarding of the street cleaning and USW service for 10 years for €80 million.
- Also in relation to Treatment, in March the joint venture in which FCC Medio Ambiente holds a 29% interest was awarded the contract for the management of the waste complex on the island of Tenerife, for an attributable amount of €107.7 million and with a contract term of 15 years, extendable for a further four years.
- In the United Kingdom, the backlog of recycling reception and sorting centres was expanded to include a further nine centres in the county of Buckinghamshire, subject to a contract term of five years, extendable for a further five years, serving a population of over half a million inhabitants. The service, which began in April, will manage more than 60,000 tonnes of household waste per year and will help the company achieve its reuse and recovery targets, with the specific objective that the new waste sorting centres achieve at least 68% recovery of the total volume they receive.
- Several new contracts have been awarded in the United States: in April, the renovation and operation of a municipal solid waste treatment environmental complex in Placer County (California), involving a portfolio of some USD 1.5 billion for a 10-year term and two possible five-year extensions. The complex, with a capacity of 650,000 tonnes per year, will be one of the largest plants of its kind in the world.
- In addition, last May it won the contracting for the residential collection of solid urban waste in the city of Port Saint Lucie, Florida. The contracting represents a portfolio of more than €300 million for a seven-year term with a possible extension for a further three years and in the same state the contract for the collection of municipal solid waste from the City of Palm Coast and Lake County has been awarded for a combined amount of €145 million.

3.2. Water

(Millions of euros)	**Sept. 22**	**Sept. 21**	**Chg. (%)**
Revenues	970.3	870.5	11.5%
EBITDA	263.0	217.1	21.1%
EBITDA Margin	27.1%	24.9%	*2.2 p.p*

Revenues increased by 11.5% to €970.3 million due to the increase in the concessions and services business, supported mainly by the inclusion of Georgia Global Utilities (GGU) in the scope of consolidation since February and, to a lesser extent, by the recovery of consumption by non-residential customers and in tourist areas. In contrast, there was less activity in technology and networks due to the entry into the completion phase of some unique international projects, especially in the Middle East and Africa, which was only partially offset by the growth of this activity in Spain.

Breakdown of revenue by geographical area

(Millions of euros)	**Sept. 22**	**Sept. 21**	**Chg. (%)**
Spain	639.2	607.1	5.3%
Central and Eastern Europe	137.2	82.7	65.9%
Middle East, Africa and Other	98.1	79.6	23.2%
Rest of Europe (France, Portugal and Italy)	64.1	60.3	6.3%
Latin America	31.7	40.8	-22.3%
Total	**970.3**	**870.5**	**11.5%**

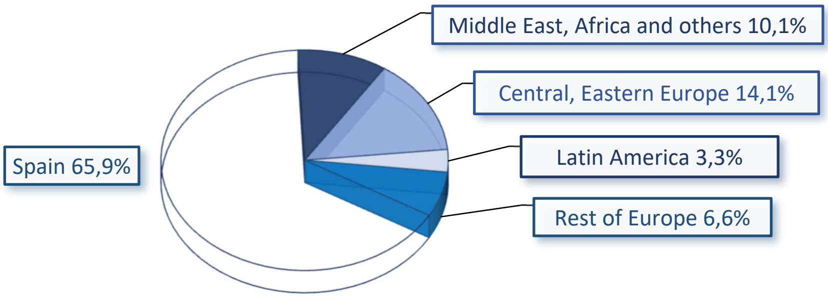
By geographic area, revenues in Spain grew by 5.3% to €639.2 million, due to the concessions activity with volume growth in the non-domestic market together with an increase in tariffs and on the other hand in the Technology and Networks activity due to the increased execution of works associated with the investment plans of the operating concession contracts.

In Central and Eastern Europe, turnover grew by a remarkable 65.9% to €137.2 million, mainly due to the contribution of the concessions business from the aforementioned acquisition of 80% of GGU last February. The Czech Republic also recorded a favourable performance supported by the tariff revision and the positive exchange rate effect of the Czech koruna (+4.5% in the period). In the Rest of Europe there was also growth in turnover due to increased concession activity with increases in non-domestic consumption and tariff updates.

In the Middle East and Others, revenues increased by 23.2% to €98.1 million due to the higher contribution from the concession business, which offset the lower contribution from Technology and Networks due to the completion of projects in Egypt and Riyadh (Saudi Arabia).

Lastly, in the Latin America area, there was a 22.3% decrease in revenues due to the lower planned activity of Technology and Networks in Mexico and Colombia, which still does not offset the contracting obtained, especially in the latter country.

Breakdown of revenue by geographical area



Gross operating profit (EBITDA) increased by 21.1% to €263 million, due to the aforementioned growth in revenues and the contribution of the company GGU due to its incorporation into the consolidation perimeter with a higher contribution margin given its proprietary profile of the integrated cycle service provided. This has offset the effect of the increase in costs, in particular energy costs. As a result, the operating margin rose to 27.1% in the period.

Breakdown of backlog by geographical area

(Millions of euros)	**Sept. 22**	**Dec. 21**	**Chg. (%)**
Spain	6,996.2	7,149.6	-2.1%
International	13,445.6	8,211.5	63.7%
Total	**20,441.8**	**15,361.1**	**33.1%**

The portfolio at the end of September amounted to €20,441.8 million, 33.1% more than at the end of 2021. The international area recorded growth of 63.7%, primarily due to the aforementioned acquisition of the company GGU in February, and also due to new contracting, especially in Saudi Arabia and Colombia.

Operational and contracting milestones

- In February, the consortium led by FCC (45%) and comprising other international and Saudi groups was awarded the public tender for the management, operation and maintenance (MOM) contract for the integrated water cycle facilities in the southern regions of Assir, Jazan, Baha and Najran in Saudi Arabia. The Southern Cluster, whose water services will be managed by the consortium for a term of seven years, brings together four provinces and is home to a population of more than five million people in an area spanning more than 200,000 km^2. The revenue backlog associated with this contract exceeds €108 million.

- In addition, at the beginning of September, another consortium led by FCC Aqualia (51%) together with local firms, won the contract for consultancy, operation and maintenance of the Northern Cluster, for 7 years and a portfolio of €88 million. The water management contracting covers four regions: Qassim, Hail, Al-Jouf and Northern Border; it has a population of three million people in an area equivalent to three quarters of Spain.

- Renovation in Spain of the integral cycle service of Llucmajor for 20 years and €168 million, and also that of the city of Garrucha for a further €39 million and a term of 25 years.

- Contract awarded for the operation, extension and rehabilitation of the aqueduct and sewerage services in Flandes (Colombia) for €77.5 million and a 20-year term.

3.3. Construction

(Millions of euros)	**Sept. 22**	**Sept. 21**	**Chg. (%)**
Revenues	1,362.6	1,209.7	12.6%
EBITDA	86.5	75.6	14.4%
EBITDA Margin	*6.3%*	*6.2%*	*0.1 p.p*

The area's revenues increased by 12.6% to €1,362.6 million, due to the good progress of projects initiated and increases in work on projects under development in the main international geographies where the Area operates, only moderated by a lower contribution from projects nearing completion.

Breakdown of revenue by geographical area

(Millions of euros)	**Sept. 22**	**Sept. 21**	**Chg. (%)**
Spain	622.5	653.7	-4.8%
Rest of Europe and Others	335.7	284.6	18.0%
Latin America and Canada	292.8	153.6	90.6%
Middle East and Africa	111.6	117.8	-5.3%
Total	**1,362.6**	**1,209.7**	**12.6%**

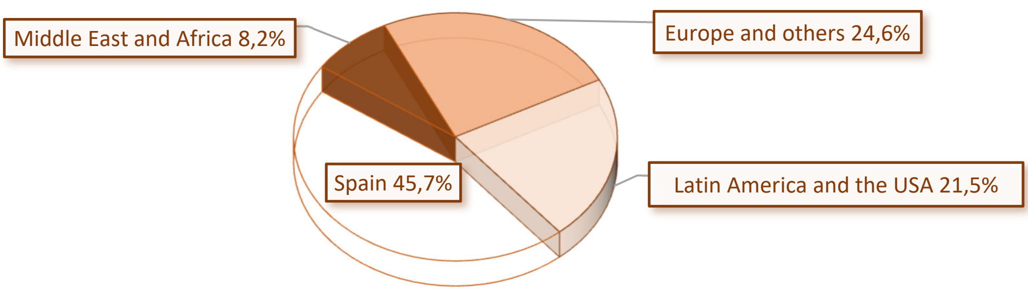
By geographical area, turnover in Spain was at €622.5 million, a contraction of 4.8%, in which the good pace of work on the Santiago Bernabéu stadium continues to stand out, compared to the slower execution of work on other private and public works.

In the Rest of Europe, turnover grew by 18% to €335.7 million, an increase mainly due to the higher contribution of motorway projects in the Netherlands and the United Kingdom (A-9 and A-465, respectively), which offset the lower weight of other projects, such as the Haren penitentiary centre in Belgium.

In Latin America and Canada, revenues increased by a remarkable 90.6% to €292.8 million, mainly due to the higher contribution from the construction of the Maya train in Mexico, and also from other projects, such as the one initiated in Canada.

The Middle East recorded a decrease of 5.3% to €111.6 million, which is due to the advanced state of the Riyadh Metro extension works. The work completion date was extended to April 2024, with a new contracting of over €200 million. In this same geography, the recent awarding of a contract in the new city of NEOM will be added, with greater future activity.

Breakdown of revenue by geographical area



Gross operating profit reflected the increase in revenues to €86.5 million. This increase is mainly due to the regularisations of the degree of progress in certain international projects: Riyadh Metro and Maya Train. The operating margin remained stable at 6.3%, slightly higher than in the same period of the previous year.

Breakdown of backlog by geographical area

(Millions of euros)	**Sept. 22**	**Dec. 21**	**Chg. (%)**
Spain	1,950.6	1,368.0	42.6%
International	4,130.6	2,613.3	58.1%
Total	**6,081.2**	**3,981.3**	**52.7%**

The revenue portfolio at the end of the third quarter was €6,081.2 million, with a notable growth of 52.7% compared to the end of 2021, which occurs in both domestic and international activity. In Spain, with an increase of 42.6%, the construction of a section of the Mediterranean Railway Corridor through Murcia and the new Puertollano Hospital, among other works, were added. International is where the greatest progress was made, 58.1%, with the major project for the construction of the tunnels of the new city of NEOM in Saudi Arabia, together with those obtained in previous quarters, such as the RER-3 project in Canada, the Sotra bridge in Norway and the aforementioned increases in scope for the Maya Train and the Riyadh Metro.

Operational and contracting milestones

- In Spain, the contracting of a section of the platform of the Mediterranean rail corridor passing through Totana (Murcia) for €106.7 million stands out, together with the contracting last January of the work on the new Puertollano Hospital for €96 million. The hospital will have 50,000 square metres dedicated to health care and a further 30,000 square metres of parking. It is estimated that work will begin in the last quarter of the year and that the infrastructure could be completed in the second half of 2026.

- FCC Industrial has won Lot 1 of the Madrid City Council's public lighting maintenance services contract for €25.5 million and a three-year term.
- In March, the consortium in which FCC Construcción holds a 50% interest was the first bidder for the construction of a suburban railway line in Toronto (Canada). The contract includes the design, construction, operation and maintenance of a commuter rail network in the metropolitan area. The project has a total budget of more than €4 billion, though notably the award and contract performance phase will be progressive based on the agreement reached between the parties. At 30 September, the amount included in the portfolio was €171 million.
- FCC Construcción (35%), in consortium with Italian company Webuild (35%) and Korean company SK ecoplant (30%), has been awarded the design and construction of the Sotra Link project in Norway. The project involves the construction of the RV 555 Sotrasambandet motorway, which will link the island of Sotra in the province of Hordaland with the city of Bergen. Sotra Link is part of the Sotra Connection PPP project awarded by the Norwegian Public Roads Administration (NPRA). It is the largest road infrastructure contract in Norway's history and features an overall budget of around €1.23 billion, which will be implemented through a public-private partnership model.
- Last June a consortium led by FCC Construcción won the contract to build the first tunnels for high-speed and freight railways, as well as the 28-kilometre-long subways in the new city of Neom (Saudi Arabia) for €734.5 million.
- Last February, an amendment to the construction contract for the Maya Train was signed in Mexico to adjust the performance period and add a further €250 million to the value of the contract.

3.4. Cement

(Millions of euros)	**Sept. 22**	**Sept. 21**	**Chg. (%)**
Revenues	377.3	325.6	15.9%
EBITDA	22.1	65.1	-66.0%
EBITDA Margin	*5.9%*	*20.0%*	*-14.1 p.p*

Revenues in the area increased by 15.9% to €377.3 million due to a combination of strong price increases in Spain and to a lesser extent in Tunisia, which have compensated for lower volumes in both markets, together with a good performance of exports from both markets.

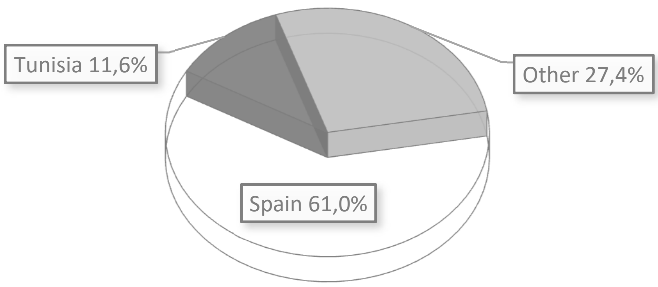
Breakdown of revenue by geographical area			
(Millions of euros)	**Sept. 22**	**Sept. 21**	**Chg. (%)**
Spain	230.1	198.1	16.2%
Tunisia	43.9	45.0	-2.4%
Miscellaneous (exports)	103.3	82.5	25.3%
Total	**377.3**	**325.6**	**15.9%**

By geographical area, turnover in Spain increased by 16.2% to €230.1 million due to the significant increase in prices, which offset the drop in turnover.

In the Tunisian local market, revenues decreased by 2.4% to €43.9 million, where, as in Spain, there was a decrease in demand, which in this case could not be compensated by the lower increase in prices.

Export revenues increased substantially by 25.3%, mainly from Spain to its usual European destinations and, to a lesser extent, from Tunisia to Libya.

Breakdown of revenue by geographical area



Gross operating profit maintained the sharp contraction already recorded in previous periods, down 66% to September at €22.1 million, due to the substantial increase in fuel and electricity prices. In addition, no CO2 allowances were sold, versus €7.8 million in the same period of 2021.

Operational and contracting milestones

- The parent of this division, CPV, has initiated an environmental collaboration project with the Saint-Gobain PAM España group, leader in the production and marketing of ductile iron piping. The project aims to achieve zero non-recyclable waste, following the Europe 2020 roadmap defined by the European Union, by recovering the cement sludge generated during the production process at the Saint-Gobain PAM facility located in Santander, and then converting it into energy to power the furnaces of one of the local factories (Mataporquera in Cantabria).

- The factory in Alcalá de Guadaíra (Seville) has renewed its EMAS Environmental Management and Audit System registration for the thirteenth year. This accreditation certifies that the plant strictly complies with the controls contemplated in its Integrated Environmental Authorisation, so that no exceedance of the established emission limit values has been detected. In this context, it plans to invest €6 million to reduce its energy costs and carbon footprint by replacing the current coke fuel with alternative fuels at its clinker production sites.

- The commitment to environmental sustainability and climate change mitigation is one of the Area's main objectives in the development of its activity. In this sense, the level of substitution of fossil fuels for alternative fuels is around 36% in all factories in Spain.

3.5. Real Estate

(Millions of euros)	**Sept. 22**	**Sept. 21**	**Chg. (%)**
Revenues	157.0	51.7	N/A
EBITDA	84.1	11.2	N/A
EBITDA Margin	*53.6%*	*21.6%*	*32.0 p.p*

The area's revenues amounted to €157 million, a substantial increase compared to the previous year, largely due to the entry into full consolidation of the Realia and Jezzine subgroups in November 2021, which is why the two periods do not present fully comparable figures. By activity in this period, €79.6 million came from the rental property business and a further €77.4 million from the development, sale of housing and land business. This compares with €51.7 million in the same period last year in development and land activities alone.

EBITDA also rose sharply to €84.1 million, again due to the increase in the scope of consolidation in the fourth quarter of 2021. Given the increased weight of property held for rent, there was a marked rise in the division's operating profits to 53.6% of revenues.

Operational and contracting milestones

- On 20 June last, the parent real estate company, FCC Inmobiliaria, completed a partial voluntary public offer to acquire 24% of the share capital of Metrovacesa, S.A., offering a final consideration of €7.20 per share. The CNMV announced on 20 June 2022 that the offer was accepted by 11.47% of Metrovacesa's share capital.

- At the end of September, the Area had 341 units of homes sold pending delivery in the development and sales activity, compared to 174 units in the same period of the previous year.

- The occupancy rate of properties in the property business closed the third quarter at over 94% in tertiary use and 100% in residential assets.

Explanatory note

EBITDA

We define EBITDA as earnings from continuing operations before tax, earnings of companies accounted for using the equity method, financial result, depreciation and amortisation charges, impairment, gains or losses on disposals of non-current assets, grants, net changes in provisions and other non-recurring revenues and expenses.

BACKLOG

The FCC Group uses the backlog as an additional accounting measure in certain areas of our businesses. We calculate the portfolio for our Environment, Water, Construction and Real Estate areas as the business in these areas is based on long to medium-term contracts. Because of its typically short-term purchase cycle, we do not calculate backlog for our Cement business area.

As at any given date, the backlog reflects pending production, that is, amounts under contracts or client orders, net of taxes on production, less any amounts under those contracts or orders that have already been recognised as revenue. We value pending production according to current prices as at the date of calculation. We include in backlog only amounts to which clients are obligated by a signed contract or firm order.

At the Environment division, we recognise the backlog for our waste management contracts only when the relevant contract grants us exclusivity in the geographical area where the plant, landfill or other facility is located.

In our Water business area, we calculate initial backlog on the basis of the same long-term volume estimates that serve as the basis for our contracts with clients and for the tariffs set in those contracts.

In our Construction business area, we recognise the backlog only when we have a signed contract with, or a firm order from, the end client.

In the Real Estate area, the real estate portfolio corresponds to the amount of the collection corresponding to the sales of properties pending formalisation at the end of the period in the Development activity.

Once we have included a contract in our backlog, the value of pending production under that contract remains in backlog until fulfilled or cancelled. However, we do adjust the values of orders in the backlog as needed to reflect any price or schedule changes that may be agreed with the client. For example, after the date of calculation, a price may increase or decrease as a result of changes in contractual production due to additional works to be performed. Due to a number of possible factors, we could fail to realise as revenue part or all of our calculated backlog with regard to a given contract or order. Our backlog is subject to adjustments and project cancellations and is, therefore, an uncertain indicator of future earnings.

In the Real Estate area, the GAV corresponds to the market value of the real estate assets as determined by independent experts and the occupancy rate corresponds to the occupied surface area of the portfolio of rental property assets divided by the surface area of the portfolio.

NET FINANCIAL DEBT

Net financial debt is defined as total gross financial debt (current and non-current) less current financial assets, cash and other cash equivalents.

4. DISCLAIMER

The interim financial information contained in this document was obtained from the consolidated interim financial statements as at 30 September 2022, prepared in accordance with the International Financial Reporting Standards (IFRS) that had been adopted by the European Union at the end of the period, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002.

No liability whatsoever is assumed by the Company, its advisors or representatives, whether for negligence or otherwise, with respect to any loss or damage arising from any use whatsoever of this document or its contents.

This document does not constitute an offering or an invitation to acquire or subscribe shares in accordance with Act 24/1988, of 28 July, on the Securities Market, Royal Decree-Act 5/2005, of 11 March, and/or Royal Decree 1310/2005, of 4 November, and their implementing regulations. In addition, this document is neither an offer to buy nor a solicitation to purchase, sell or exchange shares, nor is it a request for any kind of vote or approval in any other jurisdiction.

Neither this document nor any part of it is contractually binding and may not be used or construed as constituting a contract or any other type of commitment.

5. CONTACT DETAILS

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