Abu Rawash treatment plant.
El Cairo (Egypt)

Report
Earnings 2022

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1. SIGNIFICANT EVENTS

FCC Construcción grows its international portfolio to over €4,700 million

FCC Construcción has grown its global portfolio (+65% year-on-year), both nationally and internationally, which came in at over €4,700 million at year-end, with the following awards worth particular mention:

- Last June a consortium, the contract to build the first tunnels for high-speed and freight railways in Saudi Arabia, as well as the 28-kilometre-long subways in the new city of Neom for €775.2 million, with FCC Construcción leading the consortium.
- In Norway and as part of a consortium with other firms in which the company holds a 35% stake, the design and construction of the Sotra Link project. This project involves the construction of the RV 555 motorway, which will link the island of Sotra with the city of Bergen. This project forms part of the PPP Sotra Connection, the largest road infrastructure contract in Norway, with an overall budget of more than €1,230 million, to be implemented as part of a public-private collaboration model. At 31 December, the amount included in the backlog came to €450.6 million.
- Two railway contracts in Romania for the combined amount of €580 million: the design and construction of the rehabilitation of section 3 Poieni-Alesd and the modernisation of the Caransebes-Timisoara-Arad route.
- 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.
- In Canada:
    - 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 (RER-3). 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 31 December, the amount included in the backlog was €160 million.
    - In November, FCC was awarded 50% of the Stations, Trains and Systems (SRS) contract for the Scarborough Subway extension project, a town located in the eastern part of Toronto, for the amount total of approximately €1,800 million. At 31 December, the amount included in the backlog was €121 million.
- In December, the company was awarded, as part of a consortium, the Major Bridge P3 project in Pennsylvania, USA, consisting of the design, construction, financing and maintenance of six bridges as well as the highway that connects them and the associated infrastructure. The total value of the contract comes in at €1,500 million and at year-end, works for the sum of €123.5 million had been consigned in the backlog.

FCC Medio Ambiente increases its presence in the USA, in waste collection and treatment, with contracts in place worth more than €1,000 million

The subsidiary of FCC Medio Ambiente that provides integrated urban waste management and recycling services in the United States has been awarded several contracts:

- In April, the renovation and operation of a municipal solid waste treatment environmental complex in Placer County (California), involving a portfolio of some $1.5 billion for a 10-year term and two possible five-year extensions. At 31 December, the registered backlog came to €595 million.
- In May, it won the tender for the residential collection of municipal solid waste (MSW) in the city of Port Saint Lucie, Florida. The contract, which started in September, involves a backlog of more than €281 million for a term of seven years, extendable for three additional years.
- Staying in the same state, the company was awarded the contract for the collection of MSW in the city of Palm Coast and Lake County, for the combined amount of €146 million and collection from the remaining public schools in Hillsborough County for the coming 3 years.

In December, a new acquisition was also made in the North American market following the buy-out of Houston Waste Solutions (HWS), one of the largest commercial MSW companies in the Houston metropolitan area. HWS also owns and operates a construction and demolition waste transfer centre in the city. The company serves more than 3,000 customers, with a fleet of 40 lorries, employing 70 people.

FCC Medio Ambiente maintains its leadership position in Spain, with new contracts worth more than €2,300 million

In Spain, FCC Medio Ambiente increased the size of its portfolio by more than 30%, as a result of several awards and renewals: in Zaragoza for urban waste collection and street cleaning in the capital, for more than €627 million over the next 10 years; in Madrid, the MSW contract for the West zone worth €446 million; 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 backlog of more than €236 million over the next 12 years; the award of the street cleaning and MSW contract (as part of a joint venture) in Alicante for the next 8 years worth €196 million; 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 €94 million; in Mijas the awarding of the street cleaning and MSW service for 10 years for €80 million and in Granollers (as part of a joint venture), waste collection and street cleaning services for the next 10 years worth €47 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.

FCC Aqualia awarded new contracts in Saudi Arabia and expands its international end-to-end water cycle management platform

FCC Aqualia has been awarded two new management, operation and maintenance (MOM) contracts in Saudi Arabia for the Southern Cluster and Northern Cluster in the months of February and September, respectively. The contracts (two of the six awarded in which the country has been divided) are for 7 years; the total population served will come to eight million people and the combined associated backlog amounts to €196 million.

In July, FCC Aqualia acquired 100% of the assets of Saur Colombia SAS, including six concessionary companies responsible for the production and distribution of drinking water and sewage in eleven towns across three regions on the northern coast of Colombia. Together, the various acquisitions undertaken in relation to the country's water cycle management amounted to €24 million.

In February, FCC Aqualia purchased 80% of the water business owned by Georgia Global Utilities JSC (GGU), the owner and operator of the water cycle infrastructures in Tbilisi, Mtskheta and Rustavi, Georgia, with an incorporated income backlog of €3,589 million at year-end.

FCC Concesiones acquires 100% of the Murcia tram for €48.5 million

In November, FCC Concesiones completed the buy-out of the remaining 50% of Sociedad Concesionaria Tranvía de Murcia for €48.5 million. The company manages the only line in the city for a period of 40 years, providing regular transport under a municipal concession. Its "V"-shaped structure is 18 kilometres long and connects the northern area of Murcia (universities, department stores and residential areas) to the city centre.

The Real Estate area steps up its development potential acquiring a share in Metrovacesa

On 24 April, the head of the Group's real estate area, FCC Inmobiliaria, launched a partial takeover bid for 24% of the capital in Metrovacesa; following this transaction, and based on the results published by the stock market regulator on 21 June, this saw the company's share in Metrovacesa come to 11.47%. Subsequently, last December, Metrovacesa distributed a scrip dividend, after which and based on the most recent notification sent to the National Securities Market Commission, FCC Inmobiliaria's holding amounts to 14.3%.

2. EXECUTIVE SUMMARY

KEY FIGURES

(million euros)	**Dec. 22**	**Dec. 21**	**Chg. (%)**
Revenue	7,705.7	6,659.3	15.7%
Gross Operating Profit (EBITDA)	1,311.4	1,126.6	16.4%
EBITDA Margin	17.0%	16.9%	*0.1 p.p*
Net Operating Profit (EBIT)	610.5	802.2	-23.9%
EBIT Margin	*7.9%*	*12.0%*	*-4.1 p.p*
Income attributable to the parent company	315.2	580.1	-45.7%
Equity	4,939.0	4,440.7	11.2%
Net financial debt	3,192.7	3,225.7	-1.0%
Backlog	40,273.8	30,196.9	33.4%

This year, the FCC Group saw its revenue increase to €7,705.7 million, 15.7% up on 2021. The positive performance seen in all business activities is worth particular note, with double-digit increases. Particularly impressive was the growth in the Real Estate area, thanks to the wider perimeter of consolidation following the corporate transactions undertaken at the end of 2021.

Gross operating income (Ebitda) increased by 16.4% to €1,311.4 million. This is attributable to the combination of the increase in revenues and sustained operating margins in many activities, including the increases seen in the Water and Real Estate areas on account of the various acquisitions made, while the Cement area saw its revenue drop due to the higher costs of energy incurred as part of its operations. All in all, the gross operating margin stood at 17%, slightly up on last year.

In turn, Ebit came to €610.5 million, down on account of the aforementioned increase in Ebitda; this year, the figure included the reduction in the book value of goodwill in the Cement area for the sum of €200 million, attributable to the aforementioned adverse circumstances affecting its operating expenses. This contrasts with the positive net contribution of several items in 2021 under this heading, coming to a total combined value of €127.9 million, including the adjustment of the market value of several rental assets in the Real Estate area following their inclusion in the global consolidation perimeter.

Attributable net income reached €315.2 million, 45.7% down year-on-year. This change is attributable, in addition to the aforementioned performance of Ebit, the joint effect of a €56.5 million drop in Earnings from companies under the equity accounting method and Other financial profit/(loss), which, spread across several headings, include the 2021 impact of the sale of minority holdings in different companies, mainly concessions and energy.

Net financial debt ended the year at €3,192.7 million, slightly down compared to the end of 2021. This stable performance was achieved at the same time as significant investments were made in the year (with net payments of €1,010.6 million), in addition to the incorporation of the operating debt of various companies acquired on to the balance sheet, including GGU (owner and operator of the end-to-end water cycle in the Georgian capital) in the Water area and the Murcia tram in Concessions, with combined financial debt coming to €289.1 million.

Equity, standing at €4,939 million, grew by 11.2% compared to the figure recognised at the end of 2021, largely attributable to the contribution of consolidated profit for the year.

The FCC Group's income backlog stood at €40,273.8 million at year-end, maintaining the sustained growth seen throughout the year and generating an increase of 33.4%, with a notable increase in all business areas, with particular mention doing to the volume of contracts in the Water area and the 65.4% variation seen in Construction.

3. SUMMARY BY BUSINESS AREA

(Million euros)

Area	Dec. 22	Dec. 21	Chg. (%)	% of 22 total	% of 2021 total
REVENUE BY BUSINESS AREA					
Environment	3,641.1	3,244.9	12.2%	47.3%	48.7%
Water	1,323.2	1,169.5	13.1%	17.2%	17.6%
Construction	1,966.9	1,659.6	18.5%	25.5%	24.9%
Cement	516.5	433.8	19.1%	6.7%	6.5%
Real Estate*	270.8	147.9	83.1%	3.5%	2.2%
Corporate serv. and others	(12.8)	3.6	N/A	-0.2%	0.1%
Total	**7,705.7**	**6,659.3**	**15.7%**	**100.0%**	**100.0%**
REVENUE BY GEOGRAPHICAL AREA					
Spain	4,271.2	3,943.8	8.3%	55.4%	59.2%
United Kingdom	1,048.4	855.6	22.5%	13.6%	12.8%
Rest of Europe and Others	879.7	811.5	8.4%	11.4%	12.2%
America	760.3	376.0	102.2%	9.9%	5.6%
Czech Republic	385.4	346.6	11.2%	5.0%	5.2%
Middle East & Africa	360.7	325.8	10.7%	4.7%	4.9%
Total	**7,705.7**	**6,659.3**	**15.7%**	**100.0%**	**100.0%**
EBITDA**					
Environment	593.1	535.1	10.8%	45.2%	47.5%
Water	350.2	298.9	17.2%	26.7%	26.5%
Construction	122.8	102.6	19.7%	9.4%	9.1%
Cement	30.3	76.1	-60.2%	2.3%	6.8%
Real Estate*	142.6	40.0	N/A	10.9%	3.6%
Corporate serv. and others	72.4	73.9	-2.0%	5.5%	6.6%
Total	**1,311.4**	**1,126.6**	**16.4%**	**100.0%**	**100.0%**
OPERATING PROFIT/(LOSS)					
Environment	304.7	285.4	6.8%	49.9%	35.6%
Water	203.8	181.3	12.4%	33.4%	22.6%
Construction	89.4	71.1	25.7%	14.6%	8.9%
Cement	(203.3)	(90.3)	125.1%	-33.3%	-11.3%
Real Estate*	165.7	298.3	-44.5%	27.1%	37.2%
Corporate serv. and others	50.2	56.4	-11.0%	8.2%	7.0%
Total	**610.5**	**802.2**	**-23.9%**	**100.0%**	**100.0%**
NET FINANCIAL DEBT**					
Corporate					
With recourse	(840.1)	(326.0)	157.7%	-26.3%	-10.1%
Without recourse	87.1	0.5	N/A	2.7%	0.0%
Areas					
Environment	1,227.6	1,289.7	-4.8%	38.5%	40.0%
Water	1,642.8	1,247.6	31.7%	51.5%	38.7%
Cement	157.6	124.4	26.7%	4.9%	3.9%
Real Estate*	917.7	889.7	3.1%	28.7%	27.6%
Total	**3,192.7**	**3,225.7**	**-1.0%**	**100.0%**	**100.0%**
BACKLOG**					
Environment	13,255.5	10,746.4	23.3%	32.9%	35.6%
Water	20,312.7	15,361.1	32.2%	50.4%	50.9%
Construction	6,586.0	3,981.3	65.4%	16.4%	13.2%
Real Estate*	119.6	108.1	10.6%	0.3%	0.4%
Total	**40,273.8**	**30,196.9**	**33.4%**	**100.0%**	**100.0%**

****Real Estate presents its consolidated key figures for both business years separately.***

*** See page 29 for a definition of the calculation in accordance with ESMA rules (2015/1415en).*

4. INCOME STATEMENT

(million euros)	Dec. 22	Dec. 21	Chg. (%)
Revenue	**7,705.7**	**6,659.3**	**15.7%**
Gross Operating Profit (EBITDA)	**1,311.4**	**1,126.6**	**16.4%**
EBITDA Margin	*17.0%*	*16.9%*	*0.1 p.p*
Provision for amortisation of fixed and non-current assets	(519.7)	(452.3)	14.9%
Other operating income	(181.1)	127.9	N/A
Net Operating Profit (EBIT)	**610.5**	**802.2**	**-23.9%**
EBIT margin	*7.9%*	*12.0%*	*-4.1 p.p*
Financial income	(119.1)	(110.5)	7.8%
Other financial profit/(loss)	29.6	57.5	-48.5%
P/L of companies accounted for by the equity method	29.6	58.2	-49.1%
Profit/(loss) before tax from continuing activities	**550.7**	**807.5**	-31.8%
Company tax on profits	(72.7)	(130.2)	-44.2%
Income from continuing operations	**477.9**	**677.3**	**-29.4%**
Net Income	**477.9**	**677.3**	**-29.4%**
Non-controlling interests	(162.7)	(97.1)	67.6%
Income attributable to the parent company	**315.2**	**580.1**	**-45.7%**

4.1 Revenue

Consolidated revenue grew to €7,705.7 million, up by 15.7% year-on-year. This performance was maintained throughout the year as a result of the combination of sustained organic growth in all business areas, enhanced by the contribution to the perimeter of the acquisitions made in the Real Estate and Water areas.

By the different business areas:

Environment recorded an increase of 12.2%, thanks to the general expansion in its various operating platforms, mainly due to the combination of the entry into service of new treatment contracts and street cleaning activity in Spain and collection and treatment in the USA, together with the increase in revenues in Central Europe and the UK, especially linked to waste treatment and recovery activities.

The revenue recognised by the Water area grew by 13.1%, on account of several factors, including the contribution of the end-to-end cycle management operations acquired in Georgia combined with the recovery in consumption across all geographies in the main water cycle management activity, mitigating the lower-than-expected contribution of Technology and Networks activities as a number of one-off international projects came to an end.

In Construction, revenue experienced growth of 18.5% compared to 2021, with a notable increase in Mexico, the UK and the Netherlands, although this was dragged down to some extent by completed or advanced projects, especially in Spain and Belgium.

The Real Estate area, for which figures have been presented separately since the fourth quarter of last year, enjoyed a significant increase in revenue to €270.8 million, up by 83.1% year-on-year, thanks both to the inclusion of Realia and Jezzine in the global consolidation perimeter in November 2021 and the increase in income during this period from both development activity and, to a lesser extent, from rental property.

Finally, in the Cement area, revenue enjoyed double-digit growth of 19.1% during the period, largely due to the increase in sales in Spain and exports.

Revenue breakdown by geographical area			
(Million euros)	**Dec. 22**	**Dec. 21**	**Chg. (%)**
Spain	4,271.2	3,943.8	8.3%
United Kingdom	1,048.4	855.6	22.5%
Rest of Europe and Others	879.7	811.5	8.4%
America	760.3	376.0	102.2%
Czech Republic	385.4	346.6	11.2%
Middle East & Africa	360.7	325.8	10.7%
Total	**7,705.7**	**6,659.3**	**15.7%**

Geographically, *Spain* reduced its relative contribution, down to 55.4% of the Group's total revenue, on €4,271.2 million, although this represented a year-on-year increase of 8.3%. With regards to the different areas of activity, the Environmental area's revenues rose by 7.5% due to the increase in all main activities of the waste management chain, especially collection and street cleaning. The Water area's revenues rose by 5.8%, due to a progressive recovery in the non-domestic volumes invoiced in end-to-end cycle concessions and water network actions linked to concessions. The contribution of the Construction area dropped by 1.7%, with a slowdown in expected project development. In the Cement area, revenue progressively increased to 19.7%, with an expansion attributable to higher sales prices. The Real Estate activity, which is concentrated entirely in Spain, has seen its revenues increase substantially (by €122.9 million), due both to the aforementioned integration of the Realia and Jezzine groups within its parent company, FCC Inmobiliaria, and to its increased property development activity this year. Lastly, it is worth mentioning that the Concessions area (included in the *Corporate Services and Others* heading, after completing the sale of some of its most significant concessions in the first quarter of 2021 and acquiring control of the Murcia tram in November) contributed €41 million in revenue this year, compared to €55 million last year.

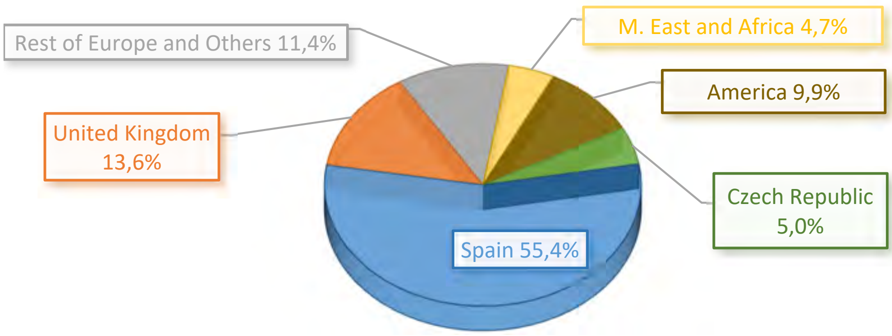
Moreover, revenue in the *United Kingdom* were up by 22.5% to €1,048.4 million, largely due to the recovery of the municipal waste treatment plant and recovery activity in the Environment area combined with an increase in concession activity in the Construction area.

In the EU, the *Czech Republic* registered an increase of 11.2% to €385.4 million, with a larger increase in waste management services in the Environment area and a more moderate increase in the end-to-end water cycle activity in the Water area. In turn, the *Rest of Europe and Others*, accounting for €879.7 million, saw growth of 8.4%, largely attributable to higher revenues linked to the end-to-end water cycle activity in Georgia. The level of activity registered by the Construction area slowed down, with the awarding of new contracts and the development of those in progress failing to fully offset the completion of and progress with other projects (in the case of Belgium).

Revenue in *America,* both in Latin America and the US, increased significantly by 102.2%, to €760.3 million, largely attributable to the increase in the execution of civil works projects in the Construction area, especially in Mexico, as well as the continued expansion of Environment in the collection and treatment of municipal waste in the USA.

Lastly, in the *Middle East and Africa*, activity recovered over the course of the year, with 10.7% growth, amounting to €360.7 million, largely as a result of the increase in activity as part of contracts under management in Water and the higher contribution of Construction in Saudi Arabia.

% Revenue by geographical area



4.2 Gross Operating Profit (EBITDA)

The Gross Operating Profit for the year amounted to €1,311.4 million, an increase of 16.4% compared to the previous year. This amount represents a 17% margin over income, similar to the 16.9% achieved in 2021, but with some significant key components: In a positive sense (i) the increase generated by the increase in revenues in the Environment and Construction areas together with Water, reinforced by higher operating profitability (ii) the contribution of rental activity in the Real Estate area, with an additional contribution of €82.4 million this year. On the negative side, (iii) the impact of higher energy costs, particularly noteworthy in the Cement area, which, combined with the fact that no emission rights were sold this year, saw a reduction in its Ebitda of €45.8 million as well as (iv) variations in the consolidation perimeter of various transport concession assets, on account of the sale executed in the first quarter of 2021 and the buy-out undertaken in the fourth quarter of 2022, which resulted in a drop in the net contribution of €5.9 million this year.

By business area, the most noteworthy developments have been:

The Environment area recorded €593.1 million, a 10.8% increase, in line with the revenues distributed across all activities of the value chain. The operating margin came in at 16.3%, similar to the 16.5% seen the previous year, with a balanced increase in the different types of services and by geographical area, notably in the USA.

The Water area came in at €350.2 million, up by 17.2% year-on-year, thanks to the increased contribution of concessions and services activities, in particular following the acquisition made in Georgia, which, combined with the impact of higher non-domestic volume and tariffs in the main activity, offset the increase in energy costs. The margin therefore grew to 26.5% compared to 25.6% in 2021.

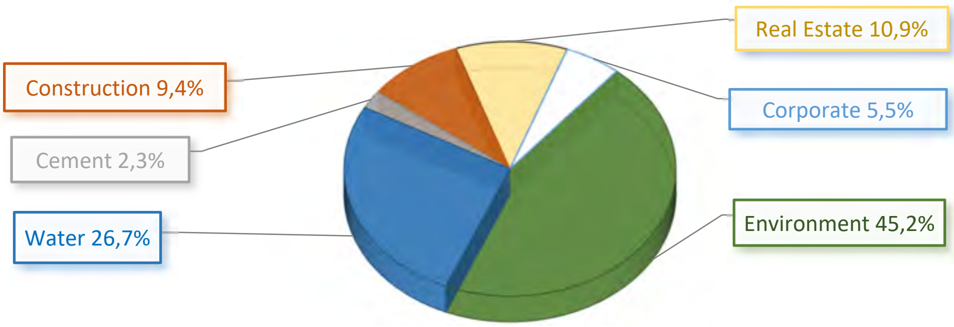
The Construction area recorded €122.8 million, up by 19.7% compared to 2021, improving the scheduling of projects by readjusting the margin anticipated in certain international contracts. This saw the operating margin maintained at 6.2%, similar to the figure recorded the previous year.

In Cement, EBITDA came to €30.3 million, a significant drop compared to the €76.1 million registered the previous year; this can mainly be attributed to the aforementioned impact of higher energy costs combined with the fact that no income was generated on the sale of CO_2 (compared to €7.8 million in 2021).

The Real Estate area saw notable progress, recording €142.6 million, compared to €40 million the previous year, largely due to the consolidation of the Jezzine and Realia rental property activity in November 2021 (an increase in the combined contribution of rental assets of €82.4 million this year) together, albeit to a lesser extent, with the higher contribution made by the development and sale of land.

Corporate Services and Others include the infrastructure concession activity, to which the activity of the Cedinsa subgroup contributed until the end of the first quarter of 2021 and to which 100% of the Murcia tram concession now contributes following the buy-out of the remaining 50%; this is why the contribution of this activity dropped from €37.2 million in 2021 to €31.1 million this year.

% EBITDA by Business Area



The performance of the utilities areas of Environment and Water maintained their high contribution to consolidated operating profit of 71.9% for the year as a whole. When adding in the recurring activity of real estate rental assets and concessions, this percentage contribution increases to 80.5% of the total.

4.3 Net Operating Profit (EBIT)

Net operating profit amounted to €610.5 million, 23.9% down on the previous year. This result reflects, in addition to the changes in gross operating profit, two other key factors in Other Operating Income/(Losses), namely: (i) This year, a €200 million adjustment was made to the value of goodwill in the Cement area, reflecting the impact of higher energy costs and (ii) in the opposite direction, in 2021, there was a net positive impact of €105.7 million, attributable to the accounting result generated by the global consolidation of Realia, raising the previously recorded level of the value of its rental real estate assets, of €241.7 million combined with the negative accounting impact of €136 million generated when adjusting the value of tangible fixed assets and goodwill in the Cement area.

4.4 Earnings before Taxes (EBT) from continuing operations

Earnings before tax from continuing activities came in at €550.7 million, 31.8% down on the €807.5 million generated in 2021. This result can largely be attributed to the performance operations, accompanied by a drop in Other profit/(loss) and the contribution of investees.

Thus, the performance was as follows for the various components:

4.4.1 Financial income

The net financial profit/(loss) recognised came to -€119.1 million, compared to -€110.5 million the previous year, an increase of 7.8, reflecting both the limited effect of the increase in the average cost of financing and, to a greater extent, the average balance of financial debt this year compared to last one; this is largely attributable to the aforementioned expansion of the perimeter of Real Estate activities in the fourth quarter of 2021.

4.4.2 Other financial profit/(loss)

This heading includes an amount of €29.6 million in 2022, compared to €57.5 million last year. The positive contribution can be attributed to exchange rate of certain currencies compared to the euro, while the reduction compared to 2021 is on account of the €26.6 million contribution of profit generated on the disposal of several investees in the Concessions and Construction areas the previous year.

4.4.3 Profits/(losses) of companies accounted for by the equity method

The contribution made by investee companies came to €29.6 million, €28.6 million down on the previous year. This drop was attributable to a combination of factors, including: (i) the €52.7 million profit from the sale of most of the energy assets in which the Group has an interest, which includes both the gain up to the time of sale and the gain on disposal, (ii) the €17.6 million effect of the closing of the sale of the Ceal 9 and Urbicsa transport concessions and (iii) the -€45.9 million losses generated by Realia in the Real Estate area, which, to a large extent, includes its change of consolidation from the equity method to the full consolidation method following the completion of the takeover in November 2021.

4.5 Income attributable to the parent company

This year, this figure stood at €315.2 million, 45.7% down year-on-year, mainly due to the aforementioned adjustments in the Cement area and the decrease in the contribution of Other financial profit/(loss) and companies accounted for using the equity method, which included the previous year's non-recurring elements described above. Furthermore, corporate income tax includes the sum of €89.6 million this year following the activation of tax loss carryforwards that it is estimated will be offset in the future.

4.6 Profit and loss statement figures on a pro rata basis

The most significant figures in the income statement, calculated on the basis of the percentage of effective shareholding in each of the subsidiaries, joint ventures and associates, are as follows.

	Dec. 22	Dec. 21	Chg. (%)
Revenue	**7,306.0**	**6,475.4**	**12.8%**
Gross Operating Profit (EBITDA)	**1,098.6**	**1,066.1**	**3.0%**
EBITDA Margin	*15.0%*	*16.5%*	*-1.4 p.p*
Net Operating Profit (EBIT)	**449.1**	**775.9**	**-42.1%**
EBIT margin	*6.1%*	*12.0%*	*-5.8 p.p*
Income attributable to the parent company	**315.2**	**580.1**	**-45.7%**

5. BALANCE SHEET

(million euros)	**Dec. 22**	**Dec. 21**	**Chg. (€M)**
Intangible fixed and non-current assets	2,342.1	2,445.2	(103.1)
Property, plant and equipment	3,496.8	2,862.5	634.3
Real Estate investments	2,122.9	2,069.2	53.7
Investments accounted for using the equity method	502.6	533.8	(31.2)
Non-current financial assets	910.6	604.0	306.6
Deferred tax assets and other non-current assets	499.5	559.2	(59.7)
Non-current assets	**9,874.5**	**9,074.1**	**800.4**
Inventory	1,143.2	1,107.3	35.9
Trade and other receivables	2,468.0	2,340.9	127.1
Other current financial assets	221.3	184.4	36.9
Cash and cash equivalents	1,575.5	1,535.5	40.0
Current assets	**5,408.0**	**5,168.1**	**239.9**
TOTAL ASSETS	**15,282.5**	**14,242.2**	**1,040.3**
Equity attributable to shareholders of the parent company	3,387.9	3,007.1	380.8
Non-controlling interests	1,551.1	1,433.6	117.5
Equity	**4,939.0**	**4,440.7**	**498.3**
Subsidies	202.9	192.2	10.7
Non-current provisions	1,141.7	1,167.3	(25.6)
Long-term financial debt	3,860.7	3,294.3	566.4
Other non-current financial liabilities	410.6	438.7	(28.1)
Deferred tax liabilities and other non-current liabilities	430.7	473.4	(42.7)
Non-current liabilities	**6,046.6**	**5,565.9**	**480.7**
Current provisions	148.1	147.9	0.2
Short-term financial debt	1,121.8	1,651.2	(529.4)
Other current financial liabilities	211.3	169.0	42.3
Trade and other payables	2,815.7	2,267.5	548.2
Current liabilities	**4,296.9**	**4,235.6**	**61.3**
TOTAL LIABILITIES	**15,282.5**	**14,242.2**	**1,040.3**

5.1 Property, plant and equipment and investment property

Property, plant and equipment and real estate investments at year-end jointly came to €5,619.7 million, up by €688 million year-on-year. This increase is mainly attributable to the inclusion of the end-to-end water cycle management assets corresponding to GGU in Georgia and, to a lesser extent, investments in the Environment area.

5.2 Investments accounted for using the equity method

Investments accounted for using the equity method amounted to €502.6 million at the end of the year, with the following breakdown of the most significant investments:

1) €194.9 million for the stake in companies in the Environment area (recycling and municipal services, mainly in Spain and the United Kingdom).
2) €118.3 million for the stake in transport and public infrastructure concessions, mainly in Spain, Peru and the United Kingdom.
3) €72.8 million for stakes held in companies in the Water area, largely concessionary companies that manage services abroad (North Africa, Spain and Mexico).
4) €42.7 million from the subsidiaries of the parent company in the Cement area.
5) €40 million from investee companies in the Real Estate area.
6) €33.9 million in investees in the Construction area located abroad.

5.3 Non-current financial assets

Non-current financial assets increased by €306.6 million to €910.6 million; this increase can be attributed to the investment made in a non-controlling interest in a development company by the Real Estate area in June, meaning that at year-end, the breakdown of the value of the investment in equity of the most relevant investees was as follows:

1) €133.5 million in companies in the Real Estate area.
2) €20.9 million in Water and Environment companies.
3) €8.6 million in other holdings.

This heading also includes, but is not limited to, the increase in collection rights from concession agreements, located mainly in the Environment and Water areas combined with the inclusion of Murcia Tram concession activity in the consolidation perimeter.

5.4 Cash and cash equivalents

The balance of Cash and cash equivalents came to €1,575.5 million, €40 million up year-on-year, mainly on account of the strong performance of working capital and despite the higher payments made in relation to investments.

This balance is distributed in such a way that:

1) In the perimeter with recourse, cash and equivalents totalled €790.8 million.
2) In the perimeter without recourse, cash and equivalents amounted to €784.7 million.

5.5 Equity

Equity at year-end came to €4,939 million, up by €498.3 million on year-end 2021. This increase was mainly due to the contribution of €477.9 million in net attributable profit during the period.

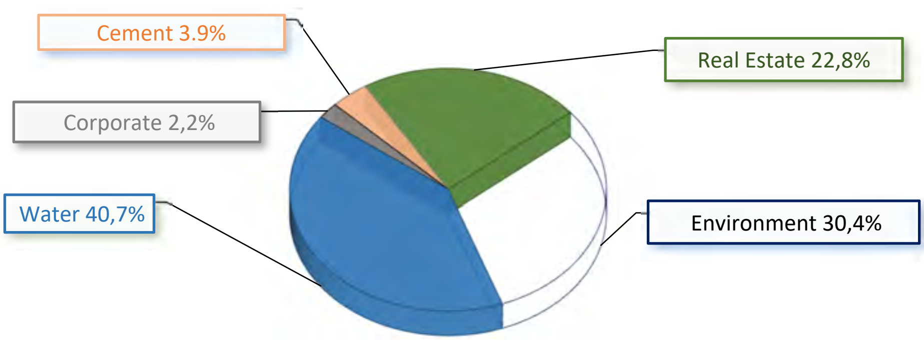
5.6 Financial debt

(million euros)	**Dec. 22**	**Dec. 21**	**Chg. (€M)**
Bank borrowings	2,778.4	1,742.6	1,035.8
Debt instruments and other loans	2,040.8	3,031.5	(990.7)
Finance lease payables	24.9	37.3	(12.4)
Other financial liabilities	138.4	134.1	4.3
Gross Financial Debt	**4,982.5**	**4,945.5**	**37.0**
Cash and other current financial assets	(1,789.8)	(1,719.8)	(70.0)
Net Financial Debt	**3,192.7**	**3,225.7**	**(33.0)**
Net financial debt with recourse	*(677.2)*	*(326.0)*	*(351.2)*
Net financial debt without recourse	*3,869.9*	*3,551.7*	*318.2*

At year-end, the Group's gross financial debt remained almost the same as in December of the previous year, at €4,982.5 million. It is worth mentioning that 77.5% have a long-term maturity, for the sum of €3,860.7 million, divided between bank debt and capital market debt. The remainder of this indebtedness, 22.5%, matures in the short term, with the main balance of this corresponding to a bond from the Environment area maturing next December and the remainder to bilateral facilities and commercial paper issued on the Irish Stock Exchange by the Group's parent company and the Environment area's parent company.

In turn, the balance of net financial debt decreased by €33 million year-on-year, to €3,192.7 million. This has been achieved despite (i) the impact of the acquisition and incorporation into the balance sheet of the operating debt of GGU (owner and operator of the end-to-end water cycle in the Georgian capital) into the Water area in February, (ii) the investment made as part of the acquisition of a non-controlling financial interest by the Real Estate area and (iii) the acquisition of the remaining 50% in the Murcia Tram concession in Spain. The determining factor that allowed the financial debt balance to be contained during the year was the generation of the operating cash flow, supported by the performance of working capital, especially in the Construction area.

Breakdown of Net Financial Debt by Business Area



As is standard as part of the Group's financial policy, almost all of the net financial debt is without recourse and is mostly located in the Water Utilities and Environment areas and in the recurrent activity of rental property in Real Estate. As a result, the Group's parent company had a net cash position with recourse of €677.2 million at the end of last December.

Net financial debt without recourse to the Group's parent company is structured as follows:

(i) The Water area accounts for an amount of €1,642.8 million, which mainly includes the financing of a corporate bond for its parent company with a balance of €658 million, maturing in 2027, and a long-term syndicated loan for €1,100 million taken out last June; (ii) the Environment area accounts for €1,227.6 million, of which the majority corresponds to bonds issued in 2019 by the parent company of the area, a further €116.3 million to activity in the United Kingdom and €34.2 million to activity in the USA. (iii) the Real Estate area accounts for €754.8 million in relation to rental property activity; (iv) the Cement area accounts for €157.6 million and (v) concessions activity accounts for €87.1 million.

5.7 Other current and non-current financial liabilities

Other current and non-current financial liabilities comes to €621.9 million at the end of the year. The balance mainly includes the item suppliers of fixed and non-current assets for operating leases, amounting to €400.5 million. It also includes other liabilities that are not financial liabilities, such as those associated with hedging derivatives, suppliers of fixed and non-current assets, guarantees and deposits received.

6. CASH FLOW

(Million euros)	**Dec. 22**	**Dec. 21**	**Chg. (%)**
Gross Operating Profit (EBITDA)	**1,311.4**	**1,126.6**	**16.4%**
(Increase)/decrease in working capital	285.3	(167.9)	N/A
Corporation tax (paid)/received	0.7	(135.6)	N/A
Other operating cash flow	(51.6)	(76.9)	-32.9%
Operating cash flow	**1,545.8**	**746.2**	107.2%
Investment payments	(1,062.1)	(557.9)	90.4%
Divestment receipts	51.5	568.6	-90.9%
Other investment cash flows	72.6	182.4	-60.2%
Investment cash flow	**(938.0)**	**193.1**	**N/A**
Interest paid	(123.7)	(99.1)	24.8%
(Payment)/receipt of financial liabilities	(333.9)	(269.3)	24.0%
Other financing cash flow	(109.6)	(259.3)	-57.7%
Financing cash flow	**(567.2)**	**(627.7)**	**-9.6%**
Exchange differences, change in consolidation scope, etc.	(0.6)	1.8	N/A
Increase/(decrease) in cash and cash equivalents	**40.0**	**313.4**	**-87.2%**

6.1 Operating cash flow

The operating cash flow generated this year came to €1,545.8 million, €799.6 million up on the previous year, on account of the increase in operating resources generated, as well as the impressive performance of working capital. With this in mind, current operating capital generated funds of €285.3 million, concentrated in the Construction area, which compares favourably with the application of €167.9 million the previous year.

Collections/(payment) of corporation tax includes an inflow of €0.7 million compared to the outflow of €135.6 million in the previous year, attributable to the corporation tax generated on the sale of several transport concessions for the amount of €33 million while in 2022, tax refunds corresponding to 2020 and 2021 were obtained.

The heading other operating cash flow includes an outflow of €51.6 million compared to €76.9 million the previous business year, due to the reduced application of provisions mainly in the different areas.

6.2 Investment cash flow

The investment cash flow represents an application of €938 million, a significant change from the generation of €193.1 million the previous year.

Payment for Investments increased by €504.2 million, coming to a total of €1,062.1 million. By business areas, Environment contributed the highest payments, amounting to €428.1 million, with the year-on-year increase attributable to the higher investments in Spain and the US, both as part of renewed contracts and new awards and acquisitions. In the Water area, payments for investments rose to €370.6 million, with the acquisition of GGU, the company responsible for managing of the end-to-end water cycle in Georgia, serving as the main component, for the sum of €159 million, as well as other new investments in concessions in Colombia and hydraulic assets in Spain.
To this end, the investment of €138 million corresponding to the acquisition of a non-controlling in a property development firm in the Real Estate area last June is worth particular mention, as is the acquisition of the remaining 50% stake in the Murcia Tram for the sum of €48.5 million.

The breakdown of net investments by business area, excluding other cash flows from investment activities, in terms of payments and collections, is as follows:

(Million euros)	**Dec. 22**	**Dec. 21**	**Chg. (€M)**
Environment	(407.5)	(291.8)	(115.7)
Water	(362.9)	(86.8)	(276.1)
Construction	(21.4)	0.5	(21.9)
Cement	(22.2)	(10.9)	(11.3)
Real Estate	(154.4)	(64.9)	(89.5)
Corporate serv., etc. & adjustments	(42.2)	464.6	(506.8)
Net investments *(Payments - Collections)*	**(1,010.6)**	**10.7**	**(1,021.3)**

In turn, Other investment flows includes an inflow of €72.6 million during the year compared to €182.4 million the previous year; this includes, but is not limited to, the collection of interest for the sum of €29.3 million and the receipt of cash and equivalents following the inclusion of acquired companies in the consolidation perimeter during the year with GGU in the Water area worth particular mention, for a total of €15.9 million.

6.3 Financing cash flow

The consolidated financing cash flow generated represents an application of €567.2 million compared to €627.7 million in the previous year. The interest payment item shows an outflow of €123.7 million, mainly concentrated in the Water and Environment areas and to a lesser extent, the Real Estate area.
Proceeds from/(payments on) financial liabilities entails the application of the financing flow of €333.9 million during this period, concentrated in the refinancing process undertaken in the Water area during the second quarter of the year.

Furthermore, Other financing flows entails an outflow of €109.6 million, €149.7 million less than last year, which included investments in the Real Estate area. This mainly includes the payment of dividends to shareholders of the parent company and the series of minority shareholders of the consolidated group for a total amount of €73.2 million.

6.4 Change in cash and cash equivalents

As a result of the development of the different components of the cash flow, FCC Group's cash position closed with an increase of €40 million, reaching a balance of €1,575.5 million.

7. ANALYSIS BY BUSINESS AREA

7.1. Environment

The Environment area contributed 45.2% of the Group's EBITDA in the 2022 business year. Around 79.5% of its activity focused on the provision of essential waste collection, treatment and disposal services, as well as street cleaning. The remaining 20.5% corresponded to other types of urban environmental activities, such as the conservation of green areas and/or beaches.

In Spain, it provides services in more than 3,700 municipalities and serves a population of more than 32 million inhabitants. It is worth mentioning the important weight of the urban waste management and street cleaning services. In the UK, it focuses on urban waste treatment, recovery and disposal activities and serves more than 16 million people. In Central Europe, mainly Austria and the Czech Republic, FCC is present across the entire waste management chain (collection, treatment and disposal). FCC's activity in the US involves both in the collection and comprehensive recovery of municipal waste, serving more than 8 million residents.

7.1.1. Earnings

(million euros)	**Dec. 22**	**Dec. 21**	**Chg. (%)**
Turnover	3,641.1	3,244.9	12.2%
Waste collection and street cleaning	*1,765.0*	*1,550.0*	*13.9%*
Waste processing	*1,130.1*	*1,067.5*	*5.9%*
Other services	*746.0*	*627.4*	*18.9%*
EBITDA	593.1	535.1	10.8%
EBITDA Margin	16.3%	16.5%	*-0.2 p.p*
EBIT	304.7	285.4	6.8%
EBIT margin	8.4%	8.8%	*-0.4 p.p*

Revenues in the Environment area were up 12.2% year-on-year to reach €3,641.1 million. Waste collection and street cleaning activity billed €1,765 million, recording growth of 13.9% on account of the entry into operation of new contracts, especially in Spain and the USA, as well as for the strong performance seen in Central Europe. Waste treatment activity was up 5.9% to €1,130.1 million, due to the higher contribution of recovery plants in the UK and the increase in activity in Central Europe, alongside the activity of a new plant in the USA. Other services and similar grew by 18.9% to €746 million.

Breakdown of revenue by geographical area

(Million euros)	**Dec. 22**	**Dec. 21**	**Chg. (%)**
Spain	1,975.2	1,837.2	7.5%
United Kingdom	794.9	708.3	12.2%
Central Europe	592.2	550.7	7.5%
United States and other	278.8	148.7	87.5%
Total	**3,641.1**	**3,244.9**	**12.2%**

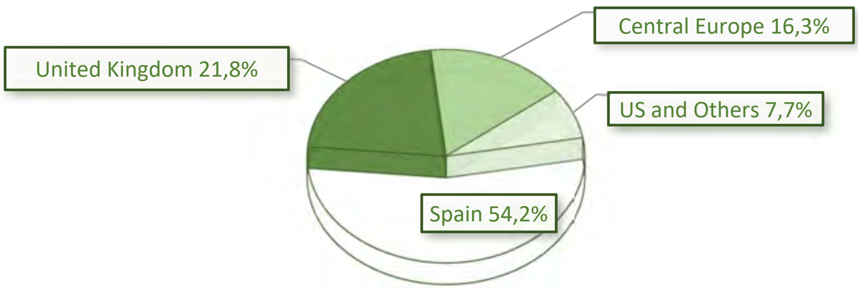
By geographical area, revenues in Spain increased by 7.5% year-on-year to €1,975.2 million on account of the high volumes of contracts for street cleaning and collection activities combined with the increase in volume of operations performed in other types of services.

In the United Kingdom, revenue increased by 12.2% to €794.9 million, mainly on account of the higher contribution by recovery plants, supported by the increase in the price of energy.

In Central Europe, revenue increased by 7.5% to €592.2 million on account of the increase in contribution by all activities, in particular waste collection and the sale of by-products in the Czech Republic, as well as treatment in Austria.

Last but not least, revenue in the United States and other markets increased by an impressive 87.5% to €278.8 million on account of the entry into operation of new residential collection contracts as well as the increase in contribution by other existing contracts, combined with the contribution of the new contract for the renovation and operation of the municipal solid waste treatment plant in Placer County (California).

Breakdown of revenue by geographical area



EBITDA increased by 10.8% to €593.1 million on account of the developments described above for revenue, combined with the increase in the price of energy that has resulted in the recovery activity contributing more in the United Kingdom and Austria and offset by the increase in energy costs linked the collection activities. With this in mind, the operating margin remained at similar levels to the previous year.

EBIT increased by 6.8% year-on-year to €304.7 million thanks to the performance of the different components mentioned in the EBITDA and an increase in the allocation of amortisations made.

Breakdown of backlog by geographical area

(million euros)	**Dec. 22**	**Dec. 21**	**Chg. (%)**
Spain	8,224.1	6,300.6	30.5%
International	5,031.4	4,445.8	13.2%
Total	**13,255.5**	**10,746.4**	**23.3%**

At year-end, the backlog increased by 23.3% compared to 2021 to €13,255.5 million. In Spain, it increased by 30.5%, where the urban sanitation and street cleaning contracts in Zaragoza and the urban collection and sanitation contract in Madrid are worth particular mention. Looking further afield, the backlog amounted to €5,031.4 million internationally, 13.2% up on December the previous year, mainly on account of new contracts in the USA like the integrated management and recycling contract in Placer County (California) or residential collection contract in Port Saint Lucie (Florida).

7.1.2. Financial Debt

(million euros)	**Dec. 22**	**Dec. 21**	**Chg. (€M)**
Net Financial Debt	1,227.6	1,289.7	(62.1)

Net financial debt fell by €62.1 million compared to December 2021 to €1,227.6 million. The main component of this heading are green loans, for a combined amount of €1,100 million. The remainder corresponds to commercial paper and the financing of a project involving waste treatment and recycling plants, mainly in the United Kingdom.

7.2. Water

The Water area contributed 26.7% of FCC Group's EBITDA in the period. 91.6% of its activity is focused on public service concession management related to the end-to-end water cycle (collection, treatment, storage and distribution) and the operation of different types of water infrastructures; the remaining 8.4% corresponds to Technology and Networks, which is responsible for the design, engineering and equipment of hydraulic infrastructures, related in the large part to the development of new concessions and ancillary works for operations.

In Spain the area serves over 13 million inhabitants in more than 1,100 municipalities. In Central and Eastern Europe, it is mainly present in the Czech Republic and Georgia, serving close to 3 million users across the two countries; in the remainder of the EU, its presence in Italy, Portugal and France is worth particular mention. In Latin America, the Middle East, and Africa its activity centres on the design, equipping, and operation of processing plants. Overall, the Water area provides supply and/or sanitation services to more than 30 million inhabitants.

7.2.1 Earnings

(million euros)	**Dec. 22**	**Dec. 21**	**Chg. (%)**
Turnover	1,323.2	1,169.5	13.1%
Concessions and services	*1,212.2*	*1,053.3*	15.1%
Technology and networks	*111.0*	*116.2*	-4.5%
EBITDA	350.2	298.9	17.2%
EBITDA Margin	26.5%	25.6%	*0.9 p.p*
EBIT	203.8	181.3	12.4%
EBIT margin	15.4%	15.5%	*-0.1 p.p*

Revenue increased by 13.1% to €1,323.2 million on account of the increase in full-cycle property and concession activity, mainly thanks to the contribution to the perimeter of Georgia Global Utilities (GGU) in Georgia since last February and the increase in non-domestic consumption. At the other end of the scale, Technology and Networks activity contracted by 4.5% following the completion of a number of one-off international projects, in particular in the Middle East and Africa, which was offset by growth in Spain.

Breakdown of revenue by geographical area			
(million euros)	**Dec. 22**	**Dec. 21**	**Chg. (%)**
Spain	861.4	814.2	5.8%
Central and Eastern Europe	190.0	113.6	67.3%
Middle East, Africa and Other	131.1	112.4	16.6%
Rest of Europe (France, Portugal and Italy)	92.3	80.8	14.2%
Latin America	48.4	48.5	-0.2%
Total	**1,323.2**	**1,169.5**	**13.1%**

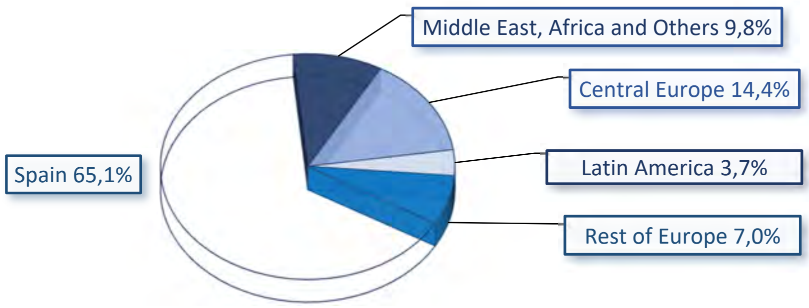
By geographical area, revenues in Spain increased by 5.8% to €861.4 million. This growth came both in concession activity, following the growth in m3 billed in the non-domestic market combined with a tariff increase, which offset the reduction in domestic consumption, and thanks to the strong performance of Technology and Networks activity, supported by the increase in activity performed through investment plans associated with concession contracts.

Looking abroad, Central and Eastern Europe registered the strongest growth, by an outstanding 67.3% to €190 million. The biggest contribution came in end-to-end cycle activity on account of the aforementioned acquisition of GGU. The Czech Republic also experienced growth following the tariff update and the favourable performance of the Czech koruna (4.4% in the reappraisal period). In the Rest of Europe, revenue increased by 14.2% to €92.3 million on account of a new concession contract secured in France and the increase in volume of infrastructure actions at the Aque di Caltanissetta concession in Sicily.

In the Middle East, Africa and Others, revenue increased by 16.6% to €131.1 million on account of the increase in concession activity due to new contracts in Qatar and Saudi Arabia, as well as the increase in contribution of the Abu Rawash wastewater treatment plant in Egypt. In contrast, Technology and Networks activity decreased on account of the decrease in contribution from contracts that have come to an end or that are coming to an end.

Finally, in Latin America, revenue remained practically the same as last year, at €48.4 million. Concession activity in Colombia increased and offset the reduction of activity seen in Technology and Networks, both in Mexico and in Colombia itself, in projects that are already at very advanced stages.

Breakdown of revenue by geographical area



EBITDA increased by 17.2% to €350.2 million on account of the increase in operating profitability of GGU and, to a lesser extent, the decrease in the contribution by Technology and Networks activities. This largely offset the increase in the cost of electricity. With this in mind, the operating margin rose to 26.5% during the year.

Net operating profit (EBIT) was up by 12.4% compared to December last year, totalling €203.8 million on account of the performance of gross operating profit, as discussed previously. The increase in amortisation expense is worth particular note on account of the increase in volume of owned operating assets.

Breakdown of backlog by geographical area

(million euros)	**Dec. 22**	**Dec. 21**	**Chg. (%)**
Spain	7,049.2	7,149.6	-1.4%
International	13,263.5	8,211.5	61.5%
Total	**20,312.7**	**15,361.1**	**32.2%**

The backlog at year-end came to €20,312.7 million, 32.2% up on December 2021. This increase is mainly attributable to the international area, which grew by a remarkable 61.5% to €13,263.5 million following the incorporation of GGU, as well as other smaller growth in Colombia and Saudi Arabia.

7.2.2. Financial Debt

(million euros)	**Dec. 22**	**Dec. 21**	**Chg. (€M)**
Net Financial Debt	1,642.8	1,247.6	395.2

Net financial debt increased by €395.2 million at year-end to €1,642.8 million, on account in the increase in payments in relation to growth investments and the incorporation of the operating debt of acquired companies, in particular the amounts related to the incorporation of GGU.

7.3. Construction

The Construction area contributed 9.4% of the FCC Group's EBITDA at the end of the business year. Its activity focuses on the design and construction of large civil, industrial and building works, with a selective presence in certain regions, currently around 15 countries. Special mention should go to participation in major works like railways, tunnels, motorways and football stadiums that constituted a major part of the activity.

(million euros)	**Dec. 22**	**Dec. 21**	**Chg. (%)**
Turnover	1,966.9	1,659.6	18.5%
EBITDA	122.8	102.6	19.7%
EBITDA Margin	*6.2%*	*6.2%*	*0.1 p.p*
EBIT	89.4	71.1	25.7%
EBIT margin	*4.5%*	*4.3%*	*0.3 p.p*

Revenue in the area was up by 18.5% to €1,966.9 million, largely due to the strong pace of project performance in Latin America and several European countries, offsetting the lower activity levels in Spain.

Breakdown of revenue by geographical area			
(million euros)	**Dec. 22**	**Dec. 21**	**Chg. (%)**
Spain	870.1	885.2	-1.7%
Rest of Europe and Others	501.7	419.2	19.7%
America	434.3	209.4	107.4%
Middle East and Africa	160.8	145.8	10.3%
Total	**1,966.9**	**1,659.6**	**18.5%**

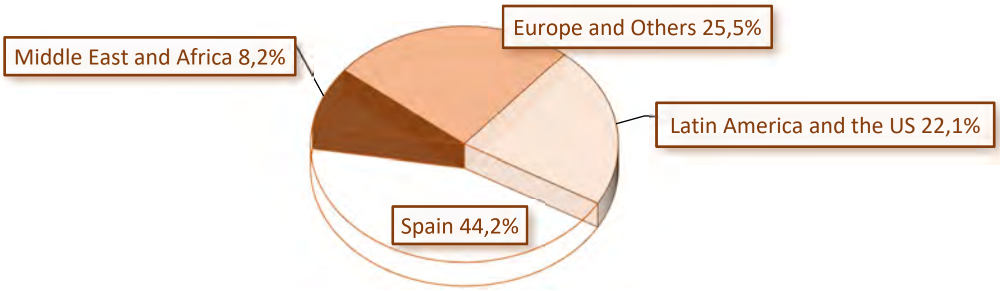
By geographical area, revenue in Spain contracted by 1.7%, to €870.1 million, despite the strong progress made with the remodelling of the Santiago Bernabéu football stadium.

In contrast, in the Rest of Europe and other markets, revenue grew by 19.7% year-on-year, coming to €501.7 million, mainly on account of the development of the A-9 motorway in the Netherlands and A-465 in Wales (United Kingdom), which offset the decrease in the contribution of other works, such as the Haren prison in Belgium, which came to an end.

In America, revenue grew significantly to €434.3 million, 107.4% up on the previous year, largely on account of the higher contribution of the Mayan Train project in Mexico combined with the sustained progress with works including the Toyo Tunnel in Colombia, the Lima Metro in Peru and the start of the RER-3 in Toronto (Canada).

The Middle East and Africa contributed to the increase in area's revenue, up by 10.3%, to €160.8 million. Progress with the Riyadh Metro is worth particular note, with its completion having been extended until April 2024, following an additional contract awarded to FCC Construcción worth more than €200 million; also responsible for the increase in activity in the future is the recent significant award of a railway tunnel in the Neom region, in the northwest of the country.

Breakdown of revenue by geographical area



Gross operating profit increased by 19.7% to €122.8 million compared to €102.6 million the previous year. This increase can be attributed to the evolution of income mentioned previously combined with upward adjustments in the degree of progress of certain international projects. As a result, the operating margin for the period increased by 6.2% year-on-year.

In turn, net operating profit totalled €89.4 million, compared to €71.1 million for the previous year, thanks to the performance of gross operating earnings, as mentioned previously.

Breakdown of backlog by geographical area

(million euros)	**Dec. 22**	**Dec. 21**	**Chg. (%)**
Spain	1,817.3	1,368.0	32.8%
International	4,768.7	2,613.3	82.5%
Total	**6,586.0**	**3,981.3**	**65.4%**

The revenue backlog increased significantly at the end of December to €6,586 million, a significant increase of 65.4%; it did so in a general manner, although more markedly at an international level, mainly on account of the new contracts signed, including for the Neom Tunnel in Saudi Arabia, the Sotra bridge in Norway, the new railway contracts in Romania and the initial phase of the RER-3 project in Canada, as well as the increase in scope of the Riyadh Metro in Saudi Arabia and the Maya Train in Mexico.

Breakdown of the Backlog by Activity Segment

(million euros)	**Dec. 22**	**Dec. 21**	**Chg. (%)**
Civil engineering works	5,569.7	3,301.6	68.7%
Building	503.9	426.3	18.2%
Industrial Projects	512.4	253.4	102.2%
Total	**6,586.0**	**3,981.3**	**65.4%**

By activity type, civil engineering continues to dominate, accounting for 84.6% of the total, concentrated in large public contracts in certain key and selective markets in Europe, America and the Middle East.

7.4. Cement

The Cement area contributed 2.3% of the FCC Group's EBITDA in the business year. This activity was undertaken by the CPV Group, which focuses on manufacturing cement and by-products, with seven main production centres in Spain and 1 in Tunisia, in addition to a minority stake of 45% in Giant Cement, which operates a number of factories on the east coast of the USA.

7.4.1. Earnings

(million euros)	**Dec. 22**	**Dec. 21**	**Chg. (%)**
Turnover	516.5	433.8	19.1%
Cement	*476.6*	*393.2*	*21.2%*
Other	*39.9*	*40.6*	*-1.7%*
EBITDA	30.3	76.1	-60.2%
EBITDA Margin	*5.9%*	*17.5%*	*-11.7 p.p*
EBIT	(203.3)	(90.3)	125.1%
EBIT margin	*-39.4%*	*-20.8%*	*-18.5 p.p*

Income in the area grew by 19.1%, coming to €516.5 million on account of the substantial increase in prices seen in the Spanish and Tunisian markets, although to a lesser extent; this helped to offset the decrease in volumes invoiced in both countries, combined with the strong performance of exports in both markets.

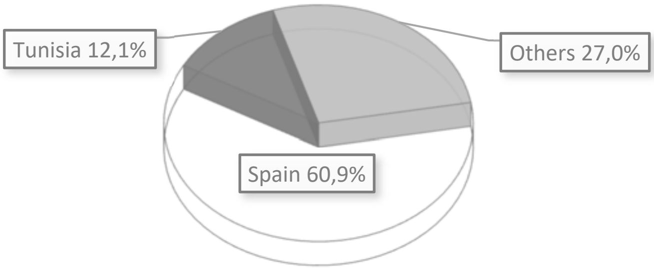
Breakdown of revenue by geographical area			
(million euros)	**Dec. 22**	**Dec. 21**	**Chg. (%)**
Spain	314.6	262.9	19.7%
Tunisia	62.6	57.8	8.3%
Miscellaneous (exports)	139.3	113.1	23.2%
Total	**516.5**	**433.8**	**19.1%**

By geographical areas, in Spain, revenue increased by 19.7% to €314.6 million on account of the significant increase in prices, concentrated in the first half of the year; this offset the drop in volume invoiced.

In the local market in Tunisia, revenue grew by 8.3% to €62.6 million, due, as in the case of Spain, but more moderately so, to the increase in prices, helping to absorb the drop in demand.

Elsewhere, income from exports grew by 23.2% to €139.3 million on account of the strong performance of the prices of remittances sent to other European countries combined with an increase in shipments made from Tunisia.

Breakdown of revenue by geographical area



In turn, gross operating profit/(loss) decreased to €30.3 million compared to €76.1 million the previous year. This decrease, in Spain, was caused by the significant increase in the price of electricity and fuel, which tempered towards the end of the year. In Tunisia, this was also due to the increase in the cost of both supplies, although the impact was more evident in the second half of the year. Furthermore, in 2022, no CO2 rights were sold, compared to the €7.8 million sold the previous year.

Net operating profit/(loss) stood at -€203.3 million, mainly due to a €200 million adjustment to the value of various property, plant and equipment assets and goodwill, in order to reflect their estimated future cash generation capacity.

7.4.2. Financial Debt

(Million euros)	**Dec. 22**	**Dec. 21**	**Chg. (€M)**
Net financial debt	157.6	124.4	33.2

Net financial debt, in its entirety without recourse to the parent company of the Group, increased by €33.2 million compared to December the previous year, with a balance of €157.6 million at year-end as a result of the absorption of cash from operations and investments during the period, testament to a situation affected by very high energy costs.

7.5. Real Estate

As a result of the various corporate operations carried out in the fourth quarter of 2021 by the head of the real estate activity, FCC Inmobiliaria, the most significant figures are presented separately for both years, as opposed to their inclusion in Corporate Services, which reported them until September 2021.
Of note among the operations carried out in the last quarter of 2021 was the acquisition of 13.12% of Realia's share capital for €83.9 million, giving it control, with a 50.1% stake, and its full consolidation. In addition, 100% of the capital of Jezzine, a holding company dedicated to the operation of rental assets, was incorporated through a non-monetary contribution. As a result of this last operation, FCC Inmobiliaria remains controlled by FCC SA, with 80.03% of its capital.
The two corporate incorporations described above, Grupo Realia and Jezzine, only contributed to the FCC Group's operations for two months of 2021.
From the transactions performed in 2022, worth particular note was the acquisition of a holding in Metrovacesa (for 14.3%, according to the most recent notification made to the CNMV), a listed Spanish developer, included under financial assets on the balance sheet.

The Real Estate area contributed 10.9% of the FCC Group's EBITDA during the year. Its activity is centred in Spain and is structured in two main activities, with the first being the holding, development, and operation of all types of real estate on a rental basis (mainly offices, premises, and shopping centres). This is in addition to the development for sale of properties, which includes the urban management of its land portfolio, providing development management services for third parties.

7.5.1. Earnings

(million euros)	**Dec. 22**	**Dec. 21**	**Chg. (%)**
Turnover	270.8	147.9	83.1%
Equity	*106.7*	*17.2*	*N/A*
Development and land	*164.1*	*130.7*	*25.6%*
EBITDA	142.6	40.0	N/A
EBITDA Margin	*52.7%*	*27.0%*	*25.6 p.p*
EBIT	165.7	298.3	-44.5%
EBIT margin	*61.2%*	*201.7%*	*-140.5 p.p*

The area's revenue came to €270.8 million at the end of the year, which represents significant growth year on year, due in large part to the aforementioned inclusion in the global consolidation perimeter of the Realia Group and Jezzine at the end of 2021, as well as the organic growth of rental income and increase in property development activity.

In Equity, revenue amounted to €106.7 million, compared to its low contribution the previous year, having included the contribution of Jezzine and the rental activity of the Realia Group during the year. Its income came mainly from the rental of Jezzine's branches for banking use and the income generated in the operation of Realia's offices and department stores. The average occupancy level was 94.3%, very similar to the previous year, with a leasable surface area that was equally very stable, coming in at over 550,000 m^2.

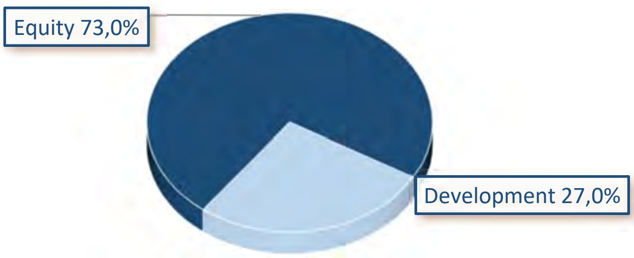
Residential Development and Land activity grew by 25.6%, to €164.1 million, on account of the increase attributable to the aforementioned consolidation of the Realia Group combined with an increase in the delivery rate of sold developments. In turn, land sales generated €35.9 million, up by 6.9% year-on-year. At year-end, the value of homes sold pending delivery came to €119.6 million, with growth of 11.7% compared to those pending delivery in December the previous year.

Similarly, EBITDA performed better this year, with a figure of €142.6 million, mainly on account of the contribution of the new Equity activity, with a much higher operating margin than property development. Thus, the operating margin stood at 52.7% for the period.

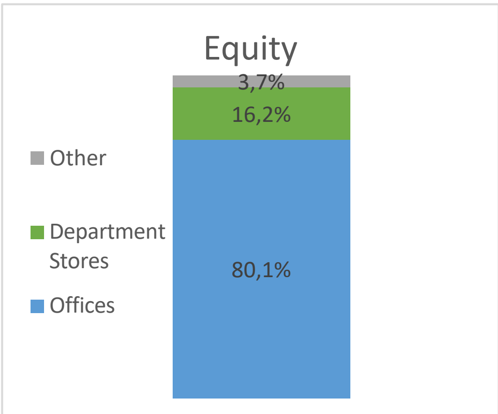
In turn, EBIT dropped to €165.7 million compared to €298.3 million in 2021, including the impact on accounts of €241.7 million following the increase in the registered value of Realia's rental assets to their fair market value at the time of their inclusion in global consolidation. This heading also includes the variation in the estimated fair value of rental property assets for the sum of €22.3 million during the year compared to €16.6 million in 2021.

Below, details are provided of the market valuation of the real estate assets in this area, which came to €2,978.5 million at 31 December 2022 (2.1% up year-on-year). The majority of this corresponds to rental assets, which account for 73% of the total, on €2,171.7 million, while Residential Development assets, which include land in the different stages of development as well as developments for sale, both in progress and finished, account for 27% of the total, on €806.8 million.

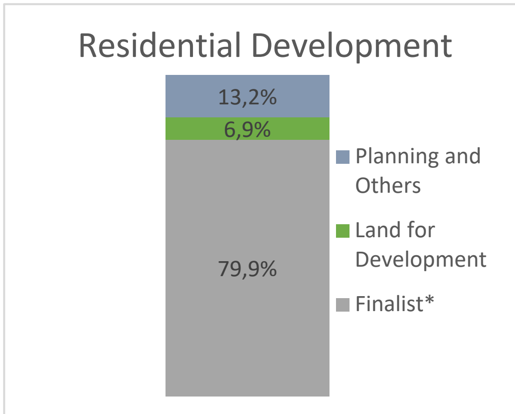
GAV per Activity



Equity



Residential Development



**Includes products in progress and finished products*

7.5.2. Financial Debt

(Million euros)	**Dec. 22**	**Dec. 21**	**Chg. (€M)**
Net financial debt	917.7	889.7	28.0

The balance of net financial debt at year-end stood at €917.7 million, up by €28 million compared to December the previous year. This amount includes the aforementioned purchase of a non-controlling interest in Metrovacesa. Most of the debt in the area can be attributed to equity subsidiaries, without recourse to the parent company of the FCC Group, accounting for a combined amount of €754.8 million at year-end, with the remainder corresponding to various interests acquired in subsidiaries and investees.

8. SHARE INFORMATION

8.1. Stock market performance

	Jan. – Dec. 2022	Jan. – Dec. 2021
Closing price (€)	8.82	10.68
Change in the period	*(20.4%)*	*31.9%*
High (€)	11.02	11.00
Low (€)	7.58	7.91
Average daily trading (no. of shares)	51,109	69,303
Average daily trading (million euros)	0.5	0.7
Capitalisation at end of period (million euros)	3,866	4,711
No. of shares circulating at 30 June	438,344,983	425,173,636

Prices adjusted for 2021 and 2022 scrip dividends

8.2. Dividends

The Company's Board of Directors, at its meeting held on 14 June 2022, agreed to implement the agreement on the distribution of the scrip dividend adopted at FCC's General Shareholders' Meeting on 14 June 2022, in item 4 of the Agenda, in compliance with the terms and conditions agreed at the General Shareholders' Meeting. The holders of 97.94% of the free allocation rights opted to receive new shares, a very similar percentage to the previous years, in recognition for their confidence in management and the Group's value creation potential. Therefore, the paid-up capital increase was for 14,871,347 shares, bringing the total number of shares of capital stock to 440,044,983 shares on 12 July (see next section).
Furthermore, pursuant to the resolution of the General Shareholders' Meeting held on 14 June 2022, the redemption of 1.7 million treasury shares was performed on 20 July, thus bringing the total number of capital stock, at the reporting date, to 438,344,983 shares.

8.3. Treasury stock

On 15 June 2022, the company reported that the Board of Directors, at its meeting held on 14 June 2022, approved a temporary stock buy-back programme, valid for one year. This programme is aimed at reducing FCC's share capital through the redemption of its own stock and it has the following characteristics: the maximum number of shares to be acquired under the Programme is 2 million and the maximum investment of the Programme was €25 million. At 31 December 2022, the number of shares acquired under this programme came to 1,016,141.

As a result, the treasury stock position at 31 December 2022 amounted to 2,741,524 shares, equivalent to 0.625% of the capital stock.

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 backlog for our Environment, Water and Construction areas because these businesses are characterised by medium and long-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.

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 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. The GAV at the market value of the real estate assets as determined by independent experts and the occupancy rate at the occupied surface area of the portfolio of rental property assets divided by the portfolio's operating surface area.

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.

9. DISCLAIMER

The interim financial information contained in this document was obtained from the consolidated interim financial statements as at 31 December 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.

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