

INFORMATION MEMORANDUM DATED 20 APRIL 2023



**ACS, ACTIVIDADES DE CONSTRUCCIÓN Y
SERVICIOS, S.A.**

(Incorporated with limited liability in the Kingdom of Spain)

€750,000,000

EURO COMMERCIAL PAPER PROGRAMME

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for Euro commercial paper notes (the "**Notes**") issued during the twelve months after the date of this document under the €750,000,000 Euro commercial paper programme (the "**Programme**") of ACS, Actividades de Construcción y Servicios, S.A. described in this document to be admitted to the official list of Euronext Dublin (the "**Official List**") and trading on its regulated market ("**Euronext Dublin**").

There are certain risks related to any issue of Notes under the Programme, which investors should ensure they fully understand (see "*Risk Factors*" on pages 1-18 of this Information Memorandum).

Potential purchasers should note the statements on pages 82-89 regarding the tax treatment in Spain of income obtained in respect of the Notes and the disclosure requirements imposed by Law 10/2014 on the Issuer relating to the Notes. In particular, payments on the Notes may be subject to Spanish withholding tax if certain information is not received by the Issuer in a timely manner.

The Issuer has been assigned a short-term credit rating of A-3 (stable outlook) and a long-term credit rating of BBB- (stable outlook) by S&P Global Ratings Europe Limited ("**S&P**"). S&P is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger and Dealer

SANTANDER CORPORATE & INVESTMENT BANKING

IMPORTANT NOTICE

This Information Memorandum (together with any documents incorporated by reference, the "**Information Memorandum**"), as may be supplemented, contains summary information provided by ACS, Actividades de Construcción y Servicios, S.A. (the "**Issuer**" or "**ACS**") in connection with a euro commercial paper programme (the "**Programme**") under which the Issuer may issue and have outstanding at any time euro commercial paper notes (the "**Notes**") up to a maximum aggregate amount of €750,000,000 or its equivalent in alternative currencies. Under the Programme, the Issuer may issue Notes outside the United States pursuant to Regulation S ("**Regulation S**") of the United States Securities Act of 1933, as amended (the "**Securities Act**"). Pursuant to an amended and restated dealer agreement dated 20 April 2023 (the "**Dealer Agreement**"), the Issuer has appointed Banco Santander, S.A. ("**Banco Santander**") as arranger for the Programme (the "**Arranger**") and as dealer for the Notes (hereinafter referred to as the "**Dealer**" and, together with any institution subsequently appointed as a dealer pursuant to the Dealer Agreement, the "**Dealers**") and authorised and requested the Dealer to circulate the Information Memorandum in connection with the Programme on its behalf to purchasers or potential purchasers of the Notes.

The Issuer accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Notice of the aggregate nominal amount of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each issue of Notes will be set out in final terms (each the "**Final Terms**") which will be attached to the relevant form of Note (see "*Forms of Notes*"). Each Final Terms will be supplemental to and must be read in conjunction with the full terms and conditions of the Notes, which are set out in the relevant form of Note. Copies of each Final Terms containing details of each particular issue of Notes will be available from the specified office of the Issuing and Paying Agent (as defined below) set out below.

The Issuer has confirmed to the Dealer that the information contained or incorporated by reference in the Information Memorandum is true and accurate in all material respects and not misleading and that there are no other facts the omission of which makes the Information Memorandum, as a whole, or any such information contained or incorporated by reference therein, misleading. Any statements of intention, opinion, belief or expectation contained in the Information Memorandum are honestly and reasonably made by the Issuer and, in relation to each issue of Notes agreed as contemplated in the Dealer Agreement to be issued and subscribed, the Information Memorandum together with the relevant Final Terms contains all the information which is material in the context of the issue of such Notes.

Neither the Issuer nor Banco Santander in its capacity as Arranger and/or Dealer, nor any institution subsequently appointed as a dealer pursuant to the Dealer Agreement, accept any responsibility, express or implied, for updating the Information Memorandum and neither the delivery of the Information Memorandum nor any offer or sale made on the basis of the information in the Information Memorandum shall under any circumstances create any implication that the Information Memorandum is accurate at any time subsequent to the date thereof with respect to the Issuer or that there has been no change in the business, financial condition or affairs of the Issuer since the date thereof.

This Information Memorandum comprises listing particulars made pursuant to the Listing and Admission to Trading Rules for Short Term paper published by Euronext Dublin. This Information Memorandum should be read and construed with any supplemental Information Memorandum, any Final Terms and with any document incorporated by reference.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained or incorporated by reference in this Information Memorandum, in the Dealer Agreement (as defined herein), in any other document prepared in connection with the Programme or in any Final Terms or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Dealer.

The Dealer has not independently verified the information contained in the Information Memorandum. Accordingly, no representation or warranty or undertaking (express or implied) is made, and no responsibility or liability is accepted by it as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum, any Final Terms, or any responsibility for any acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes, or in or from any accompanying or subsequent material or presentation by the Dealer.

The information contained in the Information Memorandum or any Final Terms is not and should not be construed as a recommendation by the Dealer, any institution subsequently appointed as a dealer pursuant to the Dealer Agreement, or the Issuer that any recipient should purchase Notes. Each such recipient must make and shall be deemed to have made its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer and of the Programme as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Information Memorandum or any Final Terms.

Neither the Arranger nor any Dealer undertakes to review the business or financial condition or affairs of the Issuer during the life of the Programme, nor do they undertake to advise any recipient of the Information Memorandum or any Final Terms of any information or change in such information coming to their attention.

Neither the Arranger nor any Dealer accepts any liability in relation to this Information Memorandum or any Final Terms or its or their distribution by any other person. This Information Memorandum does not, and is not intended to, constitute (nor will any Final Terms constitute, or be intended to constitute) an offer or invitation to any person to purchase Notes. The distribution of this Information Memorandum and any Final Terms and the offering for sale of Notes or any interest in such Notes or any rights in respect of such Notes, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum, any Final Terms or any Notes or any interest in such Notes or any rights in respect of such Notes are required by the Issuer, the Arranger and the Dealer(s) to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Notes and on distribution of this Information Memorandum and other information in relation to the Notes set out under "*Subscription and Sale*" below.

MIFID II PRODUCT GOVERNANCE/TARGET MARKET

The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules for the rest of the notes.

UK MiFIR PRODUCT GOVERNANCE

The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes,

but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

BENCHMARK REGULATION

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**Benchmark Regulation**"). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Final Terms. The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S).

The Issuer has undertaken, in connection with the admission of the Notes to the Official List and trading on Euronext Dublin that if there shall occur any adverse change in the business or financial position of the Issuer or any change in the terms and conditions of the Notes, that is material in the context of the issuance of Notes under the Programme, the Issuer will prepare or procure the preparation of an amendment or supplement to this Information Memorandum or, as the case may be, publish a new Information Memorandum, for use in connection with any subsequent issue by the Issuer of Notes to be admitted to the Official List and trading on Euronext Dublin. Any such supplement to this Information Memorandum will be subject to the approval of Euronext Dublin prior to its publication.

This Information Memorandum describes in summary form certain Spanish tax implications and procedures in connection with an investment in the Notes (see "*Risk Factors – Risks in relation to the Notes – Risks in relation to Spanish Taxation*" and "*Taxation – Taxation in Spain*"). Holders of Notes must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Notes.

Interpretation

In the Information Memorandum, references to "**EUR**", "**€**" and "**Euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended; references to "**Sterling**" and "**£**" are to the currency of the United Kingdom; references to "**CHF**" and "**Swiss francs**" are to the currency of Switzerland; references to "**U.S. dollars**" and "**U.S.\$**" are to the currency of the United States of America; references to "**A\$**" are to the currency of Australia; and references to "**JPY**" and "**¥**" are to the currency of Japan.

Where the Information Memorandum refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

Ratings

Tranches of Notes issued under the Programme will be rated or unrated. Where a tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant tranche of Notes will be (1) issued by a credit rating agency established in the EEA and registered under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a CRA which is established in the EEA and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation will be

disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation or (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

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RISK FACTORS

The Issuer believes that the following factors may affect their ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme as at the date of this Information Memorandum, but the inability of the Issuer to pay any amounts due on or in connection with any Notes or the Deed of Covenant, may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the information set out elsewhere in this Information Memorandum and reach their own view prior to making any investment decision.

Under the circumstances described below, potential investors may lose the value of their entire investment or part of it.

Each potential investor in Notes must determine the suitability of an investment in the Notes in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement to this Information Memorandum;*
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;*
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;*
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and*
- (v) be able to evaluate (either alone or with the help of their financial, accounting, legal and tax advisers) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.*

Investing in Notes issued under the Programme involves certain risks. Prospective investors should consider, amongst other things, the following:

Risks Relating to the Issuer

Risks Relating to the Issuer or its Industrial Sector

Current state of the global economy

As at the date of this Information Memorandum, although adverse economic risks have moderated somewhat compared to the last quarter of 2022, the outlook for 2023 remains uncertain. Some of the downside risks that have been pointed out by analysts include severe health outcomes in China that has held back the economic recovery, Russia's war in Ukraine could escalate, and tighter global financing conditions could worsen debt distress. Financial markets could also suddenly reprice in response to adverse inflation news, while further geopolitical fragmentation could hamper economic progress. More than a year after Russia launched its war of aggression against Ukraine (24 February 2022), it has become apparent that the economic consequences of this crisis have been relevant not only for the two countries directly involved but also for the rest of the world. The conflict had an inflationary impact by strongly affecting

energy prices and stressing raw materials and food markets. In this context, central banks in most economies increased their policy rates to address high inflation and mitigate the risk it becomes embedded in price- and wage-setting behaviours. Despite major economies doing somewhat better than initially expected, as they have not fallen into a generalised stagflation process, it is still too early to tell whether they will achieve a soft landing in a context of strong interest rate hikes. Geopolitical tensions and the COVID-19 pandemic have further weighed on cross-border trade and global value chains. Rising antagonism between the US and China in particular have resulted in trade restriction measures and the adoption of industrial policies in technology-intensive sectors (i.e., semiconductors). Changing trade patterns could deliver significant economic costs. Increasing barriers to international trade could make resource allocation less efficient, with harmful effects for productivity growth. Rising trade restrictions and/or higher trade policy uncertainty would lead to increased global economic fragmentation. These developments are taking place in a context in which global trade has lost dynamism in the last decade and its growth is not expected to regain traction. Several economic and policy factors explain the slowdown of global trade during the last decade: the benefits from trade-facilitating levers seem to have been largely exhausted; the marginal benefits of technological progress in transportation and communication, which facilitated the geographical dispersion of productive processes, are reaching diminishing returns; further offshoring is being restrained by a stabilisation of the share of manufacturing in high-income nations and by a decline in the share of intermediate goods in imports for emerging countries, as the latter are increasingly relying on their own industrial base to provide inputs; in addition, in some key emerging economies, notably China, an increasing share of services in the economy and a reduced integration in global value chains contribute to the decline in trade openness.

The forecast of low growth in 2023 reflects the rise in central bank rates to fight inflation— especially in advanced economies—as well as the war in Ukraine.

New reductions of the size of central bank balance sheets and rises in interest rates are expected. Inflationary risk remains largely linked to developments in energy markets in the near term, but a tight labour market in various regions in the world could lead to stronger than expected wage pressure. This could generate second-round effects on inflation, so that prices become sticky and resilient to downward pressure. The position of China will be a central concern. Supporting Russia seems to be now incompatible with friendly relations with western countries and it would affect international trade to a greater extent. In addition, Western countries might make strategic security an overriding imperative of their economic policy. The crisis could lead to increased military spending. A likely consequence of the focus on defence is that all members will be expected to fully meet their financial commitment to spend 2% of Gross Domestic Product ("GDP") on national defence. Given the global need for fiscal consolidation, increased defence budgets could reduce public infrastructure spending in Western countries in the medium to long term. This could have a negative impact on the construction industry. These effects are not likely to be offset by increased demand arising from war reconstruction needs for those companies not operating in the countries involved in the conflict.

During March 2023, financial markets experienced a considerable increase in volatility. Fears of contagion following the collapse of Silicon Valley Bank and Signature Bank and the rescue plan for First Republic Bank in the United States were compounded by the forced merger between Swiss banks Credit Suisse and UBS. This volatility spread to the rest of the financial sector, affecting not only equity markets but also the credit default swaps of many banks as well as the credit spreads on senior bonds, subordinated bonds and, in particular, hybrid instruments. This created fears of a systemic risk in the financial system and exerted significant pressure on the direction of central banks' monetary policies. In this context, monetary authorities may face the dilemma of pausing rate hikes and withdrawing liquidity from the system, which could be detrimental to the effectiveness of anti-inflation policies. In this regard, central banks are faced with the need to look at three objectives: controlling inflation, achieving stability in the financial system, and avoiding a deep recession, which might be difficult to fulfil simultaneously.

The possibility of developing new business in the sectors in which the Group operates depends on the economic and financial capacity of its potential customers, which are in both the public and private sectors. A significant part of the Group's sales is related to construction of civil works. Consequently, a relevant proportion of customers are central and regional governments. From this perspective, the availability of governmental funds to undertake new infrastructure projects and to maintain existing ones is linked to public budgets. Transport concessions revenue, another of the Group's relevant sources of income, depends on the mobility of passengers and goods. These variables are closely connected with the growth of income in the different markets in which the Group operates directly or through subsidiaries. Given that both the health of public finances and traffic on motorways depends significantly on the rate of GDP growth, the

Group's activity is intrinsically reliant on the state of the economies in which it operates. In addition, the Group could be negatively affected by changes in expectations regarding the materialization of different programmes dedicated to infrastructure in the world, as a result of geopolitical tensions. In this vein, the Euro-zone, the Council and the European Parliament reached consensus on the Multiannual Financial Framework, as well as on the Next Generation Programme and a political agreement on the Recovery and Resilience Facility ("RRF") was reached. In the United States, the new Biden administration had managed to push through a large fiscal stimulus package in the amount of U.S.\$1.9 trillion. The current context of geopolitical conflicts could call into question the materialization of these programmes and, consequently, the extent to which the Group can benefit from them.

The business performance of the Group is closely connected with the economic development of the countries and regions in which the Group carries out its activities. The business operations, as well as the financial condition and the results of operations of the Group, may be adversely affected if the global economic environment deteriorates, particularly in those zones where there is a greater concentration of the Group's business. With high levels of global indebtedness, a pullback in risk appetite could trigger a sharp tightening of global financial conditions. Increased inflationary pressures and the associated uncertainty surrounding how intense and protracted the process of interest rate hikes will be could trigger capital outflows.

The risks and points raised in this section have been assessed and included based on the following sources and others mentioned below:

- European Commission, "Winter 2022 European Economic Forecast" Institutional Paper 194 February 2023" which can be found at: https://economy-finance.ec.europa.eu/system/files/2023-02/ip194_en_1.pdf
- IMF, International Monetary Fund "World Economic Outlook Update. January 2023. "Inflation Peaking amid Low Growth" which can be found at: <https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023>.

The materiality of the Group's operational risk is essentially concentrated in a group of few developed countries: 93% of the Group's sales and 91% of its backlog are concentrated in five countries on three continents (United States, Australia, Spain, Canada, and Germany). Regarding the economic situation and expectations in these countries, the following should be noted:

In the United States, which accounted for 56% of 2022 Group's sales and 49% of its backlog as at 31 December 2022, GDP growth in 2023 is expected to be even lower than in 2022. According to the Board of Governors of the Federal Reserve System ("**Monetary Policy Report, 3 March 2023**") available at https://www.federalreserve.gov/monetarypolicy/files/20230303_mprfullreport.pdf, the evolution of GDP during 2022 has shown remarkable volatility, reflecting strong fluctuations in some demand categories of the economic activity such as net exports and investment. Consumer spending increased at a good pace, supported by savings accumulated during the pandemic, but developments in manufacturing output were weaker and the housing sector contracted in response to high mortgage rates. The size of the Federal Reserve's balance sheet decreased as this institution reduced its securities holdings. In addition, recent interest rate hikes have had a negative impact on funding activity. Issuance of leveraged loans and speculative grade corporate bonds slowed substantially, while issuance of investment grade bonds also declined, albeit more moderately. Bank lending to corporations has been also slowing down. In this context, while corporate credit quality remains strong, indicators of future defaults have risen. On the household side, mortgage originations continued to decline sharply, although consumer loans and credit cards did not. Even with labour demand remarkably strong, the labour force has been slow to recover, leaving a significant labour shortage compared to pre-pandemic levels. This has been contributed to by a higher-than-expected wave of retirements based on demographic trends, as well as slower population growth, which in turn reflects higher mortality due to COVID and lower immigration rates during the pandemic period. The labour market remains tight, with robust job gains, the unemployment rate at historically low levels, and nominal wage growth slowing but still elevated.

In Australia, a market which accounted for 19% of 2022 Group's sales and 25% of its backlog as at 31 December 2022, although the economy expanded strongly over 2022, the growth in activity moderated in the second half of the year. The outlook continues to be for slower GDP growth this year and next.

According to the Bank of Australia ("**Statement on Monetary Policy – February 2023**" available at <https://www.rba.gov.au/publications/smp/2023/feb/pdf/statement-on-monetary-policy-2023-02.pdf>), the effects of higher interest rates, the rapidly increasing cost of living and declining real wealth are all expected to weigh on demand in the period ahead. Real growth in consumption has been much slower, reflecting strong growth in prices. On the real estate market, the change in dwelling investment figures was positive but followed a significantly slower pace than in previous years. National housing prices have declined. Housing market turnover as well as rental vacancy rates has also fell in most capital cities over the past year. Housing credit growth has recently decreased, and it is expected to decline further, as commitments for new housing loans have fallen of late. Regarding the labour market, although the increase in net arrivals from abroad following the reopening of the international border has boosted labour force growth in Australia, it remains tight. The unemployment rate has remained around its lowest level in almost 50 years. Broader measures of labour underutilisation are also around multi-decade lows. Labour demand remains strong. Although labour supply has expanded to meet some of this strong demand, many firms report difficulties in finding suitable labour. Wages growth has picked up, particularly in the private sector, consistent with the tight labour market. In relation to prices development, the forecast decline in inflation in Australia is subject to a number of uncertainties. Although goods inflation is expected to ease in line with the easing of global cost pressures, the timing and pace of this could differ from the expected trajectory. Price- and wage-setting behaviour could become more sensitive to strong demand and high inflation, given that households and firms may be more attentive to rising costs when inflation is high for a time. Longer term inflation expectations remain anchored, but it is possible they could move higher. If that were to occur, it would make the task of bringing inflation down harder.

In Canada, which accounted for 6% of 2022 Group's sales and 4% of its backlog as at 31 December 2022, growth is expected to stall through the middle of 2023. The pace of economic growth in Canada is slowing, but demand continues to exceed supply. The Central Bank of Canada is forecasting that on an annual average basis, growth of gross domestic to slow to about 1% in 2023. According to its "**Monetary Policy Report January 2023**" (available at <https://www.bankofcanada.ca/wp-content/uploads/2023/01/mpr-2023-01-25.pdf>) the level of potential output has been revised up by less than gross domestic product. The economy is estimated to have been in greater excess demand in the second half of 2022 than previously projected. This is consistent with stronger labour demand. As a result, the projection begins with more excess demand and more domestic price pressures. Inflation is expected to decline in the near future, moving closer to the Canadian central bank's targets. Past falls in supply-side commodity prices and slower demand growth in response to monetary policy tightening will put downward pressure on inflation. For food and shelter services, inflation remains particularly high. This is because ongoing cost pressures are boosting food prices, while falling house prices are being offset by rising mortgage interest costs. The pullback in housing activity that began in 2022 is expected to continue over the near term. House prices are projected to decline further, particularly in markets that saw significant increases during the pandemic. Growth in business investment is expected to be slow over 2023. Slowing demand, elevated borrowing costs and increased uncertainty about future economic conditions weaken investment outside the oil and gas sector in 2023. Growth in new construction and housing resales will likely pick up by the second half of 2023, supported by low inventories and strong demand from immigration. Regarding the labour market, monetary policy appears to be slowing the demand for labour. Employment growth has been weaker in sectors that are sensitive to changes in the interest rate, including manufacturing, construction and trade. However, the labour market is still tight across a broad range of measures, suggesting that it remains above maximum sustainable employment. The number of job vacancies also remains high. Firms continue to have difficulties finding workers, which reflects strong labour demand, the impacts of an aging population and shortages of available workers with the desired skills.

The EU economy continues to be beset by challenges. Core inflation is at best slowly easing. Both consumers and businesses continue to face high energy costs and continued inflationary pressures on other goods, which will weaken consumption in the short term. Supply bottlenecks eased, but insufficient demand is increasingly limiting production. While remaining at a relatively high level, the percentage of industry managers quoting shortage of material and/or equipment, or shortage of labour force as factors limiting production. Regarding the labour market, only a marginal abatement in labour shortages is expected, signalling a continuous tightness in the EU labour market at the beginning of the year. Difficulties in recruiting, labour shortages and job vacancy rates - can be expected to motivate firms to hoard labour in the face of a temporary slowdown. Later in 2023, with economic activity slightly picking up as of spring, an increase in the number of hours worked should be followed by increased headcounts. Opposite forces are at play in the first half of 2023. Powerful headwinds are still dragging domestic demand. Namely, while inflation is moderating, it remains high, and consumers and businesses continue to face high energy costs.

The cumulative impact of past monetary tightening is starting to weigh on lending activity. With core inflation still trending up, monetary policy tightening is set to be more forceful than previously assumed, especially affecting sectors that are more sensitive to interest rates, like construction. Heterogeneity across Member States remains elevated. The adjustment to the high interest rate environment could prove challenging. In a context of rising core inflation, tight labour markets and subdued activity, the exact calibration of the additional tightening needed to stem inflation will be a difficult balancing act. As the ECB and other EU central banks are expected to continue increasing their key interest rates and reducing further the size of their balance sheets, heavily indebted firms and households may be subject to heightened stress, which could spill-over to the banking sector. Tensions may also arise among some non-bank financial institutions. Especially in 2024, upside risks to inflation prevail, as price pressures may turn out broader and more protracted than expected in the baseline if wage growth were to settle at above-average rates for a sustained period.

In Spain, which accounted for 9% of 2022 Group's sales and 9% of its backlog as at 31 December 2022, the resilience of the economy was underpinned by the strong rebound in tourism over the summer season and dynamism of private consumption, also supported by positive labour market developments. Overall, GDP growth is set to reach a figure well below 2% in 2023. The private savings accumulated during the pandemic and recent pension increases were expected to support consumption, however the slowdown in household spending appears to be borne out, at least partially, by slower spending on services and, in particular, on leisure and hospitality. Meanwhile, spending on goods appears to have performed somewhat better. The main housing investment indicators point to a continuation of the weakness observed in this demand component in recent quarters. Both housing construction indicators and home sales have been declining in recent times. In addition, a fiscal policy characterised by the adoption of new taxes, the raising of tax rates and the accentuating of the progressiveness level of the tax system, could have a negative impact on the supply of savings, investment, and labour supply. The contribution of net exports to output growth has been negative in recent quarters. In a context of weakening domestic demand, the slowdown in goods imports appears to have been more pronounced than the slowdown in exports. International tourism is expected to continue to recover. The implementation of the Recovery and Resilience Plan investment should support investment spending. Factors that may weigh negatively on output in the future include the impact of the protracted tightening of financial conditions for households and firms and weakening labour market dynamics.

In Germany, which accounted for 3% of 2022 Group's sales and 4% of its backlog as at 31 December 2022, the increase in real terms of the GDP in 2022 was just 1.8%. In 2023, despite the improvement in confidence, the economy is expected to suffer another mild decline during this year as energy prices for households are still increasing and government support is expected to take place at the end of the first quarter. Meanwhile export growth is set to slow down dragged by weak foreign demand. The pressure on corporate margins from sharp increases in producer prices has been depressing the outlook for equipment investment, and higher building and borrowing costs are expected to weigh on construction. In 2023, the pass-through of elevated wholesale energy price growth is expected to be mitigated by the caps on gas and electricity prices, although these remain at historically high levels. However, still rising producer costs are set to keep core inflation high. The labour market remains tight, but wage growth has so far continued to trail inflation. Overall, the change in real GDP is expected to be positive but rather modest in 2023.

Risks related to unexpected adjustments and cancellations of projects

The Group's project portfolio is exposed to unexpected adjustments and cancellations. The agreements entered into by the Group's companies to carry out their projects are usually entered into for periods of more than two years. This increases the risk of early cancellation of these agreements. Furthermore, in certain circumstances the Group's companies may not be entitled to compensation for early termination. In addition, the scope of the agreed work as part of a project may change. This may lead to an increase in costs in connection with the project as well as to reduced profits or to losses.

During 2022, the ACS Group's operating companies were awarded a significant number of projects, among which, the expected investment for the Group is more than €1 billion for one project, between €500 million and €1 billion for four projects, between €300 million and €500 million for nine projects, between €200 million and €300 million for nine projects. In twenty projects the expected investment is between €100 million and €200 million. Any cancellations of or changes in projects as well as changes in the corporate strategy of the clients of the Group may negatively affect its project portfolio, which may have a material adverse effect on the results of operations and the profit of the Group.

Risks in Relation to the Construction Business Sub-Unit

Risks in relation to public sector infrastructure projects and civil works

Fiscal policy has been the first line of defence against the COVID-19 crisis as fiscal authorities have the most appropriate and powerful instruments to ensure the income of the agents. Indeed, fiscal responses in affected countries have been swift and sizable in many advanced economies where the Group operates. These policies were essentially implemented through public spending and loans guaranteed by the public sector. Subsequently, the energy crisis triggered by the Russian-initiated war in Ukraine exacerbated a generalised inflationary process that had already begun as a result of the pandemic's disruption of supply chains. In this context, governments embarked on further public spending policies. Essentially these new fiscal measures took the form of subsidising energy products to households and reducing VAT on certain foodstuffs. All these fiscal policies have led to an increase in public debt levels. In the case of Spain, the lack of deflation of the progressive income tax rate, and the positive impact of higher prices on the VAT tax base has resulted in an increase in fiscal revenue. This, together with the introduction of new taxes, has partly offset the impact of higher public spending. The inflationary process, by increasing nominal GDP which operates as the denominator in the public debt ratio, contributes to reducing this indicator. Despite this, public debt-to-GDP levels are currently high by historical standards and fiscal consolidation measures are required in most of the developed countries in which the Group operates. This represents a risk with respect to future levels of orders that the construction division may receive. The recent massive use of public-private partnership ("PPP") schemes by numerous countries across five continents as a way of procuring public services and infrastructure assets has recently mitigated these risks. However, this circumstance could change in the future because of a modification in the political and social consideration of the recourse to PPP schemes.

Should governments' budget allocations for infrastructure projects be further reduced, or not be increased, or should new decisions be made leading to a delay in, or cessation of, public infrastructure projects already awarded to the Group, this could have a material adverse effect on the business, the financial condition and the results of operations of the Group. In 2022, the Construction Business Sub-Unit represented 93.5% of the Group's revenue and 95.8% of the Group's backlog (namely the number of agreed orders and contracts which have not yet been completed).

The Group may be adversely affected by raw material and energy shortages or price fluctuations

The Group is exposed to changes in the prices of its key inputs: raw materials, such as steel, cement and gravel; energy (e.g., diesel and electricity); as well as prices for project-related services sourced from third parties. The Group takes prices of raw materials, energy, and project-related services into consideration in the bidding process and strives to pass on price fluctuations of input materials to the customer or strives to fix prices. The price risk associated with raw materials is usually not hedged by the Group and the Group may not be able to pass on increased raw material and energy costs to its customers or subcontractors. Therefore, increases in the prices of raw materials and other input materials and services typically have the greatest impact on the Group's sales and also, but to a lesser extent, on its results of operations. In particular, an increase in the oil price, after years of prices that have been well below the long-term average, could have an adverse effect on the Group's operating costs, particularly in relation to the Group's contract mining activities.

Moreover, during 2021 and 2022, key building materials and cement suppliers have raised prices by unprecedented double-digit percentage rates, aiming at passing on significant raw material, transport and energy cost inflation. In the face of significant increases in the prices of inputs required for public works, rebalancing may be necessary, and it may require special government regulations. In this context, there is a risk that the rules on price revision for public works set limits in terms of the contract award price. As a result, the revision may be insufficient to cover the entire mismatch. These rules may also include minimum increases in the price of inputs for rebalancing to apply. In addition, there is a risk that price increases caused by some of its components may be excluded in the calculation of the price review. Finally, these rules may limit the period for calculating price increases. This may result in partial compensation of cost overruns for builders.

Additionally, resource availability is a significant issue for procurement at ACS. The Group is faced with growing scarcity of basic materials such as gravel and sand. The shortage may result in supply bottlenecks, consequently delaying projects as well as increasing prices of available materials.

The realization of any of these risks could have a material adverse effect on the Group's business, cash flows, financial condition, and results of operations.

Risks resulting from delays and cost increases in the construction industry

Large construction projects carried out by the Group are exposed to specific risks, such as claims relating to building defects, or cost increases regarding materials, machinery and labour, as well as factors generally influenced by the economic environment. Even though some agreements include price adjustment clauses, it is not always possible to eliminate or reduce these risks.

The COVID-19 crisis challenged the maintenance of material supply chains (including raw materials like sand, concrete and some extractive materials) and some of these problems intensified following the outbreak of war in Ukraine with the resulting geopolitical tensions. Moreover, labour markets in a number of countries are under considerable stress. In this context, construction activity may be affected.

If sub-contractors of the Group fail to meet project deadlines or the agreed budget, this may lead to delays and additional costs in the construction which may then further lead not only to a delay in payment receipts but also to fines or a cancellation of the agreement by the Group's customers. Furthermore, the Group's reputation as a construction company could be damaged. Such increases in costs, decreases in earnings and potential reputational damage to the Group could have a material adverse effect on the business, the financial condition and the results of operations of the Group.

Cyclicality of the residential construction industry

In general, the construction industry is of a cyclical nature and depends on investments carried out by the public sector as well as the private sector.

Investments in residential building are affected by a series of factors, such as demographic trends, which may be particularly negative in the coming years: they include the availability of financing for developers and the ability of homebuyers to meet mortgage costs. This capacity depends in turn on the wage level and the evolution of the employment rate. The outlook for the residential construction sector is not homogeneous by country and subject to economic conditions and some uncertainties. In those regions in which the Group is active there could be a worsening of demographic developments, labour market conditions, the evolution of the mortgage markets and the supply of bank credit. Furthermore, the spread of remote working in many enterprises can significantly affect the demand for office space in the medium term which could negatively impact on non-residential construction activity.

An unfavourable environment for investment in global construction projects in the private sector may be revealed as a result of weak demand in a period when several economies are facing a soft landing. In addition, after years of ultra-expansionary monetary policies, the abrupt shift towards a tight monetary policy, with rising interest rates and withdrawal of liquidity by reducing central banks' balance sheets, could have a negative impact on the mortgage market. In this context, demand for housing would be reduced. This would have a material adverse effect on the business operations, the financial condition and the results of operations of the Group.

Risks in Relation to the Concessions Business Sub-Unit

Risks resulting from the need to review the portfolio of concessions

The Group aims to renew its portfolio of concessions on an ongoing basis. At the end of year 2022 the Group (through Iridium) had a portfolio of 48 concessions, of which 85% were already in operation, 13% were under construction and 2% in other situations. Among these projects, 37 were transport concessions, including highways, railways and transfer stations. In addition, Iridium had invested in 11 concession projects including hospitals, police stations, prisons and parking. Should the Group not be awarded new concessions with which to replace the concessions previously sold, or concessions remaining in the portfolio which will expire or will terminate or be withdrawn, income from the sales as well as the income from the operation of concessions could decline. This could have a material adverse effect on the business, the financial condition and the results of operations of the Group.

Risks related to revenues from the operation of concessions

The ordinary income realised by the Group from the operation of infrastructure concessions depends in part on the fee revenue from the relevant concession. Any option to increase such revenue above the agreed amount may be restricted or limited and the fees may be reduced by the relevant public authority during the term of the concession. The income from the operation of infrastructure concessions carried out by the Group may depend on the number of users of the infrastructure underlying the concession – in addition to the fee rates – which in turn depends on demand. In the context of reduced traffic, because of weak demand caused by an economic recession, revenues from concessions will be lower than initially expected. If the number of users of the infrastructure operated by the Group or its availability for use, respectively, is lower than the number of users or the availability for use initially provided for in the economic plans and financial budgets, or if the fees initially used as a basis in the economic plans and financial budgets are reduced, this could have material adverse effects on the business, the financial condition and the results of operations of the Group.

The Group operates in a regulated industry and, in particular, environmental laws could increase the Group's costs

The Group must comply with applicable environmental regulations established by local, regional, national and EU bodies which regulate the Group's activities. The technical requirements imposed by environmental regulations are gradually becoming more costly, complex, and stringent. These laws may impose strict liability in the event of damage to natural resources or threats to public safety and health. Strict liability may mean that the Group is held liable for environmental damage regardless of whether it has acted negligently, or that it owes fines whether or not damage exists or is proven. The relevant authorities may impose fines or sanctions or may revoke and refuse to grant authorisations and permits because of a breach by the Group of applicable regulations.

The entry into force of new laws, the imposition of new or more stringent requirements or a stricter application of existing regulations may increase the Group's costs or impose new responsibilities, leading to lower earnings and liquidity available for its activities. Breaching any of these regulations could result in reputational damage, which, in addition to the impact of any regulatory changes, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

During their initial years of operation, the Group's concessions may generate little or no cash

During the initial years of a concession, the costs of financing often consume a large proportion of a concession's available cash flows, leaving little or no cash available for distribution. Furthermore, it is possible that the Group's cash flow projections for a concession will not be met, and that the concession may therefore take longer than expected to generate a profit or may never do so. Such a shortfall of cash may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Risks in the Services Business Unit

Risk of a reversal in the outsourcing trend that could reduce the customer base

The Group's activities in the Services Business Unit depend, to a large extent, on the continuation of the current trends in the public and private sectors to outsource services that are not the focus or core of the relevant entity's activity or business. Should this tendency decline or reverse, this could have a material adverse effect on the business and the results of operations of the Group. Given that, in 2022, 89% of this Business Unit's activity was concentrated in Spain, a greater stress on Spanish public finances, with the end of the moratorium on tax rules in the European Union, could have a negative impact on the demand for the services offered by this Unit.

In addition, as a result of an increase in working remotely in many companies, the activity of facility management for office buildings could be negatively affected, this activity being one of the sources of revenue of the Services Business Unit.

Limited term of the concessions and service agreements

A large part of the income of the Services Business Unit is generated through concessions regarding the provision of services as well as service agreements entered with private companies and public authorities. At the end of 2022, the backlog (namely the number of agreed orders and contracts which have not yet been completed) for both types of services was 19 months. Once a concession expires, the Group must participate in another tender procedure to renew the relevant concession. Similarly, the Group frequently competes with other companies to renew private agreements after their expiry. Furthermore, concessions and agreements with private entities are subject to numerous conditions and obligations, with the failure to fulfil such conditions or obligations potentially leading to a termination of the concessions or cancellation of the agreements.

Regarding concessions for public services, the public authorities in specific countries are entitled to unilaterally amend or cancel concession agreements. Please see "*- Risk of termination or early withdrawal of the concessions by public authorities*" above for more information on the risk of a termination or early withdrawal of concessions.

Should the Group be unable to maintain or renew the concessions and the service agreements it currently has been awarded, or should the Group not be awarded new concessions or service agreements, this could have a material adverse effect on the business, the financial condition, and the results of operations of the Group.

Risks associated with price fluctuations

In the past, the regulator had established measures aimed at the de-indexation of contracts with the Spanish public administration. As a result, in periods of inflationary tension such as the current one, the profitability margins of the companies in the Services Unit may be negatively affected.

Risks Related to the Overall Business of the Group

Risks due to legal claims

Claims may be asserted against the Group based on accidents occurring or errors made during the implementation of construction works and projects, the operation of concessions by the Group or during the provision of services. Such claims may relate to injuries or deaths of human beings, damage to facilities and accessories or environmental damage. They may be based on alleged acts or omissions of the Group and/or of its sub-contractors.

Additionally, the Group is required to provide commercial guarantees to clients in respect of the proper functioning of construction works carried out by it. A failure of any such works to perform as specified could result in claims being made against the Group under the relevant guarantee(s). Any such claim could materially adversely affect the business, financial condition, or results of operations of the Group, and could furthermore have a materially adverse effect on the Group's reputation.

The Group typically takes out insurance policies and tries to stipulate limits on liability in the contracts to which it is a party, with a view in each case to mitigate the risk of a claim under any such guarantee. However, the insurance taken out by the Group and contractual liability limits may not provide sufficient coverage to the Group with regard to the consequences of the circumstances described above and the corresponding liability claims. Furthermore, indemnifications granted to the Group by sub-contractors may be ineffective to the extent that the relevant sub-contractors do not have sufficient insurance coverage of their own, or the necessary resources to satisfy the claims made against them by the Group. On the other hand, the Group may decide that no insurance covering the above risks will be taken out or may not be able to take out the insurance on a reasonable basis or ensure that each agreement will include appropriate indemnifications. Even if any insurance coverage exists, the liability claims could exceed the amount insured or lead to an increase in insurance premiums.

All of the above could have a material adverse effect on the business, the financial condition or the results of operations of the Group. For more information see section "*Description of the Issuer - Litigation*". Additionally, should an outcome of the proceedings described in this Information Memorandum prove unfavourable to the interests of the Group, this could have an adverse effect on the financial condition and the results of the Issuer.

Risks in relation to derivative transactions

The Group has entered into derivative transactions, including transactions on interest rate, currency and equity. The notional volume of outstanding derivatives on 31 December 2022 in the group amounted to €3,936 million, with €1,393 million corresponding to interest rate swaps (IRS), €1,537 million to forex derivatives and €1,006 million to other derivative instruments. Derivative markets are in the process of being reformed. In Europe, this reform has led to the adoption of Regulation 648/2012, known as the European Market Infrastructure Regulation ("**EMIR**"). EMIR introduces new requirements to improve transparency and reduce risks associated with the derivatives market. EMIR came into force on 16 August 2012, although the main requirements are being progressively implemented. As at the date of this Information Memorandum, EMIR requires, *inter alia*, all EU derivatives market participants who enter into any form of derivative transaction, including (amongst others) derivative transactions on interest rate, currency and equity, to report all derivative transactions to a trade repository and implement new risk-mitigation techniques (including timely confirmation of transactions, portfolio reconciliation, dispute resolution and daily valuation). EMIR also requires, with respect to certain entities, the clearing through a central counterparty of over-the-counter derivatives that are subject to a mandatory clearing obligation, and the exchange of collateral for all non-cleared over-the-counter derivative transactions.

Compliance with the requirements imposed by EMIR which apply to the Group and with the requirements arising from any other derivatives regulations to which it could be subject could be burdensome, giving rise to additional expenses that may have an impact on the Group's financial condition. Additionally, such regulations could increase the cost of conducting hedging activities. Non-compliance with such requirements applicable under EMIR or under any other derivatives regulations to which the Group could be subject could constitute an offence under the Spanish Securities Markets Act which could result in the imposition of fines by the relevant supervisory authority.

Additionally, although the corporate management of the Group establishes counterparty selection criteria based on the quality of credit of the financial institutions, which translates into a portfolio of entities of high quality and solvency, the Group is exposed to the risk of breach by its counterparties in transactions involving financial derivatives.

Risk of competition

All of the Group's business units operate in highly competitive sectors which require considerable use of human, material, technical and financial resources. The companies competing with the various subsidiaries and business units of the Group may have greater technical and financial resources available than those available to the Group or may be more experienced or have better knowledge of the markets in which the Group operates or in which it intends to expand. Other companies may also be willing to accept lower margins and would therefore be able to submit a technologically better offer at the same price or a similar offer at a lower price than the Group.

For these reasons, it could become more difficult for the Group to be awarded new projects, concessions and agreements. Likewise, the Group could find itself compelled to accept construction and other projects, concessions, and agreements, or providing services at lower margins than in the past. This could have a material adverse effect on its business, financial condition, and results of operations.

Legal risks related to licensing and approvals

In order to be able to carry out specific projects, the Group may have to obtain approvals, licences, certificates and other permits from the competent authorities in specific project phases. There can be no assurances that the Group will be able to obtain the relevant approvals at all, or on a timely basis, or that it will be able to fulfil the requirements for such approvals in all cases. This could lead to delays, which could have a material adverse effect on the business, the financial condition and the results of operations of the Group.

The Group could be adversely affected by violations of anti-bribery and corruption laws

Over the years an increasing number of anti-bribery and corruption laws and regulations have been approved worldwide and now apply in a significant number of countries and territories where the Group conducts its business. These laws and regulations are amended from time to time and their scope and reach may change. Such anti-bribery and corruption laws and regulations generally prohibit companies and their

intermediaries from granting financial or other advantages to officials or others for the purpose of obtaining or retaining business. The Group operates in many parts of the world that have experienced governmental corruption to some degree and, in certain circumstances, compliance with anti-bribery and corruption laws may conflict with local customs and practices. In addition, some of the jurisdictions in which the Group operates or may operate in the future lack a developed legal system, or may have failed to implement and enforce such laws and regulations, and consequently may have high levels of corruption. In this scenario, the Group's continued international expansion and development of joint venture relationships with local contractors and local agents increases the Group's risk of being exposed to violations of such anti-bribery and corruption regulations by its local partners or agents.

If the Group, its employees, agents, partners, subcontractors or suppliers breach any such laws, the Group could suffer, in addition to reputational damage, from criminal or civil penalties or other sanctions, including fines; denial of export privileges; injunctions; asset seizures; debarment from government contracts; termination of existing contracts; revocations or restrictions of licenses; criminal fines; or imprisonment of key personnel, any of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Risks due to tax disputes

There are at least two sources of tax risks. On the one hand, there is risk arising from changes in tax legislations that could not be foreseen at the time when investment decisions were adopted. This could affect the achievement of the investment return objectives if the tax factor was relevant. Moreover, changes in tax laws could jeopardise the effective use of tax credits, generating a deviation in the cash flow for the payment of taxes. On the other hand, the Issuer is established in Spain, but the Group also operates in 61 tax jurisdictions through a number of subsidiaries and affiliates which must operate in compliance with the applicable tax regulations in their jurisdictions. In this regard, although the corporate tax policy of ACS determines that a prudent tax practice must be followed, the interpretation of the tax laws in different tax jurisdictions could trigger material tax disputes or legal proceedings, such that claims could materially adversely affect the business, financial condition, or results of operations of the Group.

The Group requires an amount of cash to service its debt, and its ability to generate sufficient cash depends on many factors beyond its control.

At 31 December 2022, gross debt maturities up to 31 December 2024 amounted to €3,591 million. This figure includes credits and bilateral loans, leasing, bonds and debt obligations, project finance, accrued interest, intra-group debt and other banking debt. The Group's ability to make payments on its debt and to fund working capital, capital expenditure and research and development will depend on its future operating performance and ability to generate sufficient cash. This depends, to some extent, on general economic, financial, competitiveness, market, legislative, regulatory, and other factors, many of which are beyond the Group's control, as well as the other factors discussed in these "Risk Factors".

In addition, the Group faces a refinancing risk. As a result of the application of new international financial regulations ("**Basel III**"), and in order to recover investor confidence, major banks are immersed in a process to strengthen their balance sheets by means of reducing assets and increasing capital, a process known as deleveraging.

Basel III's rules respond to the need to strengthen regulation, supervision and management of risks in the banking sector and constitute a set of measures meant to improve the banking sector's ability to absorb shocks deriving from economic and financial stress, so as to improve the risk management and governance of financial institutions. However, in the event that financial tensions and synchronised deleveraging arise on a large scale with relation to international banks, this could lead to a global credit crunch which would affect the liquidity of governments, businesses and families, undermining economic growth and global recovery.

Dependence on bank credit is greater for European companies than that of North American companies and consequently they seem more exposed to such a contingency. Specifically, in the Group, a process of this nature would require the implementation of a procedure for substituting financing sources, given that, as at the date of this Information Memorandum, most of its total gross debt corresponds to bank credit. The Group, which is using not only Euro Commercial Paper instruments but also Negotiable European Commercial Paper instruments in its financial strategy, is exposed to risk as a result of a potential global credit crunch, which could cause economic or financial loss to the Group.

The Group's default on interest due or debt repayment could result in a cross-acceleration or cross-default in payment obligations under its other financing agreements and outstanding debt instruments. A default, as well as any resulting cross-default, could result in a number of adverse consequences including significant increases in interest rates as well as other financing costs. In addition, a default may entitle the respective counterparty to accelerate the Group's payment obligations and make all payments immediately due and payable or, in case of the general counter indemnity, entitle the relevant sureties to require additional collateral. If any of these events occur, ACS may be unable to obtain alternative debt or equity financing to refinance their debt obligations on acceptable terms, or at all. Should any of these risks materialise, this could have a material adverse effect on the Group's business prospects, results of operations and financial condition. Furthermore, the sureties are entitled to refuse the issue of bonds at any time and for any reason.

In addition, certain subsidiaries of the Group may require external financing and/or refinancing of existing external financing. They may be restricted from paying dividends or making other distributions to ACS in certain jurisdictions within which some subsidiaries operate. Should such financing and/or refinancing not be available or not be available at favourable commercial terms, significant monetary contributions (such as equity injections or shareholder loans) by the Group to such subsidiaries and shareholdings or any other form of assistance by the Group in connection with such financing and/or refinancing may be required. Furthermore, ACS may face additional risk that in order to refinance its debt, it could be required to agree to more onerous covenants, which would further restrict its business operations.

Risks arising from supplier agreements and the sub-contracting of services

In carrying out construction works and projects, operating concessions, and the services it offers, the Group relies on external manufacturers of equipment and sub-contractors. In the event that it is impossible for the Group to sub-contract specific services or to acquire equipment and materials complying with the relevant plans, quality standards, specifications and cost objectives, this may affect the scheduled commissioning of concessions or a satisfactory provision of services to clients. Therefore, there is a risk of contractual penalties, cancellations of agreements and liability claims, which could have a material adverse effect on the financial condition and the results of operations of the Group.

Risks related to the Group's presence in emerging markets

In 2022, 1.82% of sales were generated in emerging markets: in Latin America (including Mexico), 1.07%; and in Asia (excluding Japan and Hong-Kong) 0.76%. These emerging markets are exposed to political and legal risks which are present to a greater degree than in Europe, North America (excluding Mexico) and Australia. These risks include the risk of nationalisation and expropriation of private assets, political and social instability, frequent changes in the general legal conditions and government policy as well as changes in tax policy and price control. These markets also face a higher risk of macro-economic instability and volatility than the markets in the industrialised nations, which may lead to restrictions in foreign currency transactions, in repatriating profits and importing investment goods. These risks could have a material adverse effect on the business, the financial condition and the results of operations of the Group.

The Group's operations are subject to extensive regulation, including environmental, health and safety and other regulations, as well as the need to manage relationships with NGOs, local communities, and others

As part of its normal course of operation and development activities, the Group has expended significant resources, both financial and managerial, to comply with governmental and environmental regulations including permitting requirements and will continue to do so in the future. However, it is possible that future regulatory developments, such as increasingly strict environmental protection laws, regulations, and enforcement policies, and claims for damages to property and persons resulting from the Group's operations, could result in additional substantial costs and liabilities, restrictions on or suspension of its activities and delays in the exploration and development of its properties.

The Group operates in different businesses and jurisdictions with increasing environmental law and regulation requirements, which have in turn become increasingly complex and strict. The applicable regulations may provide for liability regardless of fault for any damage caused to natural resources or for a mere threat to public health and safety without having caused any actual environmental damage. Such liability, regardless of fault, may lead to liability for environmental damage irrespective of whether it was

caused negligently or whether several persons are jointly responsible for the damage. Irrespective of who is personally liable under civil law or, if applicable, criminal law, entities of the Group may also be considered liable.

Failure to comply with applicable environmental, health and safety laws can result in injunctions, damages, suspension or revocation of permits and imposition of penalties. There can be no assurance that the Issuer has been or will be at all times in complete compliance with such laws or permits, that its compliance will not be challenged or that the costs of complying with environmental and health and safety laws and permits, current and future, will not materially or adversely affect the Group's future cash flow, results of operations and financial condition.

A stricter application of the environmental laws or regulations, the entry into force of new laws, the discovery of currently unknown environmental contamination or the introduction of new or stricter requirements for obtaining licences and approvals could have a material adverse effect on the business, the financial condition, or the results of operations of the Group.

As a consequence of public concern about the perceived ill effects of infrastructure development, particularly in developing countries, the Group's operations face increasing public scrutiny. The international standards on social responsibility, community relations and sustainability, against which the Group benchmarks its operations, are becoming increasingly stringent and extensive over time: adherence to them is increasingly scrutinised by regulatory authorities, citizens' groups, and environmental groups, as well as by investors and financial institutions. In addition, the Group operates in several countries where ownership of rights in respect of land and resources is uncertain and where disputes in relation to ownership or other community matters may arise.

These disputes are not always predictable and may cause disruption to the Group's operations or development plans. The Group's operations can also have an impact on local communities, including the need, from time to time, to relocate or resettle communities or infrastructure networks such as railways and utility services. Failure to manage relationships with local communities, governments, and non-governmental organisations ("NGOs") may harm the Group's reputation as well as its ability to bring development projects into production. For example, in Guatemala, the Group has faced criticism and legal challenges from various NGOs and environmental groups in connection with the impact of the diversion of certain sections of the Cahabón river on indigenous peoples during the various phases of construction of the Renacer hydroelectric project.

In addition, the costs and management time required to comply with standards of social responsibility, community relations and sustainability, including costs related to resettlement of communities or infrastructure, have recently increased substantially, and are expected to further increase over time.

Adverse publicity generated by criticism from NGOs, trade unions or others related to development projects generally, or the Group's operations specifically, could have an adverse effect on the Group's reputation and financial condition and may impact the relationship with the communities in which the Group operates. Such groups may install road blockades, apply for injunctions for work stoppage, make criminal complaints to local authorities, or file lawsuits for damages. Such complaints, regardless of whether they have any substance or basis in fact or law, may have the effect of undermining the confidence of the public or a regulator in the Group and may adversely affect the price of the Notes, the Group's ability to raise capital, or the Group's prospects of obtaining the regulatory approvals necessary for advancement of some or all of its development plans or operations.

Risks related to technological changes

The technologies used in the different sectors in which the Group operates are subject to fast and continued development. Increasingly complex technological solutions, which are continuously evolving, are used in these sectors. Should the Group be unable to react appropriately to the current and future technological developments in the sectors in which it carries out its activities, this could have material adverse effects on the business, the financial condition, and the results of operations of the Group.

Risks related to the cancellation of projects and termination or early withdrawal of concessions by public authorities

The Group performs its concessional activities worldwide through projects such as, for example: highway transport concessions; bus and train transfer stations; bridges; tunnels; energy concessions and storage projects; hospitals and other public-private partnerships; and contract mining. The conduct of those concessional activities by the Group, including their commercial operation, depends on public authorities' decisions and authorisations. The public authorities in those countries in which the Group has been awarded concessions may unilaterally cancel, suspend, terminate or withdraw such concessions on the grounds of public interest, the existence of material changes in economic conditions, or environmental concerns.

The Group generally aims to carry out its activities in industrialised countries in which this risk is typically lower. However, there can be no assurances that the public authorities in those jurisdictions in which the Group operates will not make decisions that adversely affect the business of the Group by not authorising the exploitation of a particular project for any reason or by adversely changing the legislative and/or regulatory framework in which the Group operates.

If a public authority cancels a project of the Group prior to or after the start-up of its exploitation, or if it terminates or provisionally or definitively withdraws a concession awarded to the Group, the Group may have a claim for compensation against that public authority. However, such compensation ultimately awarded to the Group may be insufficient, and should this be the case, it would have a material adverse effect on the business, financial condition and results of operations of the Group.

Risks Related to Shareholdings of the Group

Risks related to sectors, geographical markets, indebtedness and litigation

Material amendments to the legal provisions applicable to the operating sectors of companies in which the Group holds shares and to the operating risks of these companies, as well as the specific risks related to the countries and regions in which they operate, could affect their market value, and have a material adverse effect on the future financial condition and the results of operations of the Group.

Any failure to fulfil payment obligations by the companies in which the Issuer holds shares, an increase of the borrowing costs of these companies as a consequence of higher liabilities or material fluctuations in interest rates, or clear cost increases as a consequence of any litigation in connection with the operation of their business activities, as well as corporate actions, could have a material adverse effect on the financial condition and the results of operations and the distribution of dividends of these companies. This could also have a material adverse effect on the financial condition and the results of operations and the profitability of the Group.

As an example, as at 31 December 2022, the Issuer held a 30% stake in Abertis Holdco, S.A., which held 98.7% of Abertis, S.A ("**Abertis**"), while its subsidiary Hochtief held a 20% stake minus one share in Abertis Holdco, S.A. A significant deviation in Abertis' profitability levels could lead to a lower amount of dividends received by the Group, whereby Abertis' dividends become a non-negligible share of the Group's cash-flow.

For more information see "*Description of the Issuer – Shareholding in Abertis*".

Strategy of growth by acquisitions

The acquisition of companies with a strong presence in strategically important markets for the Group as well as the acquisition of shareholdings in listed companies, which operate in equally strategically important sectors for the Group, have been a decisive factor in the Group's growth strategy.

In the case of an economic slowdown, the opportunities for growth through acquisitions depend essentially on whether the Group is able to recognise strategic investment opportunities and whether it has its own funds and the external funds required to carry out an intended investment, in particular considering the possibility of a lending environment of restrictions in the jurisdictions in which the Group is active. If this were not the case, this could have material adverse effects on the business, the financial condition and the results of operations of the Group.

The Group is exposed to cybersecurity risks

The Group may be affected by threats and vulnerabilities in connection with information, control systems, or information and communications systems used by the Group, or by any consequences of unauthorised access to or the use, disclosure, degradation, interruption, modification or destruction of information or information systems, including the consequences of acts of terrorism. Any material uninsured losses and reputational damage caused by any cybersecurity breaches may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Interest rate risk

Variations in interest rates modify the reasonable value of those assets and liabilities that accrue a fixed interest rate as well as the future flows of assets and liabilities referenced against a variable interest rate. The objective of the management of interest rate risk is to achieve equilibrium in the structure of debt in order to reduce subsequent volatility on the Group's consolidated income statement. The Group hedges its transactions through derivative transactions that mitigate part of these risks; however, there is no assurance as to the effectiveness of such measures. As of 31 December 2021, approximately 71% of the Group's total medium- and long-term gross debt was at a fixed rate.

Risks in Relation to the Notes

There is no active trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is, as at the date of this Information Memorandum, no active trading market. If an active trading market does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. Further, if the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for Notes issued under the Programme to be admitted to the Official List and to trading on Euronext Dublin, there is no assurance that such applications will be accepted, that any particular issue of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular issue of Notes.

The Issue Price may be greater than the market value of the Notes

The Issue Price specified in the relevant Final Terms may be more than the market value of the Notes as at the Issue Date, and the price, if any, at which a Dealer or any other person is willing to purchase the Notes in secondary market transactions is likely to be lower than the Issue Price. In particular, the Issue Price may take into account amounts with respect to commissions relating to the issue and sale of the Notes as well as amounts relating to the hedging of the Issuer's obligations under the Notes, and secondary market prices are likely to exclude such amounts. In addition, whilst the proprietary pricing models of Dealers are often based on well recognised financial principles, other market participants' pricing models may differ or produce a different result.

Global Notes held in a clearing system

Because the Global Notes are held by or on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") investors will have to rely on their respective procedures for transfer, payment and communication with the Issuer.

Notes issued under the Programme may be represented by one or more Global Notes. If the relevant Final Terms specify that the New Global Note form is not applicable, such Global Note will be deposited with a common depository for Euroclear and/or Clearstream, Luxembourg. If the relevant Final Terms specify that the New Global Note form is applicable, such Global Note will be deposited with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and/or Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under such Notes by making payments to the common depositary (in the case of Global Notes which are not in the New Global Note form) or, as the case may be, the common service provider (in the case of Global Notes in New Global Note form) for Euroclear and/or Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and/or Clearstream, Luxembourg to receive payments under their relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to take enforcement action against the Issuer under the relevant Notes but will have to rely upon their rights under the Deed of Covenant dated 25 April 2022 (the "**Deed of Covenant**").

The Issuer may redeem the Notes for tax reasons

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes if it has or will become obliged to pay additional amounts pursuant to the terms and conditions of the Notes as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction) which change or amendment becomes effective on or after the issue date of the relevant Notes and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

Potential investors should consider the reinvestment risks in light of other investments available at the time any Notes are so redeemed.

Risks in Relation to Spanish Taxation

Under Spanish Law 10/2014, of 26 June and Royal Decree 1065/2007, as amended, income payments in respect of the Notes will be made without withholding tax in Spain provided that the Issuer provides, pursuant to Spanish law, certain information at the relevant time in the Spanish language regarding the Notes to the Spanish tax authorities. The Issuer and the Issuing and Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Notes. The Issuer will withhold Spanish withholding tax from any payment in respect of any outstanding principal amount of the Notes (as applicable) as to which the required information has not been provided at the relevant time and will not gross up payments in respect of any such withholding tax. The Issuing Paying Agency Agreement, as amended and restated from time to time (the "**Issuing Paying Agency Agreement**"), provides that the Issuing and Paying Agent will, to the extent applicable, comply with the relevant procedures to facilitate the collection of information concerning the Notes. The procedures may be modified, amended or supplemented, to, among other reasons, reflect a change in applicable Spanish law, regulation, ruling or interpretation thereof or to reflect a change in applicable clearing system rules or procedures or to add procedures for one or more new clearing systems. See "*Taxation — Taxation in the Kingdom of Spain*". None of the Issuer, the Dealer or the Issuing and Paying Agent assumes any responsibility therefor.

Royal Decree 1065/2007, as amended, provides that any payment of interest made under securities originally registered in a non-Spanish clearing and settlement entity recognised by Spanish legislation or by the legislation of another Organisation for Economic Co-operation and Development ("**OECD**") country will be made with no withholding or deduction from Spanish taxes provided that the relevant information about the Notes is received by the Issuer. In the opinion of the Issuer, payments in respect of the Notes will be made without deduction or withholding of taxes in Spain provided that the relevant information about the Notes is submitted by the Issuing and Paying Agent to it, notwithstanding the information obligations of the Issuer under general provisions of Spanish tax legislation, by virtue of which identification of Spanish investors may be provided to the Spanish tax authorities.

Notwithstanding the above, in the case of Notes held by Spanish resident individuals (and, under certain circumstances, by Spanish entities subject to Corporate Income Tax) and deposited with a Spanish resident

entity acting as depositary or custodian, payments in respect of such Notes may be subject to withholding by such depositary or custodian at the current rate of 19 per cent.

If the Spanish tax authorities maintain a different opinion as to the application by the Issuer of withholding to payments made to Spanish residents (individuals and entities subject to Corporate Income Tax), the Issuer will be bound by that opinion and, with immediate effect, will make the appropriate withholding and the Issuer will not, as a result, pay additional amounts.

Risks relating to the Spanish Insolvency Law

The restated text of the Insolvency Law approved by Royal Legislative Decree 1/2020, of 5 May (*Texto refundido de la Ley Concursal*) ("**Spanish Insolvency Law**") (which has been recently amended to implement the restructuring framework required by Directive (EU) 2019/1023 of the European Parliament and of the Council and other important changes to the insolvency proceedings in Spain) regulates pre-insolvency and court insolvency proceedings, as opposed to out-of-court liquidation, which is only available when the debtor has sufficient assets to meet its liabilities.

The Spanish Insolvency Law provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (*administradores concursales*) within one month from the last official publication of the court order declaring the insolvency in the Spanish Official Gazette, (ii) provisions in a contract granting one party the right to suspend, modify or terminate by reason only of the other's insolvency or the filing of a pre-insolvency communication (as stated in Article 585 of the Spanish Insolvency Law) will not be enforceable, and (iii) accrual of unsecured interest (whether ordinary or default interest) shall be suspended from the date of the declaration of insolvency and any amount of interest accrued up to such date shall become subordinated. In the case of secured ordinary interests, (a) these shall be deemed as specially privileged up to the value effectively covered by the relevant security, and (b) interests shall keep accruing after the declaration of insolvency up to the lower of the limit of the secured amount and the value effectively covered by the relevant security, and only if a contingent credit for secured ordinary interests that may accrue after the declaration of insolvency is included in the statement of claim to be sent to the insolvency administrator (as per the Supreme Court judgment dated 20 February 2019). In the case of secured default interests, (a) those accrued prior to the insolvency declaration shall be deemed as specially privileged up to the value effectively covered by the relevant security, and (b) they shall not accrue after the declaration of insolvency, in accordance with Article 152.2 of the Spanish Insolvency Law.

The Spanish Insolvency Law, in certain instances, also has the effect of modifying or impairing creditors' rights even if the creditor, either secured or unsecured, does not consent to the amendment. Secured and unsecured dissenting creditors may, among others, be written down or stayed (for up to 10 years in case of composition proposals), converted into a different financial instrument or equity of the refinanced or insolvent debtor as well as any other company, converted into participating loans (*préstamos participativos*), exchanged for assets or rights of the insolvent or refinanced debtor not only once the insolvency has been declared by the judge as a result of the approval of a creditors' agreement (*convenio concursal*), but also as a result of a restructuring plan that has been judicially sanctioned (*homologado*) without insolvency proceedings having been previously opened (e.g., restructuring plans which satisfy certain requirements and are validated by the judge), in both scenarios (i) to the extent that certain qualified majorities are achieved and (ii) unless some exceptions in relation to the kind of claims or creditor apply (which would not be the case for the Notes). Any payments of interest in respect of debt securities will be subject to the subordination provisions of Article 281.1 of the Spanish Insolvency Law.

The majorities regime envisaged for a creditors' arrangement depends on (i) the type of the specific measure which is intended to be imposed (e.g., extensions, debt reductions, debt for equity swaps, etc.), and (ii) on the part of claims to be affected (i.e. secured or unsecured, depending on the value of the collateral as calculated pursuant to the rules established in the Spanish Insolvency Law). In no case shall subordinated creditors be entitled to vote upon a creditors' agreement during the insolvency proceedings, and accordingly, shall be always subject to the measures contained therein, if passed by the relevant majorities. For these purposes, liabilities held by those creditors considered specially related persons (*personas especialmente relacionadas*) with the insolvent debtor would not be taken into account for the purposes of calculating the majorities required for the approval of a composition agreement.

On the other hand, all creditors that could be affected by a restructuring plan would be entitled to vote it, grouped in classes of creditors and subject to the fact cross-class cram-down is now available under the Spanish Insolvency Law.

As such, certain provisions of the Spanish Insolvency Law could affect the ranking of the Notes or claims relating to the Notes on an insolvency of the Issuer or in case of approval of a restructuring plan.

DOCUMENTS INCORPORATED BY REFERENCE

The English language translations of the audited consolidated annual accounts of the Issuer for each of the years ended 31 December 2022 (the "**2022 Consolidated Annual Accounts**") and 2021, together with pages 556-557 of the PDF of the consolidated directors' report for the year ended 31 December 2022 and pages 440-441 of the PDF of the consolidated directors' report for the year ended 31 December 2021 and the English language translations of the respective auditor's reports thereon are deemed to be incorporated in to, and form part of, this Information Memorandum. These documents are available on the Issuer's website, section Audited Financial Statements & Interim Financial Statements at:

https://www.grupoacs.com/ficheros_editor/File/03_accionistas_inversores/06_junta_general_accionistas/2023/4%20Cuentas%20Consolidadas_ENG.pdf; and

https://www.grupoacs.com/ficheros_editor/File/03_accionistas_inversores/06_junta_general_accionistas/2022/4%20Cuentas%20Consolidadas_ENG.pdf

The 2022 Result Report and the 2022 Result Presentation are deemed to be incorporated in to, and form part of, this Information Memorandum. These documents are available on the Issuer's website, section Shareholders & Investors, Quarterly Results at:

https://www.grupoacs.com/ficheros_editor/File/03_accionistas_inversores/04_resultados_trimestrales/2022/ACS%20Results%20Report%202022.pdf; and

https://www.grupoacs.com/ficheros_editor/File/03_accionistas_inversores/04_resultados_trimestrales/2022/ACS%20Results%20Presentation%202022.pdf

Copies of the documents specified above as containing information incorporated by reference in this Information Memorandum may be inspected, free of charge, at the specified offices (which are set out below) of the Issuer and the Issuing and Paying Agent.

KEY FEATURES OF THE PROGRAMME

Issuer:	ACS, Actividades de Construcción y Servicios, S.A.
Arranger:	Banco Santander, S.A.
Dealer:	Banco Santander, S.A.
Issuing and Paying Agent:	The Bank of New York Mellon, London Branch
Listing Agent:	The Bank of New York Mellon SA/NV, Dublin Branch
Programme Amount:	The aggregate principal amount of Notes outstanding at any time will not exceed €750,000,000 or its equivalent in alternative currencies subject to applicable legal and regulatory requirements. The Programme Amount may be increased from time to time in accordance with the Dealer Agreement.
Currencies:	Notes may be issued in United States Dollars, Euro, Sterling, Japanese Yen and Swiss Francs, and such other currencies as may be agreed between the Issuer and the relevant Dealer(s) from time to time and subject to the necessary regulatory requirements having been satisfied.
Denominations:	<p>Global Notes shall be issued (and interests therein exchanged for Definitive Notes, if applicable) in the following minimum denominations:</p> <ul style="list-style-type: none">(a) for U.S.\$ Notes, U.S.\$500,000 (and integral multiples of U.S.\$1,000 in excess thereof);(b) for euro Notes, €100,000 (and integral multiples of €1,000 in excess thereof) except in the case of Notes to be placed in the United Kingdom, in which case the minimum denomination will be the Euro equivalent of £100,000, or higher;(c) for Sterling Notes, £100,000 (and integral multiples of £1,000 in excess thereof);(d) for Swiss Franc Notes, CHF 500,000; or(e) for Yen Notes, Yen 100,000,000 (and integral multiples of Yen 1,000,000 in excess thereof); <p>or such other conventionally accepted denominations in those currencies as may be agreed between the Issuer and the Dealer from time to time, subject in the case of each currency (including those listed above) (i) to compliance with all applicable legal and regulatory requirements and (ii) to the minimum</p>

	denomination being at least equal to the Euro equivalent of €100,000 (except in the case of Notes to be placed in the United Kingdom, in which case the minimum denomination will be the Euro equivalent of £100,000, or higher), and provided, however, that the Notes of each issuance may only be issued in equal denominations.
Maturity of the Notes:	Not less than 1 day nor more than 364 days, subject to legal and regulatory requirements.
Tax Redemption:	Early redemption will only be permitted for tax reasons as described in the terms of the Notes.
Redemption:	The Notes may be redeemed at par or as otherwise specified in the Final Terms. The Notes may also be redeemed at the option of the Issuer in whole, but not in part, at the Redemption Amount specified in the Final Terms together with (if the Notes are interest bearing Notes) accrued interest to the Early Redemption Date specified in the Final Terms at any time upon expiry of the notice period specified in the Final Terms if, prior to the date on which the relevant notice of redemption is given, purchases (and corresponding cancellations) and/or redemptions have been effected in respect of 85 per cent. or more in principal amount of the Notes originally issued.
Issue Price:	The issue price of each issue of Notes (if any) will be set out in the relevant Final Terms.
Status of the Notes:	The payment obligations of the Issuer pursuant to the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon the insolvency (<i>concurso</i>) of the Issuer (and unless they qualify as subordinated debts under article 281 of the Spanish Insolvency Law or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) rank <i>pari passu</i> and rateably without any preference among themselves and <i>pari passu</i> with all other unsecured and unsubordinated indebtedness, present and future, of the Issuer.
Taxation:	All payments under the Notes will be made without deduction or withholding for or on account of any present or future Spanish withholding taxes, except as stated in the Notes and as stated under the heading " <i>Taxation in the Kingdom of Spain</i> ".
Information requirements under Spanish Tax Law:	Under Spanish Law 10/2014 and Royal Decree 1065/2007 as amended, the Issuer is required to provide certain information relating to the Notes to the Spanish tax authorities. If the Issuing and Paying Agent fails to provide the Issuer with the required information described

under "*Taxation — Taxation in Spain*" in respect of the Notes, the Issuer may be required to withhold tax and may pay income in respect of such principal amount net of the Spanish withholding tax applicable to such payments (as at the date of this Information Memorandum, at the rate of 19 per cent.).

None of the Issuer, the Arranger, the Dealers, Euroclear or Clearstream, Luxembourg assumes any responsibility therefor.

Form of the Notes:

The Notes will be in bearer form. Each issue of Notes will initially be represented by one or more global notes (each a "**Global Note**", together the "**Global Notes**"). Each Global Note which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date (as specified in the Final Terms) with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Global Notes will be exchangeable for Definitive Notes in whole, but not in part, in the limited circumstances set out in the Global Notes (see "*Certain information in respect of the Notes – Forms of Notes*")

Listing and Trading:

Each issue of Notes may be admitted to the Official List and to trading on the regulated market of Euronext Dublin and/or listed, traded and/or quoted on any other listing authority, stock exchange and/or quotation system as may be agreed between the Issuer and the Dealers. No Notes may be issued on an unlisted basis.

Delivery:

The Notes will be available in London for delivery to Euroclear or Clearstream, Luxembourg or to any other recognised clearing system in which the Notes may from time to time be held.

Selling Restrictions:

The offering and sale of the Notes is subject to all applicable selling restrictions including, without limitation, those of the United States of America, EEA and UK Retail Investors, the United Kingdom, Japan, Spain, France and Ireland (see "*Subscription and Sale*").

Governing Law:

The Notes and all non-contractual obligations arising out of or in connection with the Notes, are governed by, and construed in accordance with, English law. The provisions relating to the status of

the Notes and their ranking in insolvency proceedings are governed by Spanish law.

Use of Proceeds:

The net proceeds of the issue of the Notes will be used for the general funding purposes of the Group (as defined herein) or as otherwise specified in the Final Terms.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used for the general funding purposes of the Group or as otherwise specified in the Final Terms.

DESCRIPTION OF THE ISSUER

General Information

ACS, Actividades de Construcción y Servicios, S.A. (the "**Issuer**" or "**ACS**") was incorporated in Spain on 13 October 1942 under the name Obras y Construcciones Industriales, S.A. In 1993 it changed its name to OCP Construcciones, S.A. following a merger with Construcciones Padrós, S.A. In 1997, it adopted its current name following a merger with Ginés Navarro Construcciones, S.A. The Issuer is a publicly listed company (*sociedad anónima cotizada*) incorporated under the laws of the Kingdom of Spain and registered in the Mercantile Registry of Madrid in sheet M-30221.

The Issuer's registered office is located at Avenida de Pío XII, 102, 28036, Madrid, Spain, with telephone number +34 91 343 9200.

The Issuer operates under the commercial name ACS.

Group Structure

The Issuer and its consolidated subsidiaries, its affiliates and joint ventures (collectively, the "**Group**") operate as a diversified group, both in terms of its geographic reach and the nature of its activities. As at 31 December 2022, the Group comprised of the Issuer, its 591 subsidiaries and its 281 affiliates and joint ventures. For further information, see "*Organisational Structure*" below.

The Group's Business

General overview

The Group is a worldwide reference in the industry of infrastructure. A global group with leading positions across its core activities of construction, concessions, public-private partnerships and facility management services.

The Group is one of the largest Spanish corporate groups operating in its field in terms of market capitalisation (source: Bloomberg), with over 25 years of experience. At the date of this Information Memorandum, the Group is active across five continents and in over forty countries.

The Group has been operating through three business units:

- *Construction*: the Construction Unit focuses on the design, construction, and development of civil works, infrastructure projects, as well as residential and non-residential buildings;
- *Concessions*: the Concessions Unit focuses on the development of public-private partnerships and concessions in different sectors such as motorways, railways, car parks, transfer stations, light rail, hospitals, public facilities, etc. The activity of this unit includes both the development of greenfield projects and the maintenance and operation of brownfield projects;
- *Services*: the Services Business Unit focuses on providing facility management services for both public and private entities; and

At the end of 2021, the majority of a business unit focused on industrial services was sold, although some renewable energy and water management assets remained within the Group.

Construction Unit

In 2022, the Group's Construction Business Unit comprised one of the largest construction groups by revenue in Europe (source: Engineering News Record, August 2022 (The 250 International Contractors)) and engaged in the development of infrastructure projects worldwide.

The principal Group companies operating within the Construction Business Unit are Dragados, S.A. ("**Dragados**"), HOCHTIEF Aktiengesellschaft ("**Hochtief**"), CIMIC Group (Australia) ("**CIMIC**"), Turner Construction Company (America) ("**Turner**"), Flatiron Construction Corporation (America) ("**Flatiron**"), Dragados USA Inc. (America), Dragados Canada Inc. (America) and Schiavone Construction Company (America).

The Construction Business Unit is divided into the following areas of activity:

- **Civil Works:** activities related to the development of infrastructure such as highways, railways, ports and airports; and
- **Building:** Residential buildings, social facilities and installations

Concessions Business Unit

The Group is one of the leading concession operators and developers in the world (primarily involving the development of transport concessions from project inception). As at 31 December 2022, the Group had a portfolio of 48 concession and PPP projects, with €31.96 billion total investment management and €0.55 billion of committed equity.

The activities of the Concessions Business Unit are focused primarily on Iridium Concesiones de Infraestructuras, S.A. ("**Iridium**"), which is the umbrella company for the active Group subsidiaries in this business sub-unit. Iridium has interests in companies operating under concession contracts, which mostly specialise in marketing concessions for transport infrastructure and public facilities. The Group is also active in the concessions business through the companies Abertis, HOCHTIEF PPP Solutions AG ("**Hochtief PPP**") and PACIFIC Partnerships although the activity figures and results of these companies are not included in this Business Unit.

In addition, the Concessions Business Unit conducts activities such as project identification, bid preparation, contracting with regard to awarded projects, financing and developing the respective concessionaire companies, as well as managing, operating and implementing concessions.

The types of projects in which the Concessions Business Unit is usually involved include:

- *Transport infrastructure:* concessions over motorways, underground and overground railway lines;
- *Public facilities:* hospitals, prisons and other public facilities; and
- *Other activities:* bus and train stations and parking zones.

Services Business Unit

The Services Business Unit provides facility management services and certain types of personal care.

Clece, S.A. ("**Clece**") is an entity that specialises in staff management and resource optimisation, and has an extensive portfolio of activities which can be divided into three main areas: Social Services, Integrated Services and Environmental Services. Integrated Services activities include services required for the optimum operation of properties for public or private use (maintenance of installations, cleaning and auxiliary services). Environmental Services include services such as gardening, reforestation, environmental recovery, educational activities in this area, environmental disclosure and development of natural heritage sites. Social Services include care services for social groups with a dependent status, airport services and innovative activities such as social restoration and energy efficiency.

Other assets

The sale of Industrial Services was closed on 30 December 2021: however, a portion of such assets remains part of the Group.

Business Segments

In accordance with the Group's internal organisational structure and, consequently, its internal reporting structure, the Group carries on its business activities through lines of business, which are the operating reporting segments as indicated in IFRS 8. In 2022, the Group decided to present the Construction and Concessions businesses separately, eliminating the higher Infrastructure segment that included the other two as part of the process of simplifying the Group's structure and businesses. In addition, the concept of a "segment manager" as defined in paragraph 9 of IFRS 8, entails the separation of the businesses as a result of having different segment managers or directors for each of the businesses who are directly accountable to and maintain regular contact with the chief operating decision maker to discuss operating

activities, financial results, forecasts, or plans for each business segment in question. Following the sale of most of the Industrial Services Division to Vinci at the end of last year (its revenue and profit were considered discontinued operations for accounting purposes), this line of business is no longer considered significant within the Group as the remaining assets have a very low sales volume (less than 1%) and have therefore been included under the Corporate business segment.

Historical financial information in respect of the Group

In order to facilitate the comparison of the periods, the financial information of the Issuer presented in this Information Memorandum has been subject to restatement, adjustment and reclassification. Thiess (CIMIC) was reclassified as operating Equity Method in 2020, eliminating 50% of its contribution after its sale at year-end, and the remaining 50% is consolidated as an equity method in 2021 and 2022.

The following table sets out certain key performance indicators of the Group as at and for the years ending 31 December 2021 and 31 December 2022.

	As at 31 December		Variation 2021 vs. 2022
	2021	2022	
	<i>(in millions of euro except earnings per share and percentages)</i>		
Revenue	27,837	33,615	20.76%
Backlog ^{1*}	67,262	68,996	2.58%
Months (Backlog/Revenue) x 12*	26	23	
EBITDA ^{2*}	1,598	1,747	9.32%
EBITDA Margin ^{3*}	5.7%	5.2%	
EBIT ^{4*}	1,084	1,106	2.03%
EBIT Margin ^{5*}	3.9%	3.3%	
Profit attributable to the parent	3,045	668	-78.06%
EPS ^{6*}	10.74	2.50	
Cash flow from Operating Activities	203	1,743	758.62%
Net Cash flows from Investment Activities and Financials	4,844	-1,774	

¹ Backlog represents the orders and contracts which have already been agreed, but not yet completed.

² The EBITDA for any relevant period is the result of Revenue less Changes in inventories of finished goods and work in progress, Capitalised expenses of in-house work on assets, Procurements, Other operating income, personnel expenses, Other operating expenses, losses on impairment and trade-related provisions, variation, allocation of grants relating to non-financial assets and others and Ordinary result of companies accounted using the equity method.

³ The EBITDA Margin is the division between EBITDA and Revenues.

⁴ EBIT for any relevant period is the result of Revenue less Changes in inventories of finished goods and work in progress, Capitalised expenses of in-house work on assets, Procurements, personnel expenses, Other operating income, Other operating expenses, Depreciation and amortisation (excluding any past depreciation charges arising in the current year due to the reclassification of assets from discontinued to continuing operations) and Ordinary result of companies accounted using the equity method.

⁵ The EBIT Margin is the division between EBIT and Revenues.

⁶ Earnings per share (basic and diluted).

Revenues for the 2022 financial year accounted for €33,615 million, with an increase of 20.8% from the previous year (adjusted by exchange rate, revenues grew by 11.6%). This positive performance was supported by a generalized growth in all markets, particularly in the U.S. and Australia.

Backlog as of 31 December 2022 stood at €68,996 million, 8.3% more than 2021 (an increase of 5.4% adjusted by exchange rate, taking into account the Ventia deconsolidation). This growth is supported by the significant volume of awards recorded in 2022, with a growing weight of new generation infrastructure projects related to the energy transition and new technologies.

The Group's EBITDA amounted to €1,747 million a 9.3% higher than 2021. The variations in operating margins were mainly due to the change in the business mix, with a greater weight of construction management activities in North America (Turner), which has lower margins, a reduction in the contractual risk profile, as well as slight temporary impacts related to the development of the projects.

EBIT reached €1,106 million, increasing by 2%. The margin over sales stood at 3.3%, 0.6% lower than in 2021.

The Group's Net Profit in 2022 amounted to €668 million, up by 66%, eliminating the contribution from Industrial Services generated during 2022. All Construction and Concessions activities contributed to this increase.

Operating results

The following table sets out certain operating results of the Group as at and for the years ending 31 December 2021 and 2022:

	<u>2021(*)</u>	<u>2022</u>	<u>Variation</u> <u>2021 vs. 2022</u>
	<i>(in millions of euro except percentages)</i>		
EBITDA	1,598	1,747	9.32%
EBITDA Margin ¹	5.7%	5.2%	
Depreciation and amortisation	-479	-561	17.12%
<i>Construction</i>	-422	-467	10.66%
<i>Concessions</i>	-15	-17	13.33%
<i>Services</i>	-41	-46	12.20%
<i>Corporation</i>	-1	-31	3,000.00%
Losses on impairment and trade-related provision variation	-35	-80	128.57%
EBIT	1,084	1,106	2.03%
EBIT Margin ²	3.9%	3.3%	

¹ The EBITDA Margin is the division between EBITDA and Revenues.

² The EBIT Margin is the division between EBIT and Revenues.

(*) Restated amounts due to the modification of the classification by segment Units. See "Business Segments" above.

Revenues per geographical zone

Sales during the period accounted for €33,615 million, 20.8% more than last year (11.6% adjusted by exchange rate effects). This good performance reinforced the overall growth trend of the various activities and regions, particularly in North America and Australia.

The following table contains information regarding revenues per geographical zone as at and for the years ended 31 December 2021 and 2022. Sales are allocated to a specific geographical zone based on the criteria of the country in which works and services are delivered, regardless of the company which performs such work or provides such services (revenues are allocated depending on the country of residence of the customer):

	<u>Sales per Country</u>			
	<u>2021</u>	%	<u>2022</u>	%
	<i>(figures in millions of euro except percentages)</i>			
US	14,824	53.25%	18,837	56.04%
Australia	5,190	18.64%	6,350	18.89%
Spain	2,988	10.73%	3,171	9.43%
Canada	1,602	5.75%	1,919	5.71%
Germany	926	3.33%	859	2.56%
Rest of the world	2,307	8.29%	2,479	7.37%
TOTAL	27,837		33,615	
	<u>Sales per Geographical Area</u>			
	<u>2021</u>	%	<u>2022</u>	%
Europe	4,885	17.55%	5,214	15.51%
North America	16,522	59.35%	20,858	62.05%
South America	257	0.92%	257	0.76%
Asia Pacific	6,173	22.18%	7,286	21.68%
TOTAL	27,837	100.00%	33,615	100.00%

Sales Breakdown by geographical areas showed the diversification of the Group's revenue sources, where America represented 63% of total sales, Asia Pacific 22% and Europe 15% (from which Spain represented 9%). America achieved a higher sales volume than in previous years, above pre-pandemic levels. Adjusted for the positive impact of exchange rates, sales in the U.S. grew by 12.9%. Asia Pacific grew by 18.0% in sales driven by the Australian market, 13.8% adjusted by exchange rate. Meanwhile, Europe consolidated

its recovery with a solid growth trend (with an increase of 6.7% compared to December 2021) showing good performance across the main operating markets, especially in the United Kingdom and Poland, as well as Spain.

	Backlog by countries			
	Dec-21	%	Dec-22	%
	<i>(figures in millions of euro except percentages)</i>			
USA	30,049	44.67%	33,504	48.56%
Australia (*)	20,035	29.79%	17,131	24.83%
Spain	5,388	8.01%	5,972	8.66%
Canada	2,936	4.37%	2,683	3.89%
Germany	2,926	4.35%	2,803	4.06%
RoW	5,928	8.81%	6,903	10.00%
TOTAL	67,262		68,996	

(*) Taking into account the deconsolidation of Ventia, the figure for 2021 would be €16,506 million

The Group's total backlog as of 31 December 2022 stood at €68,996 million, growing by 8.3% compared to last year showing a good performance in the main regions where the Group operates. Adjusted by exchange rate, backlog grew by 5.4%. The performance of the order intake activity during the period, brought the backlog to record highs, both in terms of volume and diversification. 2022's order intake amounted to €39,104 million, with more than €11,800 million booked in the last quarter of the year. Asia Pacific consolidated the Backlog's good performance with an 8.1% growth (8.6% adjusted by exchange rate) due to the dynamism of the Australian market and the entry of projects with a reduced risk profile. Americas' Backlog maintained a solid position because of more than €22,500 million order intake in the period. Spain's Backlog continued an upward trend, with a 10.8% increase due to the boost in public tenders for civil works.

The operating margins of the activities decreased slightly over the period due to temporary impacts as well as a higher contribution from activities with a lower risk profile. The Group continued to implement specific measures aimed at mitigating the inflationary scenario and materials supply chain disruptions. Operating margins were also affected by a change in the business mix of the construction activities, given the higher growth of Turner's activity, where margins are lower than in the other businesses, in line with its business risk profile. Among other variables impacting on the Group's overall margin were included the reclassification of Ventia as a financial investment as well as the reduction of the energy assets' contribution (with particularly high operating margins).

Cash flows

The following table sets out the net cash flows of the Group for the years ending 31 December 2021 and 2022:

	Net Cash Flow					
	2021			2022		
	TOTAL	HOT	ACS ex HOT	TOTAL	HOT	ACS ex HOT
	<i>(in millions of euro except percentages)</i>					
Cash Flow from Operating Activities before Working Capital	1,073	803	270	1,699	1,066	633
Operating working capital variation	-517	-415	-102	44	222	-178
Net CAPEX	-120	-56	-64	-208	-164	-44
Net Operating Cash Flow from continuing activities	436	332	104	1,535	1,124	411
Net Financial Investments/Disposals	4,964	-105	5,069	-1,566	-1,229	-337
Lease liabilities (IFRS 16)	-203	-160	-43	-202	-158	-44
Other Financial Sources	-42	-39	-3	-318	-263	-55
Free Cash Flow	5,155	28	5,127	-551	-526	-25
Dividends paid	-396	-179	-217	-352	-94	-258
Intra group Dividends	-	-140	140	-	-68	68

Treasury stock acquisition	-483	-5	-478	-705	-	-705
Capital increase	-	-	-	61	406	-345
Total Cash Flow generated / (Consumed) Continued operations	4,276	-296	4,572	-1,547	-282	-1,265
Total Cash Flow generated / (Consumed) Discontinued operations	-491	-	-491	-	-	-
Total Cash Flow generated / (Consumed)	3,785	-296	4,081	-1,547	-282	-1,265

Cash flow from operating activities before working capital variations amounted to €1,699 million, 58.4% higher than the previous year thanks to the good performance of the operating activities.

As at 31 December 2022, the operating working capital variation net balance amounted to positive €44 million, with a virtually neutral effect adjusted for factoring (vs. negative €192 million in the comparable period).

Net operating investments and operating lease payments amounted to €410 million. The increase in Construction's net operating CAPEX corresponded to the acquisition of machinery for tunneling works in Australia, which began in the second semester of the year.

Shareholder's remuneration paid in cash in 2022 amounted to €352 million of which €256 million corresponded to ACS ordinary and complementary dividends paid in cash. The remainder mainly corresponded to the payment of the ordinary dividend to HOCHTIEF's minority shareholders. Likewise, during the year the Group purchased €705 million of treasury stock, €275 million of which were allocated to the payment in shares of the script dividend. In June 2022, HOCHTIEF carried out a 10% capital increase for a total of €406 million, 85% of which was subscribed by ACS. This transaction implied a net cash inflow of €61 million to ACS Group consolidated financials.

Investments and Disposals

The Group's total net investments for the year ended 31 December 2022 are summarised in the following tables:

Non Operating Investments breakdown 2022 (in millions of euro)

	Investments	Divestments	Net Project / Financial investments
Construction	-1,303	74	-1,229
Hochtief	-1,303	74	-1,229
Concessions	-2	88	86
Services	-29	-	-29
Corporation and others	-747	353	-394
TOTAL	-2,081	515	-1,566
Investment SH288	-1,064	-	-1,064

The Group total non operating net investment accounted for in 2022, amounted to €1,566 million.

Investments reached €2,081 million, of which €985 million corresponded to the purchase of shares in CIMIC's takeover bid and €604 million to the increase in the stake in HOCHTIEF. The remaining investments corresponded mainly to energy concession assets. Divestments worth €515 million of which €353 million were related to the sale of SCE's energy assets, mainly the sale of 25% of the photovoltaic plants in Spain, 75% of which were sold to Galp in 2020, and the associated pipeline; Iridium's concessional assets divestments amounted to €88 million, among which it is worth highlighting the sale of 75% of its

stake in Windsor Essex Ontario in Canada; and other financial divestments from HOCHTIEF Europe and Joint Ventures in CIMIC.

In the third quarter of 2022, an agreement was reached to purchase 56.76% of the SH 288 toll road in Texas, in which Iridium already held a 21.62% stake. This investment involved a disbursement of €1,064 million in January 2023, the closing date of the transaction.

Other non-recurring cash flows mainly include payments related to the projects of a CCGP plant (ICHTYS) in Australia and a hydroelectric plant (Alto Maipó) in Chile by HOCHTIEF, which had already been provisioned in previous years, totaling €238 million. Likewise, payments for legal costs and financial expenses derived from litigation for the closing of the Seattle project totaling €40 million were recorded in the last quarter.

The following table summarises the Operating Investments by Business Unit

Operating Investments breakdown 2022			
	Investments	Divestments	Net Project / Financial investments
Construction	-229	42	-187
Dragados	-41	19	-23
Hochtief	-188	24	-164
Concessions	-2	-	-2
Services	-26	3	-23
Corporation and others	-29	32	3
TOTAL	-285	77	-208

Net debt

The following table sets out the Group's net debt by business unit as at 31 December 2022:

<i>Million Euros</i>	Construction	Concessions	Services	Corporation and adjustments	ACS Group
<i>Bank borrowings, debt, and other marketable securities</i>	6,414	226	316	3,054	10,010
<i>Non-current instruments</i>	5,260	217	202	2,886	8,565
<i>Current instruments</i>	1,154	9	114	168	1,445
<i>Other financial liabilities</i>	39	61	-	27	127
<i>Non-current instruments</i>	33	61	-	14	108
<i>Current instruments</i>	6	-	-	13	19
<i>Companies receivables, current financial assets, cash and cash equivalent</i>	-7,305	-477	-164	-2,655	-10,601
<i>Other current financial assets</i>	-873	-63	-1	-244	-1,181
<i>Cash and cash equivalents</i>	-6,432	-414	-163	-2,411	-9,420
<i>Project finance with limited recourse</i>	-	52	-	187	239
<i>Non-current instruments</i>	-	32	-	173	205
<i>Current instruments</i>	-	20	-	14	34
<i>TOTAL NET DEBT + / NET CASH- 2022</i>	-852	-138	152	613	-225

The Group maintained a €225 million net cash position as of 31 December 2022. The net cash position decreased by €1,785 million mainly following the investment in strategic transactions, such as the takeover bid for 21.4% of CIMIC's shares and the acquisition of an additional 15.1% in HOCHTIEF. Considering the €1,064 million from the SH-288 acquisition paid in January 2023, adjusted for the acquisition, the net cash position at 31 December 2022 would be a net debt of €840 million.

Equity

The following table sets out the Group's equity as at 31 December 2021 and 2022:

	<u>2021</u>	<u>2022</u>	<u>Variation 2021 vs. 2022</u>
	<i>(in millions of euro except for percentages)</i>		
Shareholders' Equity.....	6,505	5,166	-20.58%
Adjustments for changes in value.....	(171)	381	-322.81%
Non-controlling interests.....	694	829	19.45%
Total Equity.....	<u>7,028</u>	<u>6,376</u>	<u>-9.28%</u>

The Group Total Equity amounted to €6,376 million at 31 December 2022, decreasing by 9.3% compared to year-end 2021. The reduction in Shareholders' Equity was mainly due to the €20.5 million treasury stock write-off and the strategic transactions carried out during the period (CIMIC's takeover bid and the 15.1% acquisition of HOCHTIEF). Meanwhile, the effect of these transactions on the minority interests was offset by the incorporation of SH 288 in the Group's consolidated financial statements. On the other hand, adjustments from value changes increased due to exchange rate effects and the impact of hedging financial instruments.

Significant financial events in 2022

Dividends

In February, the script dividend was paid in the amount of 0.468 euros per share. 60% of ACS' share capital opted for remuneration in shares.

In addition, the General Shareholders' Meeting held on 6 May 2022 approved the distribution of a dividend of 2 euros per share to be charged to the 2021 fiscal year. In July 2022, the script dividend charged to 2021 was paid in the amount of €1.48 per share. 43.32% of ACS capital opted for remuneration in cash.

The Board of Directors, at its meeting held on 28 July 2022, approved an interim dividend of 0.05 euros per share in cash, which was paid on 4 August 2022.

Mergers, acquisitions, and transmission of shares

On 19 January 2022, the Issuer, through its subsidiary Iridium S.L., executed the sale agreed on 4 October 2021 to BSPI Spain HoldCo, S.L. (company managed by Brookfield) of the 80% of its stake in Hospital de Toledo company and 100% of the operator of said hospital, for €58 million.

On 22 February 2022, HOCHTIEF, CIMIC's majority shareholder with a 78.58% interest, announced an unconditional and final off-market takeover bid to acquire the remaining shares of CIMIC for A\$22 per share.

On 6 May 2022, CIMIC's shares were suspended from trading on the Australian Stock Exchange after HOCHTIEF reached a 96% shareholding in CIMIC and a minority squeeze-out was initiated. Following this process, HOCHTIEF reached 100% stake in CIMIC on 10 June, integrating it fully into the Group.

On 26 July 2022, Thiess agreed to make an offer to the shareholders of MACA Limited, a mining company in Australia, to acquire all of the issued shares by way of a conditional off-market takeover bid. Thiess offered MACA shareholders a cash consideration of AUD 1.025 per share. The buyout was completed last October.

On 31 August 2022, Iridium, the Issuer's concessions company, through its North American subsidiary ACS Infrastructure Development, Inc. reached an agreement to purchase 44.65% of the North American company Blueridge Transportation Group (BTG), which is the concessionaire of a 17 km segment of the SH-288 highway in Houston, Texas, which includes two toll lanes in each direction in the median. Following this acquisition, on 24 October 2023, an agreement was reached for the purchase of an additional 12.11% of the company. The purchase of the 56.76% was completed on 17 January 2023, increasing the Group's stake in this concession company from 21.62% to 78.38%. The total acquisition price amounted to €1,063.62 million.

On 15 September 2022, the Group purchased shares representing 14.46% of the share capital of the German listed company Hochtief A.G., increasing its ownership interest in the company to 68.01% not excluding treasury shares and 70.29% discounting them. The purchase price was 51.43 euros/share, which implied a disbursement of €577.8 million.

Loans, credits, and other financial operations

On 3 March 2022, the Issuer agreed to extend the forward contract, communicated as Inside Information on 21 December 2020 that affects a total of 11,970,088 treasury shares, settled exclusively in cash for differences, to be settled between 7 March 2023 and 2 August 2023, at a rate of 115,095 shares per session.

On 26 April 2022, execution of the agreement of its Board of Directors of 24 February 2022, the Issuer extended its multi-currency promissory note programme, Euro Commercial Paper (ECP), for a further year for a maximum global amount of €750 million, which was registered with Euronext Dublin.

On 29 July 2022, the Issuer agreed to replace the forward contract, communicated as Inside Information on 21 December 2020 and on 28 September 2021 that affects a total of 12 million treasury shares, settled exclusively in cash for differences, expiring between 9 October 2023 and 5 March 2024 at a rate of 115,385 shares per session.

On 21 November 2022, the Issuer, through its subsidiary Dragados, S.A., as successor in title as a result of the merger by absorption of ACS, Servicios, Comunicaciones y Energía, S.A., launched an offer to acquire, up to an aggregate nominal amount of €250 million, the €750,000,000 Green notes at 1.875% coupon rate due April 2026 issued by ACS, Servicios, Comunicaciones y Energía, S.A. Following this offer, on 28 November 2022 the purchase of green bonds was closed for a nominal amount of €162,300,000, which, together with accrued interest at a rate of €1,150.68 per €100,000 bond, was settled on 30 November 2022.

Corporate Governance

On 24 March 2022, Mr. Agustín Batuecas Torrego and Mr. Joan David Grimá Terré have tendered their resignation, which was accepted by the Board of Directors of the Issuer with gratitude for the services rendered.

On 6 May 2022, the 2022 General Shareholders' Meeting of the Issuer approved, among other items, the appointment of the new Chief Executive Officer (CEO) of the Group, Mr. Juan Santamaría Cases, and the new Independent Director, María José García Beato.

Other

On 24 January 2022, pursuant to what was agreed by the General Shareholders' Meeting of the Issuer held on 7 May 2021, the Board of Directors agreed to reduce the share capital by means of the amortisation, charged to profits or free reserves, of the Company's own shares for a nominal amount of €5 million by means of the amortisation of 10 million of ACS own shares.

On 12 May 2022, pursuant to what was agreed by the General Shareholders' Meeting held on 6 May 2022, the Board of Directors of the Issuer agreed to reduce the share capital by means of the amortisation, charged to profits or free reserves, of the Company's own shares for a nominal amount of €3 million by means of the amortisation of 6 million of ACS's own shares.

On 8 June 2022, the executive board of HOCHTIEF Aktiengesellschaft agreed with the approval of the Supervisory Board, to increase the Company's share capital by €18,085,358 to €198,940,928 by issuing 7,064,593 new shares against cash contribution. The executive board of the Company decided following an accelerated book building to set the subscription price at €57.50. The subscription price was therefore not significantly lower than the market price of the shares in HOCHTIEF Aktiengesellschaft. The Issuer was allocated 85% of the total number of new shares.

On 10 November 2022, pursuant to what was agreed by the General Shareholders' Meeting, the Board of Directors of the Issuer agreed to reduce the share capital by means of the amortisation, charged to profits or free reserves, of the Company's own shares for a nominal amount of €2,250,000 by means of the amortisation of 4,500,000 million of ACS's own shares.

Shareholding in Abertis

As at the date of this Information Memorandum, the share capital of Abertis amounts to €2,734,696,113 represented by 911,565,371 shares with a nominal value of €3.00 per share, of which 98.7% is held by Abertis Holdco, S.A. ("**Abertis Holdco**"), which in turn has three shareholders: Atlantia S.p.A. ("**Atlantia**") holds a 50% stake plus one share, ACS holds a 30% stake and its subsidiary Hochtief holds a 20% stake minus one share.

Abertis' contribution to the Group's Net profit amounted to €143 million (€26 million more than the previous period), of which €100 million corresponded to ACS direct stake, and the remaining €43 million to the indirect stake through HOCHTIEF, once minority interests were deducted.

The traffic growth trend was consolidated, exceeding pre-pandemic levels in practically all the countries in which Abertis operates, with an annual increase in average daily intensity of 8.2%. The recovery of traffic levels as well as the contribution of the new concessions acquired raised revenues to €5,102 million (+5.1%) and EBITDA to €3,536 million (+5.5%), largely offsetting the perimeter exit of Acesa, Invicat and Sol. Financial costs were impacted by inflation and rising interest rates, while inflationary tariff increases were not yet reflected in revenues, as they were implemented in January 2023.

Recent Developments

On 17 January 2023, once the relevant authorizations had been obtained, IRIDIUM, a concessions company of ACS Group, executed through its North American subsidiary ACS Infrastructure Development, Inc. the purchase of a 56.76% stake to reach a total 78.38% stake in the North American company Blueridge Transportation Group (BTG), which is the concessionaire company of a 17Km segment of the SH-288 highway in Houston, Texas (USA) and which includes in the median two toll lanes in each direction. The final price of the acquisition was €1,063.62 million.

On 19 February 2023 ACS agreed to extend the forward contract, communicated as Inside Information on 21 December 2020 (with number 634) and on 4 March 2022 (with number 1351) which affects a total of 11,968,007 own shares, to be settled exclusively in cash between 7 March 2024 and 2 August 2024 at a rate of 115,075 shares per session.

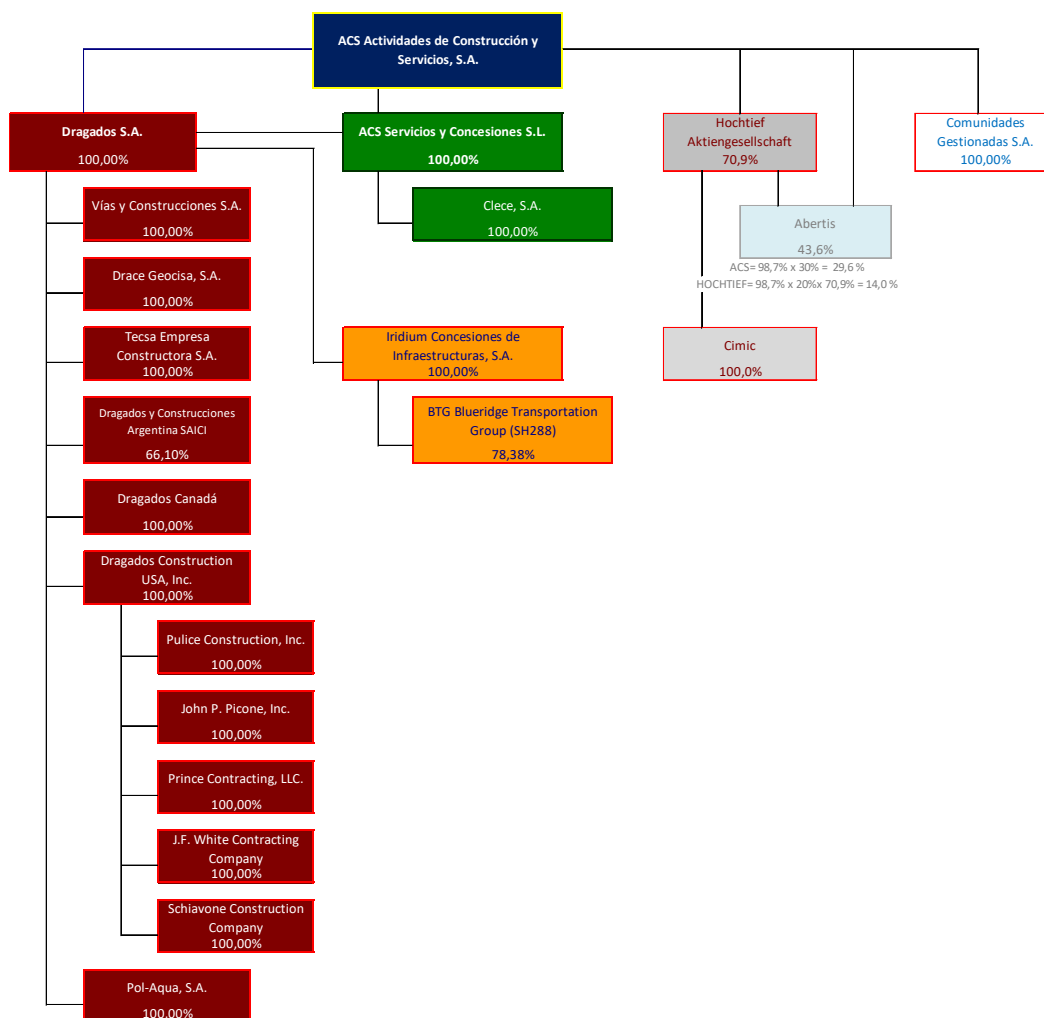
On 23 March 2023 pursuant to what was agreed by the General Shareholders' Meeting held on 6 May 2022 in relation to item 8 of the Agenda, the Board of Directors of ACS agreed to reduce the share capital by means of the amortisation, charged to profits or free reserves, of the Issuer's own shares for a nominal amount of three million euros by means of the amortisation of six million own shares.

On 1 April 2023 IRIDIUM reached an agreement to purchase the remaining 21.62% of the North American company Blueridge Transportation Group (BTG). Following this acquisition, and once the purchase agreement is completed, the Group's stake in this concession company will increase to 100%. The price of the acquisition is USD 450 million (approximately €391 million). The execution of the purchase and sale is subject to the fulfillment of the usual conditions precedent.

Organisational Structure

The Issuer is the parent company of the entities of which the Group is comprised, functioning as a holding company for each of the Group's subsidiaries. As at 31 December 2022, the Group comprised 873 companies, including the Issuer, 591 subsidiary companies, 120 associate companies and 161 joint ventures.

The organisational structure of the Group with its holding companies and their significant subsidiaries as at 31 December 2022 is summarised in the following diagram.



Share Capital and Major Shareholders

As at 31 December 2022, the Issuer's share capital is made up of 284,164,594 ordinary shares of €0.50 nominal value each, represented by book entries and forming a single class. As at 31 March 2023, the Issuer's share capital was of €139,082,297, represented by 278,164,594 shares, each with a nominal value of €0.50. The Issuer's share capital is fully subscribed and paid-up. The Issuer's shares are admitted to listing on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges (the "**Spanish Stock Exchanges**") and trade through the automated quotation system (*Sistema de Interconexión Bursátil*).

As at 31 December 2022, the following shareholders (excluding members of the Board of Directors) each held, directly or indirectly, 2% or more of the ordinary shares with voting rights of the Issuer:

Name or company name of the shareholder	% of direct voting rights	% of indirect voting rights	% of total voting rights
Mr. Alberto Cortina Alcocer.....	0	2.83	2.83
Mr. Alberto Alcocer Torra.....	0	2.56	2.56
Blackrock, Inc		5.16	6.06
Société Générale	6.44	0	6.44

Name or company name of the indirect shareholder	Held through: Name or company name of the direct shareholder	% of voting rights
Mr. Alberto Cortina Alcocer	Percacer, S.L.	1.51
Mr. Alberto Cortina Alcocer	Corporación Financiera Alcor, S.L.	0.17
Mr. Alberto Cortina Alcocer	Imvernelin Patrimonio, S.L.	1.15
Mr. Alberto Alcocer Torra.....	Comercio Y Finanzas, S.L.	1.24

Mr. Alberto Alcocer Torra.....	Corporación Financiera Alcor, S.L.	0.17
Mr. Alberto Alcocer Torra.....	Imvnelin Patrimonio, S.L.	1.15
Blackrock, Inc	Blackrock, Inc	6.06

Based on the information available to the Issuer, there is no individual or corporation that, directly or indirectly, through one or more intermediaries, exercises or may exercise any type of control over the Issuer. In addition, various independent directors are appointed to the Board of Directors and the Issuer has processes in place to monitor the purchase of its shares, including a policy in relation to maintaining treasury holdings, which complies with recommendations approved by the CNMV and which is reported on to the Audit Committee at regular intervals by the responsible person.

The table below sets out the number of ordinary shares with voting rights held by members of the Board of Directors of the Issuer as at 31 December 2022:

<u>Name or company name of the Board Member</u>	<u>% of direct voting rights</u>	<u>% of indirect voting rights</u>	<u>% of total voting rights</u>
José Luis Del Valle Pérez.....	0.11	0	0.11%
Javier Echenique Landiribar.....	0.02	0	0.02%
Antonio García Ferrer	0.04	0	0.04%
Pedro José López Jiménez.....	0	0.28%	0.28%
Florentino Pérez Rodríguez.....	0	13.86%	13.86%

The following table describes the indirect shareholdings by members of the Board of Directors of the Issuer as at 31 December 2022:

<u>Name or company name of the indirect shareholder</u>	<u>Held through: Name or company name of the direct shareholder</u>	<u>% of voting rights</u>
Pedro José López Jiménez.....	Fapin Mobi, S.L.	0.28%
Florentino Pérez Rodríguez.....	Rosán Inversiones, S.L.	13.86%

Percentage of total voting rights held by the Board of Directors: 13.96%

In addition, as at 31 December 2022, the following members of the Board of Directors had notified the CNMV of stock options:

<u>Name of Director</u>	<u>Number of Stock Options</u>
Florentino Pérez	500.000
José Luis del Valle Pérez	275.000

As at 31 December 2022, treasury shares held by the Issuer amounted to 25,904,654 (9.12% of total shares), with a face value of €0.50 each. This figure has subsequently been reduced by the sale of treasury shares detailed under "*Recent Developments*" above.

Management

Board of Directors

As at the date of this Information Memorandum, the Issuer has 15 Directors, the following table describes the composition of the Board of Directors of the Issuer as at the date of this Information Memorandum:

<u>Name or company name of the Board Member</u>	<u>Class of Board Member</u>	<u>Position on the Board</u>	<u>Date of first appointment</u>	<u>Date of last appointment</u>	<u>Appointment procedure</u>	<u>Main activities of the Board Member outside of the Issuer (as of 31 December 2022)</u>
Carmen Fernández Rozado	Independent	Board Member	28/02/2017	07/05/2021	General Shareholders' Meeting Resolution	Director of EDP (Energías de Portugal)
José Eladio Seco Domínguez	Independent	Coordinating Member	22/12/2016	07/05/2021	General Shareholders' Meeting Resolution	

<u>Name or company name of the Board Member</u>	<u>Class of Board Member</u>	<u>Position on the Board</u>	<u>Date of first appointment</u>	<u>Date of last appointment</u>	<u>Appointment procedure</u>	<u>Main activities of the Board Member outside of the Issuer (as of 31 December 2022)</u>
Mariano Hernández Herreros	Proprietary	Board Member	05/05/2016	08/05/2020	General Shareholders' Meeting Resolution	
Antonio Botella García	Independent	Board Member	28/04/2015	10/05/2019	General Shareholders' Meeting Resolution	
Catalina Miñarro Brugarolas	Independent	Board Member	28/04/2015	10/05/2019	General Shareholders' Meeting Resolution	Director (2nd Vice Chair and Lead Director) at MAPFRE, S.A. Member of the Delegate Committee and Chair of the Appointments and Remuneration Committee at MAPFRE, S.A. Director and Member of the Management Committee at MAPFRE España, S.A. Director of MAPFRE Internacional, S.A
Emilio García Gallego	Independent	Board Member	13/11/2014	10/05/2019	General Shareholders' Meeting Resolution	
María Soledad Pérez Rodríguez	Proprietary	Board Member	13/11/2014	10/05/2019	General Shareholders' Meeting Resolution	
María José García Beato	Independent	Board Member	06/05/2022	06/05/2022	General Shareholders' Meeting Resolution	Director of Banco Sabadell Director of the Iberpapel Group
Javier Echenique Landiribar	Proprietary	Board Member	20/05/2004	08/05/2020	General Shareholders' Meeting Resolution	Director of MdF FAMILY PARTNERS, S.A. Director of Calcinor, S.L. Vice Chairman of Telefónica, S.A. Member of Telefónica Audiovisual Digital, S.L.U.'s Board of Directors (Grupo Telefónica, S.A.)
Antonio García Ferrer	Executive	Executive Deputy Chairman	14/10/2003	10/05/2019	General Shareholders' Meeting Resolution	
Miguel Roca Junyent	Other External	Board Member	14/10/2003	10/05/2019	General Shareholders' Meeting Resolution	Director of Aguas de Barcelona Secretary (non-director) of the Board of Directors at Abertis Infraestructuras Secretary (non-director) of the Board of Directors at Banco de Sabadell Secretary (non-director) at TYP Secretary (non-director) at WERFENLIFE
José Luis Del Valle Pérez	Executive	Board Member Secretary	28/06/1989	10/05/2019	General Shareholders' Meeting Resolution	Member of the Supervisory Board at HOCHTIEF Member of the Board of Directors of CIMIC

<u>Name or company name of the Board Member</u>	<u>Class of Board Member</u>	<u>Position on the Board</u>	<u>Date of first appointment</u>	<u>Date of last appointment</u>	<u>Appointment procedure</u>	<u>Main activities of the Board Member outside of the Issuer (as of 31 December 2022)</u>
						Director and member of the Appointments and Remuneration Committee at Abertis
						Director of Del Valle Inversiones, S.A.
Pedro José López Jiménez	Other External	Board Member	28/06/1989	10/05/2019	General Shareholders' Meeting Resolution	Director of SAGITAL, S.A Chair of the Supervisory Board, Human Resources Committee and the Appointments Committee at HOCHTIEF
						Member of the Board of Directors, Remuneration and Appointments Committee, and Ethics, Compliance and Sustainability Committee at CIMIC
						Director and member of the Audit and Control Committee and of the Appointments and Remuneration Committee at Abertis
						Chairman and CEO of Flagoser, S.L.
						Director Representative of Fidalser, S.L
						Director Representative of Fapin Mobi, S.L.
						Director Representative of Centro Empresarial Calle Miguel Yuste, S.L.
						Sole Director of LOCYXX DOS, S.L.
						Director Representative of Fidalrent, S.L.
						Director Representative of Fidalrent Sky Park, S.L.
						Director Representative of Fidalrent Residencial, S.L.
						Director Representative of Residencial Tres Cantos, S.L.
Florentino Pérez Rodríguez	Executive	Executive Chairman	28/06/1989	10/05/2019	General Shareholders' Meeting Resolution	Director Representative of MAF Inversiones, S.A Sole Director of Rosan Inversiones, S.L. Sole Director of INVERPE, S.L.
Juan Santamaría Cases	Executive	CEO	06/05/2022	06/05/2022	General Shareholders' Meeting Resolution	Sole Director of HISPAVESAN, S.L. Chief Executive Officer of HOCHTIEF, A.G. Executive Chairman of CIMIC

The business address of each of the Members of the Board of Directors of the Issuer is Avenida Pío XII, 102, 28036, Madrid, Spain.

Senior Management

The Board has delegated some of its powers to the following committees:

Executive Committee

The Executive Committee is made up of the Chairman of the Board of Directors, one or both Vice-Chairmen, Board Members appointed by the Board of Directors for such purpose and the Secretary to the Board of Directors (who is entitled to participate in, but not to vote at, meetings of the Executive Committee).

The Executive Committee meets as often as it is convened by its Chairman, on his or her own initiative or at the request of at least two of its members.

The Executive Committee exercises the same powers as those of the Board of Directors, with the exception of those powers that may not be delegated to the Executive Committee by law or under the Issuer's by-laws.

The following table describes the composition of the Executive Committee at the date of this Information Memorandum:

<u>Name</u>	<u>Position</u>	<u>Type</u>
Florentino Pérez Rodríguez	Chairman	Executive
Juan Santamaría Cases	CEO	Executive
Antonio García Ferrer	Member	Executive
Javier Echenique Landiribar	Member	Proprietary
Pedro José López Jiménez	Vice Chairman	Other External
Carmen Fernández Rozado	Member	Independent

Management Committee

The Management Committee is a non-statutory internal body, formed by members of the main companies of the Group and their affiliates, with the purpose of giving such executives the opportunity to meet to discuss professional experiences and to find solutions to management issues of the Group generally.

The following table describes the composition of the Management Committee (*Comité de Dirección*) of the Issuer as at the date of this Information Memorandum:

<u>Management Committee Member</u>	<u>Position in the Issuer</u>
Florentino Pérez Rodríguez	Chairman
Juan Santamaría Cases	CEO
Antonio García Ferrer	Executive Vice Chairman
José Luis del Valle Pérez	Secretary General
Ángel García Altozano	Corporate General Manager
Eugenio Llorente Gómez	Industrial Project General Manager

Audit Committee

The Audit Committee is comprised of a minimum of three and a maximum of five members appointed by the Issuer's Board of Directors from amongst its members.

The following table describes the composition of the Audit Committee of the Issuer as at the date of this Information Memorandum:

<u>Name</u>	<u>Position</u>	<u>Class</u>
José Eladio Seco Domínguez	Chairman	Independent
Carmen Fernández Rozado	Member	Independent
Emilio García Gallego	Member	Independent
Catalina Miñarro Brugarolas	Member	Independent
María Soledad Pérez Rodríguez	Member	Proprietary

According to the new Board of Directors' Regulations the responsibilities of the Audit Committee include:

As pertains to oversight of the financial and non-financial information:

- (a) To inform the General Shareholders' Meeting of matters envisaged in relation to those issues which are the competency of the Committee, and in particular, of the result of the audit, explaining how it contributed to the integrity of the financial information, and the role which the Committee played in that process.
- (b) To supervise and evaluate the preparation and presentation of ACS', and where applicable the Group's, financial and non-financial information, reviewing compliance with regulatory requirements and ensuring the adequacy of the consolidation scope defined and appropriate application of accounting criteria and, in particular, being aware of, understanding and supervising the effectiveness of the internal financial information control system (SCIIF). The Committee may present recommendations or proposals to the Board of Directors, with the aim of safeguarding the integrity of the financial information.
- (c) To provide the Board of Directors with prior notice about the financial information and the management report, which shall include, where appropriate, the mandatory non-financial information that ACS is required to publish periodically.
- (d) To ensure that the financial statements that the Board of Directors presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations and that, in those cases in which the auditor has included a provision in his audit report, the Chairman of the Audit Committee clearly explains to the General Shareholders' Meeting the opinion of the Audit Committee regarding its content and scope, making a summary of this opinion available to the shareholders at the time of publication of the call to the Meeting, together with the rest of the proposals and reports of the Board.

As pertains to the oversight of the internal control and internal audit:

- (e) To oversee the efficiency of ACS' internal control, ensuring that the policies and systems established in the area of internal control are effectively applied in practice, and the internal audit, as well as to discuss with the account auditor any significant weaknesses in the internal control system detected during the audit process, without infringing its independence, drawing conclusions as to the level of trustworthiness and reliability of the system. For these purposes, where necessary, the Audit Committee may present recommendations or proposals to the Board of Directors and indicate the corresponding period of time for follow-up of these recommendations.
- (f) To oversee the independence of the internal audit unit; propose the selection, appointment and removal of the head of the internal audit department; propose the budget for the service; approve the orientation and the annual work plan of the internal audit, ensuring that activities are directed principally toward key risks for ACS (including the reputational ones); receive regular information on internal activities; ensure that senior management takes the conclusions and recommendations of its internal audit reports into consideration; and annually assess the workings of the internal audit unit and the performance of its duties by the person responsible for the unit.
- (g) To establish and oversee a mechanism that allows employees and other persons related to ACS, such as Directors, shareholders, suppliers, contractors or subcontractors, to confidentially report any potentially significant irregularities including financial and accounting irregularities, or irregularities of any other nature, related to ACS that they may identify within ACS or the Group, by receiving regular information on its operation and being able to propose the appropriate actions for its improvement and future risk reduction.

As pertains to the oversight of risk management and control:

- (h) To supervise and evaluate the effectiveness of financial and non-financial risk management systems relating to ACS and the Group, including operational, technological, legal, social, environmental, political and reputational or corruption-related systems.

- (i) At least once a year, to reassess the list of most significant risks, both financial and otherwise, and evaluating their tolerance level, proposing adjustments to the Board of Directors where necessary. For these purposes, the Committee shall, at least once a year, hold a meeting with the heads of the various business lines, for those managers to explain trends in their line of business, and the associated risks.
- (j) To directly oversee the performance of the internal control and risk management functions carried out by any unit or Department of ACS.

In relation to the external auditor:

- (k) To feed back to the Board of Directors any proposals for the selection, appointment, re-election and replacement of the external auditor, taking responsibility for the selection process, and for the conditions of their engagement, and for this purpose, the Committee must:
 - (i) define the process for selection of the auditor; and
 - (ii) issue a reasoned proposal containing at least two alternatives for auditor selection, except in cases of re-election of the same auditor.
- (l) To regularly gather information from the external auditor regarding the audit plan, its execution and any other issues relating to the account auditing process – in particular, any disagreements which arise between the account auditor and ACS' management, as well as to preserve its independence in the exercise of its functions.
- (m) To establish the appropriate relationships with the external auditor for the purpose of receiving information on any matter which may compromise its independence, for examination by the Committee, and any other matter relating to the process of auditing the accounts and, where necessary, authorization of services other than those which are prohibited, in the conditions set forth in the applicable legislation, as any other 23 communications prescribed by the legislation in account auditing and in the auditing standards.

In any case, ACS must receive an annual declaration from the external auditors regarding their independence vis-à-vis the entities directly or indirectly related to ACS, together with information on additional services of any kind provided and the related fees received from these companies by the external auditor or by persons or entities related thereto, in accordance with the audit legislation in force.

- (n) To issue annually, prior to the issue of the auditors' report, a report in which it gives its opinion on the independence of the auditor. In any case, this report should inform on the provision of the additional service referred to in the previous section, individually and globally considered, other than the legal audit and in relation with the independence system or the audit regulations.

Should the external auditor resign, examine the circumstances leading to such decision.

- (o) Ensure that the remuneration of the external auditor does not compromise its quality or independence, and establish a guideline cap on fees that the auditor can be paid, each year, for services other than auditing.
- (p) Ensure that ACS notifies any change of auditors through the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditors and, if any, of their content.
- (q) Ensure that the external auditor holds an annual meeting with the Board of Directors to inform it of the work performed and of the evolution of ACS' accounting situation and risks.
- (r) Ensure that ACS and the external auditor comply with the applicable laws regarding the provision of services other than auditing services, restrictions on the concentration of the external auditor's business, and, in general, with other laws stipulated to safeguard the independence of auditors.
- (s) To perform a final assessment regarding the auditor's performance, and how they have contributed to the quality of the audit and the integrity of the financial information.

Other roles:

- (t) Report on Related-Party Transactions to be approved by the General Meeting or the Board of Directors and supervise the internal procedure established by the Company for those whose approval has been delegated by the Board in accordance with the applicable regulations.
- (u) To report to the Board of Directors on all matters where so required by law, the By-laws and the Board Regulations, in particular with regard to:
 - (i) the economic conditions and the impact on accounting matters and, where applicable, on the proposed exchange ratio, of structural and corporate modifications which ACS plans to carry out; and
 - (ii) the creation or acquisition of investments in special purpose vehicles registered in countries or territories listed as tax havens.

The stipulations of paragraphs k), l), m) and n) above apply without prejudice to prevailing legislation governing auditing.

In addition to the above responsibilities, the Audit Committee is also responsible for the compliance with corporate governance and sustainability in environmental and social matters, with the following duties corresponding thereto:

- (v) Supervising compliance with the rules of corporate governance and the internal codes of conduct of ACS, as well as ensuring that the corporate culture is aligned with its purpose and values.
- (w) Supervising the application of the general policy regarding the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, voting advisors and other interest groups. The way in which ACS communicates and engages with small and medium sized shareholders will also be monitored.
- (x) The evaluation and periodic review of the ACS' system of corporate governance and its environmental and social policy, in order to ensure that it fulfils its mission of furthering the corporate interest and takes into account, as appropriate, the legitimate interests of other stakeholders.
- (y) Ensuring that ACS' environmental and social practices are in line with the defined strategy and policy.
- (z) Supervising and assessment of the relationship processes with the different groups of interest.

Appointment Committee

The Appointment Committee is made up of a Chairman and a minimum of two members appointed by the Board of Directors from among its members. At least two of the members, as well as the Chairman of this Committee, must be independent Board members. The Appointment Committee must meet at least twice a year.

The following table describes the composition of the Appointment Committee of the Issuer as at the date of this Information Memorandum:

Name	Position	Class
Catalina Miñarro Brugarolas	Chairman	Independent
Mariano Hernández Herreros	Member	Proprietary
Javier Echenique Landiribar	Member	Proprietary
Carmen Fernández Rozado	Member	Independent
Pedro José López Jiménez	Member	Other External
María José García Beato	Member	Independent

According to the new Board of Directors Regulations, the responsibilities of the Appointment Committee include:

Regarding the members of the Board of Directors:

- (a) To evaluate the capabilities, expertise and experience required by the Board of Directors. For these purposes, the Appointments and Remuneration Committee shall define the necessary skills and abilities of the candidates to cover any vacancy and shall evaluate the time and dedication required to discharge the related duties effectively, ensuring that non-executive Directors have sufficient time available to perform their duties properly.

For these purposes, the Committee shall prepare and periodically update a matrix with the necessary competences of the Board that defines the skills and knowledge of the candidates for Directors, especially those of executives and independent Directors.

- (b) To make proposals to the Board of Directors for the appointment of independent Directors by co-option or by approval at the Shareholders' General Meeting, as well as proposals for the re-election or removal of such Board Members by the Shareholders' General Meeting.
- (c) Verify the category of Directors on an annual basis.

Regarding the selection of Directors and Senior Management:

- (d) To make proposals for the appointment of other Board Members by co-option or by approval at the Shareholders' General Meeting, as well as proposals for the re-election or removal of such Board Members by the General Shareholders' Meeting.
- (e) To make proposals for the appointment of the remaining Directors for their appointment by co-option or for their submission to the decision of the General Shareholders' Meeting, as well as proposals for their re-election or separation by the General Meeting.
- (f) To make proposals for appointing and separating Senior Management, especially those who will form part of the Group Management Committee and to propose the basic terms and conditions of their contracts, in coordination, if necessary, with the Remuneration Committee.
- (g) Periodically checking the criteria for selecting Directors.

Regarding the positions of the Board:

- (h) Reporting the proposals for the appointment of the Chairman and, where appropriate, Vice-chairman of the Board.
- (i) Reporting the proposals for appointing the Secretary and, if applicable, the Deputy Secretaries of the Board of Directors.
- (j) Proposing, if applicable, the appointment of the coordinating Director.
- (k) Examining and organizing the succession of the Chairman of the Board of Directors and the first ACS executive and, if applicable, making proposals to the Board of Directors for said succession to take place in an orderly and planner manner, making a succession plan to this end.

Other functions:

- (l) Lead, in coordination with the Chairman of the Board and with the collaboration, where appropriate, of the coordinating Director, the annual assessment of the Board regarding the operation and composition of the same, its Committees and the Directors of ACS.
- (m) Periodically design and organise knowledge update programmes for Directors, in coordination, if necessary, with the Remuneration Committee.
- (n) To ensure that potential conflicts of interest do not adversely affect the independence of external advice provided to the Committee.

Remuneration Committee

The Remuneration Committee is made up of a Chairman and a minimum of two members appointed by the Board of Directors from amongst its members. At least two of the members, as well as the Chairman of this Committee, must be independent Board members. The Remuneration Committee must meet at least twice a year.

The following table describes the composition of the Remuneration Committee of the Issuer as at the date of this Information Memorandum:

<u>Name</u>	<u>Position</u>	<u>Class</u>
Antonio Botella García	Chairman	Independent
Emilio García Gallego	Member	Independent
María Soledad Pérez Rodríguez	Member	Proprietary
Miguel Roca Junyent	Member	Other External
José Eladio Seco Domínguez	Member	Independent

According to the new Board of Directors Regulations the responsibilities of the Remuneration Committee include:

- (a) To report to the Board of Directors on the individual determination of the remuneration of each Director in his capacity as such within the framework of the Articles of Association and the remuneration policy, as well as on the individual determination of the remuneration of each Director for the performance of the executive functions attributed to him within the framework of the remuneration policy in accordance with the provisions of his contract.
- (b) To make proposals on the distribution of the overall remuneration agreed upon by the shareholders at the General Meeting, between the members of the Board of Directors.
- (c) To make proposals on individual remuneration and other contractual conditions for members of the Executive Board, as well as to propose the basic terms and conditions of the contracts of the Senior Management on remuneration, on coordination, as necessary, with the Appointments Committee, checking that they are consistent with the applicable remuneration policies.
- (d) To propose long-term plans that may be established in accordance with share value, such as stock option plans.
- (e) Periodically review the remuneration policy applied to Board Members and Senior Management, including share-based remuneration systems and their application, if any, and to provide assurance that individual remuneration is proportionate and in line with the compensation paid to other Directors and Senior Management of ACS.
- (f) To verify information on the remuneration of Board Members and Senior Management contained in the different corporate documents, including the Annual Report on Board Members' Remuneration.
- (g) To ensure that potential conflicts of interest do not adversely affect the independence of external advice provided to the Committee.

Insofar as may be necessary, and with any necessary adaptations, the functioning of the Appointments and Remuneration Committees is governed by the provisions of the rules regulating the functioning of the Board of Directors.

Employees

As at 31 December 2022, the Group employed a total of 128,721 people. The following table sets out a breakdown, by business unit, of the Group's employees as at 31 December 2020, 2021 and 2022:

	31/12/2020	31/12/2020 (restated)	31/12/2021	31/12/2022
Construction	57,324	57,684	44,351	47,400
Concessions	273	273	409	415
Services	76,462	76,462	77,492	80,705

Corporation and others*	45,480	222	250	201
Total	179,539	134,641	122,502	128,721

* Includes employees of ACS Actividades de Construcción y Servicios, S.A. and those managing real estate, energy and water assets.

Conflicts of Interest

There exist no conflicts of interest between the administrative, management and supervisory bodies of the Issuer and there exist no potential conflicts of interest between any duties to the issuing entity of any members of such administrative, management or supervisory bodies and their private interests and/or other duties.

Transactions with Related Parties

All related-party transactions executed in the financial year ended 31 December 2022 and up to the date of this Information Memorandum were undertaken in the ordinary course of business of the Issuer and were performed on an arm's-length basis.

Litigation

In the course of its business activities, the Group is subject to contingent liabilities of various types arising from litigation or administrative or contentious proceedings, which the Directors consider it is reasonable to consider will not have a material effect on the Group's economic and financial position or solvency, and provisions have been made for such liabilities insofar as they may have a material adverse effect.

Although there are a number of outstanding lawsuits, the Issuer believes that such lawsuits, except those outlined in this section, are for non-material amounts when considered individually based on the size of the Group.

Periodic changes to these provisions are made based on an analysis of the lawsuits or claims in progress, according to the reports prepared by the legal advisers of the Group. As in the case of provisions for taxes, these amounts are not updated to the extent that the time at which the risk arises or disappears depends on circumstances linked to judgments or arbitration, meaning it is impossible to determine the date on which they will be resolved. Additionally, these provisions are not derecognised until the judgments handed down are final and payment is made, or until there is no doubt as to the disappearance of the associated risk.

Metro de Lima

In connection with the concession contract for the Lima Metro Line 2 Project in Peru, the concession company Metro de Lima Línea 2, S.A. (in which Iridium Concesiones de Infraestructuras, S.A. holds 25% of the shares) filed the following requests for arbitration:

ICSID Arbitration 1: On 16 January 2017, a request for arbitration against the Republic of Peru (Ministry of Transport and Communications) before the International Centre for Settlement of Investment Disputes between States and Nationals of other States ("ICSID") for serious breach by the Republic of Peru of the concession agreement mainly consisting of: (i) the failure by the Concession Area to make delivery under the terms and conditions established in the concession agreement, and (ii) the lack of approval and delayed approval of the Detailed Engineering Studies ("ICSID 1"). In 2018, several briefs were filed requesting an extension of the term of execution of the Project works and compensation for damages in excess of USD 700 million, which include damages incurred by different participants in the Project (concession operator, construction group, rolling stock supplier, etc.). The Republic of Peru dismissed the claims made and included a counterclaim against the concession operator, claiming an amount in excess of USD 700 million for socio-economic and environmental damage. Both the claim brought by the concession operator against Peru and the counterclaim by Peru against the concession operator have been consolidated into a single arbitration process with the ICSID. The process has followed its normal course: in the first half of May 2019, the evidentiary hearing was held in Washington, where various witnesses gave their testimony, two rounds of briefs were presented during June and July 2019 in relation to issues raised during the evidentiary hearing, and final pleadings were presented by both the concession operator and the State of Peru on 20 September 2019. On 6 July 2021, the Court issued a partial award through the "Decision on Jurisdiction and Liability", which dismissed the counterclaim of the Republic of Peru and upheld virtually all of the claims of the concession operator, with the final award yet to be handed down on the amount of damages and costs of the proceedings. In particular, the Decision declares that (1) the Republic of Peru has breached

its obligation to deliver most of the Areas of Stage 1A and all of the Areas of Stages 1B and 2 within the periods agreed, and (2) the Republic of Peru has breached its contractual obligations regarding the procedure for overseeing and approving the Detailed Engineering Studies, and that the Republic of Peru has failed to properly exercise its contractual supervisory role. As regards damages due to delays, the claim for damages due to delays in relation to Stages 2 and 1B is fully upheld and partially upheld for Stage 1. On 11 August 2021, the Court issued Procedural Order No. 8 instructing the experts of the concession operator and of Peru to perform additional calculations based on the findings set forth in the Decision. On 11 October 2021, following the Court's procedural order, based on the delays determined by the Court in the Decision, the concession operator reduced its claim from USD 109 million to USD 84.7 million and the other members of the consortium other than the concession operator also made an adjustment to the damages initially claimed. On 30 December 2021, the concession grantor submitted to the Court its response to the concession operator's adjusted damage calculations, rejecting most of these damages and submitting much lower alternative calculations. On 31 January 2022, the Parties submitted a joint WACC Calculator to the Arbitral Tribunal and, subsequently, each party has submitted its own "instructions" for using the Calculator. The award for damages is expected to be issued in the second quarter of 2023.

ICSID Arbitration 2: On 2 August 2021, the concession operator filed a new request for arbitration against Peru with the ICSID Secretariat, following the expiration of the 6-month period for direct negotiations as required by the concession agreement. As in the case of ICSID 1, this claim is mainly for serious breach by the Republic of Peru of the Concession Agreement for (i) the failure by the Concession Area to make delivery, and (ii) the lack of approval and delayed approval of the Detailed Engineering Studies under the terms and conditions established in Addendum 2 to the Concession Agreement, and the updated cost overruns, and harm and loss incurred after the cut-off dates considered in ICSID 1 ("**ICSID 2**"). The concession operator finished appointing its experts and on 16 May 2022 the Secretary-General of the ICSID reported that the three arbitrators had accepted their corresponding appointments and that, therefore, the Arbitral Tribunal was duly constituted and the procedure initiated. The first session of the Tribunal was held on 17 June 2022 and an agreement was reached for Procedural Order no. 1, which regulates, among other matters, the procedural timetable. On 16 December 2022, the concession operator filed a Statement of Claim with the ICSID. ICSID Arbitration 3: On 15 November 2021, the concession operator filed a new request for arbitration against Peru with the ICSID Secretariat, following the expiration of the 6-month period for direct negotiations as required by the concession agreement. The claim filed against Peru is regarding the dispute over (i) the lack of approval of the Polynomial Formulas for the adjustment to the Work Progress and Provision Progress, (ii) the delay in the certification and payment of the adjustments arising from the application of these Polynomial Formulas, and (iii) the economic and financial loss due to the delay in payment of the adjustments ("**ICSID 3**"). The expert has prepared the draft preliminary expert report, which is currently being reviewed by the working group. Likewise, the President has yet to be appointed for the definitive formation of the Arbitral Tribunal.

Radial Highways III and V

In relation to the Group's investment in Alazor (highways R3 and R5), the relevant financial institutions filed a declaratory action, which was notified to the shareholders in October 2013. After abandoning the appeal they had filed against the dismissal of the appeal in September 2018, the funds acquiring the receivables filed a new declaratory action, which was notified to ACS and Desarrollo de Concesiones Viarias Uno, S.L. ("**DCVU**") in January 2019. In this new declaratory action, they invoked Clause 2 of the Shareholders' Support Agreement to claim payment of €757 million from the shareholders of Alazor and their respective guarantors (€179 million would correspond to the Group). The Madrid Court of First Instance no. 13 dismissed the claim in full through the judgment dated 7 November 2022, absolving the shareholders and guarantors of all claims made against them, without ordering the claimants to pay costs. The funds filed an appeal on 13 December 2022, and a ruling will be handed down by the Madrid Provincial Appellate Court.

The enforcement action notified in February 2014 was dismissed and the €278.37 million deposited in the Court's account was returned (of which €87.85 million corresponded to the Group). The shareholders successively claimed €31.71 million in compensation for damages (€11.32 million corresponded to the Group). In light of the opposition of the investment funds, Madrid Court of First Instance no. 51 has agreed to appoint an *ex officio* expert to rule on this issue. On 10 March 2021, an oral hearing was held on this litigation, and the procedural incident was scheduled for resolution. By order dated 11 March 2021, an indemnity payment had been recognised, for a total of €26.19 million (€11.3 million corresponding to

the Group) and it has ordered that the funds pay the costs. This order was ratified by the Madrid Provincial Appellate Court by order dated 7 July 2022.

In May 2019, ACS, Actividades de Construcción y Servicios, S.A. and Desarrollo de Concesiones Viarias Uno, S.L. were notified of a second claim based on Clause 4 (viii) of the Support Agreement, although this time it was a claim for declaratory judgment. In this claim Haitong Bank S.A. Sucursal en España, acting as agent of the financial syndicate, claimed payment of €562.5 million. This claim was upheld by the Madrid Court of First Instance No. 26 by means of a judgment dated 2 November 2021 (notified on 4 November 2021), in which Alazor's shareholders and their respective guarantors are ordered to pay Haitong Bank, for subsequent distribution among the creditors, the following: (i) an amount of €450 million (resulting from subtracting from the total amount claimed of €112.5 million corresponding to Bankia, with which the claimants entered into an out-of-court agreement); (ii) the interest applied to procedural delays accrued since 21 December 2018; (iii) the procedural default interest from the date of the judgment; and (iv) the costs. This judgment distributes the amount claimed among each defendant, indicating that the shareholder Desarrollo de Concesiones Viarias Uno, S.L. and its guarantor ACS, Actividades de Construcción y Servicios, S.A. must pay €132.9 million plus interest, and one fourth of the costs. A remedy of appeal was filed against this judgment on 20 December 2021, and a ruling will be handed down by the Madrid Provincial Appellate Court. It should be noted that, once the Court of First Instance considers this appeal to have been filed, Haitong Bank may request provisional enforcement of the judgment and, if it is granted leave to proceed by the Court, it will issue an enforcement order indicating that each of the entities is ordered to deposit or designate assets for an amount equivalent to the portion of the principal corresponding to them and recognise a provision for interest and costs, which is usually calculated at 30% of the principal (in the case of the Group this figure would be approximately €173 million). In this case, the disputed parties will try to request stay of the order, or, failing that, they will propose the contribution of a guarantee or another surety instrument as a provisional alternative until a final judgment is obtained.

An analysis is underway on the impact that the following events related to the Public Administration's Liability ("PAL") under the concession arrangement corresponding to the R3 and R5 highways could have on the risk associated with the Group's investment in Alazor.

On 21 December 2021, the Ministry of Finance published on its website that the Council of Ministers has authorized the modification of the spending limits charged to future years and the extension of credit corresponding to 2021 to enable the General Directorate of Roads to meet the financial effects arising from the termination of several concession arrangements. This communication stated that, with respect to the R3 and R5 highways, the General Directorate of Roads has proposed an amount of €131,773,447 for 2021 and €304,004,675 for 2022.

On 15 January 2022, the Council of Ministers Resolution dated December 28, 2021 was published in the Official Gazette of the Spanish State (BOE), approving the execution of the first provisional settlement of the contract and the PAL corresponding to the R3 and R5 highways, with a prepayment of €119,150,069 plus interest accruing from the date on which the order was signed that opened the liquidation phase of the concession operator's insolvency proceedings until the date of effective payment.

On 15 February 2022, the bankruptcy managers for Accesos de Madrid, the concession operator of the R3 and R5 highways, acknowledges that it received the €131,773,447 as the first prepayment of the PAL and, after recalling that the financial creditors of Alazor are named in the bankruptcy of Accesos de Madrid as having a pledge in rem on the PAL, request the Judge of the insolvency proceedings to pay the amount received individually to the creditors of Accesos and Alazor, making payment in the account held by each of them as indicated by Haitong Bank.

On 14 March 2022, the Presiding Judge of Madrid Commercial Court no. 6 gave authorization for the amounts received by the party to the insolvency proceedings as a prepayment of the PAL to be paid individually to each senior creditor into the current account as provided by each of them.

In addition, it should be noted that the Third Chamber of the Supreme Court partially upheld, in a judgment dated 28 January 2022, the appeal for judicial review filed by the shareholders and guarantors of the R3 and R5 highways against the Council of Ministers Resolution on 26 April 2019, which interpreted that the highway concession arrangements had been terminated as result of the insolvency proceedings, with respect to the method used to calculate the PAL. This judgment means that the granting authorities must review the first ruling on the liquidation of the PAL already handed down, and take into account the corrections made by the Supreme Court to the calculation method in the second ruling and in the final ruling. All of the

above is expected to lead to a substantial increase in the amounts estimated by the authorities for payment of the PAL.

Lastly, in March 2023 certain conditions arose that did not exist at the end of the year, which led to a solution to positively and definitively resolve this potential impact.

Radial Highway II

In relation to the Group's investment in Irasa (R2 toll road), it should be noted that in September 2019 ACS and Desarrollo de Concesiones Viarias Uno, S.L. were notified of the filing by the creditor funds of a declaratory action in which, invoking Clause 2 of the Shareholders' Undertakings Agreement, they claimed from the shareholders of Irasa and their respective guarantors, the filing by the creditor funds of a declaratory action in which, invoking Clause 2 of the Shareholders' Undertakings Agreement, they claimed from the shareholders of Irasa and their respective guarantors the payment of a total of €551.50 million (€193 million corresponding to the Group) to cover construction cost overruns and expropriations. This claim has been dismissed by the Madrid Court of First Instance no. 37 on 14 July 2022, absolving the shareholders of all claims made against them and ordering the claimants to pay costs. On 8 September 2022, the funds filed an appeal against this ruling, which has been granted leave to proceed by the Madrid Provincial Appellate Court.

With regard to the insolvency proceedings, it should be noted that the insolvency proceedings of Henarsa, Irasa, Accesos de Madrid and Alazor were all declared fortuitous. The insolvency administrations of Henarsa and Accesos de Madrid handed over the operation of the R2, R3 and R5 motorways to the State by deeds dated 28 February and 9 May 2018, respectively, and management is carried out by the Ministry of Public Works through SEITTSA, by virtue of an agreement signed in August 2017 which has been extended until 2022, and was once again extended until 2023.

CNMC Resolutions

In December 2015, the CNMC issued a resolution on the matter involving several companies, including Dragados, for alleged anti-competitive practices in relation to the modular construction business. The decision, which amounts to €8.6 million, was appealed in 2016. On 12 November 2021, the National Appellate Court handed down a judgment dismissing the appeal and confirming the liquidated damages. On 17 January 2022, it was announced that an appeal would be filed with the Supreme Court against the judgment, but it was not granted leave to proceed on 15 June 2022. The liquidated damages were paid on 5 September 2022.

On 1 October 2018, proceedings were opened against Dragados and other companies for possible infringements of Article 1 of the Law on the Defence of Competition and Article 101 of the Treaty on the Functioning of the European Union, consisting of agreements and exchanges of information between these companies in the area of tenders called by the different Public Administrations in Spain, for the construction and refurbishment of infrastructures and buildings. On 16 July 2020, the aforementioned case was declared to have lapsed, although on 6 August 2020, notification was given of the initiation of a new case for the same facts as the lapsed case. On 16 September 2020, Dragados filed a contentious-administrative appeal against the resolution decreeing the lapsing, which was admitted on 9 October 2020 and the claim was formalised on 16 December 2020. On 6 July 2021, the Directorate of Competition of the CNMC issued a new preliminary ruling for the new accusation with proposed liquidated damages of €58 million, indicating that the company could also be banned from entering into contracts with public authorities. The corresponding pleadings have been submitted against this preliminary ruling. On 15 July 2022, the CNMC notified that a ruling had been handed down a fine of €57.1 million on Dragados. This fine was appealed before the National Appellate Court and on 19 January 2023 the Court handed down its decision to suspend payment of the fine in exchange for the provision of a guarantee, which must be provided within the period indicated by the Court. Dragados and its external advisers consider that the action that was subject to this fine is not unlawful and did not restrict competition, and consider the fine to be disproportionate and lacking in justification. The Group's management considers that the final ruling on this matter is unlikely to have a significant effect on the company.

There are other litigation proceedings in which the subsidiary HOCHTIEF is involved, including:

Rastatt Tunnel Project

A joint venture, formed by Ed. Züblin AG and HOCHTIEF Solutions AG with equal participation, is constructing the Rastatt tunnel on behalf of DB Netz AG as part of the expansion and new construction of the rail route Karlsruhe – Basel. On 12 August 2017, the eastern tunnel, which had already been partly built in the area underneath the existing and operating Rheintalbahn railway, suffered an accident which caused a subsidence on the surface of the construction site and required closure of the Rheintalbahn railway. The site was secured, the damaged railway lines were restored and the Rheintalbahn railway was reopened on 1 October 2017.

The accident caused physical damage to the tunnel structure as well as financial damage due to the Rheintalbahn railway closure. Both the amount for the physical damage and the amount of financial damage are still disputed between the involved parties as well as the relevant insurance companies (e.g., construction insurer, liability insurers). To clarify the cause of the accident and the responsibility for its occurrence, the joint venture and DB Netz AG have agreed to an extrajudicial dispute resolution process, which is ongoing.

Antitrust administrative offence proceedings against HOCHTIEF Solutions AG

In a fining decision dated 25 May 2022, the German Federal Cartel Office ("FCO") imposed a fine against HOCHTIEF Solutions AG and its client Aktien-Gesellschaft der Dillinger Hüttenwerke for concluding illegal agreements within the context of award procedures. Following the FCO's allegations, HOCHTIEF Solutions AG initiated a comprehensive internal investigation. Further, HOCHTIEF Solutions AG filed an application under the FCO's Leniency Program to cooperate with the FCO throughout the proceedings. The cooperation with the FCO led to a significant reduction of the fine in the initially issued fining decision. However, during the settlement negotiations with the FCO, HOCHTIEF Solutions AG did not agree to a settlement based on its legal assessment of the facts.

After receiving the fining decision, HOCHTIEF Solutions AG immediately filed an appeal against the fining decision and the findings on which it was based. The fining decision is therefore not legally binding and the Düsseldorf higher regional court will review and decide on the case.

HOCHTIEF Solutions AG has taken the investigations as an opportunity to fundamentally review its antitrust compliance programme and has taken further precautions to ensure that employees conduct themselves in every respect in accordance with German and European antitrust law. This was recognised by the FCO and considered as part of the overall assessment to reduce the fine.

Baltic 2 Foundations Steel Supplier (Lot 1 and Lot 3)

There were two parallel arbitrations ongoing in connection with the construction of an offshore wind park in the Baltic Sea. Both arbitrations commenced in 2016 and were directed against the Baltic 2 joint venture (HTI participation: 50 percent). The first arbitration was initiated by Bladt Industries A/S ("BI"), the steel supplier for Lot 1, and the second arbitration by the steel supplier for Lot 3, a consortium comprising Bladt Industries A/S and EEW GmbH ("BI Consortium"). The first arbitration primarily related to delays in BI's delivery of jackets for wind turbines. The total amount claimed in this arbitration (comprising claims and counterclaims) was €102 million. On 18 November 2021 (effective date), the parties entered into a comprehensive settlement agreement for the first arbitration. The second arbitration primarily relates to delays caused by the late delivery of monopiles for wind turbines. The total amount claimed in the second arbitration (comprising claims and counterclaims) is €78.3 million. The final evidentiary hearing in the Lot 3 proceedings took place in February 2021. On 9 November 2022, the arbitral tribunal rendered its final award in the Lot 3 proceedings. On the basis of the final award, the Baltic 2 joint venture paid €4 million to the BI Consortium in February 2022.

Los Angeles Worldwide Airports Midfield Satellite Concourse North

In 2022, Turner-PCL, a joint venture, ("TPJV") terminated the Midfield Satellite Concourse North project with its owner, Los Angeles World Airports. A small number of subcontractors submitted claims to TPJV, which remain outstanding. One set of claims relates to impacts associated with piling issues that occurred early in the project. TPJV is pursuing recovery of the losses from potentially responsible parties and available insurance policies through arbitration and mediation proceedings. The other claim was submitted to TPJV by the electrical subcontractor. This claim is currently being arbitrated by the parties.

Nastasi & Associates

Nastasi & Associates ("**Nastasi**") filed a civil action in the United States District Court for the Southern District of New York ("**SDNY**") on or about 2 January 2019. The Complaint filed by Nastasi attempts to draw an indirect link between the failure of Nastasi's business and the actions of indicted former employees of Turner and Bloomberg. Turner (and the other civil defendants) filed motions to dismiss the complaint on various grounds. This action (The "**First Action**") was dismissed by SDNY twice. Whilst an appeal of the first grant of Turner's and other defendants' motions to dismiss the First Action was pending, Nastasi initiated a second action in the same court by filing a complaint against the same defendants alleging the same operative facts and law (the "**Second Action**"). Nastasi has abandoned the First Action in favour of proceeding with the Second Action. Turner and the other defendants filed motions to dismiss the Second Action. SDNY ruled that the Second Action should proceed, and as at the date of this Information Memorandum the case is in the discovery phase.

C470 Colorado

In the HOCHTIEF Americas division, risk relating to design issues significantly impacted the C470 project in Colorado, USA. The Flatiron project entailed adding tolled express lanes in each direction and replacing/widening bridges along a 20-kilometer-long segment of the C470, and reconstructing the interchange with the I-25. The joint venture claims the reimbursement of incurred cost increases. A final determination on the merits of this claim is not expected before 2024.

New Champlain Bridge

Together with partners, Flatiron achieved substantial completion of the New Champlain Bridge corridor project in Montreal, Canada. The joint venture was responsible for the construction of a new bridge over the St. Lawrence River. Construction was affected by a crane operator strike in 2018 and several design issues. As it was not possible to reach agreement with the client on the claims involved, the joint venture has been pursuing its claims against the client in court since October 2021. Separately, the joint venture is in settlement discussions with the designer regarding the design issues.

Harbor Bridge

Flatiron is a partner to a joint venture to construct a replacement of the Harbor Bridge in Corpus Christi, Texas, United States, via a design-build project. The project was impacted by directed changes and disagreements regarding certain design parameters. On 16 August 2022, the Texas Department of Transportation ("**TxDOT**") issued a notice of default alleging certain work did not conform with the contract requirements. The joint venture and TxDOT reached an agreement aimed at resolving the TxDOT's concerns related to alleged non-conformances. The joint venture worked with TxDOT to address the concerns, work is progressing and negotiations are ongoing.

Alto Maipo

On 15 November 2021 the arbitral tribunal rendered its partial award in the Alto Maipo arbitration between Alto Maipo SpA and the construction joint venture CNM (70% HOCHTIEF participation) in connection with the Alto Maipo hydropower project in Chile. The partial award obliges CNM to pay damages of USD 106.7 million to Alto Maipo SpA. The decisions on interest and costs were reserved for the final award, which needs to be rendered by the arbitral tribunal by the end of 2022. The arbitration ruling resulted in an extraordinary one-off effect of minus €195 million which was recorded for the fiscal year ending 31 December 2021. On 11 July 2022, a comprehensive settlement agreement was concluded between HOCHTIEF Solutions AG and Alto Maipo SpA and on 13 July 2022 a final payment was made to Alto Maipo SpA.

Regulatory Investigations

In February 2012, CIMIC announced to the ASX that it had reported to the Australian Federal Police ("**AFP**") a possible breach by employees within the Leighton International business of its Code of Ethics. The AFP is investigating the Group's international operations. In March 2014, the Australian Securities and Investments Commission ("**ASIC**") commenced a formal investigation relating to the abovementioned AFP investigations. In March 2017, ASIC advised CIMIC that its investigation has concluded and it will take no further action. Further, CIMIC has become aware that the UK Serious Fraud Office ("**SFO**") and the

U.S. Department of Justice ("**DOJ**") are inquiring into related matters. The SFO has announced it has charged individuals, neither of whom are employees of CIMIC, and a company, which is not a member of the CIMIC Group, with offences. On 19 July 2019 the SFO announced that one individual had pleaded guilty to charges. Following trials in 2020 and 2021 the individuals were convicted on some charges. However, some of those convictions have been overturned on appeal. None of the juries' guilty findings relate to charges involving the CIMIC Group company contracts. In March 2019, CIMIC entered into an investigation agreement with the DOJ. In October 2019, the DOJ announced that in March 2019, three individuals not employed by CIMIC pleaded guilty to a charge of conspiracy to violate the Foreign Corrupt Practices Act. The DOJ has announced that another individual (not employed by CIMIC) has entered into a non-prosecution agreement with the DOJ.

On 18 November 2020 the AFP advised CIMIC that it had charged an ex-employee with alleged offences relating to foreign bribery and related matters and on 23 February 2021 the AFP announced it had brought an additional charge in relation to foreign bribery. On 11 January 2021 the AFP informed CIMIC that it had charged a second ex-employee with related offences. The AFP has also indicated it may charge a further ex-employee and that its investigations continue. CIMIC does not know when the charges will be heard or the outcome of any investigation. No CIMIC Group company has been charged. CIMIC continues to cooperate with all official investigations.

Shareholder class action suit

In August 2020, CIMIC announced to the ASX, that it has been served with a class action proceeding filed in the Victorian register of the Federal Court. The claim is brought on behalf of some shareholders who purchased shares in the period between 7 February 2018 and 22 January 2020 and relates to disclosures about CIMIC's non-controlling 45 per cent. investment in the Middle East as well as the reporting of CIMIC's cash flows on the context of factoring arrangements. CIMIC denies that there is a proper basis for such claim and will defend the proceedings.

CCPP Contract

UGL, a wholly owned subsidiary of CIMIC, together with its consortium partners CH2M Hill Companies Limited (CH2M) and General Electric Company, were contracted by JKC Australia LNG Pty Ltd (JKC) to carry out works relating to the construction of a combined cycle power plant for the Ichthys LNG Project in the Northern Territory.

In January 2017, the UGL-CH2M JV Consortium terminated their contract with JKC for the design, construction and commissioning of the combined cycle power plant (CCPP Contract).

On 11 April 2022, CIMIC entered into a conditional, confidential commercial agreement with its consortium partners and JKC resulting in a full and final settlement of all matters in connection with the CCPP Contract.

In accordance with the agreement, CIMIC paid an amount of AUD 192.5 million in April 2022, and will pay an additional amount of AUD 300 million in March 2023, as its contribution to the settlement amounts.

Intellectual and industrial property

The trademarks of the Issuer and the Group are protected on a domestic, European Union and international level in a broad range of classes in international patent registers. As at the date of this Information Memorandum, there were no proceedings or other litigation in connection with the Issuer's or the Group's trademarks.

Credit Rating

On 14 April 2023, the Issuer has been assigned a short-term credit rating of A-3 (stable outlook) and a long-term credit rating of BBB- (stable outlook) by S&P.

CERTAIN INFORMATION IN RESPECT OF THE NOTES

Key Information

The persons involved in the Programme and the capacities in which they act are specified at the end of this Information Memorandum.

The net proceeds of the issue of each issue of Notes will be used for the general funding purposes of the Group or as otherwise specified in the Final Terms.

Information concerning the securities to be admitted to trading

Total amount of Notes admitted to trading

The aggregate amount of each issue of Notes will be set out in the applicable Final Terms.

The maximum aggregate principal amount of Notes which may be outstanding at any one time is €750,000,000 (or its equivalent in other currencies).

Type and class of Notes

Notes will be issued in tranches. Global Notes shall be issued (and interests therein exchanged for Definitive Notes, if applicable) in the following minimum denominations:

- (a) for U.S.\$ Notes, U.S.\$500,000 (and integral multiples of U.S.\$1,000 in excess thereof);
- (b) for Euro Notes, €100,000 (and integral multiples of €1,000 in excess thereof) except in the case of Notes to be placed in the United Kingdom, in which case the minimum denomination will be the Euro equivalent of £100,000, or higher;
- (c) for Sterling Notes, £100,000 (and integral multiples of £1,000 in excess thereof);
- (d) for Swiss Franc Notes, CHF 500,000; or
- (e) for Yen Notes, Yen 100,000,000 (and integral multiples of Yen 1,000,000 in excess thereof);

or such other conventionally accepted denominations in those currencies as may be agreed between the Issuer and the relevant Dealer from time to time, subject in the case of each currency (including those listed above) (i) to compliance with all applicable legal and regulatory requirements and (ii) to the minimum denomination being at least equal to the Euro equivalent of €100,000 (except in the case of Notes to be placed in the United Kingdom, in which case the minimum denomination will be the Euro equivalent of £100,000, or higher), and provided, however, that the Notes of each issuance may only be issued in equal denominations.

The international security identification number of each issue of Notes will be specified in the relevant Final Terms.

Legislation under which the Notes, the related contractual documentation and the Deed of Covenant have been created

The Notes and all non-contractual obligations arising out of or in connection with the Notes, are governed by, and construed in accordance with, English law. The provisions relating to the status of the Notes and their ranking in insolvency proceedings are governed by Spanish law.

Form of the Notes

The Notes will be in bearer form. Each issue of Notes will initially be represented by a Global Note which will be deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Classic Global Note, as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each New Global Note, as

specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Global Note may, if so specified in the relevant Final Terms, be exchangeable for Notes in definitive bearer form in the limited circumstances specified in the relevant Global Note.

On 13 June 2006, the European Central Bank (the "ECB") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "Eurosystème"), *provided that* certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystème operations if the NGN form is used.

Currency of the Notes

Notes may be issued in United States Dollars, Euro, Sterling, Japanese Yen, and Swiss Francs and such other currencies as may be agreed between the Issuer and the Dealer(s) from time to time and subject to the necessary regulatory requirements having been satisfied.

Status of the Notes

The payment obligations of the Issuer pursuant to the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon the insolvency (*concurso*) of the Issuer (and unless they qualify as subordinated debts under article 281 of the Spanish Insolvency Law or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) rank *pari passu* and rateably without any preference among themselves and *pari passu* with all other unsecured and unsubordinated indebtedness, present and future, of the Issuer.

In the event of insolvency (*concurso*) of the Issuer, under the Spanish Insolvency Law, claims relating to Notes (unless they qualify as subordinated credits under article 281 of the Spanish Insolvency Law) will be ordinary credits (*créditos ordinarios*) as defined in the Spanish Insolvency Law. The claims that qualify as subordinated credits under article 281 of the Spanish Insolvency Law include, but are not limited to, any accrued and unpaid interests (including, for Notes sold at a discount, the amortisation of the original issue discount from (and including) the date of issue to (but excluding) the date upon which the insolvency proceeding (*concurso*) of the Issuer commenced). Ordinary credits rank below credits against the insolvency estate (*créditos contra la masa*) and credits with a privilege (*créditos privilegiados*). Ordinary credits rank above subordinated credits and the rights of shareholders. Pursuant to article 152.1 of the Spanish Insolvency Law, accrual of interest shall be suspended from the date of declaration of insolvency of the Issuer (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security).

Rights attaching to the Notes

Each issue of Notes will be the subject of Final Terms which, for the purposes of that issue only, supplements the terms and conditions set out in the relevant Global Note or, as the case may be, definitive Notes and must be read in conjunction with the relevant Notes. See "Forms of Notes" and "Form of Final Terms".

Maturity of the Notes

The maturity date applicable to each issue of Notes will be specified in the relevant Final Terms (the "Maturity Date"). The Maturity Date of an issue of Notes may not be less than 1 day nor more than 364 days from the date of issue, subject to applicable legal and regulatory requirements.

Optional Redemption for Tax Reasons

The Issuer may redeem Notes (in whole but not in part) on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms, (which notice shall be irrevocable), at their Early Redemption Amount (Tax) if it has or will become obliged to pay additional amounts pursuant to the terms and conditions of the Notes as a result of any change in, or

amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction) which change or amendment becomes effective on or after the issue date of the relevant Notes and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

For the purposes of this section, "**Early Redemption Amount (Tax)**" means, in respect of any Note, (i) its principal amount or (ii) such percentage of its principal amount (expressed as an amount per Calculation Amount) as may be specified in the relevant Final Terms.

Redemption at the Option of the Issuer

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at the Redemption Amount specified in the Final Terms together with (if this Note is an interest bearing Note) accrued interest to the Early Redemption Date specified in the Final Terms at any time upon expiry of the notice period specified in the Final Terms if, prior to the date on which the relevant notice of redemption is given, purchases (and corresponding cancellations) and/or redemptions have been effected in respect of 85 per cent. or more in principal amount of the Notes originally issued.

Prescription

Claims for payment of principal and interest in respect of the Notes shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date in each case as specified in the relevant Final Terms.

Yield Basis

Notes may be issued on the basis that they will be interest bearing or they may be issued at a discount (in which case they will not bear interest). The yield basis in respect of Notes bearing interest at a fixed rate will be set out in the relevant Final Terms.

Authorisations and approvals

The establishment of the Programme and the issuance of Notes pursuant thereto was authorised by a resolution of the Board of Directors of the Issuer adopted at a meeting passed on 8 November 2012, on the basis of the authorisation granted by a resolution of the ordinary General Shareholder's Meeting of the Issuer passed on 25 May 2009. The update of the Programme was authorised by a resolution of the Board of Directors of the Issuer adopted at a meeting passed on 27 February 2023. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Admission to Trading and Dealing Arrangements

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of twelve months after the date of this Information Memorandum to be admitted to the Official List and to trading on the regulated market of Euronext Dublin. Notes may be listed, traded and/or quoted on any other listing authority, stock exchange and/or quotations system, as may be agreed between the Issuer and the Dealer. No Notes may be issued on an unlisted basis.

The Bank of New York Mellon, London Branch at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom is the Issuing and Paying Agent in respect of the Notes.

Expense of the Admission to Trading

The expense in relation to the admission to trading of each issue of Notes will be specified in the relevant Final Terms.

Additional Information

The legal advisers and capacity in which they act are specified at the end of this Information Memorandum.

Any credit ratings assigned to the Notes will be set out in the relevant Final Terms.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, charge or withdrawal at any time by the assigning rating agency.

FORM OF NOTES

PART I FORM OF MULTICURRENCY GLOBAL NOTE

THE SECURITIES COVERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM BY REGULATIONS UNDER THE SECURITIES ACT.

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.
(Incorporated with limited liability in the Kingdom of Spain)

€750,000,000

EURO-COMMERCIAL PAPER PROGRAMME

1. For value received, ACS, Actividades de Construcción y Servicios, S.A. (the "**Issuer**") promises to pay to the bearer of this Global Note on the Maturity Date set out in the Final Terms or on such earlier date as the same may become payable in accordance with paragraph 4 below (the "**Relevant Date**"), the Nominal Amount or, as the case may be, Redemption Amount set out in the Final Terms, together with interest thereon, if this is an interest bearing Global Note, at the rate and at the times (if any) specified herein and in the Final Terms. Terms defined in the Final Terms attached hereto but not otherwise defined in this Global Note shall have the same meaning in this Global Note.

All such payments shall be made in accordance with an amended and restated issuing and paying agency agreement (the "**Issuing and Paying Agency Agreement**") dated 20 April 2023 (as amended and restated or supplemented from time to time) between the Issuer, The Bank of New York Mellon, London Branch as issue agent and as principal paying agent (the "**Issuing and Paying Agent**", together with their successors in such capacity and any other paying agents appointed by the Issuer on the terms of the Issuing and Paying Agency Agreement, the "**Paying Agents**"), a copy of which is available for inspection at the offices of the Issuing and Paying Agent at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender (as the case may be) of this Global Note to the bearer through Euroclear Bank SA/NV and Clearstream Banking S.A. or any other relevant clearing system or, if this Global Note has been exchanged for bearer definitive Notes pursuant to paragraph 12, by transfer to an account denominated in the Specified Currency set out in the Final Terms maintained by the bearer in the principal financial centre in the country of that currency or, in the case of a Global Note denominated in Euro, by Euro cheque drawn on, or by transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union. The Issuer undertakes that, so long as the Notes are listed, traded and/or quoted on any listing authority, stock exchange and/or quotation system, there will at all times be a paying agent with a specified office in such place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system.

Notwithstanding the foregoing, presentation and surrender of this Global Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Global Note denominated in U.S. dollars, payments shall be made by transfer to an account denominated in U.S. dollars in the principal financial centre of any country outside of the United States that the Issuer or Issuing and Paying Agent so chooses.

2. If the Final Terms specify that the New Global Note form is applicable, this Global Note shall be a "**New Global Note**" or "**NGN**" and the principal amount of Notes represented by this Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs (as defined below). The records of the ICSDs (which expression in this Global Note means the records

that each ICSD holds for its customers which reflect the amount of such customers' interests in the Notes (but excluding any interest in any Notes of one ICSD shown in the records of another ICSD)) shall be conclusive evidence of the principal amount of Notes represented by this Global Note and, for these purposes, a statement issued by an ICSD (which statement shall be made available to the bearer upon request) stating the principal amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the ICSD at that time.

If the Final Terms specify that the New Global Note form is not applicable, this Global Note shall be a "**Classic Global Note**" or "**CGN**" and the principal amount of Notes represented by this Global Note shall be the amount stated in the Final Terms or, if lower, the principal amount most recently entered by or on behalf of the Issuer in the relevant column in the Schedule hereto.

3. All payments in respect of this Global Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed in any jurisdiction through, in or from which such payments are made or any political subdivision or taxing authority of or in any of the foregoing ("**Taxes**"). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Note or the holder or beneficial owner of any interest herein or rights in respect hereof after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Global Note is presented for payment:
 - (a) by or on behalf of a holder which is liable to such Taxes by reason of having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Global Note; or
 - (b) to, or to a third party on behalf of, a holder who could have been able to avoid such deduction or withholding by presenting a certificate of tax residence and/or such other document evidencing its tax residence required by the competent tax authorities or in relation to whom the Issuer does not receive any relevant information about the Notes (including due to any failure by the Issuing and Paying Agent to provide the information required by Royal Decree 1065/2007) as may be required in order to comply with Spanish tax disclosure obligations applicable at that time; or
 - (c) more than fifteen days after the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date or (in either case) the date on which the payment hereof is duly provided for, whichever occurs later, except to the extent that the relevant holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of fifteen days.
4. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 14 days' notice to the holders (which notice shall be irrevocable), at the Redemption Amount specified in the Final Terms, together with (if this Note is an interest-bearing Note) interest accrued to the date fixed for redemption, if:
 - (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in paragraph 3 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision thereof or any authority or agency thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date as specified in the Final Terms; and
 - (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

provided, however, that no such notice of redemption shall be given earlier than 14 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issuing and Paying Agent:

- (a) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (b) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this paragraph, the Issuer shall be bound to redeem the Notes in accordance with this paragraph.

5. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at the Redemption Amount specified in the Final Terms together with (if this Note is an interest bearing Note) accrued interest to the Early Redemption Date specified in the Final Terms at any time upon expiry of the notice period specified in the Final Terms if, prior to the date on which the relevant notice of redemption is given, purchases (and corresponding cancellations) and/or redemptions have been effected in respect of 85 per cent. or more in principal amount of the Notes originally issued.
6. The Issuer or any subsidiary of the Issuer may at any time purchase Notes in the open market or otherwise and at any price.
7. All Notes so purchased by the Issuer or otherwise than in the ordinary course of business of dealings in securities or as a nominee shall be cancelled and shall not be reissued or resold. All Notes so purchased by any subsidiary of the Issuer may be cancelled, held by such subsidiary or resold.
8. On each occasion on which:
 - (a) Definitive Notes: Notes in definitive form are delivered; or
 - (b) Cancellation: Notes represented by this Global Note are to be cancelled in accordance with paragraph 6,

the Issuer shall procure that:

- (a) if the Final Terms specify that the New Global Note form is not applicable, (i) the aggregate principal amount of such Notes; and (ii) the remaining principal amount of Notes represented by this Global Note (which shall be the previous principal amount hereof less the aggregate of the amounts referred to in (i) above) are entered in the Schedule hereto, whereupon the principal amount of Notes represented by this Global Note shall for all purposes be as most recently so entered; and
 - (b) if the Final Terms specify that the New Global Note form is applicable, details of the exchange or cancellation shall be entered pro rata in the records of the ICSDs and the Nominal Amount of the Notes entered in the records of the ICSDs and represented by the Global Note shall be reduced by the principal amount so exchanged or cancelled.
9. The payment obligations of the Issuer represented by this Global Note constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon insolvency (*concurso*) of the Issuer (and unless they qualify as subordinated debts under Article 281 of the restated text of the Spanish Insolvency Law, approved by Royal Legislative Decree 1/2020, of 5 May (*texto refundido de la Ley Concursal, aprobado por el Real Decreto Legislativo 1/2020, de 5 de mayo*) or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) rank *pari passu* and rateably without any

preference among themselves and pari passu with all other unsecured and unsubordinated indebtedness, present and future, of the Issuer.

10. If the Maturity Date (or, as the case may be, the Relevant Date or, if applicable, the relevant Interest Payment Date), is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day and the bearer of this Global Note shall not be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global Note:

"Payment Business Day" means any day other than a Saturday or Sunday which is either (i) if the Specified Currency set out in the Final Terms is any currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the Specified Currency set out in the Final Terms (which, if the Specified Currency is Australian dollars, shall be Sydney) or (ii) if the Specified Currency set out in the Final Terms is Euro, a day which is a TARGET Business Day;

"T2" means the real time gross settlement system operated by the Eurosystem, or any successor system; and

"TARGET Business Day" means any day on which T2 is open for the settlement of payments in euro.

11. This Global Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).
12. This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated bearer Notes in definitive form (whether before, on or, subject as provided below, after the Maturity Date):
 - (a) if Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking S.A. ("**Clearstream, Luxembourg**", together with Euroclear, the international central securities depositaries or "**ICSDs**") or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (b) if default is made in the payment of any amount payable in respect of this Global Note.

Upon presentation and surrender of this Global Note during normal business hours to the Issuer at the offices of the Issuing and Paying Agent (or to any other person or at any other office outside the United States as may be designated in writing by the Issuer to the bearer), the Issuing and Paying Agent shall authenticate and deliver, in exchange for this Global Note, bearer definitive notes denominated in the Specified Currency set out in the Final Terms in an aggregate nominal amount equal to the Nominal Amount of this Global Note.

13. If, upon any such default and following such surrender, definitive Notes are not issued in full exchange for this Global Note before 5.00 p.m. (London time) on the thirtieth day after surrender, this Global Note (including the obligation hereunder to issue definitive notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated 25 April 2022, entered into by the Issuer).
14. If this is an interest-bearing Global Note, then:
 - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Global Note falling due for payment prior to the Maturity Date remains unpaid on

the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day;

- (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Global Note, the Issuer shall procure that:
 - (i) if the Final Terms specify that the New Global Note form is not applicable, the Schedule hereto shall be duly completed by the Issuing and Paying Agent to reflect such payment; and
 - (ii) if the Final Terms specify that the New Global Note form is applicable, details of such payment shall be entered *pro rata* in the records of the ICSDs.
15. If this is a fixed rate interest bearing Global Note, interest shall be calculated on the Calculation Amount specified in the Final Terms as follows:
- (a) interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days at the Rate of Interest specified in the Final Terms with the resulting figure being rounded to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards); and
 - (b) the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is an "**Interest Period**" for the purposes of this paragraph.
16. Instructions for payment must be received at the office of the Issuing and Paying Agent referred to above together with this Global Note as follows:
- (a) if this Global Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
 - (b) if this Global Note is denominated in United States dollars, Canadian dollars or Sterling on or prior to the relevant payment date; and
 - (c) in all other cases, at least one Business Day prior to the relevant payment date. As used in this paragraph, "**Business Day**" means:
 - (i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
 - (ii) in the case of payments in Euro, a TARGET Business Day; and
 - (iii) in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the Specified Currency set out in the Final Terms.
17. Upon any payment being made in respect of the Notes represented by this Global Note, the Issuer shall procure that:
- (a) *CGN*: if the Final Terms specify that the New Global Note form is not applicable, details of such payment shall be entered in the Schedule hereto and, in the case of any payment of principal, the principal amount of the Notes represented by this Global Note shall be reduced by the principal amount so paid; and

- (b) *NGN*: if the Final Terms specify that the New Global Note form is applicable, details of such payment shall be entered *pro rata* in the records of the ICSDs and, in the case of any payment of principal, the principal amount of the Notes entered in the records of ICSDs and represented by this Global Note shall be reduced by the principal amount so paid.
18. This Global Note shall not be validly issued unless authenticated by The Bank of New York Mellon, London Branch as Issuing and Paying Agent.
19. If the Final Terms specify that the New Global Note form is applicable, this Global Note shall not be valid for any purpose until it has been effectuated for and on behalf of the entity appointed as common safekeeper by the ICSDs.
20. This Global Note and all non-contractual obligations arising out of or in connection with this Global Note are governed by, and construed in accordance with, English law. The provisions relating to the status of this Global Note and its ranking in insolvency proceedings are governed by Spanish law.
- (a) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute arising from or connected with this Global Note (including a dispute relating to the existence, validity or termination of this Global Note or any non-contractual obligation arising out of or in connection with this Global Note) or the consequences of its nullity (a "**Dispute**").
- (b) *Appropriate forum*: The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (c) *Rights of the bearer to take proceedings outside England*: Clause 20(a) (*English courts*) is for the benefit of the bearer only. As a result, nothing in this Clause 20 prevents the bearer from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.
- (d) *Process agent*: The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the bearer addressed to the Issuer and delivered to the Issuer or to the offices of the Issuing and Paying Agent, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the offices of the Issuing and Paying Agent. Nothing in this paragraph shall affect the right of the bearer to serve process in any other manner permitted by law. This Clause applies to Proceedings in England and to Proceedings elsewhere.
21. If this Global Note has been admitted to listing on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin and to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin (and/or has been admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system), all notices required to be published concerning this Global Note shall be published in accordance with the requirements of the Irish Stock Exchange plc trading as Euronext Dublin (and/or of the relevant listing authority, stock exchange and/or quotation system). So long as the Notes are represented by this Global Note, and this Global Note has been deposited with a depositary or common depositary for the ICSDs or any other relevant clearing system or a Common Safekeeper (which expression has the meaning given in the Issuing and Paying Agency Agreement), the Issuer may, in lieu of such publication and if so permitted by the rules of the Irish Stock Exchange plc trading as Euronext Dublin (and/or of the relevant listing authority, stock exchange and/or quotation system), deliver the relevant notice to the clearing system(s) in which this Global Note is held.

22. Claims for payment of principal and interest in respect of this Global Note shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date.
23. No person shall have any right to enforce any provision of this Global Note under the Contracts (Rights of Third Parties) Act 1999.

AUTHENTICATED by **THE BANK OF
NEW YORK MELLON, LONDON
BRANCH**

SIGNED for and on behalf of

**ACS, ACTIVIDADES DE
CONSTRUCCIÓN Y SERVICIOS, S.A.**

without recourse, warranty or liability and for
authentication purposes only

By:

By its lawfully appointed attorney:

.....

(Authorised Signatory)

EFFECTUATED for and on behalf of

.....

as common safekeeper without
recourse, warranty or liability

By:

.....
[signature] (*duly authorised*)

SCHEDULE¹

PAYMENTS OF INTEREST, DELIVERY OF DEFINITIVE NOTES AND CANCELLATION OF NOTES

<u>Date of payment, delivery or cancellation</u>	<u>Amount of interest then paid</u>	<u>Amount of principal then paid</u>	<u>Aggregate principal amount of Definitive Notes then delivered</u>	<u>Aggregate principal amount of Notes then cancelled</u>	<u>New principal amount of this Global Note</u>	<u>Authorised Signature</u>
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¹ The Schedule should only be completed where the Final Terms specify that the New Global Note form is not applicable

FINAL TERMS

[Completed Final Terms to be attached]

PART II

FORM OF MULTICURRENCY DEFINITIVE NOTE

THE SECURITIES COVERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM BY REGULATIONS UNDER THE SECURITIES ACT.

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.
(Incorporated with limited liability in the Kingdom of Spain)

€750,000,000

EURO-COMMERCIAL PAPER PROGRAMME

Nominal Amount of this Note:

1. For value received, ACS, Actividades de Construcción y Servicios, S.A. (the "**Issuer**") promises to pay to the bearer of this Note on the Maturity Date set out in the Final Terms, or on such earlier date as the same may become payable in accordance with paragraph 3 below (the "**Relevant Date**"), the above-mentioned Nominal Amount or, as the case may be, the Redemption Amount set out in the Final Terms, at the rate and at the times (if any) specified herein and in the Final Terms. Terms defined in the Final Terms attached hereto but not otherwise defined in this Note shall have the same meaning in this Note.

All such payments shall be made in accordance with an amended and restated issuing and paying agency agreement (the "**Issuing and Paying Agency Agreement**") dated 20 April 2023 (as amended and restated or supplemented from time to time) between the Issuer, The Bank of New York Mellon, London Branch as issue agent and as principal paying agent (the "**Issuing and Paying Agent**", together with their successors in such capacity and any other paying agents appointed by the Issuer on the terms of the Issuing and Paying Agency Agreement, the "**Paying Agents**"), a copy of which is available for inspection at the offices of the Issuing and Paying Agent at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Note at the office of the Issuing and Paying Agent referred to above by transfer to an account denominated in the Specified Currency set out in the Final Terms maintained by the bearer in the principal financial centre in the country of that currency or, if this Note is denominated in Euro, by Euro cheque drawn on, or by transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union. The Issuer undertakes that, so long as the Notes are listed, traded and/or quoted on any listing authority, stock exchange and/or quotation system, there will at all times be a paying agent with a specified office in such place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system.

2. All payments in respect of this Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions, and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed in any jurisdiction through, in or from which such payments are made or any political subdivision or taxing authority of or in any of the foregoing ("**Taxes**"). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Note is presented for payment:

- (a) by or on behalf of a holder which is liable to such Taxes by reason of having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Note; or
- (b) to, or to a third party on behalf of, a holder who could have been able to avoid such deduction or withholding by presenting a certificate of tax residence and/or such other document evidencing its tax residence required by the competent tax authorities or in relation to whom the Issuer does not receive any relevant information about the Notes (including due to any failure by the Issuing and Paying Agent to provide the information required by Royal Decree 1065/2007) as may be required in order to comply with Spanish tax disclosure obligations applicable at that time; or
- (c) more than fifteen days after the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date or (in either case) the date on which the payment hereof is duly provided for, whichever occurs later, except to the extent that the relevant holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of fifteen days.

3. This Note may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 14 days' notice to the holders (which notice shall be irrevocable), at the Redemption Amount specified in the Final Terms, together with (if this Note is an interest-bearing Note) interest accrued to the date fixed for redemption, if:

- (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in paragraph 2 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision thereof or any authority or agency thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date specified in the Final Terms; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than 14 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issuing and Paying Agent:

- (a) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (b) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this paragraph, the Issuer shall be bound to redeem the Notes in accordance with this paragraph.

- 4. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at the Redemption Amount specified in the Final Terms together with (if this Note is an interest bearing Note) accrued interest to the Early Redemption Date specified in the Final Terms at any time upon expiry of the notice period specified in the Final Terms if, prior to the date on which the relevant notice of redemption is given, purchases (and corresponding cancellations) and/or redemptions have been effected in respect of 85 per cent. or more in principal amount of the Notes originally issued.
- 5. The Issuer or any subsidiary of the Issuer may at any time purchase Notes in the open market or otherwise and at any price.

6. All Notes so purchased by the Issuer otherwise than in the ordinary course of business of dealings in securities or as a nominee shall be cancelled and shall not be reissued or resold. All Notes so purchased by any subsidiary of the Issuer may be cancelled, held by such subsidiary or resold.
7. The payment obligations of the Issuer represented by this Note constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon insolvency (*concurso*) of the Issuer (and unless they qualify as subordinated debts under Article 281 of the restated text of the Spanish Insolvency Law, approved by Royal Legislative Decree 1/2020, of 5 May (*texto refundido de la Ley Concursal, aprobado por el Real Decreto Legislativo 1/2020, de 5 de mayo*) or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) rank *pari passu* and rateably without any preference among other Notes of the same Series (as specified in the Final Terms) and *pari passu* with all other unsecured and unsubordinated indebtedness, present and future, of the Issuer.
8. If the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date, is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day and the bearer of this Note shall not be entitled to any interest or other sums in respect of such postponed payment.

As used herein, "**Payment Business Day**", shall mean any day, other than a Saturday or a Sunday, which is both (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation, and (b) either (i) if the Specified Currency set out in the Final Terms is any currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in both London and the principal financial centre of the country of the Specified Currency set out in the Final Terms (which, if the Specified Currency is Australian dollars, shall be Sydney) or (ii) if the Specified Currency set out in the Final Terms is Euro, a day which is a TARGET Business Day;

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system; and

"**TARGET Business Day**" means any day on which T2 is open for the settlement of payments in euro.

9. This Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).
10. [If this is an interest-bearing Note, then:
 - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day; and
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Issuing and Paying Agent to reflect such payment.
11. If this is a fixed rate interest bearing Note, interest shall be calculated on the Calculation Amount specified in the Final Terms as follows:
 - (a) interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days at the

Rate of Interest specified in the Final Terms with the resulting figure being rounded to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards); and

- (b) the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is an "**Interest Period**" for the purposes of this paragraph.]
12. Instructions for payment must be received at the office of the Issuing and Paying Agent referred to above together with this Note as follows:
- (a) if this Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
 - (b) if this Note is denominated in United States dollars, Canadian dollars or Euro, on or prior to the relevant payment date; and
 - (c) in all other cases, at least one Business Day prior to the relevant payment date. As used in this paragraph, "**Business Day**" means:
 - (i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
 - (ii) in the case of payments in Euro, a TARGET Business Day; and
 - (iii) in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the Specified Currency set out in the Final Terms.]²
13. This Note shall not be validly issued unless authenticated by The Bank of New York Mellon, London Branch as Issuing and Paying Agent.
14. This Note and all non-contractual obligations arising out of or in connection with this Note are governed by, and construed in accordance with, English law. The provisions relating to the status of this Note and its ranking in insolvency proceedings are governed by Spanish law.
- (a) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute arising from or connected with this Note (including a dispute relating to the existence, validity or termination of this Note or any non-contractual obligation arising out of or in connection with this Note) or the consequences of its nullity (a "**Dispute**").
 - (b) *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
 - (c) *Rights of the bearer to take proceedings outside England:* Clause 14(a) (*English courts*) is for the benefit of the bearer only. As a result, nothing in this Clause 14 prevents the bearer from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.
 - (d) *Process agent:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited at Fifth Floor, 100

² If this Note is denominated in Sterling, delete paragraphs 10 through 12 inclusive and replace with interest provisions to be included on the reverse of the Note as indicated below.

Wood Street, London EC2V 7EX or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the bearer addressed to the Issuer and delivered to the Issuer or to the offices of the Issuing and Paying Agent, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the offices of the Issuing and Paying Agent. Nothing in this paragraph shall affect the right of the bearer to serve process in any other manner permitted by law. This Clause applies to Proceedings in England and to Proceedings elsewhere.

15. If this Note has been admitted to listing on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin and to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin (and/or has been admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system), all notices required to be published concerning this Note shall be published in accordance with the requirements of the Irish Stock Exchange plc trading as Euronext Dublin (and/or of the relevant listing authority, stock exchange and/or quotation system).
16. Claims for payment of principal and interest in respect of this Note shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date.
17. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999.

AUTHENTICATED by **THE BANK OF
NEW YORK MELLON, LONDON
BRANCH**

SIGNED for and on behalf of
**ACS, ACTIVIDADES DE
CONSTRUCCIÓN Y SERVICIOS, S.A.**

without recourse, warranty or liability and for
authentication purposes only

By:

By its lawfully appointed attorney:

.....

.....

(Authorised Signatory)

[On the Reverse]

- (A) [If this is an interest-bearing Note, then:
- (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day; and
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Issuing and Paying Agent to reflect such payment.
- (B) If this is a fixed rate interest bearing Note, interest shall be calculated on the Calculation Amount specified in the Final Terms as follows:
- (a) interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 365 days at the Rate of Interest specified in the Final Terms with the resulting figure being rounded to the nearest penny (with halves being rounded upwards); and
 - (b) the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is an "**Interest Period**" for the purposes of this paragraph (B).]

SCHEDULE

PAYMENTS OF INTEREST

The following payments of interest in respect of this Note have been made:

<u>Date made</u>	<u>Payment From</u>	<u>Payment To</u>	<u>Amount Paid</u>	<u>Notation on behalf of Issuing and Paying Agent</u>
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FINAL TERMS

[Completed Final Terms to be attached]

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed in respect of each issue of Notes issued under the Programme and will be attached to the relevant Global or Definitive Notes on issue.

MiFID II product governance / Professional investors and eligible counterparties only target market

– Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

[UK MiFIR product governance / Professional investors and eligible counterparties only target market

– Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.

Legal Entity Identifier (LEI):95980020140005558665

€750,000,000

EURO-COMMERCIAL PAPER PROGRAMME

ISSUE OF [AGGREGATE PRINCIPAL AMOUNT OF NOTES] [TITLE OF NOTES]

PART A

CONTRACTUAL TERMS

This document constitutes the Final Terms (as referred to in the Information Memorandum dated 20 April 2023 (as amended, updated or supplemented from time to time, the "**Information Memorandum**") in relation to the Programme) in relation to the issue of Notes referred to above (the "**Notes**"). Terms defined in the Information Memorandum, unless indicated to the contrary, have the same meanings where used in these Final Terms. Reference is made to the Information Memorandum for a description of the Issuer, the Programme and certain other matters. These Final Terms are supplemental to and must be read in conjunction with the full terms and conditions of the Notes. These Final Terms are also a summary of the terms and conditions of the Notes for the purpose of listing.

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Information Memorandum [as so supplemented]. The Information Memorandum [and the supplemental Information Memorandum dated [•]] [is][are] available for viewing during normal business hours at the registered office of the Issuer at Avenida Pío XII, 102, 28036 Madrid, Spain, and at the offices of the Issuing and Paying Agent at The Bank of New York Mellon, London Branch, 160 Queen Victoria Street, London EC4V 4LA, United Kingdom.

The particulars to be specified in relation to the issue of the Notes are as follows:

[Include whichever of the following apply or specify as "Not applicable" (N/A). Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Final Terms.]

Issuer:	ACS, Actividades de Construcción y Servicios, S.A.
Type of Note:	Euro commercial paper
Series No:	[•]
Dealer(s):	[•]
Specified Currency:	[•]
Nominal Amount:	[•]
Issue Date:	[•]
Trade Date:	[•]
Maturity Date:	[•] [May not be less than 1 day nor more than 364 days after the Issue Date]
Issue Price:	[•]
Denomination:	[•]
Calculation Amount:	[•] ³
Redemption Amount(s):	[Redemption at par][[•] per Note of [•] Denomination][Nominal amount specified on the face of each Note in definitive form][<i>other</i>]
	Early Redemption Amount (Tax) at [par][•]
Early Redemption Date	[•]
Redemption Notice Period	[Not less than 30 days and not more than 60 days prior to the Early Redemption Date/ <i>other</i>]
Delivery:	[Free of/against] payment

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

Fixed Rate Note Provisions	[Applicable/Not applicable]
	<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(a) Rate[(s)] of Interest:	[•] per cent. per annum payable [annually/semi-annually/quarterly/monthly/other (specify)] in arrear]
(b) Interest Payment Date(s):	[•] in each year [adjusted in accordance with [specify Business Day Convention and any

³ If more than one Denomination, the Calculation Amount will be the amount of the smallest Denomination.

applicable Business Centre(s) for the definition of "Business Day"]/not adjusted]

- (c) Day Count Convention (if different from that specified in the terms and conditions of the Notes): [Not applicable/*other*]
[The above-mentioned Day Count Convention shall have the meaning given to it in the [2006/2021] ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date.]⁴
- (d) Other terms relating to the method of calculating interest for Fixed Rate Notes (if different from those specified in the terms and conditions of the Notes): [Not applicable/give details]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

Listing and admission to trading: Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of Euronext Dublin with effect from [•]. [other]

Ratings [Not Applicable/ The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]]:

[Standard & Poor's: [•]]

[Moody's: [•]]

[Fitch: [•]]

[[Other]: [•]]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

[Option 1 - CRA established in the EEA and registered under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is established in

⁴ Delete text in square brackets unless a Day Count Convention which is different from that specified in the terms and conditions of the Notes is used.

the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation").

Option 2 - CRA established in the EEA, not registered under the CRA Regulation but has applied for registration

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority]/[European Securities and Markets Authority].

Option 3 - CRA established in the EEA, not registered under the CRA Regulation and not applied for registration

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation").

Option 4 - CRA not established in the EEA but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation").

Option 5 - CRA is not established in the EEA and relevant rating is not endorsed under the CRA Regulation but CRA is certified under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but is certified under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation").

Option 6 - CRA neither established in the EEA nor certified under the CRA Regulation and

relevant rating is not endorsed under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.]"

Clearing System(s): Euroclear, Clearstream, Luxembourg

Issuing and Paying Agent: The Bank of New York Mellon, London Branch

Listing Agents: The Bank of New York Mellon SA/NV, Dublin Branch

ISIN: [•]

Common code: [•]

Any clearing system(s) other than Euroclear Bank, SA/NV, Clearstream Banking, S.A. and the relevant identification number(s): [Not applicable/give name(s) and number(s)]

New Global Note: [Yes][No]

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes.][No.][Not applicable.]

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.][*include this text if "yes" selected in which case the Notes must be issued in NGN form*]

[Whilst the designation is specified as "No" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have

been met.]]] [*Include this text if "No" selected in which case the Notes must be issued in CGN form*]]

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the €750,000,000 Euro-Commercial Paper Programme of ACS, Actividades de Construcción y Servicios, S.A.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

SIGNED on behalf of
ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.

By:
(duly authorised)

Dated:

PART B

OTHER INFORMATION

1. **INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

["Save as discussed in "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]

2. **ESTIMATED TOTAL EXPENSES RELATED TO THE ADMISSION TO TRADING**

Estimated total expenses: []

3. **[Fixed Rate Notes only – YIELD**

Indication of yield: []

4. **REASONS FOR THE OFFER AND ESTIMATED NET AMOUNT OF PROCEEDS**

Reasons for the offer: [] [See ["Use of Proceeds"] in the Information Memorandum/Give details] [If reasons differ from what is disclosed in the Information Memorandum, give details here.]

5. **JAPANESE OFFEREEES**

[In the case where the Japanese offerees are limited to Qualified Institutional Investors only, and therefore the Issuer relies upon the Qualified Institutional Investor private placement exemption (the Issuer must appoint its attorney in Japan):

[The Notes have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA") in reliance upon the exemption from the registration requirements since the offering constitutes the private placement to qualified institutional investors only.

A transferor of the Notes shall not transfer or resell them except where a transferee is a qualified institutional investor under Article 10 of the Cabinet Office Ordinance concerning Definitions provided in Article 2 of the Financial Instruments and Exchange Act of Japan (the Ministry of Finance Ordinance No. 14 of 1993, as amended).]

[In the case where the Japanese offerees are fewer than 50, and therefore the Issuer relies upon the small number private placement exemption:

[The Notes have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA") in reliance upon the exemption from the registration requirements since the offering constitutes the small number private placement.

A transferor of the Notes shall not transfer or resell the Notes except where the transferor transfers or resells all the Notes *en bloc* to one transferee.]]

[Second sentence above can be replaced with the following if preferable:

[The Note is not permitted to be divided into any unit less than the minimum denomination.]]

TAXATION

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of whom (such as dealers in securities) may be subject to special rules. Prospective investors who are in any doubt as to their position should consult with their own professional advisers.

Taxation in the Kingdom of Spain

The following is a general description of certain Spanish tax considerations. The information provided below does not purport to be a complete summary of tax law and practice applicable in the Kingdom of Spain as at the date of this Information Memorandum and is subject to any changes in law and the interpretation and application thereof, which could be made with retroactive effect.

Introduction

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this Information Memorandum:

- a. of general application, the First Additional Provision of Law 10/2014, of 26 June and Royal Decree 1065/2007, of 27 July;
- b. for individuals with tax residency in Spain who are personal income tax ("**Personal Income Tax**") tax payers, Law 35/2006, of 28 November on Personal Income Tax and on the partial amendment of the Corporate Income Tax Law, Non Residents Income Tax Law and Wealth Tax Law as amended (the "**Personal Income Tax Law**"), and Royal Decree 439/2007, of 30 March 2007 promulgating the Personal Income Tax Regulations as amended along with Law 19/1991, of 6 June on Wealth Tax and Law 29/1987, of 18 December on Inheritance and Gift Tax and Law 38/2022, for the establishment of temporary levies on energy and on financial credit institutions and introducing a temporary solidarity tax on large fortunes;
- c. for legal entities resident for tax purposes in Spain which are corporate income tax ("**Corporate Income Tax**") taxpayers, Law 27/2014, of 27 November, of the Corporate Income Tax Law applicable on the tax periods starting as of 1 January 2015 and Royal Decree 634/2015, of 10 July promulgating the Corporate Income Tax Regulations (the "**Corporate Income Tax Regulations**"); and
- d. for individuals and legal entities who are not resident for tax purposes in Spain and are non-resident income tax ("**Non-Resident Income Tax**") taxpayers, Royal Legislative Decree 5/2004, of 5 March promulgating the Consolidated Text of the Non-Resident Income Tax Law as amended and Royal Decree 1776/2004, of 30 July promulgating the Non-Resident Income Tax Regulations as amended ("**Non-Resident Income Tax Law**"), along with Law 19/1991, of 6 June on Wealth Tax and Law 29/1987, of 18 December on Inheritance and Gift Tax and Law 38/2022, for the establishment of temporary levies on energy and on financial credit institutions and introducing a temporary solidarity tax on large fortunes.

Whatever the nature and residence of the holder of a beneficial interest in the Notes (each, a "**Beneficial Owner**"), the acquisition and transfer of the Notes will be exempt from indirect taxes in Spain, for example exempt from transfer tax and stamp duty, in accordance with the consolidated text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September, and exempt from value added tax, in accordance with Law 37/1992, of 28 December regulating such tax.

Individuals with Tax Residency in Spain

Individual Income Tax (Impuesto sobre la Renta de las Personas Físicas)

Both interest periodically received and income deriving from the transfer, redemption or repayment of the Notes would constitute a return on investment obtained from the transfer of own capital to third parties in accordance with the provisions of Section 25.2 of the Personal Income Tax Law, and should be included in

each investor's taxable savings and taxed at the tax rate applicable from time to time, currently at the rate of 19 per cent. for taxable income up to €6,000.00, 21 per cent. for taxable income between €6,000.01 and €50,000.00, 23 per cent. for taxable income between €50,000.01 and €200,000.00, and 27 per cent. for taxable income between €200,000.01 and €300,000.00 and 28% for taxable income in excess of €300,000.00.

As a general rule, both types of income are subject to a withholding tax on account at the rate of 19 per cent. According to Section 44.5 of Royal Decree 1065/2007, of 27 July, the Issuer will make interest payments to individual holders who are resident for tax purposes in Spain without withholding **provided that** the relevant information about the Notes is submitted. However, withholding tax at the applicable rate of 19 per cent. may have to be deducted by other entities (such as depositaries, institutions or financial entities) provided that such entities are resident for tax purposes in Spain or have a permanent establishment in Spanish territory.

In any event, individual holders may credit the withholding against their Personal Income Tax liability for the relevant fiscal year.

Wealth Tax (Impuesto sobre el Patrimonio)

Individuals with tax residency in Spain will be subject to Wealth Tax to the extent that their net worth exceeds €700,000 (subject to any exceptions provided under relevant legislation in an autonomous region (*Comunidad Autónoma*)). Therefore, they should take into account the value of the Notes which they hold as at 31 December in each year, the applicable rates ranging between 0.2 per cent. and 3.5 per cent.

Notwithstanding the above, the so-called “solidarity tax” was approved in December 2022, which is a two-year direct wealth tax that, in general terms, applies, under certain conditions, to those residents in an autonomous region where the Wealth Tax is partial or fully exempt.

The rates of the “solidarity tax” are (i) 1.7% on a net worth between €3 million and €5 million, (ii) 2.1% on a net worth between €5 million and €10 million and (iii) 3.5% on a net worth of more than €10 million. Note that the regulation lays down a minimum exempt amount of €700,000.00 which means that its effective impact, in general, will occur when the net wealth, not tax exempt, are greater than €3.7 million.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals with tax residency in Spain who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to inheritance and gift tax in accordance with the applicable Spanish regional or federal rules. As at the date of this Information Memorandum, the applicable tax rates currently range between 7.65 per cent. and 34 per cent. Relevant factors applied (such as previous net wealth or family relationship among transferor and transferee) determine the final effective tax rate that range, as of the date of this Information Memorandum, between 0 per cent. and 81.6 per cent.

LEGAL ENTITIES WITH TAX RESIDENCY IN SPAIN

Corporate Income Tax (Impuesto sobre Sociedades)

Payments of income deriving from the transfer, redemption or repayment of the Notes constitute a return on investments for tax purposes obtained from the transfer to third parties of own capital and would have to be included in profit and taxable income of legal entities with tax residency in Spain for Corporate Income Tax purposes in accordance with the rules for Corporate Income Tax and subject to the general rate of 25 per cent.

In accordance with Section 44.5 of Royal Decree 1065/2007, of 27 July, there is no obligation to withhold on income payable to Spanish CIT taxpayers (which for the sake of clarity, include Spanish tax resident investment funds and Spanish tax resident pension funds). Consequently, the Issuer will not withhold on interest payments to Spanish CIT taxpayers **provided that** the relevant information about the Notes is submitted. However, payments of interest under the Notes may be subject to withholding tax at the applicable rate of 19 per cent. if the Notes do not comply with exemption requirements specified in the Reply to the Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made.

Wealth Tax (Impuesto sobre el Patrimonio)

Spanish resident legal entities are not subject to Wealth Tax.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Legal entities tax resident in Spain which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to inheritance and gift tax and must include the market value of the Notes in their taxable income for Spanish Corporate Income Tax purposes.

INDIVIDUALS AND LEGAL ENTITIES WITH NO TAX RESIDENCY IN SPAIN

Non-Resident Income Tax (Impuesto sobre la Renta de No Residentes)

Non-Spanish resident investors acting through a permanent establishment in Spain

Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are the same as those for Spanish Corporate Income Tax taxpayers.

Non-Spanish resident investors not acting through a permanent establishment in Spain

Payments of income deriving from the transfer, redemption or repayment of the Notes obtained by individuals or entities who have no tax residency in Spain, and which are Non-Resident Income Tax taxpayers with no permanent establishment in Spain, are exempt from such Non-Resident Income Tax on the same terms laid down for income from public debt.

Wealth Tax (Impuesto sobre el Patrimonio)

Non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory exceed €700,000 would be subject to Wealth Tax, the applicable rates ranging between 0.2 per cent. and 3.5 per cent.

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to the Wealth Tax would generally not be subject to such tax.

Non-Spanish tax resident individuals may apply the rules approved by the autonomous region where the assets and rights with more value are situated. As such, prospective investors should consult their tax advisers.

Notwithstanding the above, the so-called “solidarity tax” was approved in December 2022, which is a two-year direct wealth tax that, in general terms, applies, under certain conditions, to those residents in an autonomous region where the Wealth Tax is partial or fully exempt.

The rates of the “solidarity tax” are (i) 1.7% on a net worth between €3 million and €5 million, (ii) 2.1% on a net worth between €5 million and €10 million and (iii) 3.5% on a net worth of more than €10 million. Note that the regulation lays down a minimum exempt amount of €700,000.00 which means that its effective impact, in general, will occur when the net wealth, not tax exempt, are greater than €3.7 million.

Non-Spanish resident legal entities are not subject to Wealth Tax.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals not tax resident in Spain who acquire ownership or other rights over the Notes by inheritance, gift or legacy, and who reside in a country with which Spain has entered into a double tax treaty in relation to inheritance and gift tax will be subject to the relevant double tax treaty.

If the provisions of the foregoing paragraph do not apply, such individuals will be subject to inheritance and gift tax in accordance with the Spanish legislation applicable in the relevant autonomous region (*Comunidad Autónoma*).

Generally, non-Spanish tax resident individuals are subject to the Spanish Inheritance and Gift Tax according to the rules set forth in the Spanish State level law. However, if the deceased or the donee are resident outside of Spain, the applicable rules will be those corresponding to the relevant Spanish autonomous regions. As such, prospective investors should consult their tax advisers.

Non-Spanish resident legal entities which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to inheritance and gift tax. They will be subject to Non- Resident Income Tax. If the legal entity is resident in a country with which Spain has entered into a double tax treaty, the provisions of such treaty will apply. In general, double-tax treaties provide for the taxation of this type of income in the country of residence of the beneficiary.

The Spanish Financial Transactions Tax (the "Spanish FTT")

The Spanish Parliament has approved Law 5/2020 of 15 October, on the financial transactions tax (*Ley del Impuesto sobre las Transacciones Financieras*) which entered into force on 16 January 2021. The Spanish FTT applies on the acquisition of shares (including transfer or conversion) of Spanish companies with a market capitalization of more than €1 billion, at a tax rate of 0.2%. In principle, the Spanish FTT does not affect transactions involving bonds or similar instruments.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the Spanish FTT.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Spain) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment" and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

INFORMATION ABOUT THE NOTES IN CONNECTION WITH PAYMENTS

The Issuer is currently required by Spanish law to report on certain information relating to the Notes. In accordance with Section 44 of Royal Decree 1065/2007, for that purpose, certain information with respect to the Notes must be submitted to the Issuer at the time of each payment.

Such information would be the following:

Identification of the Notes in respect of which the relevant payment is made;

Date on which relevant redemption is made;

the total amount of the relevant redemption; and

the amount of the relevant payment and to each entity that manages a clearing and settlement system for securities situated outside Spain.

In particular, the Issuing and Paying Agent must certify the information above about the Notes by means of a certificate the form of which is attached as Annex I of this Information Memorandum.

In light of the above, the Issuer and the Issuing and Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Notes. If, despite these procedures, the relevant information is not received by the Issuer, the Issuer may be required to withhold at the applicable rate of 19 per cent. from any payment in respect of the relevant Notes as to which the required information has not been provided.

The procedures for providing documentation referred to in this section are set out in detail in the issuing and paying agency agreement dated 20 April 2023 (the "**Issue and Paying Agency Agreement**") which may be inspected during normal business hours at the specified office of the Issuing and Paying Agent. In particular, if the Issuing and Paying Agent does not act as common depositary, the procedures described in this section will be modified in the manner described in the Issue and Paying Agency Agreement.

Set out below is Annex I. Sections in English have been translated from the original Spanish and such translations constitute direct and accurate translations of the Spanish language text. In the event of any discrepancy between the Spanish language version of the certificate contained in Annex I and the corresponding English translation, the Spanish tax authorities will give effect to the Spanish language version of the relevant certificate only.

Any foreign language text included in this Information Memorandum is for convenience purposes only and does not form part of this Information Memorandum

ANNEX I

Anexo al Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos, aprobado por Real Decreto 1065/2007

Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 44 del Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos

Annex to Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Declaration form referred to in paragraphs 3, 4 and 5 of Article 44 of the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Don (nombre), con número de identificación fiscal ()⁽¹⁾, en nombre y representación de (entidad declarante), con número de identificación fiscal ()⁽¹⁾ y domicilio en () en calidad de (marcar la letra que proceda):

Mr. (name), with tax identification number ()⁽¹⁾, in the name and on behalf of (entity), with tax identification number ()⁽¹⁾ and address in () as (function – mark as applicable):

- (a) Entidad Gestora del Mercado de Deuda Pública en Anotaciones.**
 - (a) Management Entity of the Public Debt Market in book entry form.
- (b) Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.**
 - (b) Entity that manages the clearing and settlement system of securities resident in a foreign country.
- (c) Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.**
 - (c) Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.
- (d) Agente de pagos designado por el emisor.**

Issuing and Paying Agent appointed by the issuer.

Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:

Makes the following statement, according to its own records:

- 1. En relación con los apartados 3 y 4 del artículo 44:**
 - 1. In relation to paragraphs 3 and 4 of Article 44:
 - 1.1 Identificación de los valores**
 - 1.1 Identification of the securities
 - 1.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**
 - 1.2 Income payment date (or refund if the securities are issued at discount or are segregated)

- 1.3 Importe total de los rendimientos (o importe total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados)**
- 1.3 Total amount of income (or total amount to be refunded, in any case, if the securities are issued at discount or are segregated)
- 1.4 Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas, excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora**
- 1.4 Amount of income corresponding to Personal Income Tax taxpayers, except segregated coupons and segregated principals for which reimbursement an intermediary entity is involved
- 1.5 Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados).**
- 1.5 Amount of income which according to paragraph 2 of Article 44 must be paid gross (or total amount to be refunded if the securities are issued at discount or are segregated).
- 2. En relación con el apartado 5 del artículo 44.**
2. In relation to paragraph 5 of Article 44.
- 2.1 Identificación de los valores**
- 2.1 Identification of the securities.....
- 2.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**
- 2.2 Income payment date (or refund if the securities are issued at discount or are segregated)
- 2.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados)**
- 2.3 Total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated)
- 2.4 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A.**
- 2.4 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country A.
- 2.5 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B.**
- 2.5 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country B.
- 2.6 Importe correspondiente a la entidad que el sistema de compensación y liquidación de valores con sede en el extranjero C.**
- 2.6 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country C.

Lo que declaro en.....a ... de.....de ...

I declare the above in on the ... of of ...

- (1) **En caso de personas, físicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia.**
- (1) In case of non-residents (individuals or corporations) without permanent establishment in Spain it shall be included the number or identification code which corresponds according to their country of residence.

SUBSCRIPTION AND SALE

General

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver Notes and it will not directly or indirectly offer, sell, resell, re-offer or deliver Notes or distribute the Information Memorandum, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and sold, and will not offer and sell, Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant tranche as determined and certified by the relevant Dealer, within the United States or to, or for the account or benefit of, U.S. persons. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither it, nor its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes, and that it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer has also agreed, and each further Dealer appointed under the Programme will be required to agree, that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling commission, fee or other remuneration that purchases Notes from it a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Securities as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager, in the case of a syndicated issue, and except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Terms used in this section have the meanings given to them by Regulation S.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area.

For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of Directive (EU) 2016/97 (the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II

United Kingdom

Prohibition of Sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom.

For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or
- (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA.

Other UK regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree to the Issuer, that:

- a. it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
- b. it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- c. it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- d. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") and, accordingly, each Dealer has represented and agreed that has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Kingdom of Spain

This Information Memorandum shall not be registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*). Each Dealer and the Issuer has represented and agreed and

each further Dealer will be required to represent and agree that the offers of the Notes in Spain will be directed specifically at or made to professional clients (*clientes profesionales*) as this term is defined in Article 194 of the Spanish Law 6/2023, of 17 March, on the Securities Markets and the Investment Services (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*) (as amended or replaced from time to time, the "**Spanish Securities Markets Law and Investment Services Law**"), and Article 58 of Royal Decree 217/2008, of 15 February as amended or replaced from time to time, and eligible counterparties (*contrapartes elegibles*) as defined in Article 196 of the Spanish Securities Markets Law, and in accordance with the provision of the Spanish Securities Market Law and Investment Services and further secondary legislation.

Republic of France

Each Dealer has represented and agreed, and each further Dealer will be required to represent and agree, that it has only offered or sold and will only offer or sell, directly or indirectly, Notes in France to qualified investors (*investisseurs qualifiés*) as defined in Article 2(e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended, and Article L.411-2 1° of the French *Code monétaire et financier*, as amended from time to time, and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France to such qualified investors this Information Memorandum, the relevant Final Terms or any other offering material relating to the Notes.

Ireland

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree to the Issuer, that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Notes, or do anything in Ireland in respect of the Notes, otherwise than in conformity with the provisions of:

- (i) the European Union (Markets in Financial Instruments) Regulations 2017 (as amended), and any codes of conduct or rules issued in connection therewith and any conditions, requirements or enactments, imposed or approved by the Central Bank of Ireland, and the provisions of the Investor Compensation Act 1998 (as amended);
- (ii) the Irish Central Bank Acts 1942 to 2018 (as amended) and any codes of practice made under Section 117(1) of the Irish Central Bank Act 1989 (as amended) or any regulations made pursuant to Part 8 of the Central Bank (Supervision and Enforcement) Act 2013 (as amended);
- (iii) Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market or any delegated or implementing acts relating thereto, the European Union (Prospectus) Regulations 2019 of Ireland, the Companies Act 2014 (as amended) and any rules issued under Section 1363 of the Companies Act 2014 (as amended) by the Central Bank of Ireland;
- (iv) the European Union (Market Abuse) Regulations 2016 (as amended), Regulation (EU) No 596/2014 of the European Parliament of the Council of 16 April 2014 on market abuse (as amended) and any rules issued under Section 1370 of the Companies Act 2014 (as amended) by the Central Bank of Ireland; and
- (v) it will ensure that no Notes will be offered or sold with a maturity of less than 12 months except in full compliance with Notice BSD C 01/02 issued by the Central Bank of Ireland.

GENERAL INFORMATION

Clearing of the Notes

The Notes have been accepted for clearance through Clearstream, Luxembourg and Euroclear. The appropriate Common Code and International Securities Identification Number (ISIN) in relation to each issue of Notes and any other clearing system as shall have accepted the relevant Notes for clearance will be specified in the Final Terms relating thereto.

Admission to Listing and Trading

It is expected that Notes issued under the Programme may be admitted to the Official List and to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin on or after 20 April 2023. The admission of the Notes to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin will be expressed as a percentage of their principal amount. Any Notes intended to be admitted to the Official List and admitted to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin will be so admitted to listing and trading upon submission to the Irish Stock Exchange plc trading as Euronext Dublin of the relevant Final Terms and any other information required by the Irish Stock Exchange plc trading as Euronext Dublin, subject in each case to the issue of the relevant Notes.

However, Notes may be issued pursuant to the Programme which will be admitted to listing, trading and or quotation by such other listing authority, stock exchange and/or quotation system as the Issuer and the relevant Dealer(s) may agree. No Notes may be issued pursuant to the Programme on an unlisted basis.

Material Adverse Change

There has been no material adverse change in the prospects of the Issuer and no significant change in the financial or trading position of the Issuer or the Group since 31 December 2022, save as disclosed in "*Recent Developments*" above.

Legal and Arbitration Proceedings

Save as disclosed on the section "*Description of the Issuer - Litigation*" of this Information Memorandum, there are no pending or threatened governmental, legal or arbitration proceedings against or affecting the Issuer and the Group which may have, or have had during the 12 months prior to the date hereof, individually or in the aggregate, a significant effect on the financial position or profitability of the Issuer and the Group and, to the best knowledge of the Issuer and the Group, no such actions, suits or proceedings are threatened or contemplated.

Material Contracts

There are no material contracts which could result in any member of the Group being under an obligation that is material to the Issuer's ability to meet its obligations to holders of Notes.

Legal Entity Identifier

The Legal Entity Identifier of the Issuer is 95980020140005558665.

Documents on Display

Physical copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the office of the Issuing and Paying Agent for the life of this Information Memorandum:

- a. the audited consolidated annual accounts listed in the section "*Documents Incorporated by Reference*" above;
- b. this Information Memorandum, together with any supplements thereto;
- c. the Issuing and Paying Agency Agreement relating to the Notes;

- d. the Dealer Agreement;
- e. the Deed of Covenant; and
- f. the Issuer-ICSDs Agreement (which is entered into between the Issuer and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear and/or Clearstream, Luxembourg of Notes in New Global Note form).

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To the Dealers as to English and Spanish law

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