INSIDE INFORMATION

Madrid, October 30, 2023. Pursuant to Article 226 of the Law 6/2023, of 17 March, on the Securities Markets and Investment Services (*Ley de los Mercados de Valores y de los Servicios de Inversión*) ("**Law 6/2023**") and related provisions, Fomento de Construcciones y Contratas, S.A. ("**FCC**" or the "**Company**") hereby discloses the following inside information:

Pursuant to Articles 114.4 of the Law 6/2023 and 24 of the Royal Decree 1066/2007, of 27 July, on the rules applicable to takeover bids for securities (*Real Decreto de OPAS*) attached hereto is the mandatory report formulated and approved by the Board of Directors of FCC in relation to the public tender offer for the capital reduction through the acquisition of a maximum of 32,027,600 treasury shares, for their subsequent redemption, submitted by the Company on August 28, 2023 and authorized by the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*), on October 25, 2023.

REPORT OF THE BOARD OF DIRECTORS OF FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. IN RELATION TO THE TAKEOVER BID FOR THE REDUCTION OF CAPITAL THROUGH THE ACQUISITION OF OWN SHARES FORMULATED BY THE COMPANY ITSELF.

On 25 October 2023, the Comisión Nacional del Mercado de Valores (the "**CNMV**") authorised the takeover bid for the reduction of capital through the acquisition of treasury shares launched by Fomento de Construcciones y Contratas, S.A. (the "**Company**" or "**FCC**", together with its subsidiaries, the "**FCC Group**" or the "**Group**"), for the acquisition of a maximum of 32,027.600 treasury shares, each with a par value of 1 euro, representing 7.01% of FCC's share capital, at a price per share of 12.50 euros, for subsequent redemption (the "**Offer**") within the framework of the capital reduction approved by the Extraordinary General Meeting of Shareholders of the Company held on 19 July 2023 on first call, under item two of the agenda (the "**Capital Reduction**" and, together with the Offer, the "**Transaction**"). The authorisation of the Offer was announced to the market through the publication by the CNMV of the corresponding communication of "other relevant information" (OIR) on the same date (with official registry number 25032). The period for acceptance of the Offer will commence on 30 October 2023, the business day following the date of publication by the Company of the first announcement of the Offer.

The terms and conditions of the Offer are described in the prospectus of the Offer prepared by FCC which has been approved and registered in the official registers of the CNMV (the "**Prospectus**"). The Prospectus will be made available to the public in accordance with the provisions of article 22 of *Royal Decree 1066/2007 of 27 July 2007 on the rules governing takeover bids* (the "**Royal Decree on Takeover Bids**"), and will be available on the website of the CNMV (www.cnmv.es) and on the Company's website (www.fcc.es).

Pursuant to the provisions of article 114.4 of *Law 6/2023 of 17 March on Securities Markets and Investment Services* (the "**Securities Markets Law**") and article 24 of the Royal Decree on Takeover Bids, the Board of Directors of FCC has formulated and approved, at its meeting held on 27 October 2023, this report in relation to the Offer. In this regard, in accordance with the provisions of the aforementioned articles, the administrative body of the company affected by a takeover bid must draw up a detailed and reasoned report on the bid, which must be published within a maximum period of 10 calendar days from the date of commencement of the period for acceptance of the bid. It is noted for the record that all members of the Board of Directors participated in the aforementioned meeting of the Board of Directors and that this report has been approved with the favourable vote of all of them.

The Board of Directors of FCC recalls the mandatory, but not binding, nature of this report, which does not constitute a recommendation or advice for investment or divestment of any kind, as well as the merely informative nature of the opinions contained herein, which have been made exclusively on the basis of the circumstances known at the date of the report, and it is the sole responsibility of each shareholder of FCC to decide, based on his or her particular interests and situations, or any other circumstances, whether or not to accept the Offer.

1. MAIN FEATURES OF THE OFFER

The characteristics of the Offer are described in Chapters I to III of the Prospectus. Without prejudice to the foregoing, some of the main features of the Offer are summarised below:

1.1 **Information on the Company and its group in its dual capacity as offeror and offeree company**:

The Company, in its dual capacity as bidder and target company, is "Fomento de Construcciones y Contratas, S.A.", a listed public limited company of Spanish nationality, registered in the Mercantile Register of Barcelona (volume 36005, folio 22, page B-26947), with registered office in Barcelona, at calle Balmes, no. 36 (postal code 08007), with tax identification number (NIF) A-28037224 and LEI code 959800201400051783328.

The share capital of FCC amounts to 456,667,071 euros, divided into 456,667,071 ordinary shares of 1 euro par value each, belonging to a single class and series, fully subscribed and paid up. The FCC shares are represented by book entries, which are held by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and its participating entities. In accordance with FCC's Articles of Association, each share carries the right to one vote at the General Meeting. FCC's shares are listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges (the "**Spanish Stock Exchanges**"), and are included in the Spanish Stock Exchange Interconnection System (SIBE).

FCC's main activity consists of acting as the holding company of the FCC Group, which is made up of a wide range of domestic and foreign subsidiaries and associates that carry out business activities grouped into the areas of environmental services, integrated water management, construction, real estate, cement and concessions.

For the purposes of the provisions of article 4 of the Securities Markets Law, it is hereby stated that FCC is controlled by Control Empresarial de Capitales, S.A. de C.V. ("**CEC**"), which is wholly owned, directly or indirectly, through Trust F/125, by certain members of the family of Mr. Carlos Slim Helú, and which in turn is not controlled by any person or entity, directly or indirectly, or in concert with any other person or entity, as described in the Prospectus. Carlos Slim Helú's family, and which, in turn, is not controlled by any person or entity directly or indirectly, or in concert among several, all as described in the Prospectus.

For the purposes of the provisions of article 6 of the Royal Decree on Takeover Bids, it is also stated for the record that, of the 11 current members of the Board of Directors of FCC, CEC has appointed 6 members: Mr. Alejandro Aboumrad González (Vice-Chairman, Proprietary Director); Mr. Pablo Colio Abril (Managing Director, Executive Director); Ms. Carmen Alcocer Koplowitz (Proprietary Director); Mr. Carlos Slim Helú (Proprietary Director); Mr. Juan Rodríguez Torres (Proprietary Director); and Mr. Gerardo Kuri Kaufmann (Proprietary Director).

CEC is a Mexican corporation with variable capital, incorporated under the laws of Mexico, with its registered office in Mexico City, at Paseo de las Palmas, No. 781, piso 3, colonia Lomas de Chapultepec III sección (postal code 11000) and Mexican tax identification number CEC051219S38. CEC shares are not admitted to trading on any stock exchange.

In accordance with the mercantile regulations applicable in Mexico, CEC consolidates FCC and its subsidiaries for accounting purposes.

The principal activities of CEC consist of the acquisition of interest or participation in other commercial or civil companies; the promotion, organisation and administration of such commercial or civil companies; the subscription of debt securities; and the entering into all types of financing transactions with domestic or foreign institutions. The audited individual (note 10) and consolidated (note 12) annual accounts of CEC for the year ended 31 December 2022, which are attached as Annexes VII and VIII to the Prospectus, respectively, include a list of the companies in which CEC has an interest as at that date.

It is stated in the Prospectus that there is no natural or legal person acting in concert with FCC or CEC in connection with the Offer or with the Company itself.

1.2 **Securities to which the Offer is addressed**:

The Offer is addressed to all holders of FCC shares and extends to the acquisition of a maximum of 32,027,600 fully subscribed and paid-up FCC treasury shares, representing 7.01% of the share capital and voting rights. The terms of the Offer are identical for all FCC shares to which it is addressed and for all its shareholders. There are no other FCC securities other than the shares that are the object of the Offer to which, in accordance with the applicable regulations, the Offer must be addressed.

The share capital of FCC amounts to 456,667,071 euros, divided into 456,667,071 ordinary shares. The Offer is not addressed to the 44,957 treasury shares held by the Company, representing 0.01% of the share capital, as reflected in the Prospectus, which have been immobilised in order to prevent them from being transferred in the context of the Offer.

Apart from the FCC treasury shares, no additional FCC shares have been immobilised as part of the Offer. Consequently, net of the treasury shares that have been immobilised, the Offer is aimed at the holders of 456,622,114 FCC shares, representing 99.99% of its share capital, and at the acquisition of the maximum number of shares indicated above.

Without prejudice to the foregoing, it is stated in the Prospectus that the Board of Directors of the Company received a letter dated 9 August 2023 from CEC, the main shareholder of FCC, holder of a direct interest of 57.86% in the share capital of FCC, in which it states its commitment not to accept the Offer with the 264,208,536 shares it owns. Likewise, the Board of Directors of FCC received a letter dated 9 August 2023 from Dominum Dirección y Gestión, S.A., a wholly-owned subsidiary of CEC, holder of a direct interest of 8.59% in the share capital of FCC, in which it states its commitment not to accept the Offer with the 39,225,417 shares of the Company that it owns. Similarly, the Board of Directors of the Company received a letter dated 9 August 2023 from Finver Inversiones 2020, S.L.U., a shareholder of FCC holding a direct interest of 11.37% in the share capital of FCC, in which it also expresses its commitment not to accept the Offer with the 51,945,055 shares of the Company that it owns. No other shareholder of FCC has informed the Board of Directors of its intention to participate or not in the Offer. In this regard, the total number of FCC shares that have undertaken not to accept the Offer as indicated in the Prospectus amounts to 355,379,008 shares representing 77.82% of FCC's share capital, to which must be added the 44,957 shares that FCC holds as treasury shares and which are immobilised so that they cannot be transferred in the context of the Offer.

As the Offer is aimed at acquiring treasury shares for redemption, FCC's share capital will be reduced according to the number of shares that the Company finally acquires under the Offer.

In the event that the total number of shares included in the declarations of acceptance exceeds the maximum limit of the Offer (32,027,600 shares representing 7.01% of the share capital), the pro rata distribution rule shall be applied for the settlement of the Offer by means of a proportional system in accordance with the provisions of article 340.2 of the consolidated text of the Capital Companies Act (the "**Capital Companies Act**") and article 38.2 of the Royal Decree on Takeover Bids.

It is stated in the Prospectus that the consideration offered and the maximum number of shares to be acquired in the Offer may not be modified as agreed at the Extraordinary General Meeting of Shareholders of the Company held on 19 July 2023 on first call under item two of the agenda.

The regime of compulsory purchase and sale established in article 116 of the Securities Markets Act and in Chapter X of the Royal Decree on Takeover Bids shall not apply to the Offer, given that the Offer has been formulated by the Company itself and that it does not extend to all the shares of FCC.

The Offer is made, as indicated in the Prospectus, exclusively in the Spanish market, the only market in which FCC shares are listed, and is addressed to all holders of FCC shares regardless of their nationality or place of residence, and neither the Offer nor its contents constitute an extension of the Offer to any other jurisdiction where the Offer would constitute a violation of the law applicable to such jurisdiction or where the making of the Offer would require the distribution and/or registration of documentation additional to the Prospectus. In particular, it is stated in the Prospectus that the Offer is not being made directly or indirectly in the United States of America, whether by electronic mail, post or any means or instrumentality of international or interstate commerce (including facsimile, telex, telephone or the internet), or through the United States Stock Exchanges, except in compliance with, or under the exemptions provided in, any United States securities or takeover bid regulations. Accordingly, the Prospectus will not be distributed by any means in the United States of

America except in compliance with, or subject to the exemptions provided in, any United States securities or takeover bid regulations.

The Company informs in the Prospectus those shareholders of FCC who reside outside Spain and decide to accept the Offer that the Offer may be subject to legal and regulatory restrictions other than those contemplated in Spanish law. In this regard, it is indicated that it will be the sole responsibility of those shareholders residing outside Spain who decide to accept the Offer to comply with such regulations and, therefore, to verify and involve themselves in the Offer.

1.3 **Type of offer**:

The Offer is a takeover bid for the reduction of capital through the acquisition of treasury shares, which is a type of mandatory takeover bid as provided for in article 12 of the Royal Decree on Takeover Bids and partial as it extends to the acquisition of a maximum of 32,027,600 shares, representing 7.01% of the share capital, which is addressed to all holders of FCC shares.

1.4 **Conditions to which the Offer is subject**:

As indicated in the Prospectus, the effectiveness of the Offer is not subject to any conditions and, in particular, the Offer is not subject to a minimum number of acceptances.

1.5 **Consideration for the Offer**:

The Offer is formulated as a sale and purchase. The consideration offered by the Company to the holders of FCC shares consists of cash and amounts to €12.50 per FCC share. As the Offer extends to the acquisition of a maximum of 32,027,600 FCC shares, the maximum total amount to be paid by the Company in the Offer is 400,345,000 euros.

As detailed in the Prospectus, if the Company makes any distribution of dividends, reserves or any other distribution to its shareholders prior to the settlement of the Offer, whether ordinary, extraordinary, interim or supplementary, the Offer price will be reduced by an amount equal to the gross amount per share of the distribution or distribution, provided that the date of publication of the result of the Offer in the stock exchange bulletins coincides with or is after the *ex-dividend* date. It is stated in the Prospectus that the Company does not intend to make any dividend or other distribution prior to the settlement of the Offer.

The consideration offered (price per share) was fixed by the Company, as indicated in the Prospectus, by resolution of the Extraordinary General Meeting of Shareholders held on 19 July 2023 on first call, under item two of the agenda, and the Offer is required by virtue of the provisions of article 338.1 of the Capital Companies Act and article 12 of the Royal Decree on Takeover Bids. The Company considers that the consideration offered is considered to be an equitable price within the meaning of article 110 of the Stock Exchange Act and article 9 of the Royal Decree on Takeover Bids. In this regard, the Offer price or consideration is higher than the highest price or consideration that the Company has paid or agreed to pay for shares in the Company during the 12 months prior to the date of publication by FCC (28 June 2023) of the "inside information" communication relating to the Transaction.

Finally, it is stated in the Prospectus that, notwithstanding the fact that the information provided below on the premium that the Offer consideration represented with respect to certain quoted prices of FCC shares has changed since the date of the announcement of the Transaction (28 June 2023), and may have changed since the date of the Prospectus, it is hereby stated that the consideration offered by FCC under the Offer represented a premium of 38% with respect to the weighted average market price of the Company's shares in the last 6 months prior to 28 June 2023, it is reported that the consideration offered by FCC under the Offer represented a 38% premium to the weighted average market price of the Company's shares over the last 6 months prior to 28 June 2023, the date of publication by FCC of the "insider information" (IP) communication relating to the Transaction.

As indicated in the Prospectus, the Board of Directors considers that the consideration offered by FCC within the framework of the Offer is *fair* from a financial point of view for FCC, a criterion that has been confirmed by means of a *fairness opinion* issued by CaixaBank, S.A. addressed to the Board of Directors.

1.6 **Guarantees and financing of the Offer**:

As indicated in the Prospectus, FCC filed with the CNMV, in accordance with the provisions of article 15 of the Royal Decree on Takeover Bids, the documentation evidencing the constitution of the guarantee for the Offer. This guarantee consists of a bank guarantee issued by Banco Bilbao Vizcaya Argentaria, S.A. ("**BBVA**") to guarantee the Offer in the amount of 400,345,000 euros.

In order to meet the payment of the Offer consideration, FCC intends to use part of the liquidity obtained by the Company from the sale to CPP Investments of 24.99% of the share capital of FCC Servicios Medio Ambiente Holding, S.A.U. for a price of 965 million euros if the sale is executed before the settlement of the Offer. The agreement for the sale of 24.99% of the share capital of FCC Servicios Medio Ambiente Holding, S.A.U. was announced by the Company to the market through the publication of the corresponding "inside information" (IP) communication on 1 June 2023 (with official registration number 1879) on the website of the CNMV and on the corporate website, and its closing is subject to the conditions precedent customary in this type of transaction.

In the event that the funds from the sale referred to above are not received prior to settlement of the Offer, the Company has committed, as detailed in the Prospectus, to financing with BBVA under which BBVA will grant financing to FCC for a maximum amount of 400,345,000 euros (maximum total amount to be disbursed by the Company under the Offer). This financing will have a maturity of 6 months and will accrue, if applicable, a floating interest rate of one-week, two-week or one-month Euribor (floor 0) at FCC's choice, plus a margin of 60 basis points for the first four months and 120 basis points for the following two months. This financing does not require the constitution of guarantees of any kind, nor does it require compliance with financial *covenants* or ratios, nor does it impose obligations different from those of any other credit to FCC or limitations on its activity. Likewise, this financing does not stipulate any repayment, cancellation or amortisation obligation when the funds are obtained from the sale of 24.99% of the capital of FCC Servicios Medio Ambiente Holding, S.A.U.

In this regard, FCC has, based on the aforementioned commitment of BBVA, sufficient funds to settle all the treasury shares that accept the Offer in order to proceed, through Renta 4 Banco, S.A., which acts as the liquidator of the Offer, to pay for the FCC shares acquired in the Offer.

1.7 **Deadline for acceptance of the Offer**:

The period for acceptance of the Offer is 32 calendar days from the business day following the date of publication of the first of the announcements referred to in article 22 of the Royal Decree on Takeover Bids. Consequently, having published the said announcement on 27 October 2023, and in accordance with the communication from the CNMV dated 27 October 2023 (with official registry number 25076), the acceptance period will begin on 30 October 2023 and will end at 23:59 hours (CET) on 30 November 2023 (both inclusive), unless the period is extended in accordance with the provisions of article 23 of the Royal Decree on Takeover Bids.

1.8 **Authorisations within the framework of the Offer**:

As indicated in the Prospectus, apart from the authorisation by the CNMV, the Offer does not require any other authorisation, opposition or notification from any other national or foreign supervisory body or authority.

2. PURPOSE OF THE OFFER AND THE COMPANY'S INTENTIONS AND PLANS

A full description of the purpose of the Offer and the Company's strategic plans and intentions are set out in Chapter IV of the Prospectus.

As indicated in the Prospectus, the representations of the Company included in this chapter should also be understood to be made by CEC, and should be understood to cover FCC, the companies of the FCC Group and the companies of the CEC Group.

It is also stated for the record that, as at the date of the Prospectus and under the prevailing circumstances, there are no specific plans or intentions with respect to the matters referred to in the various sections of Chapter IV of the Prospectus, without prejudice to the fact that the Company could carry out actions in relation to any of these matters in the light of the circumstances, which have not been identified, that may arise at FCC and which will be assessed from time to time, for which reason no specific action in relation to these matters is contemplated at this time. FCC's track record in recent years shows that it is constantly carrying out corporate transactions, both investment, divestment and restructuring operations and, in this regard, the Company will continue to analyse and execute, as the case may be, all opportunities that may arise, always with the aim of improving management and creating value for its shareholders.

The following is a non-exhaustive list of certain issues raised by the Company in relation to the matters set out in Chapter IV of the Prospectus.

2.1 **Purpose of the acquisition**:

In accordance with what is stated in the Prospectus, the Offer is formulated with the aim of providing a specific and timely liquidity mechanism to all FCC shareholders, which is additional to the stock market liquidity of the Company's shares on the Spanish Stock Exchanges, thus facilitating an eventual divestment, at least partial, of those FCC shareholders who so wish, without causing distortions in the quotation of FCC's shares. The Company has considered it appropriate to carry out the Offer at this time in view of, among other factors, the funds obtained by the Company from the sale of 24.99% of the share capital of FCC Servicios Medio Ambiente Holding, S.A.U. referred to in section 1.6 above, the closing of which is subject to the conditions precedent customary in this type of transaction.

To this end, and on the basis of article 338 of the Capital Companies Act and article 12 of the Royal Decree on Takeover Bids, the Company offers the acquisition of FCC shares to all its holders under the same conditions and following strict criteria of transparency, parity of treatment and non-discrimination, through the formulation of the Offer, which extends to the acquisition of a maximum number of FCC shares of 32,027,600 shares, representing 7.01% of the share capital. In this regard, FCC shareholders are free to decide whether to accept the Offer and, if so, the number of shares they wish to include in their acceptance.

The FCC shares acquired in the Offer will be redeemed in the framework of the Capital Reduction, which is expected to be executed after the settlement of the Offer, in accordance with the provisions of articles 338 et seq. of the Capital Companies Act. This operation will possibly increase the earnings per share for those shareholders who do not accept the Offer, in proportion to the shares acquired in the Offer and subsequently redeemed, which is in line with FCC's priority objective of creating value for the shareholder, which entails the analysis, on a recurring basis, of the different options available at any given time depending on the existing circumstances.

In any event, it is hereby stated for the record that the Offer is not intended to delist FCC shares from the Spanish Stock Exchanges and that, if appropriate or necessary in view of the *free float* of the Company as a result of the Transaction, the Company shall adopt measures to promote the liquidity of its shares on the terms referred to in the Prospectus and in section 2.8 below.

2.2 **Strategic plans and intentions regarding future activities and the location of the Company's and the Group's places of business for a time horizon of at least 12 months**:

As indicated in the Prospectus, the Company intends to continue carrying out the business activities it has been carrying out to date for a minimum period of 12 months, within the framework of which, as stated in the Prospectus and in the second paragraph of the introduction to this section 2, strategic alternatives are recurrently analysed and, in particular, those business opportunities and corporate transactions that are appropriate for the purpose of improving management and creating value for FCC's shareholders.

It is also stated in the Prospectus that, during the aforementioned period, the Company intends to maintain the location of the activity centres of FCC and the Group companies.

2.3 **Strategic plans and intentions regarding the continued employment of the Company's and the Group's staff and management, including any material changes in working conditions for a minimum time horizon of 12 months**:

As stated in the Prospectus, the Company intends to maintain the jobs of the personnel and executives of FCC and the Group companies, as well as their working conditions, for a minimum period of 12 months, except for those changes that may be necessary or advisable within the framework of the normal operations of FCC and the Group companies, without the implementation of any particular change being contemplated at this time.

2.4 **Plans for the use or disposal of the Company's and the Group's assets; anticipated changes in its net financial indebtedness**:

As stated in the Prospectus, apart from the agreement with CPP Investments for the sale of 24.99% of the share capital of FCC Servicios Medio Ambiente Holding, S.A.U. referred to in section 1.6 above, the Company has no specific plans to use or dispose of the assets of FCC and the Group companies outside the ordinary course of its business, without prejudice to the fact that, as indicated in the Prospectus, in the second paragraph of the introduction to this section 2 and in section 2.2 above, the Company recurrently analyses strategic alternatives and, in particular, those business opportunities and corporate transactions that are appropriate in order to improve management and create value for FCC's shareholders, without contemplating the use of the assets of FCC and of the Group companies outside the ordinary course of their business.2 above, the Company recurrently analyses strategic alternatives and, in particular, those business opportunities and corporate transactions that may be appropriate for the purpose of improving management and creating value for FCC's shareholders, without any particular transaction being contemplated at this time.

As indicated in the Prospectus, the amount to be paid by the Company as part of the Offer entails a decrease in the Company's cash and, therefore, an increase in its net financial indebtedness, as detailed in the Prospectus. Apart from the foregoing and the funds obtained by FCC from the sale of 24.99% of the share capital of FCC Servicios Medio Ambiente Holding, S.A.U. at the closing of the transaction, the Prospectus states that the Company has no plans to increase or reduce its net financial indebtedness outside the ordinary course of business.

The Company states in the Prospectus that, following settlement of the Offer, FCC will enjoy a stable financial position that will enable it to carry out its activities, implement the projects and investments planned and even evaluate the development of new projects.

2.5 **Plans relating to the issuance of securities by the Company and the Group**:

As indicated in the Prospectus, FCC has in the past regularly resorted to issuing securities in the markets, for example, through one-off issues of fixed income securities or recurring issues under the corresponding issuance programmes (e.g. promissory notes), mainly to finance the Group's operating needs or to renew outstanding issues, which in turn allows it to diversify its sources of financing.

In this regard, the Company states in the Prospectus that it intends to continue to use the securities issues to which it habitually resorts depending on the circumstances existing at any given time in order to optimise the use of the financial resources of FCC and the Group companies.

2.6 **Corporate restructurings of any kind envisaged**:

It is stated for the record in the Prospectus that, apart from the agreement with CPP Investments for the sale of 24.99% of the share capital of the subsidiary FCC Servicios Medio Ambiente Holding, S.A.U. referred to in the Prospectus and in section 1.6 above, the Company does not intend to carry out any corporate restructuring or specific corporate transaction of any nature that could directly or indirectly affect FCC and the Group companies.6 above, the Company has no plans to carry out any specific corporate restructuring or corporate transaction of any nature that could directly or indirectly affect FCC and the companies of the Group, notwithstanding the fact that, as stated in the Prospectus, in the second paragraph of the introduction to this section 2 and in section 2.2. above, the Company recurrently analyses strategic alternatives and, in particular, those business opportunities and corporate transactions that may be appropriate for the purpose of improving management and creating value for FCC's shareholders, without the execution of any transaction in particular being contemplated at this time.

2.7 **Dividend and shareholder remuneration policy**:

As indicated in the Prospectus, the Company does not have a dividend policy, nor does it plan to approve any specific policy regarding the distribution of dividends or shareholder remuneration. Notwithstanding the foregoing, in recent years, FCC has agreed, taking into account the circumstances prevailing at any given time and without there being, therefore, any future forecast in this respect, to distribute an annual flexible dividend (*scrip dividend*), as well as to establish programmes for the repurchase of treasury shares in accordance with the provisions of the applicable regulations in order to redeem the treasury shares acquired.

In this regard, FCC intends to maintain the annual assessment regarding the distribution of dividends and the establishment of any other form of shareholder remuneration, which will depend, fundamentally, on the existence of distributable profits and the financial situation of the Company and other factors that FCC considers relevant from time to time.

2.8 **Intentions regarding the Company's share price**:

As stated in the Prospectus, the Company and CEC value the continued listing of FCC and intend that FCC's shares will continue to be listed on the Spanish Stock Exchanges on which they are currently listed.

If, as a result of the Offer, the FCC shares do not have an adequate distribution or trading frequency and stock market liquidity, the Company and CEC will analyse the situation as indicated in the Prospectus and will adopt, within 6 months following the settlement of the Offer in accordance with the provisions of the Royal Decree on Takeover Bids, such decisions as are reasonable under the circumstances for the continued listing of such shares on the stock exchange.

2.9 **Intentions relating to the transfer of securities of the Company**:

As indicated in the Prospectus and in section 1.2 above, the Company holds 44,957 treasury shares, representing 0.01% of its share capital. The Company has no plans or intentions to sell these 44,957 FCC treasury shares after the settlement of the Offer. On the other hand, as described throughout the Prospectus and due to the nature of the Offer, the FCC shares acquired in the Offer will be redeemed in the framework of the Capital Reduction, which is expected to be executed after the settlement of the Offer, in accordance with the provisions of articles 338 et seq. of the Spanish Companies Act.

It is stated in the Prospectus that the controlling shareholder, CEC, has indicated to the Company that it intends to transfer, after settlement of the Offer, the number of shares in the Company necessary to not exceed 70% effective shareholding in the Company in order to maintain FCC's tax group, without having any agreement or being in negotiations for the sale of such shares, nor does it have any forecast as to when this sale of shares would take place.

3. COMPANY SECURITIES HELD BY FCC AND ITS DIRECTORS. SHAREHOLDING STRUCTURE OF THE COMPANY.

3.1 **Shares in the Company owned by FCC**:

FCC holds 44,957 treasury shares, representing 0.01% of its share capital.

3.2 **Shares in the Company held by its directors**:

The composition of the Board of Directors of FCC, with an indication of the number of shares held directly or indirectly by its members, to the best of FCC's knowledge, is as follows:

Name	Cargo	Category	Shareholder Designation	Number of shares	Percentage of capital
Dominum Desga, S.A.[1]	President	Sunday	Ms. Esther Koplowitz Romero de Juseu	305	0,00%
Ms. Esther Koplowitz Romero de Juseu	First Vice-President	Sunday	Ms. Esther Koplowitz Romero de Juseu	21.196.724[2]	4,64%
D. Alejandro Aboumrad González	Vice-President	Sunday	CEC	341.365	0,07%
D. Pablo Colio Abril	Chief Executive Officer	Executive	CEC	123.301	0,03%
Ms. Alicia Alcocer Koplowitz	Vocal	Sunday	Ms. Esther Koplowitz Romero de Juseu	361.480	0,08%
Ms. Carmen Alcocer Koplowitz	Vocal	Sunday	CEC	562.850	0,12%
D. Carlos Slim Helú	Vocal	Sunday	CEC	51.945.055	11,37%
Mr Juan Rodríguez Torres	Vocal	Sunday	CEC	416.137	0,09%
D. Gerardo Kuri Kaufmann	Vocal	Sunday	CEC	498.380	0,11%
D. Manuel Gil Madrigal	Vocal	Independ.	--	37.297	0,01%
Mr Álvaro Vázquez de Lapuerta	Vocal	Independ.	--	3.563	0,00%
Total				**75.486.152**	**16,53%**

(1): Represented by Ms. Esther Alcocer Koplowitz.
(2): Includes the 305 shares owned by Dominum Desga, S.A.

3.3 **Shareholding structure**:

The shareholding structure of FCC at the date of this report, according to the information available to the Company and the information on the website of the CNMV, is as follows:

SHAREHOLDERS	**Number of shares[*]**	**Percentage of capital**
Control Empresarial de Capitales, S.A. de C.V.	324.476.669[1]	71,05%[1]
D. Carlos Slim Helú[2]	51.945.055	11,37%
Mr William H. Gates III[3]	26.194.423[3]	5,74%[3]
Ms. Esther Koplowitz Romero de Juseu	154.008[4]	0,03%

SHAREHOLDERS	Number of shares(*)	Percentage of capital
TREASURY STOCK	44.957	0,01%
OTHER SHAREHOLDERS	53.851.959	11,8%
Total	**456.667.071**	**100,00%**

(*): Includes direct and indirect shareholdings.

(1): **CEC directly and indirectly holds 303,433,953 shares of FCC, representing 66.45% of its share capital**. Of the aforementioned 324,476,669 shares, 21,042,716 shares, representing 4.60% of FCC's share capital, are held by Nueva Samede 2016, S.L.U. (a company wholly controlled by Ms. Esther Koplowitz Romero de Juseu, Esther Koplowitz Romero de Juseu). Esther Koplowitz Romero de Juseu), whose voting rights are attributed to CEC by application of the voting rights computation rule provided for in article 5.1.d) of the Royal Decree on Takeover Bids and the computation rule provided for in article 24.2.b) of Royal Decree 1362/2007, of 19 October. Notwithstanding the foregoing, CEC does not hold any ownership or voting rights over the aforementioned 4.60% owned by Nueva Samede 2016, S.L.U.

(2): Through Finver Inversiones 2020, S.L.U. which is wholly owned by Inmobiliaria AEG, S.A. de C.V., which in turn is controlled by Mr. Carlos Slim Helú.

(3): The percentage of voting rights over the capital reflected (5.74%) corresponds to that included in the communication on significant shareholdings dated 24 October 2013 made by Mr William H. Gates III, without the Company being able to confirm its accuracy. **However, the number of shares shown as owned by the aforementioned shareholder (26,194,423) does not correspond to the number of shares included in the aforementioned communication**: <u>this figure has been calculated by the Company, based on the aforementioned percentage (5.74%) which is considered valid and the number of FCC shares currently in circulation (456.667,071), for the sole and exclusive purposes of the Prospectus, and for the purpose of completing, where applicable, the information relating to the *free float* and the different scenarios detailed in section III.3 of the Prospectus</u>.

(4): Of the 154,008 shares indicated above, (i) 151,102 shares are held directly by Esther Koplowitz Romero de Juseu, representing 0.03% of the share capital; (ii) 305 shares are held by Dominum Desga, S.A.; and (iii) 2,601 shares are held by Ejecución Organización de Recursos, S.L.

As indicated above, CEC directly and indirectly holds 303,433,953 FCC shares, representing 66.45% of its share capital.

It is also stated for the record that for the purposes of the provisions of article 5.1 of the Royal Decree on Takeover Bids, the following voting rights over FCC shares are attributed to CEC:

- Pursuant to article 5.1.a) of the Royal Decree on takeover bids, CEC is attributed the voting rights of the FCC shares held by the following members, appointed by CEC itself, belonging to the administrative bodies of companies in the group headed by CEC:

SHAREHOLDERS	Company of which he is a director	Number of shares(*)	Percentage of capital
D. Alejandro Aboumrad González	FCC	341.365	0,07%
D. Pablo Colio Abril	FCC	123.301	0,03%
Ms. Carmen Alcocer Koplowitz........	FCC	562.850	0,12%
D. Carlos Slim Helú	FCC/CEC	51.945.055	11,37%
Mr Juan Rodríguez Torres	FCC	416.137	0,09%
D. Gerardo Kuri Kaufmann	FCC	498.380	0,11%
Total........	**--**	**53.887.088**	**11,80%**

(*): Includes direct and indirect shareholdings.

- Pursuant to article 5.1.d) of the Royal Decree on Takeover Bids, as well as the calculation rule established in article 24.2.b) of Royal Decree 1362/2007, of 19 October, CEC is attributed the voting rights of 21,042,716 shares representing 4.60% of the share capital of FCC, which are owned by Nueva Samede 2016, S.L.U. (a company wholly controlled by Ms. Esther Koplowitz Romero de Juseu). Notwithstanding the foregoing, CEC does not hold any ownership or voting rights over the aforementioned 4.60% owned by Nueva Samede 2016, S.L.U.

Consequently, CEC is attributed, for the purposes of article 5 of the Royal Decree on Takeover Bids, the voting rights of a total of 378,363,845 FCC shares, representing 82.86% of its total voting rights, after deducting the 44,957 shares that the Company holds in treasury stock.

Apart from the foregoing, no other entity of the group headed by CEC, in which FCC and other companies are also integrated, nor, to the best of FCC's knowledge and belief after having carried out the appropriate verifications, any other member of their respective administrative bodies appointed by CEC, holds shares in FCC.

4. AGREEMENTS BETWEEN THE COMPANY, THE SHAREHOLDERS AND THE MEMBERS OF THE COMPANY'S MANAGEMENT BODIES.

It is expressly stated that there is no agreement or arrangement of any nature whatsoever between FCC and its shareholders, or between FCC and the members of the Board of Directors of the Company, in connection with the Offer. Furthermore, no specific advantages have been reserved to FCC shareholders or members of the Board of Directors of the Company in connection with the Offer.

Furthermore, it is hereby stated that the Board of Directors of FCC is not aware of any agreement relating to the Offer between its directors or between its shareholders, or between its directors and shareholders.

Without prejudice to the foregoing, it is hereby stated, as reflected in the Prospectus, that the 21,042,716 shares of the Company, representing 4.60% of the share capital of FCC, which are held by Nueva Samede 2016, S.L.U., a company wholly owned by Esther Koplowitz Romero de Juseu, are pledged by virtue of a pledge in rem in favour of CEC, as security for the fulfilment of: (i) the obligation to repay the loan granted by CEC to Nueva Samede 2016, S.L.U. referred to in section I. I. of note 8 of the audited individual and consolidated annual accounts of CEC for the year 2022 attached as Annexes VII and VIII to the Prospectus, which is in force by novation until 5 November 2023 and which accrues interest at a rate of 4%, and the amount pending repayment of which has not changed significantly; and (ii) the obligations arising from its status as joint and several guarantor of the principal debtor of the loan granted by CEC to Dominum Dirección y Gestión, S.A. referred to in section II. of note 8 to the individual audited annual accounts of CEC attached as Appendix VII to the Prospectus, which is also in force by novation until 5 February 2024 and which bears interest at a rate of 4%, and the amount outstanding has not changed significantly. In this regard, it is stated in the Prospectus that there is no agreement or arrangement between CEC and Nueva Samede 2016, S.L.U. or its sole shareholder for the repayment, cancellation and novation of the aforementioned loans.

In addition, Dominum Dirección y Gestión, S.A., Nueva Samede 2016, S.L.U. and CEC, all of them FCC shareholders, entered into a shareholders' agreement in November 2014, which was novated in February 2016. The full content of the aforementioned agreements is available on the CNMV's website.

5. ACTIONS OF THE BOARD OF DIRECTORS OF THE COMPANY IN THE CONTEXT OF THE OFFER

On 28 June 2023, the Board of Directors of the Company unanimously resolved to convene an extraordinary General Meeting of Shareholders of the Company to submit for approval, under item two of the agenda, the Capital Reduction to be implemented through the formulation by the Company of the Offer in accordance with the main terms and conditions set out in the resolution itself. This resolution was announced to the market through the publication of the corresponding "inside information" (IP) notice on the CNMV website and on the Company's corporate website.

On 19 July 2023, following the Extraordinary General Meeting, the Board of Directors of the Company unanimously resolved to empower the Chief Executive Officer, the other members of the Board of Directors of the Company, as well as the Secretary and the Deputy Secretary of the Board of Directors, so that any of them, acting in the name and on behalf of the Company, may formulate the Offer in accordance with the terms and conditions set out in the Capital Reduction resolution approved by the General Meeting and which were developed by the Board of Directors at that meeting, and with express powers of substitution in the directors of the Company, to formulate the Offer under the terms and conditions set out in the Capital Reduction resolution approved by the General Meeting and developed by the Board of Directors at that meeting, and, with express powers of substitution in the executives of FCC as deemed appropriate, to carry out as many actions as may be necessary or advisable in relation to the Offer. In particular, the Board of Directors of the Company determined that the Offer would be made after the end of the period for creditor opposition to the Capital Reduction, which ended on 21 August 2023 without any creditor of the

Company having opposed the Capital Reduction. This resolution was announced to the market through the publication of the corresponding notice of "other relevant information" (OIR) on the website of the CNMV and on the Company's corporate website.

The decision to make the Offer was taken by FCC by virtue of the decision of the Chief Executive Officer of the Company adopted on 28 August 2023 pursuant to the authorisation conferred in his favour by resolution of the Board of Directors of the Company dated 19 July 2023.

Since 28 June 2023, the Board of Directors of FCC has complied with all applicable regulations on takeover bids. In particular, it has complied with the rules limiting the actions of the administrative and management bodies set out in article 28 of the Royal Decree on Takeover Bids.

6. CONFLICTS OF INTEREST OF THE COMPANY'S DIRECTORS

Given that the Offer is made on FCC's own shares and that all shareholders may decide, depending on their interests and under equal conditions, whether or not to accept the Offer in relation to all or part of their shares, it is hereby stated that no conflict of interest arises in this respect on the part of any of the members of the Board of Directors of the Company, and therefore all of them participate in the meeting of the Board of Directors and vote on this report.

7. CONSIDERATIONS AND OPINION OF THE BOARD OF DIRECTORS ON THE OFFER

7.1 **General considerations**:

As described in the Prospectus, as well as in the report issued by the Board of Directors of FCC on 28 June 2023 in relation to the proposed resolution of the Capital Reduction within the framework of which the Offer is made, the Offer has been formulated with the purpose of providing a specific and timely liquidity mechanism to all FCC shareholders, which is additional to the stock market liquidity of the Company's shares on the Spanish Stock Exchanges, thus facilitating a possible disinvestment, at least partial, of those FCC shareholders who so wish, without causing distortions in the quotation of FCC shares. The Company has considered it appropriate to carry out the Offer at this time in view of, among other factors, the funds obtained by the Company from the sale of 24.99% of the share capital of FCC Servicios Medio Ambiente Holding, S.A.U. referred to above, the closing of which is subject to the conditions precedent customary in this type of transaction.

To this end, and on the basis of article 338 of the Capital Companies Act and article 12 of the Royal Decree on Takeover Bids, the Company offers the acquisition of FCC shares to all its holders under the same conditions and following strict criteria of transparency, parity of treatment and non-discrimination, through the formulation of the Offer, which extends to the acquisition of a maximum number of FCC shares of 32,027,600 shares, representing 7.01% of the share capital. In this regard, FCC shareholders are free to decide whether to accept the Offer and, if so, the number of shares they wish to include in their acceptance.

The FCC shares acquired in the Offer will be redeemed in the framework of the Capital Reduction, which is expected to be executed after the settlement of the Offer, in accordance with the provisions of articles 338 et seq. of the Capital Companies Act. This operation will possibly increase the earnings per share for those shareholders who do not accept the Offer, in proportion to the shares acquired in the Offer and subsequently redeemed, which is in line with FCC's priority objective of creating value for the shareholder, which entails the analysis, on a recurring basis, of the different options available at any given time depending on the existing circumstances.

In any case, it is hereby stated for the record that neither the Transaction nor, in particular, the Offer is intended to delist FCC shares from the Spanish Stock Exchanges and that, if appropriate or necessary depending on the *free float* of the Company as a result of the Transaction, the Company shall adopt measures to favour the liquidity of its shares in the terms referred to in the Prospectus and in section 2.8 of the report.

7.2 **Particular considerations**:

The Board of Directors of FCC makes the following particular considerations in relation to the Offer:

(i) The Offer extends to the acquisition of a maximum of 32,027,600 treasury shares, representing 7.01% of FCC's share capital.

(ii) In the event that the number of shares tendered in the Offer exceeds the maximum limit of the Offer, for the settlement of the Offer, the rules of pro-rating by means of a proportional system provided for in article 340.2 of the Capital Companies Act and in article 38.2 of the Royal Decree on Takeover Bids shall be applied.

(iii) As indicated in the Prospectus, the Offer is not intended to delist FCC's shares from the Spanish Stock Exchanges. In this regard, the Company and CEC value the continued listing of FCC and intend that FCC's shares will continue to be listed on the Spanish Stock Exchanges on which they are currently listed.

In addition, if appropriate or necessary in view of the *free float* of the Company as a result of the Transaction, the Company will take such measures as it deems appropriate to enhance the liquidity of its shares.

(iv) The consideration offered by the Company under the Offer consists of cash and amounts to €12.50 per FCC share. As the Offer extends to the acquisition of a maximum of 32,027,600 FCC shares, the maximum total amount to be paid by the Company in the Offer is 400,345,000 euros.

(v) The Board of Directors of the Company considers that the consideration offered by FCC within the framework of the Offer is *fair* from a financial point of view for FCC, a criterion that has been confirmed in a *fairness opinion* issued by CaixaBank, S.A. addressed to the Board of Directors.

(vi) The consideration offered (price per share) has been fixed by the Company by resolution of the Extraordinary General Meeting of Shareholders held on 19 July 2023 on first call, under item two of the agenda, the Offer being required by virtue of the provisions of article 338.1 of the Capital Companies Act and article 12 of the Royal Decree on Takeover Bids.

(vii) The consideration offered by the Company under the Offer represented a 38% premium to the weighted average market price of the Company's shares over the last 6 months prior to 28 June 2023, the date of publication by FCC of the "insider information" (IP) communication relating to the Transaction.

(viii) The Offer does not constitute a delisting offer within the meaning of Article 65 of the Securities Markets Law and its price is not subject to the criteria and valuation methods of Article 10 of the Royal Decree on takeover bids.

(ix) As reflected in the Prospectus, the Offer will lead to an increase in the net financial indebtedness of FCC and CEC at consolidated level. Notwithstanding the foregoing, this increase will be offset, if applicable, by the funds obtained by the Company in the context of the sale to CPP Investments of 24.99% of the share capital of FCC Servicios Medio Ambiente Holding, S.A.U. for a price of 965 million euros, which FCC intends to use to satisfy the Offer consideration if the Offer is executed prior to settlement of the Offer.

7.3 **Opinion of the Board of Directors of the Company on the Offer**:

On the basis of the considerations set out in this report, and taking into account the terms and characteristics of the Offer as described in the Prospectus, the Board of Directors unanimously issues a favourable opinion on the Offer.

In any event, it is the sole responsibility of each FCC shareholder to decide, taking into account his or her particular interests and situations, or any other circumstances, whether or not to accept the Offer.

7.4 **Individual opinion of the Councillors**:

This report has been approved unanimously by the directors of FCC, without any member of the Board of Directors of the Company having made an individual pronouncement different from that adopted by the Board of Directors as a collegiate body.

8. INTENTION TO ACCEPT OR NOT TO ACCEPT THE OFFER

8.1 **Intention of the Directors of FCC to accept or not to accept the Offer** :

As of the date of this report, the FCC shares held, directly or indirectly, by the directors of the Company are those indicated in section 3.2 above.

The proprietary director and significant shareholder of FCC, Mr. Carlos Slim Helú, states that his intention is not to accept the Offer with the 51,945,055 FCC shares held by him, indirectly through Finver Inversiones 2020, S.L.U., representing 11.37% of the share capital of FCC, in line with the commitment undertaken with the Company referred to in section 1.2 of this report and in the Prospectus.

The proprietary director and significant shareholder of FCC, Ms. Esther Koplowitz Romero de Juseu, declares that her intention, as of today and based on the current market circumstances, is to accept the Offer with 7.169.673 FCC shares held by her, directly or indirectly, representing 1.57% of the share capital of FCC, without prejudice to any pro rata allocation that may be made in accordance with the provisions of the Prospectus, and therefore not to accept the Offer with the remaining FCC shares held by her directly or indirectly (14,027,051 shares(1) , representing 3.07%).

The Director Mr. Manuel Gil Madrigal states that his intention, as of today and based on the current market circumstances, is to accept the Offer with 18.648 FCC shares held by him, directly or indirectly, representing 0.004% of the share capital of FCC, without prejudice to the pro rata allocation that, if applicable, may be made in accordance with the provisions of the Prospectus, and therefore not to accept the Offer with the remaining FCC shares held by him directly or indirectly (18,649 shares, representing 0.004%).

The Director Mr. Álvaro Vázquez de Lapuerta states that his intention, as of today and based on the current market circumstances, is to accept the Offer with 1.780 FCC shares held by him, directly or indirectly, representing 0.0004% of the share capital of FCC, without prejudice to the pro rata allocation that, if applicable, may be made in accordance with the provisions of the Prospectus, and therefore not to accept the Offer with the remaining FCC shares held by him directly or indirectly (1,783 shares, representing 0.0004%).

The Directors Mr. Juan Rodríguez Torres, Mr. Alejandro Aboumrad González, Mr. Gerardo Kuri Kaufmann, Mr. Pablo Colio Abril, Dominum Desga, S.A. (represented by Ms. Esther Alcocer Koplowitz), Ms. Alicia Alcocer Koplowitz and Ms. Carmen Alcocer Koplowitz have stated that their intention, as of today and based on current market circumstances, is not to accept the Offer with any of the shares of FCC that they own, as of today and based on current market circumstances. Carmen Alcocer Koplowitz have stated that their intention, as of today and based on the current market circumstances, is not to accept the Offer with any of the FCC shares they own, directly or indirectly .

8.2 **Intention of FCC shareholders represented by proprietary directors to accept or not to accept the Offer:**

The proprietary directors appointed at the proposal of CEC (Mr. Carlos Slim Helú, Mr. Pablo Colio Abril, Mr. Alejandro Aboumrad González, Mr. Juan Rodríguez Torres, Mr. Gerardo Kuri Kaufmann and Ms. Carmen Alcocer Koplowitz) declare CEC's intention not to accept the Offer with the 303. 433,953

(1):Includes the 305 shares owned by Dominum Desga, S.A.

FCC shares held by them, directly and indirectly, representing 66.45% of FCC's share capital.433,953 FCC shares held by them, directly and indirectly, representing 66.45% of FCC's share capital, in line with the commitments assumed with regard to the Company referred to in section 1.2 of this report and in the Prospectus.

The intention regarding the Offer of Ms. Esther Koplowitz Romero de Juseu, proprietary director and significant shareholder of FCC with additional representation on the Board of Directors of the Company (Ms. Esther Alcocer Koplowitz, representing Dominum Desga, S.A., and Ms. Alicia Alcocer Koplowitz), is detailed in section 8.1 above.

It is also stated for the record that the members of the Board of Directors of the Company are unaware of the intentions of other shareholders of the Company with respect to the Offer as of this date.

8.3 **Treasury stock:**

It should be noted that, as stated in the Prospectus, the 44,957 treasury shares held by FCC have been immobilised as part of the Offer and, consequently, the Offer is not directed at these shares.

9. INFORMATION TO WORKERS

It is hereby stated for the record that FCC has complied and will comply with its obligations to inform its employees in accordance with the provisions of the Royal Decree on Takeover Bids. In this regard, in compliance with the provisions of article 25 of the Royal Decree on Takeover Bids, the Company has informed its workers' representatives of the launch of the Offer and will send them the Prospectus. Likewise, in accordance with the provisions of article 24.2 of the Royal Decree on Takeover Bids, a copy of this report will be made available to the Company'**s** employee representatives.

As of the date of this report, no report or opinion has been received from the Company**'s** employee representatives regarding the impact of the Offer on employment. In accordance with the provisions of article 24.2 of the Royal Decree on Takeover Bids, in the event that the Board of Directors of FCC receives, within the term provided in the aforementioned article, a different opinion from the workers' representatives regarding the repercussions of the Offer on employment, said opinion shall be published as a complement to this report and by the same means used for its dissemination.

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This report has been formulated and approved by the Board of Directors of FCC at its meeting of 27 October 2023.