



FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

(Incorporated with limited liability in the Kingdom of Spain)

€600,000,000

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 €600,000,000 Euro commercial paper programme (the **Programme**) of Fomento de Construcciones y Contratas, S.A. (the **Issuer** or **FCC**), described in this document to be admitted to the Official List and trading on the regulated market of Euronext Dublin, a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU (as amended, **MiFID II**).

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 2 – 28 of this Information Memorandum).

Potential purchasers should note the statements on pages 85 – 95 regarding the tax treatment in Spain of income obtained in respect of the Notes and the disclosure requirements imposed by Law 10/2014, of 26 June (**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.

Arranger

BANCA MARCH

Dealers

**BANCA MARCH
NORBOLSA, S.V., S.A.**

**BANCO SABADELL
SANTANDER**

IMPORTANT NOTICE

This Information Memorandum (together with any documents incorporated by reference, the **Information Memorandum**), as may be supplemented, contains summary information provided by the Issuer 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 €600,000,000 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 the amended and restated programme agreement dated 3 November 2023 (the **Programme Agreement**, as amended, supplemented or restated from time to time), the Issuer has appointed Banca March, S.A. as arranger of the Programme (the **Arranger**) and Banca March, S.A., Banco de Sabadell, S.A., Banco Santander, S.A. and Norbolsa, S.V., S.A. as dealers for the Programme and as dealers for the Notes (each a **Dealer** and, together, the **Dealers**, which expression shall include any other dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular issue of Notes) and authorised and requested the Arranger and the Dealers to circulate the Information Memorandum in connection with the Programme on its behalf to purchasers or potential purchasers of the Notes.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR ANY SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND 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), UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION.

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Information Memorandum or confirmed the accuracy or determined the adequacy of the information contained in this Information Memorandum. Any representation to the contrary is unlawful.

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 "*Form 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 at the specified office of the Issuing and Paying Agent (as defined below) set out below.

The Issuer has confirmed to the Arranger and the Dealers that the information contained or incorporated by reference in the Information Memorandum is true and accurate in all material respects and not misleading in any material respect, and that there are no other facts in relation to the Issuer or any Notes the omission of which would make the Information Memorandum, as a whole, or any such information contained or incorporated by reference therein, misleading in any material respect. 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 Programme 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, the Arranger, the Dealers, nor any institution subsequently appointed as a dealer pursuant to the Programme 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 contained 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. Any statement contained herein or in a document incorporated by reference or contained in any supplementary information memorandum or in any document which is subsequently incorporated by reference herein shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede earlier statements contained in this Information Memorandum or in a document which is incorporated by reference in this Information Memorandum.

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, the Programme Agreement, any other document prepared in connection with the Programme or 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, the Arranger or the Dealers.

Neither the Arranger nor any Dealer has 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 any of them 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 in or from any accompanying or subsequent material or presentation.

The information contained in the Information Memorandum, or any Final Terms, is not and should not be construed as a recommendation by the Arranger, the Dealers 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 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 Dealers 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.

The Bank of New York Mellon SA/NV, Dublin Branch is acting and any other listing agent which may be appointed by the Issuer from time to time will act solely in its capacity as listing agent for the Issuer (and not on its own behalf) in connection with the application for admission of the Notes to the Official List of Euronext Dublin and trading on its regulated market.

The Issuer has undertaken, in connection with the admission of the Notes to the Official List and trading on the regulated market of 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 the regulated market of 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 the Kingdom of 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.

Certain Dealers and their affiliates (including parent companies) have engaged, and may in the future engage, in lending, investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In particular, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of any of the Issuer or its affiliates. Certain Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purpose of this paragraph, the term "affiliates" also includes parent companies.

A communication of an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received in connection with the issue or sale of any Notes will only be made in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

MiFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes may include a legend entitled "**MiFID II product governance – professional investors and eligible counterparties only target market**" 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 II 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 II Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes may include a legend entitled "**UK MiFIR Product Governance – professional investors and eligible counterparties only target market**" outlining 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 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.

EU 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 **EU 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 EU Benchmark Regulation. Transitional provisions in the EU 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 EU 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.

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 (the **UK**); references to **U.S. dollars** and **U.S.\$** are to the currency of the United States of America (the **U.S.**); references to **JPY** and **¥** are to the currency of Japan, and references to **CHF** are to Swiss Francs.

In this Information Memorandum the words **Issuer** or **FCC** refers to Fomento de Construcciones y Contratas, S.A.; and the word **Group** or **FCC Group** refer to Fomento de Construcciones y Contratas, S.A. and its consolidated subsidiaries, affiliates and joint ventures.

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.

For these purposes, **IFRS-EU** refers to the International Financial Reporting Standards as adopted by the European Union (the **EU**).

The language of the Information Memorandum is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of the Information Memorandum.

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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.

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

Risks Relating to Macroeconomic Conditions

The Group's business could be adversely affected by the deterioration of global or Spanish economic conditions and by the current geopolitical conflict between Russia and Ukraine.

The business performance of the Group is closely linked to the economic cycle in the countries, regions and cities in which it operates. Normally, robust economic growth in those areas where it is located results in greater demand for its services, while slow economic growth or economic contraction adversely affects demand for its services. Even in the absence of a market downturn, FCC is exposed to substantial risk stemming from volatility in areas such as consumer spending, business investment, government spending, capital markets conditions and price inflation, which affect the business and economic environment and, consequently, the size and profitability of its business. For example, regarding increased inflation, given the Group operates in labour intensive activities, increased costs arising from salary revisions indexed to the Consumer Price Index (IPC) may not be passed on or recovered through amounts invoiced to clients. Unfavourable economic conditions could lead to lower revenues, reduced investment in waste management or water facilities and reduced demand for the services provided by FCC. Furthermore, any financial difficulties suffered by the Issuer's subcontractors or suppliers could increase its costs or adversely affect its project schedules.

Although the Group has operations in over 25 countries worldwide, it is highly dependent on the performance of the Spanish economy. During the first six months of 2023, the Group generated 53.5% of its consolidated revenue in Spain and 46.5% in international markets (56.0% and 44.0%, respectively, during the same period in 2022). In addition to the Group's significant presence in the Spanish market, it is dependent to a large extent on the economies of other countries in which the Group markets its products and services. In the first six months of 2023, the Group generated 12.5% of its consolidated revenue in the UK, 15.6% in the rest of the EU (primarily in the Czech Republic and Austria), and 14.5% America (primarily in United States and Mexico).

The Group is exposed to both the economic and political risks of each of those countries. For instance, recent events in the banking sector have reinforced a tightening of financial conditions and heightened uncertainty in financial markets globally following the collapse of several U.S. regional banks as well as the forced sale of Credit Suisse to UBS in March 2023. Concerns about the stability of certain banks or the global financial system could lead to a worsening of credit conditions and negatively affect businesses and governments generally, including certain of the Group's customers and suppliers. In addition, central banks may be forced to rethink their monetary policy responses to heightened inflation as a result of the adverse effect higher interest rates could have on banks' held-to-maturity assets. This, in turn, could lead to a more sustained inflationary cycle and have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, investor confidence may fall due to uncertainties arising from political events in the different countries in which the Group operates, which may ultimately result in changes in laws, regulations and policies.

During 2022 and the first semester of 2023, the European Central Bank (the **ECB**) has gradually tightened its monetary policy in order to tackle high inflation levels caused by, among other factors, the impact of the geopolitical tensions between the U.S. and China, which continue to affect economic growth and global supply chains. In addition, Russia's invasion of Ukraine in February 2022 has resulted in soaring energy and commodity prices, exacerbating inflationary pressures in major economies. Downside risks to the global economy are clear – increase by central banks of interest rates following policies to contain inflationary pressures, inflationary pressures due to, among others, the trade sanctions which the United States and the EU imposed on Russia and Belarus in the context of the Russian invasion of Ukraine and potential knock-on effects in the global economy, including a recession. In addition, political uncertainty and instability risks have been on the rise across many developed economies with inward-looking policies and protectionism possibly leading to increased pressures for policy reversals or failure to implement needed reforms. Furthermore, other factors or events may affect global economic conditions, such as a negative market reaction to interest rate increases by the U.S. Federal Reserve and the ECB, heightened geopolitical tensions, war, acts of terrorism, natural disasters or other similar events outside the Group's control. Any deterioration of the economies of the countries in which the Issuer operates could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, concerns about independence movements within the EU, such as the continuing Catalan independence movement in Catalonia, could cause significant market dislocations and lead to adverse economic and operational impacts that are inherently difficult to predict or evaluate. Any of these factors could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's international operations could become subject to economic, social and political uncertainties.

The Group operates its business in multiple international locations and it may expand its operations into new locations in the future. In 2022, the Group generated 9.0% of its consolidated revenues from clients in economies from Latin America, Middle East, and Asia; and the Group's growth strategy to a significant extent focuses on increasing its revenues in emerging economies. Also, if the Group enters into new markets, it may be difficult to identify and properly assess risks in the new jurisdiction until it has sufficient experience in that jurisdiction.

The revenues and market value of the Group's international subsidiaries, as well as the dividends they may pay, are exposed to risks inherent to the countries where they operate. The economies of these countries are in varying stages of political and socioeconomic development. Consequently, like many other companies with significant international operations, the Group is exposed to a number of risks relating to business and investments outside its home jurisdiction. These risks can include the following:

- Fluctuation on global economic growth.
- Changes in inflation rates.
- Devaluation, depreciation or excessive valuation of local currencies.
- Foreign exchange controls or restrictions on profit repatriation.
- Changing interest rate environment.
- Changes in financial, economic and tax policies.
- Instances of fraud, bribery or corruption.

- Changes in law and regulation.
- Social conflicts.
- Political and macroeconomic instability.

The Group is exposed to these risks in all of its foreign operations to some degree, and such exposure could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. The Group cannot assure that it will not be subject to material adverse developments with respect to its international operations or that any insurance coverage it has will be adequate to compensate it for any losses arising from such risks.

Risks Relating to the FCC Group's activities

The Group is highly dependent on customers in the public sector. Public authorities may be able to modify or terminate its contracts unilaterally before their completion or change agreed tariff rates. The compensation, if any, due to the Group under such circumstances would likely be insufficient to cover its lost profits and could even be difficult to collect.

Public authorities may be able to modify or terminate the Group's contracts unilaterally before their completion, and contracts with these authorities may be subject to periodic retendering. In Spain, if the public authority that granted a concession to the Group's core business areas terminates or takes over the concession, it typically must include, as part of the compensation payable to the Group, the profits it would forgo through the end of the concession's term. On most of the Group's contracts, however, the Issuer is typically entitled to recover only costs incurred or committed, settlement expenses and profit on work completed up to the date of termination.

Also, depending on the jurisdiction and the specific circumstances, a public authority customer may be able to unilaterally terminate its contract with the Group without paying any compensation. In Spain, for example, the Group's ability to recover profits lost depends upon whether the public authority terminated the contract for cause attributable to the Group. Even where compensation is required, it may be insufficient to cover profits lost as a result of termination. If the Group is unable to replace contracts that have been terminated, it may suffer a decline in revenue. Furthermore, regardless of the nature and amount of compensation the Group may be due under the relevant contract, the Group may need to resort to legal or arbitration procedures to collect any such compensation, increasing the Group's cost of collections and delaying the receipt of the amounts due to it.

In addition, during the life of a concession, the relevant public authority may unilaterally impose restrictions on or modifications to agreed tariff rates charged to individual end users. For example, public authorities responding to public pressure may limit or modify the tariffs the Group charges, irrespective of the terms of the relevant concession contract. The Group cannot assure investors that any measures it may take to redress contractual breaches by a public authority or to negotiate adequate compensation or modification of concession terms to restore the economic viability of the relevant contracts, would be successful. Unilateral terminations or amendments of contracts by public authorities could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Challenging economic conditions have led to a reduction in public expenditures in areas such as concessions and infrastructure.

Current economic conditions have led to a reduction in projects for the public sector. Economic instability and difficult economic conditions in Spain and elsewhere have also resulted in a decline in tax revenue received by the Issuer's public administration customers, which has led to a reduction in public expenditures in areas including concessions, infrastructure and construction projects. Increasing costs for social security and certain other programs in some jurisdictions can exacerbate this effect. In addition to general budgetary considerations, many of the Issuer's customers, including public authorities, continually seek to achieve greater cost savings and improved efficiencies. These and other factors could therefore result in the Issuer's customers reducing their

budgets for spending on its products and services or reducing any government subsidies that may be available. A further decrease in the spending on development and execution of public sector projects by governments and local authorities could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Certain municipalities could decide to take over services that the Issuer currently provides.

Urban services are affected by the decisions of current or future local governments. In certain cases, such decisions could result in the municipalisation of the services currently provided by private entities. In particular, municipalisation could affect the Group's Environmental Services and Water Business Areas, depriving them of future business.

The Group will be adversely affected if it fails to obtain, or if there are material delays in obtaining, government approvals for the Group's projects.

The Group operates in jurisdictions where its activities may be regulated and subject to governmental approvals. Although the Group may be subject to these requirements in many of its businesses, they particularly affect Environmental Services and Construction Business Areas, especially activities relating to public services. In order to develop and complete a project, the developer may need to obtain permits, licenses, certificates and other approvals from the relevant administrative authorities at various stages of the project process. The process for obtaining these approvals is often lengthy and complex. The Group cannot assure investors that it will be able to obtain necessary governmental approvals or fulfil the conditions required for obtaining such approvals, or adapt to new laws, regulations or policies that may come into effect from time to time. If the Group is unable to obtain the relevant approvals or fulfil the conditions of such approvals for a significant number of its projects, the Group's projects could be delayed, its reputation with customers could suffer and its ability to generate revenue could be compromised.

The Group's design and construction activities expose the Group to risk, including the risk of and financial loss and liability caused by third parties.

In the Group's Environmental Services, Construction and Water Business Areas, the Group executes turnkey design build contracts remunerated on a fixed price basis. Whether a turnkey contract is revisable can vary by jurisdiction. For example, pricing terms in international turnkey contracts can be difficult to revise. On the other hand, historically, it has generally been possible to revise such terms in Spanish turnkey contracts, although in recent periods, there has been increasing resistance to revisable pricing terms. In many cases, the Group's earnings are conditioned on meeting performance objectives and failure to meet these objectives triggers contractual penalties.

Contracts of this nature expose the Group to technical, operational and economic risks. The Group cannot assure investors that any contractual measures it may take to mitigate these risks will be effective. Moreover, the Group may encounter difficulties over which it has no control. These difficulties may be related, for example, to the complexity of certain infrastructure, climate or economic risks or construction contingencies, the purchasing and ordering of equipment and supplies of commodities, or changes in performance schedules.

In some cases, the Group is required to integrate into the Group's project planning existing information or studies provided by the customer. This information may prove inaccurate or inconsistent. The Group may also be required to use existing infrastructure with poorly adapted operating characteristics. These difficulties and hazards may result in non-compliance with contractual performance indicators, additional expense, lost revenue or contractual penalties.

In all its business areas, particularly in Water and Construction, the Group relies on sub-contractors and suppliers. The Group generally has recourse against these subcontractors and suppliers and could make claims against them for losses caused by their breach of contract. However, if a sub-contractor or supplier becomes insolvent or ceases operations unexpectedly, their failure could cause delays and subject the Group to significant

additional costs and it would likely be able to recover only a portion, or none, of these costs. The selection process and credit review to which the Group subject prospective sub-contractors and suppliers could prove inadequate for identifying potential counterparties that present unacceptable levels of risks.

Any failure to meet project deadlines and budgets may have a material adverse effect on the business, financial condition and results of operations of the Group.

There are certain risks that are inherent to large-scale construction projects, such as shortages, and increased costs, of materials, machinery and labour. If any of the Group's contractors and subcontractors fail to meet agreed deadlines and budgets, or if there are any interruptions arising from adverse weather conditions or unexpected technical or environmental difficulties, delays and excessive construction costs may arise. Contractor and subcontractor liability clauses, included in most standard construction agreements entered into with contractors and subcontractors, generally cover these situations, although they may not cover the total value of any resulting losses. In the event of construction delays, the Group may receive revenues later than expected and could face penalties and even contractual termination. These eventualities could increase the Group's expenses and reduce its income, particularly if it is unable to recover any such expenses from third parties under its concessions, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may engage in acquisitions and investments.

The Group may engage in acquisitions of and investments on interests in other companies or businesses from time to time. There can be no assurance that the Group will identify suitable acquisition opportunities, obtain the financing necessary to complete and support such acquisitions or investments, acquire businesses on satisfactory terms, or that any acquired business will prove to be profitable. In addition, acquisitions and investments involve a number of risks, including possible adverse effects on the Group's operating income, risks associated with unanticipated events or liabilities relating to the acquired assets or businesses which may not have been disclosed during due diligence investigations, difficulties in the assimilation of the acquired operations, technologies, systems, services and products, and risks arising from contractual conditions that are triggered by a change of control of an acquired company.

Any failure to successfully integrate such acquisitions or investments could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group carries out many of its activities under long-term contracts. Long-term contracts can hinder the Group's ability to react rapidly and appropriately to new and financially unfavourable situations.

The initial circumstances or conditions under which the Group may enter into a contract may change over time, with possible adverse economic consequences. These changes vary in nature and may or may not be readily foreseeable. The Group cannot assure prospective investors that any contractual provisions, such as price-indexing clauses, that it may use to address such changes and restore the initial balance of the contract will be effective. Accordingly, it may be unable to adapt its compensation to reflect changes in its costs or in demand, regardless of whether this compensation consists of a price paid by the customer or a fee levied on end users based on an agreed scale. These constraints are exacerbated by the long-term nature of many of the Group's contracts. In all cases, and most particularly with regard to public service management contracts, the Group is obliged to remain within the scope of the contract and ensure continuity of service. The Group cannot unilaterally and suddenly terminate a business that it believes to be unprofitable, nor change its features, except, under certain circumstances, in the event of obvious misconduct by the customer.

Additionally, Law 2/2015, of 30 March, regulating the de-indexation of the Spanish economy (*Ley 2/2015, de 30 de marzo, de desindexación de la economía española*) (the **Spanish De-Indexing Law**), and Royal Decree 55/2017, of 3 February, which implements the Spanish De-Indexing Law (the **RD 55/2017**), permit the update of prices in new public contracts only under certain contractual circumstances and require the prices to be updated according to a formula approved by the Council of Ministers or, in the latter's absence, by each

contracting authority, linking the index to real costs of the specific activity instead of the Consumer Price Index (CPI).

Although a majority of the Group's current public contracts already apply price updating systems (different from CPI) linking the price to the real cost of the activity, the Spanish De-Indexing Law and RD 55/2017 may have an impact on the Group's future contracts only in the absence of a formula approved by Council of Ministers, depending on whether each contracting authority decides or not to establish a formula to update the contract price which will apply during the whole life of the contract. If the contracting authority decides to apply a formula, it should be established in the particular public terms for tender of the relevant contract in accordance with the criteria set out in the Spanish De-Indexing Law and RD 55/2017.

A change of circumstances or conditions under which the Group may enter into a contract and the Group's inability to adjust its compensation under such contract may adversely impact the Group's business, results of operations and financial condition.

The Group uses significant volumes of energy in its business, exposing the Issuer to the risk of energy price fluctuations.

In the Group's business operations, particularly in Environmental Services, Water and Cement Business Areas, the Group consumes significant volumes of energy resources. The principal elements of the Group's energy costs are electricity expenses, fuel expenses and the purchase of raw materials. The Group's results are thus significantly affected by movements in energy prices.

In a number of jurisdictions in which the Group operates, energy prices have increased significantly in last months and may vary significantly in the future. Fluctuations in energy prices are largely caused by market forces and other factors beyond the Group's control.

The Group cannot assure investors that the measures it adopts to mitigate the risk of energy price inflation, which include diversifying its fuel sources, using alternative fuel, using contractual provisions to pass on cost increases to customers and seeking to lock in favourable prices through long term supply contracts, will prove adequate to protect the Group from variations in energy costs. High energy prices over extended periods could substantially increase the Group's costs and reduce its margins to the extent the Group is unable to adjust its product prices to offset energy price increases.

The Group's ability to make payments on some of the Group's obligations is connected to the Group clients' ability to pay it.

The Group's liquidity risk is significantly attributable to the Group's trade receivables and hence, correlates with the Group's exposure to customer credit risk. The receivables most relevant to the Group's ability to generate sufficient revenue to make outgoing payments comprise two categories: (i) payments from public authorities, primarily in the Issuer Environmental Services Business Area; and (ii) payments from private customers. The risk related to public authorities is primarily that of late payments, which can strain the Group liquidity. As at 31 December 2022, the Group had over €415.2 million, in past due trade receivables mostly from public authorities in Spain. Payment speed from Spanish public authorities has improved since 2013 after suffering a decline following the crisis in 2008 and 2009. In addition, during the recent financial crisis, the Spanish government established certain stimulus measures to reduce the financial impact of the economic downturn. The Group cannot assure investors that, if there is another economic downturn, the public authorities will continue or increase any type of stimulus package that is currently in place. Nor can the Group assure investors that the Spanish government will not eliminate or reduce any stimulus measures that are currently in place. However, should the Spanish economy enter a new decline, a lengthening payment cycle from public authorities could be one adverse consequence. The risk relating to commercial customers is that of late payment and, in extreme cases, of insolvency before the Group has collected all payments due from the customer. Additionally, other examples of general risks include reduced spending by the Group's customers on the Group's services, fewer construction projects, and the increased risk of insolvency of the Group's customers.

To manage these risks, the Group takes a variety of measures. However, the Group cannot assure investors that these measures will be adequate to protect it against possible risks related to commercial debts or that these measures will effectively manage the adverse effects of such risks. If customers fail to pay the Group, or are late in paying the amounts on which the Group is relying to pay the Group financial obligations, the Group will need to find an alternative funding source. If it were unable to do so, there would be a risk of the Issuer defaulting its own payment obligations, which could adversely affect the Group's financial position.

The decrease in procurement of goods or services or delay of public and private sector projects may adversely affect the Group's results of operations.

Current economic conditions have led to a decrease in procurement of goods or services by public administration and private sector companies. Private sector companies may decide to halt projects already underway due to a lack of funds or delay or abandon studies of potential projects while they wait for more favourable investment conditions. Although the normal procedure in the private sector is for the Group to be paid incrementally as the work is executed, the Group is still exposed to loss of revenue if work is delayed.

Financial constraints on public administrations could force municipalities to reduce their budgets and thus decrease the funds allocated for maintaining or renewing existing infrastructure or affect the scope and timing of pending projects. Any resulting deficit in public spending could adversely affect, to a significant extent, the Group Environmental Services, Water and Construction Business Areas. Additionally, the Group's Cement Business Area could be adversely affected indirectly as a consequence of reductions in the construction budgets of public administrations. Any reductions in public spending could require the Group to invest additional amounts to maintain the Group's business operations as planned (for example, if concessions relating to water treatment facilities are not renewed on terms adequate to provide sufficient funds for maintenance) or to suspend or close certain business projects (for example, if a municipal authority decides to close a facility for which the Group holds a concession such as a landfill).

The Group relies on technology to operate the Group's business and maintain the Group's competitiveness. If the Group fails to adapt to technological developments or industry trends, the Group's business could suffer.

In conducting the Group's business, the Group depends on sophisticated information and other technologies, including, among others, systems for communications, procurement and contract administration. In particular, in certain activities or in connection with specific projects, the Group may rely on customised software or other technologies for which it could be difficult or impossible to identify an alternative supplier. As operations grow in size and scope, the Group will need to continuously improve, upgrade and integrate the Group's businesses, systems and infrastructure. The Group's future success will depend on the Group ability to adapt the Group services and infrastructure to rapidly evolving consumer trends and technological demands. The Group historical success in developing the Group's technological platforms provides no guarantee that the Group will continue to be successful. If the Group is unable to continue to develop the technologies the Group needs to compete for and execute projects, the Group may lose market share and revenue to existing competitors or new market entrants better able to implement the necessary technologies.

Competition in the Group's industries is intense and the relevant technologies advance at a rapid pace. To succeed, the Group must continuously develop and improve its technological platforms. If the Group fails to do so, any competitive advantage that the Group's technology had created would likely diminish over the short to medium term, leaving the Group vulnerable to competitors that succeed in advancing and improving their technical platforms. Furthermore, even if the Group develops technologies superior to those of competitors, the Group cannot assure investors that it will be able to maintain its competitive advantage.

The Group is also at risk that disruptive technologies are developed. It is possible that new technologies will emerge that could dramatically alter the Group's industry. If the Group is unable to adopt such new technologies or adapt existing technologies to compete against them effectively, it could become difficult or impossible to maintain or improve the Group's position in its markets of operation.

The Group faces intense competition.

Competition in many of the Group's business activities is intense. In seeking new business, the Group competes against various groups and companies, including large construction groups and engineering companies that may have more experience or a stronger local presence in the relevant market. Furthermore, these groups and companies may have greater resources, whether material, technical or financial, or may demand lower returns on investment and be able to present better technical or economic bids compared to the Group.

In the Group Environmental Services, Water, Real Estate and Construction Business Areas, it competes in Spanish and international markets in urban municipal waste collection and cleaning services, water infrastructure and distribution, and large and complex civil construction projects. Competition in these markets is based primarily on price, technical expertise, timely delivery of services and local presence. Accordingly, certain risk exists that in the public tenders related to the Group's business areas, the Group's competitors may present prices which are unrealistically low, both technically and economically, such that it is not viable for the Group to compete in certain circumstances.

The Group Cement Business Area competes in the market for cement, concrete and other building materials. These materials are largely commodities. Competition in these markets is based primarily on price and, to a lesser extent, on quality and service. In addition, local presence is an important factor as transportation costs are significant. The prices that the Group is able to charge customers are not likely to be materially different from the prices charged by competitors in the same markets. Accordingly, this business area's profitability is generally dependent on the level of demand, which is subject to change as a result of market conditions that are beyond the Group's control, and on its ability to control efficiency and operating costs.

Public opinion may react negatively to the Group's installations, such as water facilities, disposal and facility treatment and industrial waste management facilities.

The Group may face adverse public opinion concerning its business activities, the expansion of existing facilities or the construction of new facilities near inhabited areas. In response to public pressure, governments may restrict, modify or terminate the Group's current activities or the Group's plans for future expansion, reducing the Group's ability to implement its strategy for growth.

Business partnerships that the Group enters into can expose it to risk.

The Group may be required to conduct some of the Group's business activities through partnerships, joint ventures or consortia or other similar arrangements with public authorities or private companies. Such business partnerships may be required by the terms of the tender. The participants in these partnerships share the operational, economic, and financial risks associated with certain large projects or activities. In some of these business partnerships, the Group must accept a partial loss of control. The Group seeks to manage this reduced control contractually. However, adverse developments in the project or activity, in the underlying economic or political situation, or in partners' economic position, could lead to conflict. These situations can harm the performance of a partnership and, in some cases, lead to its termination. Additionally, if the Group's partner becomes insolvent or its financial capabilities are otherwise significantly strained or limited, then the Group may be liable for payments of the partnership or of the Group's partner under any related obligations or guarantees and be unable to seek appropriate compensation from the Group's partners.

Certain of the Group's subsidiaries are held by third parties not controlled by the Group directly.

The Group has operations in the United Arab Emirates, Saudi Arabia, and Algeria, among others, where local law restricts or may restrict: (i) foreign shareholders from holding a majority of the shares in either any locally registered companies or those companies which operate in certain sectors such as construction; or (ii) the ability of foreign owned companies from participating in certain public tenders.

Consistent with the approach taken by many other foreign owned companies operating in these jurisdictions, the Group, in certain cases, have addressed this foreign ownership restriction through commonly used structures, whereby the majority of the shares in the Group's local business is held by a locally registered company or national in that country (depending on the requirements of local law) on trust or pursuant to a management agreement or similar arrangement, for and on behalf of the Group. The remaining minority share capital is usually held by the Group through one of its locally incorporated subsidiaries. However, these arrangements may not be as effective in providing control over these entities as a direct majority ownership.

Moreover, a particular ownership structure could be unilaterally challenged before a court in one or more of these jurisdictions. If a challenge is made against the ownership structure of any of the Group's subsidiaries based in any jurisdiction where this foreign ownership restriction applies, the Group cannot foresee which approach these courts would take in applying the relevant local laws or policies to the corporate structure in question. The potential consequences of a negative judgment in relation to the corporate structure could lead to the Group's legal arrangements and agreements being declared void or unenforceable, or to the Group having to change the corporate ownership structure of these businesses in these jurisdictions that may further lead to the imposition of legal penalties.

The Group's backlog is subject to adjustments and project cancellations and is, therefore, an uncertain indicator of future earnings.

As of 30 June 2023, the Group's total backlog was €41.46 billion. Of this sum, €22.08 billion was attributed to the Group Water Business Area, €13.15 billion to the Environmental Services Business Area, €6.10 billion to the Construction Business Area and €120 million to the Real Estate Area. Because of the typically short-term order and fulfilment cycle in the cement industry, the Group does not calculate backlog in the Cement Business Area.

In Environmental Services and Construction, the Group calculates backlog as of any given date as the aggregate of contractual values, less amounts under those contracts that it has recognised as revenue. The Group calculates backlog in the Water Business Area on the basis of the long term volume estimates delivered during the life of the contract that serve as the basis for those contracts with customers and for the tariffs set in those contracts. For the Real Estate Area, backlog corresponds to the amount of the collection corresponding to the sales of properties pending formalisation.

Unforeseen events or circumstances can adversely affect the amount and timing of future revenue generated by the projects for which the Group records backlog. These events and circumstances can include:

- cancellation of projects;
- scaling down or other amendments to the terms of projects;
- increased time requirements to complete work;
- work disruptions; and
- customer termination of a contract if the Issuer's performance is inadequate.

Moreover, the Group cannot predict the impact of future economic conditions on its backlog. Adverse economic conditions can limit its ability to replace backlog once projects are completed or can result in the termination, modification or suspension of projects currently included in the Group's backlog. Finally, in the Water Business Area, differences between original estimates and current volumes delivered over the course of long term contracts can cause revenues currently recognised to differ from corresponding amounts of backlog.

The Group cannot guarantee that the Group's backlog will generate the expected revenues or cash flows or will generate them during the expected financial periods. Accordingly, investors should exercise caution in analysing the Group's backlog, and should not regard backlog as a forecast of future revenue.

The Group's failure to accurately estimate risks, the availability and cost of resources and time when bidding on projects, particularly fixed fee projects, could adversely affect its profitability.

Under fixed fee contracts, the Group realises a profit only if it can successfully estimate its costs and prevent cost overruns on contracts. Cost overruns can result in lower profits or operating losses on projects. Factors such as the availability and cost of materials, equipment and labour, wage inflation, unexpected project modifications, local weather conditions, unanticipated technical or geological problems including issues with regard to design or engineering of projects, changes in local laws or delays in regulatory approvals and the cost of capital maintenance or replacement of assets are highly variable, and the Group's actual costs in remedying or addressing them may deviate substantially from originally estimated amounts and may therefore result in a lower profit or incur in operating losses.

The identification of key risks, the estimation of costs and the establishment of appropriate deadlines in relation to such contracts are an inherent part of the Group's business. However, the Group's estimates can be particularly difficult to make and may turn out to be inaccurate, particularly with respect to long-term and complex projects. If the Group fails to identify key risks or effectively estimate costs for projects where it is exposed to the risk of cost overruns, there may be a material adverse effect on its business, financial condition, results of operations and prospects.

The Group is increasingly dependent on information technology systems that may fail, may not be adequate to the tasks at hand or may no longer be available.

The Group is increasingly dependent on highly sophisticated information technology, or IT, systems IT systems are vulnerable to a number of problems, such as software or hardware malfunctions, malicious hacking, physical damage to vital IT centres and computer viruses. IT systems need regular upgrading and the Group may not be able to implement necessary upgrades on a timely basis or upgrades may fail to function as planned. Furthermore, failure to protect the Group's operations from cyber-attacks could result in the loss of customer or project data or other sensitive information. The threats are increasingly sophisticated and there can be no assurance that the Group will be able to protect against all threats. The Group may incur significant costs as a result of any failure of the Group IT systems The Group cannot assure investors that the back-up systems the Group maintains to provide high level service availability and ensure business continuity will protect it. Should these systems fail or prove to be inadequate, the Group could experience significant interruptions of its business and could lose or compromise important data.

The Group is dependent on the continued availability, effective management and performance of subcontractors and other service providers.

In the ordinary course of the Group's operations, it relies on subcontractors to provide certain services. As a result, the Group's business, results of operations, financial condition and prospects could be adversely affected if it is not able to locate, select, monitor and manage its subcontractors and service providers effectively. Additionally, subcontractors to whom the Group has awarded work may become insolvent, requiring it to select a new subcontractor at the risk of delays and/or at higher cost. If the Group is not able to locate, select, monitor and manage subcontractors and service providers effectively, its ability to complete contracts on schedule and within forecasted costs to the requisite levels of quality could be adversely impacted and there may be a material adverse effect on its business, results of operations, financial condition and prospects.

The Group participates in competitive tender processes and regulatory authorisation procedures that can generate significant expense with no assurance of success.

The Group is granted many of its contracts on the basis of a competitive process. Competitive tender processes or negotiation procedures preceding the award of these contracts are often long, costly and complex, and their outcomes are uncertain and difficult to foresee. The Group may invest significant resources in a project or tender bid without winning the contract thus losing growth opportunities.

In addition, the Group may also need to obtain or renew various regulatory permits or authorisations. Authorisation procedures for activities with a large environmental footprint present similar difficulties. They are often preceded by in depth studies and public inquiries. The complexity of these procedures has tended to increase. The Group may also have to abandon certain projects in which it is unable to generate compensation sufficient to cover the cost of the Group's investment if it fails to obtain the permits it needs to perform the activity or if it cannot obtain any necessary authorisations from antitrust authorities.

These developments can increase the cost of the Group's activities and, in certain cases, where the risk of failure appears substantial, may lead the Issuer to abandon certain projects.

Any departure of key technical and management personnel could affect the success of the Group's business operations.

The Group depends on personnel with critical technical and management expertise for the success of its business operations. Competition for qualified technical and management personnel in the sectors in which the Group operates is strong. The Group competes against other companies in its effort to recruit personnel with the skills it needs. Some of those companies may be able to devote greater financial and other resources to the recruitment effort than the Group can.

If the Group were to lose some or all of its key technical and management personnel, they would be difficult to replace. Failure to recruit and retain the key personnel that it needs could make it more difficult to conduct the Group's business successfully.

In addition, some of the Group's personnel hold specialised degrees, licenses, certifications and other government granted or government recognised professional experience. The Group may be required to employ personnel with these qualifications and experience to be eligible for certain public projects. If the Group is unable to recruit and retain personnel with the required professional experience and credentials, the Group's ability to successfully complete existing projects and compete for new projects would be adversely affected.

Risk management policies, procedures and methods may leave the Group exposed to unidentified or unanticipated risks.

The Group has devoted significant resources to developing policies, procedures and assessment methods to manage market, credit, liquidity and operating risk and intends to continue to do so in the future. Nonetheless, the Group's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all market environments or against all types of risks, including risks that it fails to identify or anticipate.

Any failure to adequately identify or anticipate risks could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's insurance cover may not be adequate or sufficient.

The Group benefits from insurance cover to protect against key insurable risks. The insurance policy may not be adequate to cover lost income, reinstatement costs, increased expenses or other liabilities. Moreover, there can be no assurance that if insurance cover is cancelled or not renewed, replacement cover will be available on commercially reasonable terms or at all.

The Group may not have, or may cease to have, insurance cover if the loss is not covered under, or is excluded from, an insurance policy including by virtue of exhaustion of applicable cover limits or a policy operating as an excess policy or if the relevant insurer successfully avails itself of defences available to it, such as breach of disclosure duties, breach of policy condition or misrepresentation.

If insurance cover is not available or proves more expensive than in the past, the Group's business, financial condition, results of operations and prospects could be materially adversely affected.

The Group may be affected by accidents at its work sites.

Accidents may occur at the work sites of the Group's projects, particularly in construction sites. These accidents may severely disrupt the Group's operations and lead to delays in the completion of projects that, in turn, could result in subsequent delays in payment from purchasers. Such accidents may also result in potential claims by clients for compensation and termination of contracts. Furthermore, the Group may be liable for damage caused by accidents or mishaps, and it cannot ensure that its insurance policies would be sufficient to cover these potential claims.

Risks Relating to Financial Performance

The indebtedness of the Group and the characteristics of such debt could adversely affect the financial health of the Group or the ranking of the investors upon its insolvency.

FCC Servicios Medio Ambiente Holding indebtedness

On 4 December 2019 FCC Servicios Medio Ambiente Holding, S.A., a wholly-owned subsidiary of FCC, completed two bond issues amounting to €600 million with a 0.815% annual return and maturity date 2023; and €500 million with a 1.661% annual return and maturity date 2026, respectively. Both issues have been guaranteed by Group's subsidiaries FCC Medio Ambiente, S.A. and FCC Ambito, S.A.U. and are listed in the Global Exchange Market (GEM) of Euronext Dublin. On 30 October 2023, FCC Servicios Medio Ambiente Holding, S.A. completed a new bond issuance amounting to €600,000,000 million with a 5.250 annual return and maturity date on October 2029 (the **FCCMA Issues**), listed in the Global Exchange Market (GEM) of Euronext Dublin.

The FCCMA Issues contained certain covenants in favour of the bondholders including certain limitations on indebtedness, limitations on distributions and limitations on financings and guarantees to FCC.

Aqualia indebtedness

Within the context of the Issuer' former financing, Aqualia completed in June 2017 two bond issues amounting to €700 million with a 1.413% annual return and maturity date 2022; and €650 million with a 2.629% annual return and maturity date 2027, respectively (on 20 April 2022, the Issuer decided to redeem the €700 million bond issue in whole). The remaining € 650 million bond has a security package that includes certain Aqualia group assets. The €650 million bond is officially listed in the non-regulated Global Exchange Market (GEM) in the Irish Stock Exchange plc trading as Euronext Dublin.

The €650 million bond contains certain covenants in favour of the bondholders including certain limitations on indebtedness, limitations on distributions and limitations on financings and guarantees to FCC.

On 22 June 2022 Aqualia entered into a long-term unsecured syndicated green facility agreement of up to €1,100 million with a maturity of 3 years with a one-year extension option which can be accepted by each lender, being the interest rate EURIBOR plus 0.97%. The referred syndicated facility contains certain covenants in favour of the lenders including certain limitations on indebtedness, limitations on distributions and limitations on financings and guarantees to FCC. On 21 April 2023 the lenders approved the one-year extension option until 22 June 2026.

CPV indebtedness

On July 2016 Cementos Portland Valderrivas, S.A. (CPV) and Banco Inbursa, S.A., closed a financing agreement in the amount of €80 million. This financing agreement was subject to partial repayments, renewals and amendments. On 20 October 2022 a new agreement was executed by which (i) the maturity date was extended until October 2025 and (ii) the interest rate was amended from fixed to variable rate, setting it at 6-month EURIBOR plus a market differential.

In June-July 2021, CPV closed two financing agreements: (i) for €25 million with a final maturity of five years (June 2026) with Kutxabank, S.A. and (ii) for €50 million with a final maturity of three-four years (July 2024-2025) with CaixaBank, S.A. During the first half of 2023, CPV has reimbursed €5 million to CaixaBank, S.A. The outstanding balance of both loans as of 30 September 2023 is €70 million.

Additionally, in October-November 2022, CPV closed two credit lines for €25 million. As of 30 September 2023, the drawn down amount amounts to €8.3 million.

The Group is subject to liquidity risk and availability of funding risk.

The Group conducts its operations in industry sectors that require a high level of financing. The Group must be able to secure significant levels of financing to be able to continue its operations. To date, the Group has been able to access adequate financing on acceptable terms although the Group cannot assure investors that it will be able to continue to secure financing on adequate terms, or at all, in the future. Moreover, there might be substantive legal or commercial changes to the Group's average payment periods that could have an adverse effect on its financial position.

The Group's ability to secure financing depends on several factors, many of which are beyond its control, including general economic conditions, the availability of funds from financial institutions and monetary policy in the markets in which it operates. Exposure to adverse effects in the debt or capital markets may hinder or prevent the raising of adequate finance for its activities.

The Issuer cannot assure prospective investors that it will be able to secure new financing or renew its credit facilities on economically attractive terms or at all. An inability to secure new financing or renew these facilities on acceptable terms could adversely affect the Issuer's liquidity and its ability to fund its working capital needs. At the same time, the Issuer cannot assure it will be able to maintain the current working capital structure as a result of modifications on payment and collection average periods due to legal regulation or market conditions.

The Group is required to provide customers with performance bonds or similar guarantees.

In the Group's project-related businesses, it is typically required that certain entities of the Group provide customers with performance bonds or similar instruments intended to guarantee the Group's timely performance of contractual obligations to the defined specifications. If the Group cannot obtain guarantees from financial institutions on reasonable terms that are acceptable to the Group's customers, it could be prevented from bidding for or participating in a project, or the Group could be required to incur significantly higher financing costs to obtain the needed guarantees. See "*The Group is subject to liquidity risk and availability of funding risk.*"

The Group faces certain risks related to deferred tax assets.

As of 30 June 2023, as a consequence of losses that the Issuer incurred in previous years, offsetable against future profits, as well as tax credits and temporary differences, the Group recorded a deferred tax asset of €487.7 million in the Group's consolidated financial statements. This deferred tax asset reflects the Group's view of the amount of tax assets that it expects to be able to use, in light of the Group's business plan and expected taxable profits in the future. A change in the Group's expectations about the ability to use deferred tax assets in the future (whether due to a change law that eliminates or limits the Group's right to offset deferred tax assets or a

change in the Issuer's business plans or expected future profitability) could require the Group to reassess the value of these assets, with a material negative effect on the Group's results of operations and balance sheet.

The Group is subject to foreign exchange risks.

Although the Group's functional and reporting currency is the euro, it also holds some financial assets and liabilities denominated in currencies other than the euro. These currency differences give rise to the risk of losses resulting from fluctuations in the value of non-euro currencies as measured in euro. For example, the Group could risk such losses if it holds debt denominated in foreign currency, invest in international markets outside the Euro zone, or receive payables in a foreign currency.

As at 30 June 2023, 90.3% of the Group's gross debt was denominated in euros, 6.1% in Sterling, and 1.6% in U.S. dollars. The remaining 2% is denominated in other currencies.

The Group is subject to interest rate risks.

The Group is exposed to various types of market risk in the normal course of business, including the impact of interest rate changes. Given the nature of the Group's activities, which are closely linked to inflation, the Group's financial policy aims to ensure that its current financial assets and its debt are partly tied to floating interest rates. The Group's euro-denominated debt, which represented 90.3% of its consolidated gross debt as at 30 June 2023, is referenced to EURIBOR. The average rate, from January to June 2023, of the Group's consolidated financial gross debt was 2.9% as at 30 June 2023 and was 2.0% as at 30 June 2022.

As at 30 June 2023, 58.3% of the Group's consolidated gross debt was fixed rate indebtedness and 41.7% of its consolidated gross debt was floating rate indebtedness.

Any increase in interest rates would increase the Group's finance costs relating to its variable rate indebtedness and would, likewise, increase the costs of refinancing its existing indebtedness as well as of issuing new debt.

The Issuer's ability to effectively manage its credit risk exposure may affect the Group's business, results of operations and financial condition.

The Group is exposed to the credit risk implied by default on the part of a counterparty (customer, provider, partner or financial entity), which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

There is a risk of late payment in both the public and private sectors due to the effects of the global financial crisis and in particular due to the effects of the Covid-19 pandemic. In addition, the cost of government financing and financing of other public entities has also increased due to financial stress in Europe and the effects of the Covid-19 pandemic, and this may represent an increased risk for the Group's public sector clients.

Although the Issuer actively manages this credit risk, its risk management strategies may not be successful in limiting its exposure to credit risk, which could adversely affect the Group's business, results of operations and financial condition.

Risks Relating to Division Operations

Risks Associated with the Group's Environmental Services Business Area.

The landfill business is a highly regulated sector. The increasing legislative pressure has affected and could deteriorate even further in the future the business and operations of the Group.

This sector is a highly regulated sector, and thus it is subject to certain measures being taken by governments and other authorities which could deteriorate the business and operations of the Group. In particular, but without

limitation, certain measures have been taken by governments and authorities to discourage waste from going to landfills.

Historically, successive governments introduced and, subsequently, gradually increased the Landfill Tax. Also, the subsistence fees applicable to closed landfills were increased. In addition, there is institutional support for alternative disposal methods including recycling, treatment, and disposal (mainly incineration) instead of using landfills.

In Spain, Law 7/2022 of 8 April on waste and contaminated soils for a circular economy includes a tax imposed on landfill, incineration, and co-incineration of waste, which will come into force on January 1, 2023.

The tax on landfill and waste incineration is an indirect tax on any waste generated that is destined for disposal via landfill, incineration or co-incineration. The tax will become chargeable upon disposal at the landfill or upon incineration or co-incineration at the relevant facilities. The tax will apply throughout Spain, is to be collected by the autonomous regions, and will replace the existing regional taxes.

The tax base will be calculated for each facility based on the weight of waste deposited at landfills, incinerated or co-incinerated. The tax rate will depend on the taxable event in question and will range from €0 to €40 per ton.

In the future, additional measures could be taken, such as further increases in the Landfill Tax, the creation of other fees and surcharges relating to waste going to landfill or the imposition of restrictions or additional requirements on the type of materials that can access landfills.

If the circumstances which produced the situation described above worsen or new measures are implemented, they could produce a new decrease in business, which could lead to an additional adverse effect on the Group's business, financial condition, results of operations and prospects.

Risks Associated with the Group's Water Business Area.

The Group's water activities are sensitive to changes in consumption patterns.

A decrease in the consumption of drinking water supply in some developed countries has been observed, notably because of water saving programs established by public authorities and manufacturers and the public perception that water is a resource which needs to be preserved. For example, in Spain, Aqualia estimates that the volumes of water billed have declined by roughly 1% a year on average for the last ten years (with a slight change to the consumption trend in the last years). As of this date, Aqualia has been able to offset the effects of reduced volumes through productivity gains and negotiating contracts under which a portion of Aqualia's revenue is independent of volumes. If the volumes decrease further, these efforts may be insufficient to fully offset any such reduction Aqualia may experience and this may adversely impact Aqualia's business, results of operations and financial condition.

By supplying drinkable water, the Group must ensure that the water is adequate for human consumption.

The most significant risk associated with managing drinkable water facilities is the distribution of water that may cause health problems in end users. For example, if errors in the treatment process or acts of sabotage were to occur that affected the quality of the drinking water the Issuer supplies, the Group could suffer a loss of business and revenues and reputational damage. Furthermore, it can become subject to litigation, damages, and clean-up costs.

Any spillage of contaminated water could negatively affect the Group.

The Group manages waste water treatment plants. One of the principal risks associated with this business activity is the risk of spillage of contaminated water in surrounding areas. In addition to errors or negligence in

managing waste water treatment plants, spillage of contaminated water could occur as a result of circumstances that are out of the Issuer's control. For example, spillage could occur as a result of acts by independent third parties, such as the Group's industrial clients. In this situation, the Group could nonetheless be liable for damages and clean-up costs, as well as suffer reputational damage.

Risks associated with the Group's Construction Business Area.

The Group is subject to construction risks.

The time and costs involved in completing the Group's construction projects may be adversely affected by various factors, including fluctuations in the cost of building materials, equipment or labour, accidents, delays in approval from the relevant authorities, mismanaging projects, unfavourable weather and ground conditions, unanticipated construction constraints and other unforeseen circumstances. Any of these factors could delay the completion of the Group's projects and could result in cost overruns and subsequent losses. Delays in the completion of projects could in turn result in a loss of income or termination of contracts, as well as potential claims by clients for compensation or termination of the contracts.

The construction industry is highly cyclical.

The construction industry is cyclical by nature. It is largely dependent on public and private sector investment. The level of investment by the public and private sectors is in turn connected to general economic conditions. Investment generally increases in times of economic growth and decreases during a recession. In Spain in particular, the construction industry has been considerably affected by challenging economic conditions in recent years. These conditions continue to affect the Group's results of operations adversely.

Current economic conditions have led to a reduction in tenders for civil engineering works, including projects in the public sector in Spain and in other OECD countries. The civil engineering investments included in the annual budget for each of the countries where the Group is present or which it is targeting depend principally on two factors: the budgetary policies of the relevant government; and the economic conditions existing at the time.

The Group's construction projects may be delayed or exceed their budget, generating less profit than expected or resulting in losses.

All large-scale construction projects entail certain risks, such as shortages and increased costs of materials, machinery and labour. Any failure by contractors and sub-contractors to meet agreed deadlines and budgets and any interruptions arising from adverse weather conditions or unexpected technical or environmental difficulties may cause delays and increased construction costs. Contractual liability clauses that give the Group recourse against contractors and subcontractors in such situations may not cover the Group's losses entirely or at all, especially in the case of contractor or subcontractor insolvency. In the event of construction delays, the Group may receive revenues later than expected and could face penalties and even termination of the contract. These factors could increase the Group's expenses and reduce its income, particularly if the Group is unable to recover these expenses from third parties under its concessions. Delays and cost increases may result in projects being less profitable than the Group expects or may result in losses, which may be significant. A number of factors may hinder the Group's ability to withdraw from such projects, including: performance bonds and other financial guarantees provided; long-term contracts with local suppliers; clients and local partners who are unwilling to terminate the project or joint venture; and employment contracts with local personnel. Consequently, it may prove even more costly to the Group to exit an unprofitable or loss-making long-term project than to continue the project to its completion.

Risks Related to the Alpine Group.

FCC acquired Alpine Holding GmbH (**Alpine Holding**) and its subsidiary, Alpine Bau GmbH (**Alpine Bau**), in 2006. On 19 June 2013, Alpine Bau filed for insolvency with the Vienna Commercial Court after it became apparent that it was unable to meet its obligations when due. Insolvency proceedings were opened by the court

on the same date. Upon confirmation by the Judicial receiver that a reorganisation would not be feasible, the ceasing of operations and subsequent liquidation bankruptcy were decreed by the Judge on 25 June 2013. As a direct consequence thereof, on 28 June 2013, Alpine Holding, the parent company of Alpine Bau, filed for liquidation bankruptcy on the same grounds and the proceedings were opened by the court on 2 July 2013. As of the date of this Information Memorandum, the administrator in bankruptcy of Alpine Bau has recognised claims in an aggregate amount of approximately €1.6 billion and anticipated a repayment plan around 15% whereof 14% had been paid out and on account. The administrator in bankruptcy of Alpine Holding has recognised claims in an aggregate amount of approximately €550 million and has not anticipated any repayment perspectives.

Under Austrian law, the scope of liability arising from the Alpine Group bankruptcies may be extended to the directors and even to FCC or to FCC Construcción, S.A. (**FCC Construcción**), as parent companies, if either or both have harmed creditors of the Alpine Group by unlawful acts or omissions of persons attributed to them.

In this context, FCC or FCC Construcción may be held liable for the harm to "new creditors" (*Neugläubiger*), that is, creditors who acquired their claim after the time the legal preconditions for insolvency of Alpine Holding or Alpine Bau were fulfilled, if it can be shown that FCC or FCC Construcción or both, acted as *de facto* directors or if the corporate veil is successfully pierced, and it is determined that Alpine Bau or Alpine Holding management unlawfully delayed a filing for insolvency.

On the instruction of the administrators in bankruptcy of Alpine Holding and Alpine Bau, BDO Financial Advisory Services GmbH (**BDO**) issued a report dated September 2014 concluding that there is a high likelihood that Alpine Group was objectively insolvent at the latest since October, 2010, (i) considering that Deloitte Audit Wirtschaftsprüfungs GmbH (the Alpine Group auditor) should have at least qualified its audit opinion on the consolidated financial statements of Alpine Holding for the year 2009 and (ii) challenging the unqualified audit reports issued by Deloitte Audit Wirtschaftsprüfungs GmbH in relation to the years 2010 and 2011. Those reports included emphasis-of-matter paragraphs drawing attention to paragraphs 5.20 and 4.20 of the consolidated financial statements of Alpine Holding for the years 2010 and 2011, respectively, describing the uncertainties relating with the outcome of lawsuits and the recoverability of receivables in connection with substantial projects under dispute in several countries.

In July 2015, the Court ruling the liquidation bankruptcy of Alpine Bau appointed, upon request of the Receiver, an expert to determine the day on which it would have become evident that Alpine Bau was over indebted and illiquid in terms of bankruptcy laws. The appointed expert, Mr. Schima, based his opinion on the former one given by BDO- of whom he also is a leading partner- and concluded that Alpine Bau had been, at the latest, insolvent by October 2010. On the other hand, and in contrast to these conclusions, - which are being used by the administrators in bankruptcy in their diverse claims against managers, auditors and FCC-, other expert opinions have been issued, e.g., Mr. Konecny for the Prosecutor, AKKT for the Banks, Rohatschek for Deloitte and E&Y for FCC and more recently Mr. Wundsam and Mrs. Ponesch Urbanek as judicial experts. Substantially these opinions share the same analysis and conclusions that differ from the ones of BDO/Schima. According to all these conclusions, the bankruptcy has been timely filed.

From 2010 through 2012, Alpine Holding issued three bonds, in an aggregate nominal value of €290.0 million, that were listed on the Luxembourg and Vienna Stock Exchanges. Alpine Holding, as issuer of the bonds, as well as the managing directors and supervisory board members, are potentially liable to bondholders, who could be entitled to file claims for damages arising from incorrect or incomplete information contained in the relevant prospectus. In addition to potential prospectus' liability, investors are also protected under tort law, which provides for liability based on breaches of Austrian protective laws (*Schutzgesetze*). Such liability could also extend to FCC or FCC Construcción.

Risks Associated with the Group's Cement Business Area.

The market for building materials is driven to a high degree by the cyclical nature of the construction industry.

The building materials industry in any jurisdiction is dependent on the level of activity in the construction sector in that jurisdiction. The construction industry tends to be cyclical and dependent on the level of construction-related expenditures in the residential, commercial and infrastructure sectors. Political instability or changes in government policy can also affect the construction industry. The industry is sensitive to factors such as GDP growth, population growth, interest rates and inflation. An economic downturn could lead to a recession in the construction industry. See *"The Group's business could be adversely affected by the deterioration of global or Spanish economic conditions and by the current geopolitical conflict between Russia and Ukraine."*

The Group's cement operations are subject to emission control regulations.

Cement production requires extremely high temperatures and consumes substantial amounts of fossil fuel energy, which in turn produces greenhouse gas emissions. Cement operations in Spain are subject to the Kyoto Protocol. Under the Kyoto Protocol, companies are given a limited quantity of emission allowances and must purchase any additional allowances required for their activities from other companies that do not use all the emission allowances allocated to them. Failure to monitor the Issuer's emissions and available allowances could lead to significant fines and other liabilities.

The Group is exposed to the inherent risks of the emissions trading system, or Emission Trading System (ETS), introduced by the European Union in 2005. Phase IV of this system, covering the period from 2021 to 2030, involves in particular that the system of free allocation will be extended for another decade and has been revised to focus on sectors at the highest risk of relocating their production outside of the EU. These sectors will receive 100% of their allocation for free. For less exposed sectors, free allocation is foreseen to be phased out after 2026 from a maximum of 30% to 0% at the end of phase IV (2030). The overall objective is to achieve a 55% reduction in greenhouse gas emissions by 2030 (compared to 1990 levels). Moreover, several low-carbon funding mechanisms will be set up to help energy-intensive industrial sectors and the power sector to meet the innovation and investment challenges of the transition to a low-carbon economy.

Emission control regulation and the obligation to operate within an ETS exposes the Group to two categories of risk. First, the Group may produce higher levels of emissions than expected, either for technical or business-related reasons. This could require the Group to incur additional expenses. Second, it may be unable to adjust the pricing policy to pass on the full impact of the extra cost for purchasing allowances.

Cement manufacturing is an energy-intensive industrial activity. For many years, the cost of electricity has remained stable but, since mid-2021, all energy markets (electricity, oil and gas), closely linked to each other, have experienced a drastic increase in prices, reaching historically high levels. In particular, in 2020/2022, the cost of electricity increased by 550%, in accumulated data. This increase in the cost of electricity has been so abnormally high that it is difficult to fully pass through it to the price of cement. In this scenario, the Group is negotiating and executing PPAs, at stable and long-term prices, in order to ensure an adequate, fixed and stable cost over time.

Risks Associated with the Group's Real Estate Business Area.

The Real Estate business is highly cyclical.

Real Estate activity can be significantly affected by changes in the general and local economic situation, occupancy and employment levels, interest rates, inflation, legislation, buyers' access to credit and consumer confidence.

Intense competition in the real estate market.

Historically, the real estate sector has been characterised as a highly competitive sector a consequence of the high demand and the few barriers to entry. Competition can occur in each of the phases of the purchase, transformation and sale, and some of these competitors may have in any of these facets an economic, technical or commercial capacity superior to that of the Group.

Homebuilders compete not only for homebuyers, but also for desirable land, financing, raw materials, skilled management, contractors and labour resources. Competitors include real estate developers with in-depth knowledge of local markets, as well as property portfolio companies, including funds that invest nationally and internationally, institutional investors, foreign investors, financial institutions and SAREB (*Sociedad de Gestión de Activos Procedentes de la Restrucción Bancaria*).

The appearance of other players in the market has led to an increase in competition in the residential development market in general and the Spanish homebuilding market in particular. Competition could also increase as a result of consolidation in the sector. The Group also competes with sellers of existing homes, including foreclosed homes, and with rental housing. These competitive conditions can reduce the number of homes it delivers, negatively impact its selling prices, reduce its profit margins, and cause impairments in the value of its inventory or other assets. Competition can also affect the Group's ability to acquire suitable land, raw materials and skilled contractors at acceptable prices or other terms, which could decrease its margins.

Risk associated with the liquidity of the product portfolio.

Land and real estate properties can be relatively illiquid, meaning that they may not be easily sold and converted into cash. The Group's business volume could be affected by changes in the economic cycle, the increase in the maturity periods of operations and/or changes in customer preferences for certain types of property or locations, which could make difficult to carrying out sales.

Land illiquidity may affect the Group's ability to value, or dispose of or liquidate part of, its land bank in a timely fashion and at satisfactory prices when required or desirable and may incur additional costs until selling the land. This could have a material adverse effect on the Group's activity, business, financial condition and results of operations.

Risks associated with the promotion and rehabilitation of properties.

Promotion and rehabilitation activities require important investment volumes which only generate income, if any, several months or years later, and such income may be lower than expected.

On the other hand, this activity involves (i) assuming the risk that the final costs to complete the project may be higher than those initially planned (particularly in a scenario of a strong increase in inflation, shortage of raw materials, disproportionate increase in energy costs and increase of construction labour costs) and (i) delays may occur in the completion of the project, which may entail paying penalties to clients and/or result in certain properties not being rented.

Demand for the Group's real estate assets depends on customer preferences.

Trends in customer preferences have an impact on demand for new residential properties, and any unanticipated changes in such trends, or the Group's misunderstanding of such trends, could have a material adverse effect on its business, results of operations, financial condition or prospects. Changes to the general consumer interest in purchasing a home compared to choosing other housing alternatives, such as rental housing, could have a material adverse effect on demand for its homes. This change in customer trend was mainly caused by the restricted access to residential mortgage lending, the uncertainty regarding the evolution of residential property prices and the regulatory changes in taxation.

The risk of eventual vacancy of properties part of the Group's portfolio may occur as a result of, amongst others, the expiration of terms under lease agreements, the termination of lease agreements or current tenant's opting not to renew them. As a consequence, it may not be possible to lease properties to new tenants and the conditions for renewal may be less favourable than the current ones.

Demand for the Group's households may also be directly or indirectly affected by a number of laws, regulations and government policies, including regarding lending, appraisal, foreclosure and short-sale practices, leases and

eviction of illegal occupants, government mortgage loan programs, down payment assistance programs and taxes.

The Group's business depends upon the availability, skills and performance of contractors, subcontractors and other service providers and suppliers.

Exposure to subcontracting risk is given by the contracting or subcontracting with third parties of construction, building and rehabilitation works necessary for the execution of the transformation projects of its real estate. Although the Group monitors the activity carried out by these, cannot guarantee that in the future (i) the services provided will be satisfactory and executed under the agreed terms and conditions; (ii) professionals subcontracted are not going through economic difficulties that cause delays in the execution of projects that require the Group to provide additional resources to finish their jobs; (iii) comply with occupational safety and hygiene regulations as well as with the salary payment to its employees and social security, in which cases the Issuer could be jointly or severally liable for said obligations. Furthermore, in accordance with Spanish labour legislation, each of the companies of the Group's Real Estate Business Area may be jointly and severally liable for any breach by third parties of the legislation on workplace safety and hygiene in relation to their employees, the non-payment of salaries to their employees or the non-payment of the corresponding Social Security contributions.

In the event that any of the risks described above materializes, the Group could be forced to incur additional costs to meet its commitments and current legislation.

Risks associated with the lack of correspondence between the appraised value of the real estate portfolio and the current value of its assets.

The Real Estate Business Area commissions independent experts to assess its real estate assets on an annual basis and on a semi-annual basis. The appraisal value could decrease considerably in the future for different reasons, such as: failure to obtain planning licenses for part of the land, delays in granting building licenses, changes in land conditions or revocation of those licenses currently included in the appraisal report, or due to the high returns demanded by investors as a result of the increase in interest rates.

Therefore, the appraised value cannot be taken as a guarantee of the prices that could be achieved, should it be decided to sell the assets on the market.

Legal and Regulatory Risks

The industries in which the Group operates are subject to extensive regulation that is subject to changes.

In performing the Group's business operations, the Group must comply with various local, provincial, national, and international laws and regulations. Laws and regulations applicable to the Group's business operations vary from jurisdiction to jurisdiction and even between municipalities and may be subject to changes that may be favourable or unfavourable to the Group. A change in the legal framework could lead to different or more restrictive regulations that could cause changes in the Group's operating conditions and, in turn, may increase its capital expenditures (for example, requirements to modify the configuration of existing facilities) or the Group's operating expenses (for example, through the implementation of additional inspection and monitoring procedures), affect the Group's income statement and balance sheet, or otherwise hinder the Group development plans. Among the possible new regulations, any new tax regulations, such as those applicable to waste collection services, could affect the Group's profits if it is unable to share the increases with the final end users.

The Group's past and present activities can expose it to increased costs and the risk of liability, particularly regarding health and environmental risks.

The increasingly broad laws and regulations under which the Group operates expose it to greater risks of liability, particularly in environmental matters. 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 faces liability related to assets that it no longer owns and activities that have been discontinued.

In addition, the Group may become obligated to pay fines, repair damage or undertake improvement work even when the Issuer has conducted its activities with due care and in full compliance with operating permits. The Group could be held jointly and severally liable with other parties. The competent authorities may impose fines or sanctions or may revoke and refuse to grant authorisations and permits based on a breach of current regulations.

Some of the Group's activities could cause human illness, injury or death, business interruption, or damage to property or the environment. The measures the Issuer undertakes to mitigate these risks, including contractual limitations on liability, prevention and protection measures, and insurance policies covering what the Group believes to be its key operational risks, may prove to be insufficient, resulting in significant costs. A stricter application of existing regulations, the entry into force of new laws, the discovery of previously unknown sources of pollution or the imposition of new or more stringent requirements may increase the Group's costs or impose new responsibilities, leading to lower earnings and liquidity available for the Group's activities.

In addition, under environmental services outsourcing contracts, group companies may perform activities at certain environmentally sensitive sites known as high- or low- threshold Seveso sites (or the foreign equivalent) operated by industrial customers, particularly petrochemical industry sites. In these instances, the hazardous nature of the products, waste, effluents and emissions the Group treats, as well as the close proximity of the installations the Issuer manages to customer sites, requires the Issuer to manage the provision of Group's services with particular care, and exposes the Group to significant potential cost and liability in the event of a spillage or other accident. The regulatory regime governing Seveso facilities applies only within the European Union. However, the Group also operates sites in jurisdictions outside of the European Union, such as the United States, that are subject to comparably stringent regulation.

The Group is subject to significant and potentially burdensome environmental and hygiene regulation.

The Group has incurred, and will continue to incur, significant costs and other expenditures to comply with environmental, health and safety obligations and to manage the Issuer's hygiene-related risks. In particular, these risks relate to water emissions, drinking water quality, waste processing, soil and ground water contamination, the quality of smoke emissions and gas emissions, causing damage to natural protected areas or actions that may harm biodiversity. The Group may be unable to recover this expenditure through higher prices. Environmental laws and regulations are frequently amended, often in the direction of greater stringency. These changes in law and regulation can require the Group to incur significant compliance expenditures or investments.

Legal requirements, including specific precautionary and preventive measures, may obligate the Group to make investments and incur other expenses to ensure that the installations the Group operates are in compliance with applicable regulations. In cases where the Group has no investment obligation, the Issuer may be required to notify customers of their obligation to undertake the necessary compliance work themselves. Failure by the client to meet these obligations could be prejudicial to the Issuer as an operator and could adversely affect the Group's reputation and capacity for growth. Furthermore, regulatory bodies have the power to launch proceedings that could lead to the suspension or cancellation of permits or authorisations that the Group holds, or to injunctions requiring it to suspend or cease certain activities. These measures may be accompanied by fines and civil or criminal sanctions that could have a significant and negative impact on the Issuer's business and finances.

The Group is subject to extensive urban planning, technical, environmental, fiscal or commercial regulations, or those related to housing planning, security and consumer protection, among others.

Any modification or material change in these regulatory provisions (or in their interpretation or application by the competent administrative authorities or by the European or national courts) could lead to a change in the development plans or the incurring of more or less additional costs. significant and, consequently, could negatively affect the operations and financial conditions of Group's Real Estate Business Area.

The new Law 12/2023, of May 24, on the Right to Housing (the **Spanish Housing Law**), includes, among other modifications, the limitation of rental prices and the regulation of the disqualification periods for protected housing, which has caused some agents to divest in these segments of activity. The Spanish Housing Law has been the subject of various unconstitutionality appeals that are currently pending resolution. Additionally, the competent authorities at the local, regional, national and community levels may impose sanctions for any non-compliance with these regulations. Sanctions could include, among other measures, activity restrictions that may limit the performance of certain operations. If non-compliance is significant, fines or sanctions may negatively affect the business, results and financial situation of the Group's the Real Estate Business Area.

The Group is subject to litigation risks.

The Group is, and may in the future be, a party to civil, criminal, arbitral, administrative, regulatory and similar proceedings that arise in the ordinary course of business. These proceedings may involve claims relating to defects in construction projects performed or services rendered, employment related claims, environmental claims and tax claims. Unfavourable outcomes in these proceedings could impose significant liabilities on the Group, such as damages, clean-up costs or penalties in the event of spills, discharges or environmental contamination, breaches of the requirements of the integrated environmental authorisation of the Group's facilities and plants, or interference in its conduct of the Group's business. Even if the Group prevails, such proceedings can be costly, time consuming and require significant management attention. Moreover, the Group's liability insurance, as explained above, may not be sufficient, or may not apply to all claims to which the Group may be exposed. The Group has recorded provisions in accordance with applicable law. As of 30 June 2023, the Group had a provision of €40.2 million to cover risks and costs from contingent liabilities arising from the Issuer's business activities and for which the Issuer believes it is possible that it may be held liable for payment. See "*Description of the Issuer—Legal Proceedings*".

As of the date of this Information Memorandum, there is litigation pending against the Group and certain companies of its Group related to the bankruptcies of Alpine Bau and Alpine Holding. See "*Risk Factors—Risks Related to the Alpine Group*." In the case of unfavourable outcomes in these proceedings, the Group could suffer significant liabilities. As at 30 June 2023, the Issuer recorded provisions related to the Alpine Group in the amount of €18.6 million.

The Group's operations are subject to anti-bribery and anti-corruption laws and regulations that govern and affect where and how its business may be conducted.

The Group's activities are subject to a number of laws and regulations including the Spanish Criminal Code (*Código Penal*), which sets out the criminal liability of legal persons, and to other additional anti-corruption laws in other jurisdictions. The Group has established systems to facilitate compliance with applicable laws and regulations and has provided training to its employees to facilitate compliance with such laws and regulations. However, there can be no assurance that the Group's policies and procedures will be followed at all times or that it could effectively detect and prevent all violations of the applicable laws and regulations and every instance of fraud, bribery and corruption in every jurisdiction in which one or more of its employees, consultants, agents, commercial partners, contractors, sub-contractors or joint venture partners is located. The Group could be subject to penalties and reputational damage if its employees, consultants, agents, suppliers, or partners violate any anti-corruption or anti-bribery laws.

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 the regulated market of 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 depositary 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 3 November 2023 (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 (a) it is not entitled to claim a deduction in computing taxation liabilities in Spain in respect of any interest to be made on the next Interest Payment Date or the value of such deduction to the Issuer is materially reduced, or (b) 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.

The Notes may be linked to "benchmarks".

Notes may be issued under the Programme with interest accruing at a floating rate based upon the Euro Interbank Offered Rate (**EURIBOR**). EURIBOR and other reference rates and indices are deemed to be "benchmarks" (each a **Benchmark** and together the **Benchmarks**), which are the subject of ongoing national and international regulatory reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such Benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a Benchmark.

The EU Benchmark Regulation applies, subject to certain transitional provisions, to the provision of Benchmarks, the contribution of input data to a Benchmark and the use of a Benchmark, within the EU. Among other things, it (i) requires Benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of Benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of the domestic law of the UK by virtue of the EUWA (the **UK Benchmark Regulation**) among other things, applies to the provision of benchmarks and the use of a Benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed). The EU Benchmark Regulation and/or the UK Benchmark Regulation could have a material impact on any Notes linked to a Benchmark, in particular, if the methodology or other terms of the Benchmark are changed in order to comply with the requirements of the EU Benchmark Regulation and/or the UK Benchmark Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the Benchmark.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of Benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the

risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

In addition, the European Money Markets Institute (EMMI) as administrator of EURIBOR has launched a forward-looking term rate EFTERM as alternative to and as a new fallback rate for EURIBOR. It is therefore currently not foreseeable whether EURIBOR will continue to exist permanently and beyond 2025.

The EMMI, as administrator of the EURIBOR, has developed a hybrid methodology for the determination of EURIBOR that takes into account current transaction data, historical transaction data and modelled data based on expert opinions and has obtained regulatory authorisation under the EU Benchmark Regulation for the EURIBOR so calculated. However, since reference rates relying on expert opinion and modelled data are widely regarded as potentially less representative than reference rates determined in a fully transaction-based approach and because central banks, supervisory authorities, expert groups and relevant markets tend to prefer the use of risk-free overnight interest rates with a broad and active underlying market as reference rates, there is a risk that the use or provision of EURIBOR may come to an end in the medium or long term.

Such factors may have (without limitation) the following effects on Benchmarks: (a) discouraging market participants from continuing to administer or contribute to such Benchmark; (b) triggering changes in the rules or methodologies used in the Benchmarks and/or (c) leading to the disappearance of the Benchmark. Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to a Benchmark.

Investors should be aware that, if EURIBOR were discontinued or otherwise unavailable, the Rate of Interest on Notes which reference EURIBOR will be determined for the relevant period by the fallback provisions applicable to such Notes. This may in certain circumstances result in the application of a backward-looking, risk-free overnight rate, whereas EURIBOR is expressed on the basis of a forward-looking term and include a risk-element based on inter-bank lending. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Notes which reference EURIBOR.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmark Regulation reforms and/or the UK Benchmark Regulation, as applicable, or any of the international or national reforms in making any investment decision with respect to any Notes linked to or referencing a Benchmark.

Risks in Relation to Spanish Taxation.

Under Spanish Law 10/2014 and Royal Decree 1065/2007, of 27 July, (**RD 1065/2007**) as amended, income payments in respect of the Notes will be made without withholding tax in Spain provided that certain information procedures are observed. 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 pay the relevant additional amounts as will result in receipt by the holders of the Notes of such amounts as would have been received by them had no such withholding been required. The amended and restated issuing and paying agency agreement dated 3 November 2023 (the **Issuing and Paying Agency Agreement**, as amended, supplemented or restated from time to time), 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*" and "*Taxation—FATCA*". None of the Dealers assumes any responsibility therefor.

RD 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 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. If the Issuing and Paying Agent fails to provide the Issuer with such relevant information, the Issuer may be required to withhold tax (as at the date of this Information Memorandum, at a rate of 19%) and will pay such additional amounts as will result in receipt by the holders of the Notes of such amount as would have been received by them had no such withholding been required.

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) and deposited with a Spanish resident entity acting as a depositary or custodian, 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 and other restructuring regimes.

The consolidated text of the Spanish Insolvency Law, approved by Royal Legislative Decree 1/2020, of 5 May (recently amended in order to implement EU Directive 2019/1023 on Restructuring and Insolvency in Spain) (the **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 publication of the court order declaring the insolvency in the Spanish Official Gazette, (ii) provisions in a bilateral contract granting one party the right to terminate, modify or suspend such agreement by reason only of the other's insolvency may not be enforceable, and (iii) accrual of interest (other than ordinary interest – not default interest and regardless such interest is secured – accruing under secured liabilities, reported to the insolvency administrator as contingent credits, which will accrue up to the lower of the value of the asset subject to the security or the maximum secured liabilities under the relevant security interests) shall be suspended from the date of the declaration of insolvency and any amount of interest accrued up to such date (other than any secured interest accrued under secured liabilities up to an amount equal to the value of the asset subject to the security) shall become subordinated.

The 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 be written down or stayed for up to 10 years, converted into equity of the refinanced or insolvent debtor as well as any other company, converted into profit participating loans (*préstamos participativos*), exchanged for assets or rights of the insolvent or refinanced debtor, ripped off from security interests guaranteeing them and even the applicable law to the relevant claims may be changed 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 (*plan de reestructuración*) 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 unless (ii) some exceptions in relation to the kind of claim or creditor apply (which would not be the case for the Notes). Indeed, it must be noted that the Insolvency Law contains great flexibility in terms of measures that can be imposed as a consequence of the judicial sanction of a restructuring plan since it allows (i) for the cross-class cram-down of creditors (i.e. a restructuring plan that has not been approved by all classes of creditors can eventually bound dissenting creditors provided that certain conditions are met), (ii) to cram-down dissenting equity-holders if certain conditions are met, and (iii) multiple restructuring options. Moreover, once a restructuring plan is judicially sanctioned, it may also (i) protect interim financing, new financing and acts carried out in the context of the plan against claw-back actions, (ii) recognise

the interim financing or the new financing certain preferences in terms of payment in an eventual insolvency, or (iii) the termination of contracts with reciprocal pending obligations in the interest of the restructuring (with the relevant termination claim also being subject to the effects of the restructuring).

As previously noted, the Insolvency Law now also provides for cross-class cram-down in the context of the judicial sanction of a restructuring plan, i.e., even if creditors of one class voting on the restructuring plan did not consent to the restructuring plan with the required majority, the restructuring plan might still be adopted and take effect for dissenting creditors. For the purposes of approving a restructuring plan, all creditors affected by the eventual restructuring shall vote grouped in classes of creditors. The formation of a class of creditors must attend to the existence of a common interests of its members, however, the Insolvency Law provides of certain specific criteria for the class formation such as that (i) there shall be a common interest among a group of creditors when they would receive the same ranking in an eventual insolvency, (ii) secured creditors and public law credits shall constitute separate classes, or (iii) creditors which are considered small and medium-sized enterprises shall constitute a separate class when the restructuring plan implies a sacrifice of more than 50% of their credits. In any case, credits with the same ranking could be split up into separate classes as long as there is a reasonable justification for doing so. For such purposes, a majority of 66.66% by each class of creditors is required for the approval of the restructuring plan. This figure builds up to 75% when the class in question is made up of secured claims. Cross-class cram-down would apply in those cases where, a restructuring plan has not been approved by all classes of creditors, and (i) a simple majority of classes has supported the restructuring agreement provided that a least one of these classes includes claims with general privilege (*créditos con privilegio general*) or secured claims (*créditos con privilegio especial*) in an eventual insolvency, or (ii) at least one class that can reasonably be presumed to have received some payment after a valuation of the debtor as an on-going company (i.e. so-called creditors that are in the money).

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. On the other hand, all creditors that would be affected by the effects of a restructuring plan would be allowed to vote it within their respective class.

As such, certain provisions of the 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. Additionally, other restructuring regimes which may apply were the Issuer to be in financial difficulties may also impact claims of holders of the Notes against the Issuer.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and form part of, this Information Memorandum. This Information Memorandum should be read and construed in conjunction with the following documents, which have been previously published or are published simultaneously with this Information Memorandum and which have been or are filed with Euronext Dublin:

- (a) the unaudited condensed consolidated income statement, condensed consolidated balance sheet and condensed consolidated cash flow statement of the Issuer contained in the English language translation of the interim management report on pages 5, 10 and 14, respectively, for the six-month period ended 30 June 2023 and prepared in accordance with IFRS-EU;
- (b) the English language translation of the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2022 prepared in accordance with IFRS-EU, together with the auditors' report thereon and the Issuer's management report; and
- (c) the English language translation of the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2021 prepared in accordance with IFRS-EU, together with the auditors' report thereon and the Issuer's management report.

To the extent that only certain parts of the above documents are specified to be incorporated by reference herein, the non-incorporated parts of such documents are either not relevant for investors or are covered elsewhere in this Information Memorandum.

Copies of the documents (or of the certain parts) 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. The above documents can also be found in electronic format on the website of the Issuer (<https://www.fcc.es/en/informacion-publica-periodica>).

KEY FEATURES OF THE PROGRAMME

Issuer:	Fomento de Construcciones y Contratas, S.A.
Arranger:	Banca March, S.A.
Dealers:	Banca March, S.A., Banco de Sabadell, S.A., Banco Santander, S.A. and Norbolsa, S.V., 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
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under " <i>Risk Factors</i> " above.
Programme Amount:	The aggregate principal amount of Notes outstanding at any time will not exceed €600,000,000 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 Programme Agreement.
Currencies:	Notes may be issued in U.S. 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:	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); (c) for Sterling Notes, £100,000 (and integral multiples of £1,000 in excess thereof); (d) for Yen Notes, Yen 100,000,000 (and integral multiples of Yen 1,000,000 in excess thereof); or (e) for Swiss Francs Notes, CHF 500,000, or such other conventionally accepted denominations in those currencies as may be agreed between the Issuer and the Dealer(s) 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 UK, 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.

Notes may, if the proceeds of the issue are accepted in the UK, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".

Maturity of the Notes:	Not less than 1 day nor more than 364 days from and including the day of issue, to (but excluding) the maturity date, 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% 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.
Yield Basis:	The Notes may be issued at a discount or at a premium, or may bear fixed or floating rate interest.
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 claims under Article 281 of the Insolvency Law (as defined below) 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 without any preference among themselves and <i>pari passu</i> with all other unsecured and unsubordinated insolvency claims (<i>créditos concursales</i>), 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 terms of the Notes and as stated under the heading " <i>Taxation—Taxation in the Kingdom of Spain</i> " and " <i>Taxation—FATCA</i> ".
Information requirements under Spanish Tax Law:	Under Spanish Law 10/2014 and RD 1065/2007 as amended, the Issuer and the Issuing and Paying Agent are required to comply with certain information procedures.

If the Issuing and Paying Agent fails to provide the Issuer with the required information described under "*Taxation—Taxation in the Kingdom of Spain*" and "*Taxation—FATCA*" in respect of the Notes, the Issuer will withhold tax (as at the date of this Information Memorandum, at the rate of 19%) and will pay such additional amounts as will result in receipt by the holders of the Notes of such amount as would have been received by them had no such withholding been required.

Neither the Arranger, the Dealers, Euroclear nor 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 (the **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—Form of Notes*").

Listing and Trading:

Each issue of Notes may be admitted to the Official List and to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin (**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.

Account holders will, in respect of Global Notes, have the benefit of a Deed of Covenant dated 3 November 2023.

Selling Restrictions:

The offering and sale of the Notes is subject to all applicable selling restrictions including, without limitation, those of the U.S., the UK, Japan, Kingdom of Spain and the Republic of France (see "*Subscription and Sale*").

Governing Law:

The status of the Notes, the capacity of the Issuer and the relevant corporate resolutions shall be governed by Spanish law. Any non-contractual obligations arising out of or in connection with the Notes, the terms and conditions of the Notes (except as indicated above) and all related contractual documentation will be governed by, and construed in accordance with, English 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).

Rating:

The Programme is not rated.

DESCRIPTION OF THE ISSUER

General Information

Fomento de Construcciones y Contratas, S.A. (**FCC** or the **Issuer**) traces its origins to the incorporation of Fomento de Obras y Construcciones, S.A., or FOCSA, a construction and services company, in Barcelona in 1900 and to the incorporation of the predecessor of Construcciones y Contratas, S.A., or CyC, in Madrid in 1944. In December 1991, FOCSA and CyC merged, forming FCC, which was listed on the Spanish Stock Exchanges (as defined below) on 9 March 1992. 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 Barcelona in sheet B-26947.

The Issuer's registered office is located at Calle Balmes, nº 36, 08007, Barcelona, Spain, with telephone number +34 91 359 54 00. The Issuer's registration number is A28037224.

The Issuer operates under the commercial name "**FCC**".

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. See "*Organisational Structure*"

The Group's Business

General Overview

FCC is one of the leading global providers of environmental and water management services with a selective presence in high value-added infrastructure development projects. In 2022, the Issuer generated consolidated revenue of €7.7 billion, of which 44.57% was generated outside of Spain, and consolidated EBITDA of €1,311.4 million.

The Group operates in five business areas: (a) Environmental Services, (b) Water, (c) Construction (d) Cement and (e) Real Estate with a Corporate Support Services unit that includes other minor activities (such as transport infrastructure), which contributed 45.2%, 26.7%, 9.4%, 2.3% and 10.9% respectively, to the Group's consolidated EBITDA in 2022 (with the Corporate Support Services representing 5.5% of the Group's consolidated EBITDA in 2022). The Water and Environmental Services Business Areas together with rental property activity in Real Estate provide recurring revenues with high future visibility based on long-term contracts, while the Group's Construction and Cement Business Areas expose the Group to a degree of revenue cyclicity.

The following table shows the Group's consolidated revenue by business area and on a consolidated basis for the periods indicated:

	2022	2021	Change	June 2023
	(€ in millions)	(€ in millions)	(%)	(€ in millions)
Environmental Services	3,641.1	3,244.9	12.2	1,883.9
Water	1,323.2	1,169.5	13.1	706.7
Construction	1,966.9	1,659.6	18.5	1,282.3
Cement.....	516.5	433.8	19.1	320.7
Real Estate	270.8	147.9	83.1 ⁽¹⁾	128.3
Corporate Support Services	(12.8)	3.6	n/a	(2.1)
Total	7,705.7	6,659.3	15.7	4,319.8

(1) It was not until October 2021 that FCC Inmobiliaria increased its stake in Realia (as defined below) to 50.1%, so it was not until then that the real estate business began to consolidate in the FCC group. (Please see detailed explanation below).

Among the operations carried out in the last quarter of 2021 in the Real Estate Business Area, FCC Inmobiliaria acquired 13.12% of Realia, Business, S.A.'s (**Realia**) share capital for €83.9 million, giving it control, with a 50.1% stake, and its full consolidation in the Group. In addition, 100% of the capital of Jezzine Uno, S.L. (**Jezzine**), a holding company exclusively dedicated to the operation of rental assets, was incorporated through a non-monetary contribution. The resulting shareholding structure will not alter FCC's control over FCC Inmobiliaria, which will retain 80.03% of the share capital of its subsidiary, with the rest (19.97%) being held by Soimob. These operations allow for a significant strengthening of FCC Inmobiliaria's competitive position and the weight of the rental property business, as well as the enhancement of operating synergies. The two corporate incorporations described above, Realia and Jezzine, only contributed to the Group's operations for two months of the 2021 financial year.

The Issuer bases its business model primarily upon long-term contractual relationships in sectors with high barriers to entry. The Issuer aims to reinforce its position as a global leader in environmental and water management services, and it also aims to participate in selected highly profitable infrastructure projects that leverage its know-how. By achieving this balance, the Issuer aims to maintain a low operating risk profile.

The Issuer is based in Spain and operates in over 25 countries with a global workforce of more than 64,000 employees. The following table shows the Issuer's consolidated revenue by geographical market for the periods indicated:

	2022	2021	Change	June 2023
	(€ in millions)	(€ in millions)	(%)	(€ in millions)
Spain.....	4,271.2	3,943.8	8.3	2,310.8
United Kingdom.....	1,048.4	855.6	22.5	537.9
Rest of Europe & Others	879.7	811.5	8.4	469.0
Middle East & Africa	360.7	325.8	10.7	170.5
America	760.3	376.0	102.2	627.8
Czech Republic	385.4	346.6	11.2	203.8
Total.....	7,705.7	6,659.3	15.7	4,319.8

In 2022, the Issuer generated 55.4% of its consolidated revenue in Spain, 13.6% in the UK, 4.7% in the Middle East & Africa, 11.4% in Rest of Europe & Others, 5.0% in the Czech Republic and 9.9% in America.

The Issuer's Business Areas

Environmental Services Business Area

The Environmental Services Business Area generated €3.6 billion in revenue in 2022, contributing 47.3% of the Group's consolidated revenues and 45.2% of its consolidated EBITDA for the period. In 2021 the Group's Environmental Services Business Area generated €3.2 billion in revenue, contributing 48.7% of the Group's consolidated revenues and EBITDA of €535.1 million, contributing 45.2% of the Group's consolidated EBITDA. In 2022, 79.5% of the environmental services' revenue derived from waste collection, treatment and disposal, along with other city sanitation services such as street cleaning. This business area generated the remaining 20.5% of its 2022 revenue through other city sanitation services such as maintenance of green areas, or sewage network maintenance. As of 31 December 2022, the Group's backlog totalled €13.2 billion, 3.6 times its revenue for 2022. As of 31 December 2022, Environmental Services Business Area had 43,842 employees. The Group has more than a century of experience in the field of environmental services and can provide municipalities with integrated services along the entire value chain, collecting, treating, and disposing of waste and using the Group's disposal activities to generate energy and secondary raw materials. It has a leading position in its core market with a 32% market share in waste collection in Spain, being among the seven largest environmental services providers globally and fifth in the EU (based on the Issuer's own analysis). In 2022 and in 2021, the Spanish market accounted for 54.2% and 56.6%, respectively, of Environmental Services' revenue.

The Group also holds leading market positions in several other major European countries. As of December 2022, 45.8% of the total Environmental Services' revenue came from international markets. In 2022, it served almost 66 million people in approximately 5,200 municipalities. In the UK, in 2022, the Group was among the top five providers of waste disposal services by revenue, where FCC Environment (UK), is involved in municipal waste treatment and disposal. In 2022 and in 2021, the UK market accounted for 21.8% 8% for both years of this business area's revenue.

FCC is also the leader in integrated waste management services in Central and Eastern Europe, particularly in Austria, Slovakia and the Czech Republic. In Central Europe, primarily in Austria and in the Czech Republic, its regional subsidiary is engaged in end-to-end municipal waste management activities, including collection, processing and disposal. In Portugal, the Group is involved in industrial waste management activities. In September 2015, FCC Environmental Services LLC, a subsidiary of FCC Servicios Medio Ambiente Holding, S.A. (**FCC Medio Ambiente**), obtained its first urban solid waste collection contract in the U.S.A., and is currently providing services to more than 10 million inhabitants through different contracts and services.

As of 31 December 2022, the Group's top five clients accounted for less than 14% of the total revenues for this business area in Spain and its top ten clients accounted for 19%. Similar diversity can also be found in its UK and Central and Eastern Europe customer base.

FCC's Environmental Services Business Area provides services through a group of companies including:

- FCC Medio Ambiente;
- FCC Medio Ambiente, S.A. (Iberia);
- FCC Ámbito, S.A.U. (**FCC Ámbito**);
- FCC Medio Ambiente Reino Unido, S.L.U. (in UK);
- FCC Austria Abfall Service, A.G (in Central Europe); and
- FCC Enviromental Services LLC (USA).

On 8 May 2019, the Shareholders' General Meeting of FCC approved a contribution of its Environmental Services Business Area in favour of FCC Medio Ambiente, a wholly-owned subsidiary of FCC (the **Contribution**). The Contribution was structured through (i) the contribution by FCC of all assets relating to its environmental services activity in Spain in favour of FCC Medio Ambiente, S.A. and (ii) the transfer by FCC of all the shares of FCC Medio Ambiente, S.A. and of the other FCC's subsidiaries engaged in environmental services activities in favour of FCC Servicios Medio Ambiente Holding, S.A., the current parent company of FCC's Environmental Services Business Area. The Contribution was completed on 1 October 2019.

On 1 June 2023, FCC entered into an agreement with Canada Pension Plan Investments (**CPPI**) to sell 24.99% of the share capital of FCC Medio Ambiente.

The main terms of this agreement are:

- CPPI agreed to pay €965 million for 24.99% of the share capital of FCC Medio Ambiente.
- The transaction is subject to the usual conditions precedent.
- FCC will retain the majority of FCC Medio Ambiente with a 75.01% stake.
- The funds will be used primarily to address the strategic opportunities and corporate needs of the FCC Group.

FCC's Environmental Services Business Area provides the following services:

- *Waste collection and street cleaning*—Urban solid waste is waste generated at households, businesses, offices, and services. It also includes all waste that is not classified as hazardous and that is similar to the waste produced at in these types of places or by these types of activities due to its nature or composition.

Based on the needs of each city in which it operates, the Group uses different collection systems. Each system has vehicles and containers chosen to maximise efficiency and minimise nuisance for citizens. In some of the world's largest cities, the Group uses the most advanced technology to improve its response capacity to deal with the challenge represented by the thousands of tons of urban solid waste collected on a daily basis.

In 2022, the Group collected and treated approximately 10.5 million tons of waste. Nearly 27 million people (calculated based upon the population of the municipalities in which it operates) in approximately 3,400 municipalities benefit each day from the services provided by the Group at the Spanish and international levels (United States, UK and Central and Europe). In terms of street cleaning, the Group has more than 100 years of experience working in urban areas. It invests in the development of real-world solutions such as clean-energy vehicles that can move through city centres with minimum noise and emissions. A city may be cleaned through various means:

- sweeping, washing, or scrubbing of public areas, including using clean-energy vehicles,
 - using manual or mechanical techniques, including using clean-energy vehicles, or
 - a combination of both.
- *Waste treatment & Recycling*—As of 31 December 2022, the Group had more than 800 waste management facilities in operation, of which over 200 are environmental complex facilities used for treating and recycling waste (including 13 waste-to-energy projects with an annual capacity of 3.7 million tonnes and 435 MW of non-fossil electricity). Nearly 90 active sanitary landfills receive the fraction of waste left after recycling and energy recovery. Biogas is captured from the landfills to produce energy.
 - *Industrial waste*—FCC Ámbito specialises in integrally managing all types of industrial waste, including hazardous, non hazardous, recyclable, ordinary, soil and passive environmental. Waste is treated through chemical treatment, disposal, recycling processes such as RDF (refuse derived fuel) manufacture or WEEE (waste electrical and electronic equipment) recycling and recovery of by-products. As of 31 December 2022, FCC Medio Ambiente and its subsidiaries had nearly 90 industrial waste facilities handling about 6.5 million tons of commercial and industrial waste per year for over 81,000 clients. FCC Medio Ambiente and its subsidiaries have 39 facilities located in Spain and Portugal.
 - *Other activities* —Other activities comprise, among others, maintenance of green areas, beach and coast cleaning and sewage network maintenance. The ground maintenance activity is focused on creating, conserving and restoring green spaces and historic gardens. The Group maintains more than 6,500 hectares of parks, gardens and other green areas. It is also present in 109 Spanish municipalities with more than 1,500 kilometres of coastline and beaches served.

Business Characteristics

The Environmental Services Business Area benefits from long-term contracts and high entry barriers. The Group has specialised personnel and management, differential know-how and proprietary technological

development, which together with its diversified selection of services encompassing a full range of environmental services, support its competitive position in this area.

The environmental services business is characterised by long-term contracts. These contracts typically have terms of 8 to 10 years for municipal waste collection, of 15 to 25 years for waste contracts and of 4 years for street cleaning. The average term of the Group's industrial waste contracts is between three and twelve months. With respect to its geographical divisions, the average life of its contracts for each of its geographical divisions is of 11 years in Iberia, 8.6 years in UK, 2.4 years in Central and Eastern Europe and 9.0 years in the United States. The Group has an established track record in obtaining renewals of these contracts at the end of their terms. Overall, the estimated average renewal rate for contracts is between 75% and 90%. In particular, the renewal rate of its contracts in each of its geographical divisions is of 90% in Iberia, 90% in UK, 75% in Central and Eastern Europe and 100% in the United States. The main contracts in Iberia have terms of over 30 years of age, with Barcelona being the longest with over 100 years. This enables the business to generate recurrent cash flows with high future visibility.

The majority of the Environmental Services Business Area's contracts carry limited price and volume risks, yet they have steady margins guaranteed by cost pass-through arrangements. As a result, the Environmental Services Area is resilient and relatively independent from the economic cycle, as demonstrated by its strong performance over the last year, despite challenging macroeconomic conditions.

Water Business Area

The Water Business Area generated €1,323.2 million in consolidated revenue in 2022, contributing 17.2% of the Group's consolidated revenues and 26.7% of its consolidated EBITDA for that period. In 2021, the Water Business Area generated €1,169.5 million in consolidated revenue, contributing 17.6% of the Group's consolidated revenues and EBITDA of €298.9 million, contributing 26.5% of the Group's consolidated EBITDA. Public concessions and end-to-end water management operations (capture, treatment, distribution and depuration) accounted for 91.6% of the business area's revenue in 2022. Water infrastructure design, engineering and equipment of hydraulic infrastructures, primarily related to the development of new concessions and ancillary works for operations accounted for the remaining 8.4%. As of 31 December 2022, the Water Business Area had 12,673 employees. As of 31 December 2022, the Issuer's backlog totalled €20.3 billion, or more than 15.3 times revenue for 2022.

As at 31 December 2022, the area provided various services relating to the integrated water cycle serving over 43 million customers in 18 countries. The Group developed its activity in 2022 in over 2,100 municipalities worldwide. Additionally, as at March 2021 the Issuer was the ninth largest provider of water management services in the world and the fourth largest provider in Europe in terms of population served (source: Global Water Intelligence report, March 2021). In 2022 the Spanish market accounted for 65.1% of the Water Business Area's revenue. In Eastern Europe, the Issuer serves around 1.3 million users, primarily in the Czech Republic and also has a strong presence in Portugal as well as a smaller presence in other European markets. In Latin America, the Middle East and North Africa, the activities of its Water Business Area focus primarily on water infrastructure design, construction and management.

As at December 2022, the Group's top 20 institutional clients in municipal water concessions represented 38.8% of the Water Business Area's revenues.

The Water Business Area provides comprehensive services to private companies, public bodies, and individuals at every stage of the integrated water cycle. It provides services for water to be used for human consumption, as well as for industrial and agricultural needs. As of 31 December 2022, the companies through which the Water Business Area operates include FCC Aqualia, S.A. (**Aqualia**), the parent company of the Water Business Area, and other subsidiaries, associated companies and joint ventures.

The Water Business Area engages in several activities in connection with private water management, including:

- *Regulated Water Management Activities:*
 - **Municipal Water Concessions**, which involve a municipality granting to Aqualia the management responsibility over the entire water cycle of the municipality. Such responsibilities would include (i) the collection, transportation, treatment and distribution of water from wells, catchment areas and desalination plants to urban areas through pumping systems, pipelines, distribution grids and complex water treatment facilities for purification and storage, (ii) the capturing of used water through sewer networks and (iii) the transportation of used water to treatment stations where it is treated before being returned to its natural source; and
 - **BOT Concessions**, which involve the execution of 'build-operate-transfer' projects, whereby the applicable entity grants to Aqualia the right to develop and operate a long-term public works concession or facility for a certain period.
- *Non-Regulated Activities*, including both 'engineering-procurement-construction' (**EPC**) activities, which involve the execution of EPC projects, whereby the applicable entity contracts Aqualia the right to develop and construct water infrastructures, and 'operation and maintenance' (**O&M**) activities, which involve the execution of O&M projects, whereby the applicable entity hires Aqualia the right to provide technical assistance, operation or maintenance services in connection with an existing water asset or infrastructure.

The Issuer's activities in the area of infrastructure management and operation includes managing approximately 90,605 kilometres of managed networks, 3,092 drinking water tanks, 867 wastewater treatment plants, 28 seawater and brackish water purification stations and 259 drinking water treatment plants.

Business Characteristics

The Water Business Area is characterised by long-term concession contracts for the urban water cycle or the management of owned water infrastructures. Contracts for water management and distribution can have terms of up to 40 years, and their average term is 25 years. The area has a high degree of success in obtaining renewals of these contracts. In 2022, in Spain it renewed in terms of revenues close to 100% contracts whose terms ended during that year. The area has a low default level since the Group charges the end user, and accordingly, the business area's working capital is stable. Like Environmental Services, the Water Business Area generates recurrent cash flows with high future visibility. Examples of the area's contracts for water storage and management, distribution, and purification are those with the cities of Vigo, Almería, Salamanca, Jaén, Jerez de la Frontera, Lleida and Oviedo. Approximately 93% of the Water Business Area EBITDA is coming from regulated activity (municipal services or infrastructure concessions and owned assets), and 85% of Water Business Area EBITDA is generated in Europe.

The Issuer has carried out large infrastructure EPC (Engineering, Procurement and Construction) projects worldwide most of them linked to their concessions under BOT scheme contracts, for the execution of sewage wastewater treatment plant (**SWTP**) in Guaymas, Sonora, (Mexico), SWTP Djerba (Tunez), waste water treatment plant (**WWTP**) Niksic, SWTP Sierra Gorda,, WWTP Plevija, Water distribution in Sohar port (Oman). WWTP Salitre (Colombia), WWTP Abu Rawash (Egypt) and in Spain those of SWRO and distribution system Mar de Alboran (Almeria), Melilla SWRO expansion, WTP Vigo (Pontevedra), WWTP El Endrinal (Madrid), and Industrial water treatment plant in Tarragona. In 2012, Group was the first Spanish corporate group to be awarded a water management services contract in the United Arab Emirates. Aqualia is progressively increasing its presence in Middle East and North Africa. Since 2020, it manages: the operation and maintenance of several desalination plants in Saudi Arabia, including the plant at King Abdulaziz International Airport in Jedda and the water supply to one of the main industrial complexes in Jizan (southwest of the Kingdom). In 2022, Aqualia was awarded two significant contracts for management of water distribution services of the so-called North Cluster (Qassim, Al-Jouf, Hail and Northern Border Directorates) and South Cluster (Assir, Jazan, Najran and Baha Directorates). In Qatar, Aqualia began the operation of the WWTP Al-

Dhakhira in 2022 and, in 2023, the execution of sewage treatment improvement works in Doha's industrial area. In North Africa, Aqualia is managing the operation and maintenance of WWTP Abu Rawash and SWTP El Alamein, both in Egypt. The Group intends to continue expanding into Europe, Latin America, North America, Middle East and North Africa primarily through organic growth, but may consider opportunistic acquisitions if it identifies attractive targets. Under this approach, in 2022 the Group it acquired a majority stake in the GGU group in the Republic of Georgia, gaining control and ownership of all the infrastructure related to the management of the integral water cycle of the Georgian capital Tblisi and other surrounding municipalities.

Construction Business Area

The Construction Business Area generated €1,966.9 million in revenue in 2022, contributing 25.5% of the Group's consolidated revenue and 9.4% of its consolidated EBITDA for the period. In 2021, the Group's Construction Business Area generated €1.6 billion in revenue, contributing 24.9% of its consolidated revenues and EBITDA of €102.6 million, contributing 9.1% of the Group's consolidated EBITDA. Construction Business Area generated 44.2 of its 2022 revenue in Spain. As of 31 December 2022, the Construction Business Area had 6,659 employees.

In 2022, the revenue of this business area was closely divided among three divisions: Spanish publicly held customers represented 19.2% of revenue, Spanish privately held customers represented 25.5% of revenue, and international clients represented 55.3% of revenue.

As at 31 December 2022, backlog for the Construction Business Area totalled €6,586 million, or more than 3.3 times revenue in 2022. Of this backlog, 72.4% related to projects in markets outside Spain. The Construction Business Area has more than 120 years of experience in the Spanish construction industry. The Group operates in Spain as well as in other countries in the Americas, Europe and the Middle East. The Group's Construction Business Area undertakes a wide range of large-scale civil engineering, industrial and building projects in various locations. The Group bids selectively for complex, high value-added projects where it can deploy the technical capabilities that it believes differentiate itself from many competitors. Its areas of expertise include subway/metro systems, railways, tunnels and bridges. Measured by revenue the area is among the top four contractors in Spain (source: FCC in-house information). The area has a selective presence in large, complex civil works in other European countries as well as in the Americas and Middle East.

The Issuer's Construction Business Area operates through the business area's parent company FCC Construcción together with a group of companies including:

- FCC Construcción América (Central America),
- Mantenimiento de Infraestructuras, S.A. (Spain),
- Construcciones Hospitalarias, S.A. (Panama),
- Ramalho Rosa Cobetar, S.A. (Portugal),
- FCC Industrial e Infraestructuras Energéticas, S.A. (Spain), and
- FCC Américas.

FCC Construcción and Carso Infraestructura y Construcción S.A.B. de C.V.A (a company related to Control Empresarial de Capitales) entered into a collaboration agreement to jointly undertake projects in the Americas, excluding the United Mexican States, through the constitution of a special purpose vehicle (SPV): "FCC Américas".

To be able to compete for and provide services to complete these niche projects, the area has developed capacities within the entire spectrum of design and construction works. These capacities can be grouped into four main activities:

- *Civil engineering* (representing 84.6% of its backlog in 2022), including the design and construction of highways, bridges, canals, tunnels, rail infrastructure, maritime projects, airports, water ports, wastewater treatment and purification, and oil and gas pipelines.
- *Non-residential construction* (representing 6.6% of its backlog in 2022), focusing on the construction of buildings for non-residential use, such as administrative, health, cultural and sports centres.
- *Residential construction* (representing 1.0% of its backlog in 2022), including the construction of individual residential buildings, residential developments, parking garages, marinas, and harbour terminals. FCC Construcción and a group of its subsidiaries perform the engineering and construction works, depending on type and geographic location.
- *Industrial* (representing 7.8% of its backlog in 2022), dedicated to the construction of infrastructure and equipment linked to the industrial and energy sector, and other activities related to the construction sector. The Issuer's companies operating in this area are grouped together under the 'FCC Industrial' brand. FCC Industrial's work includes integrated projects; civil works, construction and buildings; electric grids; rail facilities; electro-mechanical facilities; distribution networks; gas and oil pipelines; infrastructure maintenance; prefabrication; corporate image; software engineering; the manufacture of electrical panels; and precast products.

Business Characteristics

Overall, the Group is shifting towards a more flexible, capital-light business model. The area's goal is to minimise the need to deploy capital for construction activities, while maximising its exposure to the revenue streams generated through its service provider businesses. The area complements this approach with a relentless focus on achieving a lean, efficient cost platform, including the cost-savings measures that it has already implemented and which has produced an operating result improvement.

Completing the restructuring of its infrastructure development business areas, Construction and Cement, is an important element of the Group's strategy. Particularly in Spain, the area has aligned the size of its construction and cement activities with the business opportunities the market offers. In markets outside Spain, it will focus exclusively on the most highly profitable projects in selected, attractive markets that it believes will best enable the Group to leverage its differential and best-in-class technical capabilities, in particular, in tunnels, railways, and bridge and airport construction.

The area's current projects include:

- The construction of the NEOM Tunnels, Saudi Arabia;
- the design, construction, and maintenance of a section of the A9 Badhoevedorp-Holendrecht in the Netherlands, near the city of Amsterdam and its airport;
- the extension of the A465 motorway in Wales (UK);
- the construction of the Scarborough Subway extension stations, and the maintenance of 195 kilometres of the Trans-Canadian highway, in Canada;
- the design, construction and maintenance of the second tranche of the Maya Train in Mexico;
- the design and construction of the E6 Ulsberg-Vindasliene highway in Norway;

- three lines of the Riyadh metro (Saudi Arabia), which the Issuer believes is the highest-value construction project awarded to any Spanish company to date;
- one line of the Lima Metro in Perú;
- the Santiago Bernabeu stadium remodelling in Madrid; and
- construction and maintenance of the Sotra bridge and adjacent roads in Norway.

Cement Business Area

The Cement Business Area generated €516.5 million in revenue in 2022, contributing 6.7% of the Group's consolidated revenues and 2.3% of its consolidated EBITDA for such period. In 2021, the Cement Business Area generated €433.8 million in revenue, contributing 6.5% of the Group's consolidated revenues and EBITDA of €76.1 million, contributing 6.8% of its consolidated EBITDA. The Group does not calculate backlog for the Cement Business Area because it operates based on immediate or shorter-term market demand. The Group operates the Cement Business Area through its subsidiary Cementos Portland Valderrivas, S.A. (CPV) in which it owns a 99.51 interest. In 2022, the Cement Business Area generated 60.9% of its revenues in Spain. Outside Spain, it generated 12.1% of its 2022 revenue in Tunisia. The remaining 27.0% reflected exports to several countries, primarily, the UK and North African markets outside Tunisia. FCC is the first leading company in Spain, and has a significant presence in Tunisia and in the East Coast of the United States, through its 44.6% stake in Giant Cement Holding, Inc. As at 31 December 2022, the Cement Business Area had 1,065 employees.

The Cement Business Area is organically structured as follows:

- *Manufacturing and selling cement* – The area makes cement by mixing limestone and clay raw materials. It then sinters this mix, heating it to a fusion point in large rotary kilns to make clinker, the basis of cement. Once cooled, clinker is mixed with a small amount of gypsum to regulate setting time, completing the manufacturing process.

Different qualities of cement are obtained by regulating the grinding process as well as by adding other materials such as limestone, fly ash, pozzolans, and slag to achieve specific characteristics, such as differing strengths or setting times.

- *Manufacturing and selling concrete, mortar and aggregates* – Aggregates are used to manufacture strong artificial products. Their uses are varied: concrete; roads; sea walls; raw materials for industrial use, such as cement, filters or micronised materials; and asphalt-based binders.

Both mortar and concrete are products that contain cement. CPV's presence in this area is, thus, a natural extension of the cement business.

Concrete is a composite of cement and aggregate generally used for making the structural elements of construction projects. Mortar is a construction material obtained from mixing sand and water with cement and acts as a conglomerate, though it lacks strength. The CPV has a mortar business division that covers a broad range of products, such as dry bulk, bagged, and special products, as well as a presence in the concrete business.

Business Characteristics

As of 31 December 2022, the Cement Business Area represented 92.3% of the total revenue of this business area, and the remaining 7.7% represented revenue generated from the Issuer's derivative products business.

In line with its current Strategic Plan, the Issuer adjusted its headcount and closed certain facilities in order to respond to the economic downturn of several markets in which the Issuer operates, the growing demand levels

in Spain for its services are well sustained and the Issuer expects to improve its profitability on the basis of an increase in the installed capacity.

Real Estate Business Area

The Real Estate Business Area generated €270.9 million in revenue in 2022, contributing 3.5% of the Group's consolidated revenues and 10.9% of the FCC Group's EBITDA for such period. In 2021, the Real Estate Business Area generated €147.9 million in revenue, contributing 2.2% of the Group's consolidated revenues and EBITDA of €40 million, contributing 3.6% of its consolidated EBITDA. As at 31 December 2022, the Real Estate Business Area had 101 employees.

The Real Estate Business Area carries out its activity in three main lines of business, either directly or through its investee companies: (i) equity business - leasing and management of office buildings, commercial premises and shopping centres and development and operation of projects aimed at housing rental, (ii) development business - Development and sale of real estate products (mainly housing), and (iii) land management - urban land management at different stages of urban development.

Corporate Support Services

The Group's Corporate Support Services includes Transport Concessions Business Area, which contributed 5.5% of the Group's consolidated EBITDA in 2022. As at 31 December 2022, the Corporate Support Services had 454 employees. On 3 October 2020, FCC agreed to sell its entire stake in three concessions located in Spain to Vauban Infrastructure Partners, within its policy of rotation and selective development of projects in this activity. These three concessions are included in the portfolio of the FCC Group, which has a stake in 14 transport infrastructure concessions. The agreement, signed in November 2020 and completed in the first semester of 2021, meant the transfer of 51% in the group conformed by Cedinsa Concessionària, S.A. and its subsidiaries (the **Cedinsa Group**), which manages the concession of four dual carriageways in Catalonia, 49% in Ceal 9, the concessionaire of the stations on section 1 of line 9 of the Barcelona Metro, and 29% in Urbicsa, the operator for the Ciudad de Justicia (City of Justice), also in Barcelona. In November 2023, FCC Concesiones completed the buy-out of the remaining 50% of Sociedad Concesionaria Tranvía de Murcia for €48.5 million. The activity of the Cedinsa Group contributed until the end of the first quarter of 2021 and to which 100% of the Murcia tram concession now contributes following the buy-out of the remaining 50%, this is why the contribution of this activity dropped from €37.2 million in 2021 to €31.1 million in 2022.

Recent Developments

Acquisition of the water business of Georgia Global Utilities (GGU)

On 3 January 2022 a relevant information communication (*hecho relevante*) was published on CNMV whereby Aqualia agreed to acquire 80% of the water business of Georgia Global Utilities (**GGU**) for USD 180 million. The purchase process with GGU, the proprietor of water utility and power generation assets, will be carried out in two phases: (i) a first phase, which was completed on 2 February 2022, where Aqualia has acquired 65% of the current GGU, which includes water and renewable energy assets, for a price of USD 180 million. (ii) a second phase which was completed on 4 October 2022, where GGU spun off the renewable energy assets, leaving in the perimeter of GGU only the water assets (with four hydroelectric plants associated with the water cycle), with Aqualia then holding 80% of GGU and its former sole shareholder holding the remaining 20%, JSC Georgia Capital (**JSC GCAP**).

In addition, Aqualia and JSC GCAP have granted each other a put option and call option, respectively, over JSC GCAP's remaining 20% equity interest in GGU (once the second stage is completed). The put option granted to JSC GCAP may be exercised in each of the two six-month periods immediately following the approval by shareholders of the audited consolidated accounts of JSC GCAP for each of the financial years ended 31 December in 2024 and 2025. The call option granted to Aqualia can be exercised in the period commencing on the date of expiry of the put option and expiring six months thereafter.

Partial voluntary public tender offer for the acquisition of Metrovacesa, S.A. shares.

On 23 March 2022 a relevant information communication (*hecho relevante*) was published on CNMV whereby the Board of Directors of FcyC, S.L. (**FCC Inmobiliaria**) (subsequently, in April it was changed to a public limited company- *Sociedad Anónima* or S.A.) has agreed to present a partial voluntary public tender offer for the acquisition of shares of Metrovacesa, S.A. (**Metrovacesa**) offering cash as consideration. On 25 April 2022, a relevant information communication was published whereby FCC Inmobiliaria launched a partial takeover bid for 24% of Metrovacesa's share capital. As a result of this partial takeover bid, according to results published by the CNMV on 21 June 2022, FCC Inmobiliaria reached 11.47% of Metrovacesa's share capital.

FCC approves the sale of 24.99% of FCC Servicios Medio Ambiente Holding for the sum of €965 million.

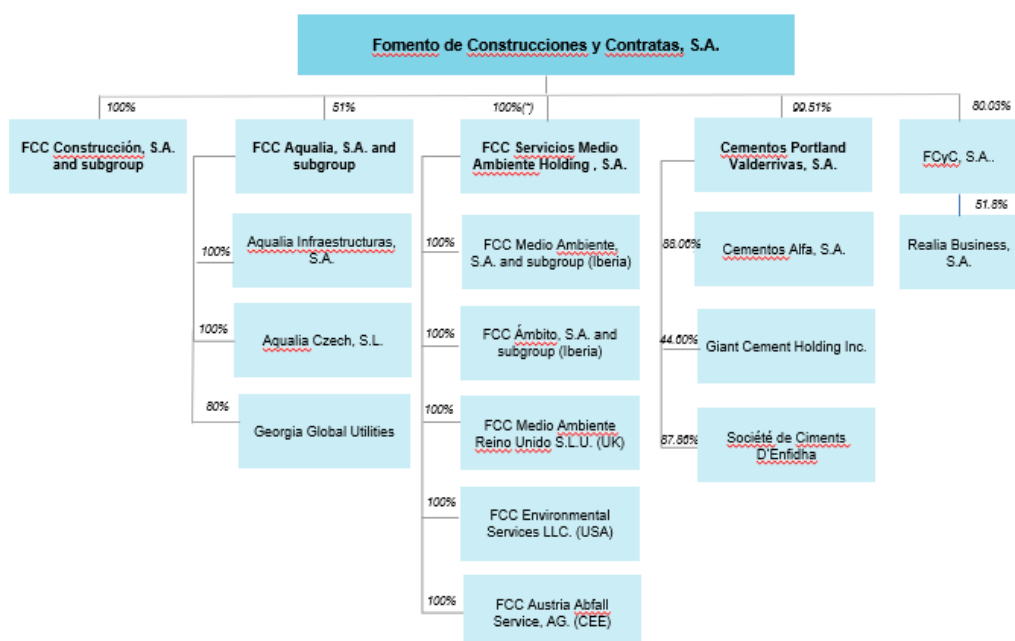
On 1 June 2023, the parent company of the FCC Group reached an agreement with the CPPI, for the sale of a minority interest of 24.99% in the parent company of the environment area for the sum of €965 million. The entry of the new shareholder will enhance the position and strategic development of the subsidiary, its areas and geographical areas of activity. The closing of the transaction was subject to the usual conditions precedent and took place on 31 October 2023.

FCC announces a voluntary takeover bid for 7% of its share capital for subsequent redemption.

On 28 June 2023, the Board of Directors announced that an Extraordinary General Shareholders' Meeting would be called to discuss proposals including, but not limited to, the acquisition of treasury shares for their subsequent redemption, pursuant to the provisions of the applicable regulations, as part of a takeover bid to be made by the Issuer and addressed to FCC shareholders for a maximum of 32,027,600 treasury shares, representing approximately 7% of the company's share capital, at a price of 12.50 euros per share. The Extraordinary Shareholder's Meeting, held on 19 July 2023, approved its submission. On 25 October 2023, the CNMV authorised the transaction and the acceptance period commenced on 30 October 2023.

Organisational Structure

The following graphic shows the major companies and the subgroups that make up the Group as of the date of this Information Memorandum and does not include those businesses that have been classified as discontinued or held for sale.



(*) On 1 June 2023, Fomento de Construcciones y Contratas, S.A. has entered into an agreement with CPP Investments to sell 24.99% of the share capital of FCC Servicios Medio Ambiente. The transaction is subject to the usual conditions precedent. For more information see section "Recent Developments".

For a complete list of the Group companies, joint ventures, and associated companies please see the documents incorporated by reference to this Information Memorandum.

Share Capital and Major Shareholders

Scrip Dividend & Capital reduction

On 14 June 2023, the redemption of a maximum of 0.85% of the share capital of the Issuer was approved at its General Shareholders' Meeting, ratified by the Issuer's Board of Directors on 15 June and registered with the Mercantile Registry of Barcelona on 27 June 2023, with a total of 3,521,417 shares redeemed, taking the company's share capital down to 434,823,566 shares. As a result, the treasury stock position of the Issuer at 30 June 2023 amounted to 854,234 shares, equivalent to 0.19% of its share capital.

On 28 June 2023, the Board of Directors of the Issuer agreed to (i) implement the agreement on the distribution of the scrip dividend adopted for the sum of €0.50 per share at the Issuer's General Shareholders' Meeting, held on 14 June 2023, in item 7 of the Agenda, in compliance with the terms and conditions agreed at such General Shareholders' Meeting. Subsequently, at the end of the first six months of the year, in July, the holders of 99.18% of the free allocation rights chose to receive new shares, up when compared to previous years. Therefore, the increase in paid-up capital stood at 22,697,739 shares; (ii) redeem the 854,234 treasury shares circulating on that date, transaction registered with the Mercantile Registry on 25 July, in such a way that the treasury stock position, on the reporting date, stood at 44,957 shares. Following this redemption and the capital increase resulting from the "scrip dividend", FCC's share capital, at the reporting date, stood at 456,667,071 shares.

Temporary Programme for the Buy-Back of the Issuer's own shares

The Board of Directors of the Issuer, at its meeting held on 14 June 2022, agreed to approve a temporary programme for the buy-back of the Issuer's treasury shares, within the limits approved by the General Shareholders' Meeting of 28 June 2018 and in accordance with Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014, on market abuse and the Delegated Regulation (EU) 2016/1052

of the European Commission of 8 March 2016 supplementing the Market Abuse Regulation with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures (the **Buy-Back Programme**).

The Buy-Back Programme was implemented with the aim of reducing the Issuer's share capital through the redemption of its own shares. At the same time, the purpose of this capital reduction is to contribute to the Issuer's shareholder remuneration by increasing earnings per share.

The terms and conditions of the Buy-Back Programme were as follows:

- the maximum number of shares to be acquired was set at 2 million Issuer's shares, representing 0.47% of Issuer's share capital;
- the maximum investment of the Buy-Back Programme amounted to €25 million in accordance with the price range authorised in the resolution of the General Shareholders' Meeting of 28 June 2018;
- the Issuer was not to purchase shares at a price outside the ranges established by the General Shareholders' Meeting of 28 June 2018, nor at a price higher than the highest of: (i) the price of the last independent trade; or (ii) the highest independent bid at that time on the trading venues where the purchase was carried out;
- the Issuer was not to purchase more than 25% of the average daily volume of Issuer's shares on the trading venue where the purchase was carried out; and
- the Buy-Back Programme commenced on 15 June 2022 and ended on 15 June 2023.

The Board of Directors of FCC, at its meeting of 14 June 2023, held after the Ordinary General Shareholders' Meeting, resolved to cancel and terminate this programme.

The table below shows the major shareholders of FCC, excluding directors, as of the date of this Information Memorandum:

SHAREHOLDER	No. of shares	Participation (%)
Control Empresarial de Capitales, S.A. de C.V. ⁽¹⁾	324,476,669	71.053
Koplowitz Romero de Juseu, Esther ⁽²⁾	21,196,724	4.642
Gates III, William H ⁽³⁾	7,301,838	5.736
Slim Helú, Carlos ⁽⁴⁾	51,945,055	11.375

- (1) Control Empresarial de Capitales, S.A. de C.V. is a direct holder of 264,208,536 shares of FCC (57.856% of the capital) and indirect holder of 60,268,133 (13.197% of the share capital) through Dominum Dirección y Gestión, S.A. with an 8.589% of the share capital. In addition, article 24.2.b) of Royal Decree 1362/2007, of October 19, is attributed the voting rights of 21,042,716 FCC shares (4.608% of the capital) owned by Nueva Samede 2016, S.L.U. The voting rights attributable to Control Empresarial de Capitales, S.A. de C.V., in accordance with article 24.2.b) mentioned above, are included in the table, in turn, in the participation of Mrs. Esther Koplowitz and are computed only once. Therefore, Control Empresarial de Capitales, S.A. de C.V., is the direct and indirect owner exclusively of the 66.44% of the Issuer's voting rights.
- (2) Mrs. Esther Koplowitz Romero de Juseu is a direct holder of 151,102 FCC shares (0.033% of the capital) and indirect of 21,045,622 shares (4.609% of the capital) are from Nueva Samede 2016, S.L.U. The increase in the share position is caused by the scrip dividend approved by the Issuer's General Shareholder's Meeting on 14 June 2023.
- (3) This participation is the result of adding: (i) 3.986% of the capital of the direct holder Cascade Investment, L.L.C. (a company in which William H. Gates III is a sole shareholder), and (ii) 1.750% of the capital held by the Bill & Melinda Gates Foundation Trust, as evidenced by the last communication filed on October 24, 2013 at the CNMV. The information shown corresponds to the number of shares and the percentage of voting rights over the capital of the aforementioned communication, without Issuer being able to confirm its accuracy.
- (4) Mr. Carlos Slim Helú is an indirect holder of 51,945,055 FCC shares (11.375% of the capital) through Finver Inversiones 2020, S.L.U. 100% owned by Inmobiliaria AEG, S.A. de C.V. which is controlled by Carlos Slim Helú.

Source: to the Issuer's knowledge and according to notices provided to the CNMV (the CNMV website checked on the date of this Information Memorandum).

Shareholders' Agreements

It is hereby noted that Dominum Dirección y Gestión, S.A., Nueva Samede 2016, S.L.U. and Control Empresarial de Capitales, S.A. de C.V, all of them shareholders of FCC, entered into a shareholders' agreement in November 2014, which was novated in February 2016. The full content of these agreements is available on the website of the CNMV.

Management

Board of Directors

As at the date of this Information Memorandum the Issuer has 11 Directors. The following table describes the composition of the Board of Directors of the Issuer as at the date of this Information Memorandum:

Name / Company name	Position	Type	Date of first appointment	Date of last appointment	Shareholder represented
Dominum Desga, S.A. ⁽¹⁾	Chairman	Proprietary Director	27/09/2000	02/06/2020	Esther Koplowitz Romero de Juseu
Esther Koplowitz Romero de Juseu	First Vice-Chairman	Proprietary Director	14/06/2023	14/06/2023	
Alejandro Aboumrad González	Vice Chairman	Proprietary Director	13/01/2015	14/06/2023	Control Empresarial de Capitales, S.A. de C.V.
Pablo Colio Abril	Chief Executive Officer	Executive Director	12/09/2017	14/06/2022	—
Alicia Alcocer Koplowitz	Voting Member	Proprietary Director	29/06/2021	29/06/2021	Esther Koplowitz Romero de Juseu
Carmen Alcocer Koplowitz	Voting Member	Proprietary Director	14/06/2023	14/06/2023	Control Empresarial de Capitales, S.A. de C.V.
Carlos Slim Helú	Voting Member	Proprietary Director	14/06/2023	14/06/2023	Control Empresarial de Capitales, S.A. de C.V.
Juan Rodríguez Torres	Voting Member	Proprietary Director	07/10/2015	02/06/2020	Control Empresarial de Capitales, S.A. de C.V.
Gerardo Kuri Kaufmann	Voting Member	Proprietary Director	13/01/2015	14/06/2023	Control Empresarial de Capitales, S.A. de C.V.
Manuel Gil Madrigal	Voting Member	Independent Director	27/02/2015	14/06/2023	—
Álvaro Vázquez de Lapuerta	Voting Member	Independent Director	27/02/2015	14/06/2023	—
Francisco Vicent Chuliá	Non-Director Secretary	—	26/10/2004	26/10/2004	—
Felipe Bernabé García Pérez	Non-Director Vice-Secretary	—	30/03/1999	13/01/2015	—

(1) Represented by Esther Alcocer Koplowitz.

In its meeting of June 14, 2022, FCC's Board of Directors delegated all the Board of Directors powers, except the non-delegable ones, to the new CEO Mr. Pablo Colio Abril, who was appointed on the annual general meeting held on 14 June 2022.

The business address of each of the Members of the Board of Directors of the Issuer is Calle Balmes, nº 36, 08007, Barcelona, Spain.

Board of Directors Committees

The Board of Directors has established various committees including an Executive Committee (*Comisión Ejecutiva*), an Appointments and Remuneration Committee (*Comisión de Nombramientos y Retribuciones*) and an Audit and Control Committee (*Comisión de Auditoría y Control*).

A brief description of each of these three Board of Directors committees follows.

Executive Committee

The Executive Committee is regulated by articles 36 and 37 of FCC's Bylaws and by article 36 of the Board of Directors Regulations. The Executive Committee must be composed of a minimum of four and a maximum of ten members and their appointment requires the favourable vote of two-thirds of the members of the Board of

Directors to be valid, according to art. 33.3 of FCC's Bylaws and art. 34.10 of the Board of Directors Regulations.

As at the date of this Information Memorandum the Executive Committee is made up of six members. The following table describes the composition of the Executive Committee as at the date of this Information Memorandum:

Name	Position	Nature of the position
Alejandro Aboumrad González	Chairman	Proprietary
Dominum Desga, S.A. ⁽¹⁾	Member	Proprietary
Alicia Alcocer Koplowitz	Member	Proprietary
Gerardo Kuri Kaufmann	Member	Proprietary
Juan Rodríguez Torres	Member	Proprietary
Pablo Colio Abril	Member	Chief Executive Officer
Francisco Vicent Chuliá	Non-Member Secretary	—
Felipe Bernabé García Pérez	Non-Member Vice-Secretary	—

(1) Represented by Esther Alcocer Koplowitz.

The permanent delegation of powers by the Board of Directors to the Executive Committee covers all the Board of Directors' powers, except those expressly reserved for the Board of Directors under the provisions of FCC's Bylaws, the Board of Directors Regulations or applicable law.

During 2022, the Executive Committee met on a total of eight occasions. During 2023 and as at the date of this Information Memorandum, the Executive Committee has met on a total of seven occasions.

Appointments and Remuneration Committee

The Board of Directors shall appoint the members of the Appointments and Remuneration Committee, who may be re-elected for an unlimited number of times as far as they are re-elected as directors. The committee shall be made up of not less than four and no more than six members. All the members of the Appointments and Remuneration Committee shall be external Directors, and at least two of them might be Independent Directors.

As at the date of this Information Memorandum the Appointments and Remuneration Committee is made up of four members. The following table describes the composition of the Executive Committee as at the date of this Information Memorandum:

Name	Position	Nature of the position
Manuel Gil Madrigal	Chairman	Independent
Dominum Desga, S.A. ⁽¹⁾	Member	Proprietary
Juan Rodríguez Torres	Member	Proprietary
Álvaro Vázquez de Lapuerta	Member	Independent
Felipe Bernabé García Pérez	non-Member Secretary	—

(1) Represented by Esther Alcocer Koplowitz.

The Appointments and Remuneration Committee is responsible for supporting and assisting the Board of Directors, mainly in connection with proposals for appointment, re-election, ratification and removal of directors, establishment and control of the remuneration policy for FCC's directors and senior executive officers and control of performance of their duties as directors, particularly in connection with situations of conflict of interest and related-party transactions.

During 2022, the Appointments and Remuneration Committee met on a total of six occasions. During 2023 and as at the date of this Information Memorandum, the Appointments and Remuneration Committee has met on a total of five occasions.

Audit and Control Committee

Pursuant to the provisions of FCC's Bylaws and the Board of Directors Regulations, the Board of Directors shall appoint the members of the Audit and Control Committee, with a previous report of the Appointments and

Remuneration Committee, for a period not exceeding their mandate as Directors, and may be reelected to the extent that they also were reelected as Directors. The committee shall be made up of not less than three and no more than six members. All the members of the Audit and Control Committee shall be external Directors, and the majority of them may be Independent Directors, from which at least one of them shall be appointed taking into account the knowledge and experience thereof in accounting, auditing or both. The committee is chaired by an independent director.

As at the date of this Information Memorandum the Audit and Control Committee is made up of four members all of whom are non-executive Directors. The following table describes the composition of the Audit and Control Committee as at the date of this Information Memorandum:

Name	Position	Nature of the Position
Álvaro Vázquez de Lapuerta	Chairman	Independent
Juan Rodríguez Torres	Member	Proprietary
Manuel Gil Madrigal	Member	Independent
Felipe Bernabé García Pérez	non-Member Secretary	—

As provided in Article 37 of the Board of Directors Regulations, the primary duty of the Audit and Control Committee is providing support to the Board of Directors in exercising its supervisory tasks by regularly reviewing, among others, the process of preparation of financial information, the internal controls thereof and the independence of the external Auditor.

During 2022, the Audit and Control Committee met on a total of nine occasions. During 2023 and as at the date of this Information Memorandum, the Audit and Control Committee has met on a total of eight occasions.

Employees

The following table shows the Issuer's workforce by business area (including Central Services) and by Spanish and non-Spanish markets as at the dates indicated:

Business areas	2022			2021		
	Spain	Int.	Total	Spain	Int.	Total
Environmental services.....	35,663	8,184	43,847	33,909	7,643	41,552
Water	6,771	5,902	12,673	6,701	3,117	9,818
Construction.....	3,872	2,787	6,659	3,828	2,781	6,609
Cement.....	835	230	1,065	809	240	1,049
Corporate Support Services and Real Estate	485	70	555	448	71	519
Total.....	47,626	17,173	64,799	45,695	13,852	59,547

As of 31 December 2022, the Issuer employed 64,799 persons, which included contingent, contract, and part-time employees.

Insurance

The Issuer has four main types of insurance policies: general liability, accidental pollution, employers' liability, and professional indemnity. The Issuer's insurance policies are with the following companies: AXA XL, QBE and Liberty. The Issuer's property insurance policies' insured values and limits correspond to the new replacement value of the insured assets.

The Issuer maintains insurance coverage which the Issuer believes is adequate for the Issuer's activities in line with industry practice and standards.

Conflicts of Interest

Other than those specifically declared according to the applicable law and regulations and, as set out in the Issuer's audited consolidated 2021 financial statements incorporated by reference herein, the following

transactions have been approved by FCC during 2022 with the proprietary directors of CEC having refrained from deliberating and voting such agreement in the relevant board of directors meeting:

- In relation to the authorisation of an agreement between FCC Industrial and Realia for maintenance of buildings in Madrid, Guadalajara and Barcelona.
- In relation to the authorisation of an agreement between Hermanos Revilla, S.A. and Realia, and Servicios Especiales de Limpieza, S.A. for the cleaning service of buildings in Madrid.
- In relation to the authorisation of an agreement between FCC Medio Ambiente, S.A. and Realia, for the cleaning service of buildings in Murcia.
- In relation to the authorisation of an agreement FCC and Realia, for the loan (in favour of Realia) in order for this company to meet corporate needs.

Related Party Transactions

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.]

Legal Proceedings

The Group makes provisions for contingent liabilities in accordance with applicable law. As of 31 December 2022, the Group had provisioned €53.9 million for legal proceedings and other claims arising out of the Group operations in the ordinary course of business. The Issuer believes that these provisions are sufficient to cover the potential costs that could arise from legal proceedings and claims.

The following is a description of the pending legal proceedings that the Issuer regards as material:

- Disciplinary proceedings filed by the CNMC relating to the alleged breach of Article 1 of Law 15/2007, of 3 July, on the Protection of Competition (*Ley 15/2007, de 3 de julio, de Defensa de la Competencia*) (**Law 15/2007**), in relation to industrial waste and urban sanitation activities in Spain, prohibiting cartels and collusive behaviours. Fifty-four entities and three corporate associations were initially involved in the disciplinary proceedings, including the following Group entities: FCC, FCC Medio Ambiente, FCC Ámbito y Manipulación y Recuperación S.A., Tratamientos y Recuperaciones Industriales, S.A., Recuperacio de Pedreres, S.L., Gestión y Valoración Industrial del Centro, S.L. and Betarte, S.A. The sanctions proceedings S/0429/12 were commenced by the National Commission for Markets and Competition (*Comisión Nacional de los Mercados y la Competencia*) (formerly, *Comisión Nacional de Competencia*) (**CNMC**) on 4 July 2013. Between the end of April 2014 and the beginning of May, the entities received the Facts Concretion Sheet (*Pliego de Concreción de Hechos*) that was duly answered. On 11 and 12 August 2014, the CNMC notified the affected entities of its Resolution Proposal (*Propuesta de Resolución*) dated 7 August 2014. The companies filed their objections before the CNMC on 5 September 2014. On 8 January 2015, the CNMC issued a resolution, by which a fine amounting to €16.8 million was imposed on the Group due to a single and continued infringement of Article 1 of Law 15/2007, and Article 101 of the Treaty on the Functioning of the European Union. This resolution was appealed at the National High Court (*Audiencia Nacional*), requesting preventive measures in order to suspend the execution of such resolution and therefore the payment of the referred fine. The National High Court (*Audiencia Nacional*) agreed on 29 April 2015, to suspend the execution without having to provide any guarantee. On 27 February 2018 the National High Court (*Audiencia Nacional*) upheld the appeal brought by FCC entities against the CNMC’s resolution. The judgment decided to cancel the fine amounting €16.8 million. After this, the CNMC notified a new sanction proceeding in April 2018 against several FCC entities, namely the same as entities as the first disciplinary proceeding (S/DC/0628/18) for the same collusive behaviours. The rationale for this new proceeding was that the National High Court’s judgment had not declared null and void the CNMC’s resolution but declared the inexistence of a single and continuous infringement. If this had been

declared null and void, the statute of limitations had been applied. The statute of limitations is not suspended if the infringement is only declared void. This new proceeding will last for at least 18 months before this is solved. In June 2019 a new Facts Concretion Sheet (*Pliego de Concreción de Hechos*) was received. After this the CNMC notified in July 2019 the Resolution Proposal (*Propuesta de Resolución*) to the different FCC entities. All the Group companies filed their objections against the Resolution Proposal on 22 August 2019 before the CNMC. On 23 September 2019 the CNMC resolved to suspend the proceeding until the appeals submitted by other entities involved in the case are resolved by the National High Court in which it was requested to declare the disciplinary proceeding void for violating the “*non bis in idem*” principle. For other entities, namely Tratamientos y Recuperaciones Industriales, S.A., Gestión y Valoración Industrial del Centro, S.L. and Betarte, S.A., it was agreed not to file the proceedings, given that their participation in the facts had not been proven.

- The National High Court has resolved that the disciplinary proceeding against the other entities violates the “*non bis in idem*” principle and declared the proceeding void. Therefore, on 22 March 2023 the CNMC closed out the first disciplinary proceeding (S/DC/0628/18) brought up against FCC, FCC Ambito, FCC Medio Ambiente S.A, Manipulación y Recuperación, S.A., Recuperacion de Pedreres, S.L., among others. As a result of an internal investigation in May 2019 in application of FCC compliance policy and regulations, the Group has become aware of the existence of payments between 2010 and 2014 amounting to U.S.\$82 million that might not be justified and may therefore be illegal. These acts were uncovered as a result of application of the procedures in the Group’s compliance rules. The company has informed prosecutors in Spain and Panama about these acts and has been providing the utmost cooperation since then to clarify what happened, applying the “zero tolerance” anti-corruption principle that permeates the entire FCC Compliance System.

In the context of this cooperation, on 29 October 2019, the Spanish National Court’s of Instruction No. 2 resolved to investigate FCC Construcción, S.A. and two of its subsidiaries, FCC Construcción América, S.A. and Construcciones Hospitalarias, S.A. in the context of Preliminary Measures 34/2017. These proceedings are still ongoing and up to day it is therefore impossible to determine whether charges will eventually be filed against these companies, and, if so, what their scope will be. These actions may therefore have a financial impact on the Group, although the Issuer does not currently have enough information to qualify such impact.

- On 15 July 2019, the Spanish National Commission for Markets and Competition (CNMC) opened sanctioning proceedings against Mantenimiento de Infraestructuras, S.A.U., (subsidiary of FCC Construcción) (**MATINSA**) and twelve other companies (practically all the companies in the sector) for possible anti-competitive practices consisting of the distribution among them of tenders called by the Spanish Ministry of Development (*Ministerio de Fomento*) for the provision of maintenance and operation services of the state road network. On July 19, 2021 the CNMC issued a resolution sanctioning all the companies included in the proceedings. MATINSA has challenged such resolution before the court, as it has never been involved in any distribution of tenders among other competitors.
- FCC Construcción, S.A., together with the other five major construction companies in Spain, was sanctioned by the National Commission for Markets and Competition (*Comisión Nacional de los Mercados y la Competencia*) on July 5, 2022 for an alleged breach of Article 101 of the Treaty on the Functioning of the EU derived from sharing certain data and costs when preparing a number of bids to be submitted to the Spanish Administration. FCC Construcción, S.A. strongly opposes the conclusions reached by the CNMC, which are not supported by any evidence. According to the advice received by external lawyers who are prestigious experts in Spanish Competition Law, the conducts sanctioned do not infringe the Spanish Competition Law. The decision of the CNMC has been challenged by FCC Construcción, S.A. before the Spanish courts, asking them for the decision to be overturned.

Finally, the following material legal proceedings are pending in connection with the Alpine Group as of the date of this Information Memorandum:

- In April, a claim filed by the administrator in bankruptcy of Alpine Holding in amount of €186.2 million plus interest, representing two intercompany loans granted by Alpine Holding to Alpine Bau whereby the amounts of the loans derive from the proceeds of the second and third bond tranches issued by Alpine Holding in 2011 and 2012, respectively. In his argument, the administrator in bankruptcy is relying on a report prepared by the auditing firm BDO and other reports, issued at the request of Alpine Bau's and Alpine Holding's administrators in bankruptcy. These reports conclude that there is a high likelihood that Alpine Group was objectively insolvent, at the latest, since October 2010. On this basis, the administrator in bankruptcy is arguing that according to a special provision of the Austrian Equity Substitution Act (*Eigenkapitalersatzgesetz*) and/or according to Austrian Capital Maintenance Rules, FCC Construcción is required to compensate Alpine Holding for the intragroup loans that it granted to Alpine Bau. On 31 July 2018, the ruling dismissing the claim was handed down and the claimant ordered to pay the costs. Having filed appeals and cassation appeals for procedural infringement, in April 2020, the Austrian Supreme Court declared the need to return the Orders to the Court of Instance so that the testimonial evidence could be practiced in person before the Judge of First Instance. Such testimonial statements took place in June 2021 and, in light of the mandate contained in the Supreme Court Judgment, the judge has yet to decide whether to consider the procedure closed or whether to agree to the practice of the expert evidence requested by the bankruptcy trustee AH. The judge closed the procedure on 7 June 2023, and the judgment is expected before the year ends.
- In April 2017, AFIGESA, was served a notice of claim filed by the administrator in bankruptcy of Alpine Bau for the amount of €19 million plus 8% interest since January 2012. In the context of factoring and deposit agreements between AFIGESA, Alpine Bau and two German subsidiaries companies of Alpine Bau, the administrator in bankruptcy contends that the deposit in amount of €19 million held in AFIGESA by Alpine Bau, had never been paid out and hence breached Austrian Limited Liability Companies' Act and Austrian Equity Substitution Act. The Court Expert reported that these factoring agreements were not detrimental to Alpine Bau's interests, the sentence is still to be pronounced. The proceedings are still at the evidentiary phase, the court expert having issued his report according to which the deposit and the factoring transactions between subsidiary companies of AB and Asesoría Financiera y de Gestión S.A. would not have caused any loss to AB. Given the multiplicity of allegations made by the bankruptcy administrator, the judge is weighing the request for a complementary expert report. The expert has expressed that the complementary report requested by the receiver will have no incidence as to the existence of an economic harm to Alpine Bau. The judge has called the parties for a court session on 16 November 2023 where, presumably the continuity and the way to continue the procedure will be decided.
- In April 2017, a former FCC employee and manager in Alpine Bau and Alpine Holding was served a notice of claim filed by the administrator in bankruptcy of Alpine Bau in the amount of €72 million for alleged damages to the insolvency state due to late filing of insolvency. A negative outcome and a hypothetical refusal of the D&O Insurance Company could have an impact FCC.

As of 30 June 2023, FCC has recognised provisions for the Alpine subgroup amounting to €18.6 million to cover the risks and liabilities arising from the bankruptcies of Alpine Holding and Alpine Bau to cover compromised guarantees and accounts receivable for Alpine works.

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.

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 €600,000,000 (or its equivalent in other currencies). Such amount may be increase from time to time in accordance with the Programme Agreement.

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);
- (c) for Sterling Notes, £100,000 (and integral multiples of £1,000 in excess thereof);
- (d) for Yen Notes, Yen 100,000,000 (and integral multiples of Yen 1,000,000 in excess thereof); or
- (e) for Swiss Francs Notes, CHF 500,000;

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 UK, 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.

Notes may, if the proceeds of the issue are accepted in the UK, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “*Subscription and Sale*”.

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 have been created

The status of the Notes, the capacity of the Issuer and the relevant corporate resolutions shall be governed by Spanish law. Any non-contractual obligations arising out of or in connection with the Notes, the terms and

conditions of the Notes (save as provided above) and all related contractual documentation will be governed by, and construed in accordance with, English 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 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 **Eurosystem**), *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 Eurosystem operations if the NGN form is used.

Currency of the Notes

Notes may be issued in U.S. 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 claims under Article 281 of the 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 without any preference among themselves and *pari passu* with all other unsecured and unsubordinated insolvency claims (*créditos concursales*), present and future, of the Issuer.

In the event of insolvency (concurso) of the Issuer, under the Insolvency Law, claims relating to Notes (unless they qualify as subordinated claims under Article 281 of the Insolvency Law) will be ordinary credits (créditos ordinarios) as defined in the Insolvency Law. Claims that qualify as subordinated credits under Article 281 of the Insolvency Law include, but are not limited to, any accrued and unpaid unsecured 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 claims rank below claims against the insolvency state (créditos contra la masa) and claims with special privilege (créditos con privilegio especial) and general privilege (créditos con privilegio general). Ordinary claims rank above subordinated credits and the rights of shareholders. Pursuant to Article 152 of the Insolvency Law, accrual of interest shall be suspended from the date of declaration of insolvency of the Issuer (other than any ordinary interest accruing under secured liabilities up to an amount equal to the lower of the value of the asset subject to the security and the maximum secured liabilities under the relevant security and provided that a contingent claim was reported to the insolvency administrator in due course in respect of ordinary interest that may accrue after the declaration of insolvency).

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 “*Form 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 and including the day of issue, to (but excluding) the maturity date, subject to applicable legal and regulatory requirements.

Optional Redemption for Tax Reasons

The Issuer may redeem Notes (in whole but not in part) if (a) it is not entitled to claim a deduction in computing taxation liabilities in Spain in respect of any interest to be made on the next Interest Payment Date or the value of such deduction to the Issuer is materially reduced, or (b) 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.

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% 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

The Notes may be issued at a discount or at a premium (in which case they will not bear interest) or may bear fixed or floating rate 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 update 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 24 October 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 Dealers. No Notes may be issued on an unlisted basis.

The Bank of New York Mellon, London Branch is the Issuing and Paying Agent in respect of the Notes.

The Bank of New York Mellon SA/NV, Dublin Branch is the Listing 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.

The Notes to be issued under the Programme have not been rated.

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) OR ANY SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND 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 UNDER THE SECURITIES ACT) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THIS SECURITY FORMS PART.

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
(Incorporated with limited liability in the Kingdom of Spain)

€600,000,000

EURO-COMMERCIAL PAPER PROGRAMME

1. For value received, Fomento de Construcciones y Contratas, 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 the amended and restated issuing and paying agency agreement (the **Issuing and Paying Agency Agreement**) dated 3 November 2023 (as amended and restated or supplemented from time to time) between the Issuer and 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 (or by e-mail, following the holder's prior written request and provision of proof of holding and identity (in a form satisfactory to the Issuing and Paying Agent)), 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 below, 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 the 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 the Kingdom of Spain, 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 is required by law or regulation to make any deduction or withholding for or on account of Taxes imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax in respect of payment of interest, 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 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 as may be required by the competent tax authorities in order to comply with Spanish tax disclosure obligations according to the procedures that may be eventually implemented to comply with the interpretation of Royal Decree 1065/2007 or any other applicable legislation 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; or

- (d) to, or to a third party on behalf of an individual resident for tax purposes in the Kingdom of Spain if the Spanish tax authorities determine that the Notes do not comply with exemption requirements and require a withholding to be made; or
- (e) to, or to a third party on behalf of, a Spanish-resident corporate entity if the Spanish tax authorities determine that the Notes do not comply with exemption requirements including those specified in the Reply to Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made.

Notwithstanding any other provision of this Global Note, in no event will the Issuer be required to pay any additional amounts in respect of the Notes for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, (the **Code**), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

- 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 (a) is not entitled to claim a deduction in computing taxation liabilities in Spain in respect of any interest to be made on the next Interest Payment Date or the value of such deduction to the Issuer is materially reduced, or (b) has or will become obliged to pay additional amounts as provided or referred to in paragraph 3 above 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 (i) is not entitled to claim a deduction in computing taxation liabilities in Spain in respect of any interest to be made on the next Interest Payment Date or the value of such deduction to the Issuer is materially reduced, or (ii) has or will become obliged to pay such additional amounts as a result of such change or amendment (as applicable).

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 7 above,

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 claims under Article 281 of Royal Legislative Decree 1/2020, of 5 May, approving the consolidated and restated text of the Insolvency Law, as amended from time to time, including by Law 16/2022, of 5 September, implementing the Directive (EU) 2019/1023 of the European Parliament and the Council of 20 June, 2019, on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (the **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 without any preference among themselves and *pari passu* with all other unsecured and unsubordinated insolvency claims (*créditos concursales*), 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 (unless that date falls more than 364 days after the Issue Date, in which case payment shall be

made on the immediately preceding 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 Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 20 March 2023, or any successor or replacement for that 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; or
 - (c) if the Notes are required to be removed from Euroclear, Clearstream, Luxembourg or any other clearing system and no suitable (in the determination of the Issuer) alternative clearing system is available.

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 event 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 30th 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 3 November 2023, 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 15th day after falling so due, the amount referred to in paragraph 1 above shall be payable on such 15th 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. If this is a floating rate interest bearing Global Note, interest shall be calculated on the Calculation Amount specified in the Final Terms as follows:
- (a) the Rate of Interest will be the aggregate of EURIBOR and the Margin specified in the Final Terms (if any) above or below EURIBOR. 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.

As used in this Global Note (and unless otherwise specified in the Final Terms), **EURIBOR** shall be equal to EUR-EURIBOR-Reuters (as defined in the 2006 ISDA Definitions) or EUR-EURIBOR (as defined in the 2021 ISDA Definitions) as at 11:00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a **EURIBOR Interest Determination Date**), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified in the Final Terms in relation to the Reference Rate.

As used in this Global Note:

2006 ISDA Definitions means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date;

2021 ISDA Definitions means the 2021 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date; and

ISDA Definitions means the 2006 ISDA Definitions or the 2021 ISDA Definitions, as specified in the Final Terms;

- (b) the Calculation Agent specified in the Final Terms will, as soon as practicable after 11:00 a.m. (Brussels time) on each EURIBOR Interest Determination Date determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**) for the relevant Interest Period. **Rate of Interest** means the rate which is determined in accordance with the provisions of paragraph 16(a) above. The Amount of Interest payable per Note shall be calculated by applying the Rate of Interest to the Calculation Amount (as specified in the Final Terms), multiplying such product by the Day Count Convention specified in the Final Terms or, if none is specified, by the actual number of days in the Interest Period concerned divided by 360 and rounding the resulting figure to the nearest amount of the above-mentioned 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). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties;
 - (c) 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 called an **Interest Period** for the purposes of this paragraph; and
 - (d) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the clearing system(s) in which this Global Note is held at the relevant time or, if this Global Note has been exchanged for bearer definitive Notes pursuant to paragraph 12 above, will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).
17. If the proceeds of this Global Note are accepted in the United Kingdom, the Nominal Amount shall be not less than £100,000 (or the equivalent in any other currency).
18. 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 the ICSDs and represented by this Global Note shall be reduced by the principal amount so paid.

19. This Global Note shall not be validly issued unless manually or electronically authenticated by The Bank of New York Mellon, London Branch as Issuing and Paying Agent.
20. 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.
21. This Global Note (other than paragraph 9 above) 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. Paragraph 9 above is governed by, and shall be construed in accordance with, 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**

Paragraph 21(a) above is for the benefit of the bearer only. As a result, nothing in this paragraph 21 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 FCC Recycling (UK) Ltd. At 3 Sidings Court, White Rose Way, Doncaster, South Yorkshire DN4 5NU (UK), 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.

22. If this Global Note has been admitted to listing on the Official List of Euronext Dublin and to trading on the regulated market of 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 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 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.

23. 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.
24. 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**

without recourse, warranty or liability and for
authentication purposes only

SIGNED for and on behalf of
**FOMENTO DE CONSTRUCCIONES Y
CONTRATAS, S.A.**

By its lawfully appointed attorney:

By:
(*Authorised Signatory*)

.....

EFFECTUATED for and on behalf of

.....
as common safekeeper without
recourse, warranty or liability

By:.....
[*manual signature*] (*duly authorised*)

SCHEDULE¹

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

Date of payment, delivery or cancellation	Amount of interest then paid	Amount of principal then paid	Aggregate principal amount of Definitive Notes then delivered	Aggregate principal amount of Notes then cancelled	New principal amount of this Global Note	Authorised Signature
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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) OR ANY SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND 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 REGULATIONS UNDER THE SECURITIES ACT) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THIS SECURITY FORMS PART.

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
(Incorporated with limited liability in the Kingdom of Spain)

€600,000,000

EURO-COMMERCIAL PAPER PROGRAMME

Nominal Amount of this Note:

1. For value received, Fomento de Construcciones y Contratas, 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 the amended and restated issuing and paying agency agreement (the **Issuing and Paying Agency Agreement**) dated 3 November 2023 (as amended and restated or supplemented from time to time) between the Issuer and 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 (or by e-mail, following the holder's prior written request and provision of proof of holding and identity (in a form satisfactory to the Issuing and Paying Agent)), 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 Note) to the bearer through Euroclear Bank SA/NV and Clearstream Banking S.A. or any other relevant clearing system 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 the Kingdom of Spain, 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 is required by law or regulation to make any deduction or withholding for or on account of Taxes imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax in respect of payment of interest, 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 as may be required by the competent tax authorities in order to comply with Spanish tax disclosure obligations according to the procedures that may be eventually implemented to comply with the interpretation of Royal Decree 1065/2007 or any other applicable legislation 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; or
- (d) to, or to a third party on behalf of an individual resident for tax purposes in the Kingdom of Spain if the Spanish tax authorities determine that the Notes do not comply with exemption requirements and require a withholding to be made; or
- (e) to, or to a third party on behalf of, a Spanish-resident corporate entity if the Spanish tax authorities determine that the Notes do not comply with exemption requirements including those specified in the Reply to Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made.

Notwithstanding any other provision of this Global Note, in no event will the Issuer be required to pay any additional amounts in respect of the Notes for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, (the **Code**), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

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 (a) is not entitled to claim a deduction in computing taxation liabilities in Spain in respect of any interest to be made on the next Interest Payment Date or the value of such deduction to the Issuer is materially reduced, or (b) has or will become obliged to pay additional amounts as provided or referred to in paragraph 2 above 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 (i) is not entitled to claim a deduction in computing taxation liabilities in Spain in respect of any interest to be made on the next Interest Payment Date or the value of such deduction to the Issuer is materially reduced, or (ii) 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. This Note 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 claims under Article 281 of Royal Legislative Decree 1/2020, of 5 May, approving the consolidated and restated text of the Insolvency Law, as amended from time to time, including by Law 16/2022, of 5 September, implementing the Directive (EU) 2019/1023 of the European Parliament and the Council of 20 June, 2019, on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (the **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 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 insolvency claims (*créditos concursales*), 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 (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding 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 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 Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 20 March 2023, or any successor or replacement for that 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 15th day after falling so due, the amount referred to in paragraph 1 above shall be payable on such 15th 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 or, if this 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.
12. If this is a floating rate interest bearing Note, interest shall be calculated on the Calculation Amount specified in the Final Terms as follows:

- (a) the Rate of Interest will be the aggregate of EURIBOR and the Margin specified in the Final Terms (if any) above or below EURIBOR. 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.

As used in this Note (and unless otherwise specified in the Final Terms), **EURIBOR** shall be equal to EUR-EURIBOR-Reuters (as defined in the 2006 ISDA Definitions) or EUR-EURIBOR (as defined in the 2021 ISDA Definitions) as at 11:00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a **EURIBOR Interest Determination Date**), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified in the Final Terms in relation to the Reference Rate.

As used in this Global Note:

2006 ISDA Definitions means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date;

2021 ISDA Definitions means the 2021 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date; and

ISDA Definitions means the 2006 ISDA Definitions or the 2021 ISDA Definitions, as specified in the Final Terms;

- (b) the Calculation Agent specified in the Final Terms will, as soon as practicable after 11:00 a.m. (Brussels time) on each EURIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**). “**Rate of Interest**” means the rate which is determined in accordance with the provisions of paragraph (a) above. The Amount of Interest shall be calculated by applying the Rate of Interest to the Calculation Amount (as specified in the Final Terms), multiplying such product by the Day Count Convention specified in the Final Terms or, if none is specified, by the actual number of days in the Interest Period concerned divided by 360 and rounding the resulting figure to the nearest amount of the above-mentioned 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). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties;
- (c) 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 called an **Interest Period** for the purposes of this paragraph; and

- (d) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the bearer of this Note or, if that is not practicable, will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).
- 13. If the proceeds of this Note are accepted in the United Kingdom, the Nominal Amount shall be not less than £100,000 (or the equivalent in any other currency).
- 14. This Note shall not be validly issued unless manually or electronically authenticated by The Bank of New York Mellon, London Branch as Issuing and Paying Agent.
- 15. This Note (other than paragraph 7 above) and all non-contractual obligations arising out of or in connection with this Note are governed by, and construed in accordance with, English law. Paragraph 7 above is governed by, and shall be construed in accordance with, 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**

Paragraph 15(a) above is for the benefit of the bearer only. As a result, nothing in this paragraph 15 above 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 FCC Recycling (UK) Ltd. at 3 Sidings Court, White Rose Way, Doncaster, South Yorkshire DN4 5NU (UK), 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.

16. If this Note has been admitted to listing on the Official List of Euronext Dublin and to trading on the regulated market of 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 Euronext Dublin (and/or of the relevant listing authority, stock exchange and/or quotation system).
17. 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.
18. 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**

without recourse, warranty or liability and for
authentication purposes only

By:

.....
(*Authorised Signatory*)

SIGNED for and on behalf of

**FOMENTO DE CONSTRUCCIONES Y
CONTRATAS, S.A.**

By its lawfully appointed attorney:

.....

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 the 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 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 manufacturers' 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 manufacturers' 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 of the United Kingdom (**UK**) 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 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 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.]

Final Terms dated [●]

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.
(Incorporated with limited liability in the Kingdom of Spain)

€600,000,000
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 3 November 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 Calle de Balmes, 36, 08007, Barcelona, Spain, and at the offices of the Issuing and Paying Agent at 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 sub- paragraphs. Italics denote guidance for completing the Final Terms.]

- | | | |
|-----|---------------------------|--|
| 1. | Issuer: | Fomento de Construcciones y Contratas, S.A. |
| 2. | Type of Note: | Euro-commercial paper |
| 3. | Series No: | [●] |
| 4. | Dealer(s): | [●] |
| 5. | Specified Currency: | [●] |
| 6. | Nominal Amount: | [●] |
| 7. | Trade Date: | [●] |
| 8. | Issue Date: | [●] |
| 9. | Maturity Date: | [●] <i>[May not be less than 1 day nor more than 364 days after the Issue Date]</i> |
| 10. | Issue Price: | [●] |
| 11. | Denomination: | [●] |
| 12. | Calculation Amount: | [●] |
| 13. | Redemption Amount: | [Redemption at par][[●] per Note of [●] Denomination][Nominal amount specified on the face of each Note in definitive form][<i>other</i>] |
| 14. | Early Redemption Date: | [●] |
| 15. | Redemption Notice Period: | [Not less than 30 days and not more than 60 days prior to the Early Redemption Date/ <i>other</i>] |
| 16. | Delivery: | [Free of/against] payment |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|-----|-----------------------------|--|
| 17. | Fixed Rate Note Provisions: | [Applicable/Not applicable]

<i>(If not applicable, delete the remaining sub-paragraphs 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): [●]
- (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 ISDA Definitions (as defined below)]²
- (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]
- (e) ISDA Definitions: [2006 ISDA Definitions] / [2021 ISDA Definitions] published by the International Swap and Derivatives Association, Inc., as amended, updated or replaced as at the Issue Date
18. Floating Rate Note Provisions: [Applicable/Not applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Interest Payment Dates: [●]
- (b) Calculation Agent (party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Issuing and Paying Agent)): [[Name] shall be the Calculation Agent]
- (c) Reference Rate: [●] months [EURIBOR]
- (d) Margin(s): [+/-][●] per cent. per annum
- (e) 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 ISDA Definitions.]³
- (f) Other terms relating to the method of calculating interest for Floating Rate Notes (if terms are different from those specified in the terms and conditions of the Notes): [Not Applicable] [give details]
[To be calculated by the Calculation Agent as follows:
[Calculation time and date: [●]]]

² 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.

³ 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.

[Insert particulars of calculation]

(g) ISDA Definitions: [2006 ISDA Definitions] / [2021 ISDA Definitions]
published by the International Swap and Derivatives
Association, Inc., as amended, updated or replaced as
at the Issue Date

GENERAL PROVISIONS APPLICABLE TO THE NOTES

19. 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*]
20. Rating: The Notes have [not] been rated
21. Clearing System(s): Euroclear, Clearstream, Luxembourg
22. Issuing and Paying Agent: The Bank of New York Mellon, London Branch
23. Listing Agent: [The Bank of New York Mellon SA/NV, Dublin
Branch]
24. ISIN: [●]
25. Common code: [●]
26. CFI: [See the website of the Association of National
Numbering Agencies (ANNA) or alternatively
sourced from the responsible National Numbering
Agency that assigned the CFI / Not Applicable / Not
Available]
27. FISN: [See the website of the Association of National
Numbering Agencies (ANNA) or alternatively
sourced from the responsible National Numbering
Agency that assigned the FISN / Not Applicable /
Not Available]
- [If the CFI and/or FISN is not required or requested,
it/they should be specified to be "Not Applicable"]*
28. 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)]
29. New Global Note: [Yes][No]
30. 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 intra-day 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 intra-day 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*]

31. Relevant Benchmark[s]:

[[*Specify benchmark*] is provided by [*administrator legal name*]. As at the date hereof, [[*administrator legal name*][appears]/[does not appear]] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the EU Benchmark Regulation]/[Not Applicable]

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 €600,000,000 Euro-Commercial Paper Programme of Fomento de Construcciones y Contratas, S.A.

RESPONSIBILITY

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

SIGNED on behalf of

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, 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. [Floating Rate Notes only – **HISTORIC INTEREST RATES**

Details of historic [EURIBOR/other] rates can be obtained from [Reuters]].

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. Tax legislation, including in the country where the investor is domiciled or tax resident and in the Issuer's country of incorporation, may have an impact on the income that an investor receives from the Notes.

The proposed financial transactions tax (the EU FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's proposal**) for a Directive for a common EU FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including 'secondary' market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, EU FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

In the ECOFIN meeting of 17 June 2016, the EU FTT was discussed between the EU Member States. It has been reiterated in this meeting that participating Member States envisage introducing an FTT by the so-called enhanced cooperation process.

The proposed Directive defines how the EU FTT would be implemented in participating Member States. It involves a minimum 0.1% tax rate for transactions in all types of financial instruments, except for derivatives that would be subject to a minimum 0.01% tax rate.

On 3 December 2018, the finance ministers of France and Germany outlined a joint proposal for a limited FTT based on a system already in place in France. Under the new proposal, the tax obligation would apply only to transactions involving shares issued by domestic companies with a market capitalisation of over €1 billion.

However, the Commission's proposal remains subject to negotiation between participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and participating Members States may withdraw.

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

The Spanish financial transactions tax (the Spanish FTT)

On 16 January 2021, the Law 15/2020, of 15 October, on FTT (the **FTT Law**) entered into force.

The Spanish FTT should not affect transactions involving bonds or debt or analogous instruments. It taxes the acquisition of listed shares (including the transfer or conversion) of Spanish companies with a market

capitalisation of more than €1 billion, at a tax rate of 0.2%, regardless of the jurisdiction of residence of the parties involved in the transaction.

Therefore, an indirect tax at a rate of 0.2% will apply on acquisitions of shares of Spanish listed companies, regardless of the residence of the agents that intervene in the transactions, provided the market value of the capitalisation thereof is greater than €1 billion. The taxpayer will be the financial traders that transfer or execute the purchase order and must submit an annual tax return.

The list of Spanish companies with a market capitalisation exceeding €1 billion at 1 December of each year will be published on the Spanish tax authorities' website before 31 December each year. For the purposes of transactions closed during 2023, the Spanish tax authorities issued a list of entities whose market capitalisation exceeded €1 billion as of 1 December 2022, that will fall within the scope of the Spanish FTT.

Notwithstanding this, Notes should not be subject to this new tax in accordance with the FTT Law. 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 date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. Moreover, any Notes with a final maturity of 183 days or less generally will not be subject to FATCA withholding. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

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, Additional Provision One of Law 10/2014, and RD 1065/2007, as amended;
- (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, promulgating the Personal

Income Tax Regulations, as amended, along with Law 19/1991, of 6 June on Wealth Tax, as amended, and Law 29/1987, of 18 December on Inheritance and Gift Tax, as amended, 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, as amended, 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 Regulations**), along with Law 19/1991, of 6 June on Wealth Tax, as amended and Law 29/1987, of 18 December, on Inheritance and Gift Tax, as amended, 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.

1. INDIVIDUALS WITH TAX RESIDENCY IN SPAIN

1.1 *Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas)*

Personal Income Tax is levied on an annual basis on the worldwide income obtained by Spanish resident individuals, whatever its source and wherever the relevant payer is established. Accordingly, income obtained from the Notes will be taxed in Spain when obtained by individuals that are considered resident in Spain for tax purposes. The fact that a Spanish company pays interest under a Note will not lead an individual being considered tax-resident in Spain.

Both interest periodically received and income deriving from the transfer, redemption or repayment of the Notes obtained by individuals who are resident in Spain 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% for taxable income up to €6,000, 21% for taxable income between €6,000.01 to €50,000, 23% for taxable income between €50,000.01 and €200,000, 27% for taxable income between €200,000.01 and €300,000 and 28% for taxable income exceeding €300,000.00.

As a general rule, both types of income are subject to a withholding tax on account at the rate of 19%. According to Section 44.5 of RD 1065/2007, the Issuer will make interest payments to individual holders who are resident for tax purposes in Spain without withholding **provided that** the relevant simplified reporting obligations imposed by Spanish tax legislation from time to time (currently under the regulations established by Royal Decree 1065/2007, of 27 July, as amended by Royal Decree 1145/2011, of 29 July), were complied with. If the Issuing and Paying Agent fails or for any reason is unable to deliver the required information in the manner indicated, the Issuer will withhold at the general rate applicable from time to time (currently 19%), and the Issuer will pay the relevant additional amounts as will result in receipt by the holders of the Notes of such amounts as would have been received by them had no such withholding or deduction been required.

Notwithstanding the above, withholding tax at the applicable rate of 19% 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.

Reporting Obligations

The Issuer will comply with the reporting obligations set forth in the Spanish tax laws with respect to beneficial owners of the Notes that are individuals resident in Spain for tax purposes.

1.2 *Wealth Tax (Impuesto sobre el Patrimonio) and Solidarity Tax (Impuesto Temporal de Solidaridad de las Grandes Fortunas)*

Individuals with tax residency in Spain are 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% and 3.5%. Although the final tax rates may vary depending on any applicable regional tax laws, and some reductions may apply.

In addition to 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 (as Madrid and Andalusia). As regards the Basque Country and Navarre, its application is excluded, although it is foreseen that its application will be agreed in the Mixed Commission of the Economic Agreement with the Basque Country and the Commission of the Economic Agreement with Navarre.

The rates of the “Solidarity Tax” are (i) 1.7% on a net worth between €3,000,000 and €5,000,000, (ii) 2.1% on a net worth between €5,000,000.01 and €10,000,000, and (iii) 3.5% on a net worth of more than €10,000,000. Note that the regulation lays down a minimum exempt amount of €700,000 which means that its effective impact, in general, will occur when the net wealth, not tax exempt, is greater than €3,700,000.

Prospective investors are advised to seek their own professional advice in this regard.

1.3 *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 and State rules.

As at the date of this Information Memorandum, the applicable tax rates currently range between 7.65% and 34%. 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% and 81.6% although the final tax rate may vary depending on any applicable regional tax laws. Some tax benefits could reduce the effective tax rate.

2. LEGAL ENTITIES WITH TAX RESIDENCY IN SPAIN

2.1 *Corporate Income Tax (Impuesto sobre Sociedades)*

Legal entities with tax residency in Spain are subject to Corporate Income Tax on a worldwide basis.

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%. However, this general rate will not be applicable to all Corporate Income Tax taxpayers and, for instance, it will not apply to banking institutions (which will be taxed at the rate of 30%). Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

In accordance with Section 44.5 of RD 1065/2007, there is no obligation to withhold on interests payable to Spanish Corporate Income Tax 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 Corporate Income Tax taxpayers **provided that** the relevant simplified reporting obligations imposed by Spanish tax legislation from time to time (currently under the regulations established by Royal Decree 1065/2007, of 27 July, as amended by Royal Decree 1145/2011, of 29 July), were complied with. If the Issuing and Paying Agent fails or for any reason is unable to deliver the required information in the manner indicated, the Issuer will withhold at the general rate applicable from time to time (currently 19%), and the Issuer will pay the relevant additional amounts as will result in receipt by the holders of the Notes of such amounts as would have been received by them had no such withholding or deduction been required.

Notwithstanding the above, payments of interest under the Notes may be subject to withholding tax at the applicable rate of 19% by other entities (such as depositaries, institutions or financial entities), as established by article 61 of Royal Decree 634/2015 (Regulation of the Spanish Corporate Income Tax).

Notwithstanding the above, amounts withheld, if any, may be credited by the relevant investors against its final Corporate Income Tax liability.

Reporting Obligations

The Issuer will comply with the reporting obligations set forth in the Spanish tax laws with respect to beneficial owners of the Notes that are legal persons or entities resident in Spain for tax purposes.

2.2 *Wealth Tax (Impuesto sobre el Patrimonio) and Solidarity Tax (Impuesto Temporal de Solidaridad de las Grandes Fortunas)*

Spanish resident legal entities are neither subject to Wealth Tax nor to Solidarity Tax.

2.3 *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.

3. INDIVIDUALS AND LEGAL ENTITIES WITH NO TAX RESIDENCY IN SPAIN

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

(a) *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.

Reporting Obligations

The Issuer will comply with the reporting obligations set forth under Spanish tax laws with respect to beneficial owners of the Notes that are individuals or legal entities not resident in Spain for tax purposes and that act with respect to the Notes through a permanent establishment in Spain.

(b) *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 provided that the relevant simplified reporting obligations imposed by Spanish tax legislation from time to time (currently under the regulations established by Royal Decree 1065/2007, of 27 July, as amended by Royal Decree 1145/2011, of 29 July), were complied with. If the Issuing and Paying Agent fails or for any reason is unable to deliver the required information in the manner indicated, the Issuer will withhold at the general rate applicable from time to time (currently 19%), and the Issuer will pay the relevant additional amounts as will result in receipt by the holders of the Notes of such amounts as would have been received by them had no such withholding or deduction been required.

Reporting Obligations

The Issuer will comply with the reporting obligations set forth under Spanish tax laws with respect to beneficial owners of the Notes that are individuals or legal entities not resident in Spain for tax purposes and that act with respect to the Notes through a permanent establishment in Spain.

3.2 ***Wealth Tax (Impuesto sobre el Patrimonio) and Solidarity Tax (Impuesto Temporal de Solidaridad de las Grandes Fortunas)***

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. Otherwise, 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% and 3.5%.

However, non-Spanish resident individual will be exempt from Wealth Tax in respect of the Notes which income is exempt from Non-Resident Income Tax described above.

Non-Spanish tax resident individuals may apply the rules approved by the autonomous region where the assets and rights with more value (i) are situated, (ii) can be exercised or (iii) must be fulfilled. As such, prospective investors should consult their tax advisers.

In addition to 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 (as Madrid and Andalusia). As regards the Basque Country and Navarre, its application is excluded, although it is foreseen that its application will be agreed in the Mixed Commission of the Economic Agreement with the Basque Country and the Commission of the Economic Agreement with Navarre.

The rates of the “Solidarity Tax” are (i) 1.7% on a net worth between €3,000,000 and €5,000,000, (ii) 2.1% on a net worth between €5,000,000.01 and €10,000,000, and (iii) 3.5% on a net worth of more

than €10,000,000. Note that the Non-Spanish tax resident individuals do not have access to the general tax exemption of €700,000 which means that they are taxed when the net wealth located in Spain is greater than €3,000,000.

Prospective investors are advised to seek their own professional advice in this regard.

Non-Spanish resident legal entities are neither subject to Wealth Tax nor to Solidarity Tax.

3.3 ***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 done are not resident in 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.

4. **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 RD 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:

- (a) identification of the Notes;
- (b) income payment date (or refund if the Notes are issued at a discount or segregated);
- (c) total amount of income (or total amount to be refunded if the Notes are issued at a discount or segregated); and
- (d) total amount of the income corresponding to each clearing system located 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 the procedures set out above are complied with, the Issuing and Paying Agent, on behalf of the Issuer, will pay the relevant amount to (or for the account of) the clearing systems without withholdings or deductions for or on account of Spanish taxes.

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% from any payment in respect of the relevant Notes as to which the required information has not been provided. In that event the Issuer will pay such additional amounts as will result in receipt by the holders of the Notes of such amount as would have been received by them had no such withholding been required. The Issuing and Paying Agent will pay the relevant amount to (or for the account of) the clearing systems.

The procedures for providing documentation referred to in this section are set out in detail in the amended and restated issuing and paying agency agreement dated 3 November 2023 (the **Issuing 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 Issuing and Paying Agency Agreement.

Regarding the interpretation of Royal Decree 1065/2007 and the new simplified information procedures please refer to "*Risk Factors - Risks in Relation to the Notes - Risks in Relation to Spanish Taxation*".

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.

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.

(d) 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

1. General

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent 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.

2. 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, only in accordance with Rule 903 of Regulation S. 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, 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.

3. The United Kingdom

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)

- (i) 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

- (ii) 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;
- (b) 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
- (c) 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 UK.

4. **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 each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

5. **Kingdom of Spain**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes will not be offered, sold or distributed, nor will any subsequent resale of Notes be carried out in Spain, except in circumstances which do not require the registration of a prospectus in Spain or without complying with all legal and regulatory requirements under Spanish securities laws.

6. **Republic of France**

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 or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Information Memorandum, the relevant Final Terms or any other offering material relating to the Notes, except to qualified investors (*investisseurs qualifiés*) as defined in, and in accordance with, Article 2(e) of the Regulation (EU) 2017/1129 and Articles L.411-1 and L.411-2 of the French *Code monétaire et financier*. The Information Memorandum has not been submitted for clearance to the *Autorité des marchés financiers*.

GENERAL INFORMATION

1. Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and International Securities Identification Number 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.

2. 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 Euronext Dublin on or after 3 November 2023. The admission of the Notes to trading on the regulated market of 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 Euronext Dublin will be so admitted to listing and trading upon submission to Euronext Dublin of the relevant Final Terms and any other information required by 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.

3. Significant Change

There has been no significant change in the financial or trading position of the Group since 30 June 2023.

4. Legal and Arbitration Proceedings

Except as disclosed in section 'Legal Proceedings' and under the headings 'Risks Related to the Alpine Group' and 'The Group is subject to litigation risks' in the Risk Factors section, there are no pending or threatened governmental, legal or arbitration proceedings against or affecting the Issuer and/or 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 or the Group.

5. Independent Auditors

The consolidated financial statements of the Issuer for the years ended 31 December 2022 and 31 December 2021 have been audited by Ernst & Young, S.L., registered in the Official Registry of Auditors (*Registro Oficial de Auditores de Cuentas*) under number S0530. The registered office of Ernst & Young, S.L. is Raimundo Fernández Villaverde, 65 - 28003, Madrid, Spain.

6. LEI Code

The Legal Entity Identifier (LEI) Code of the Issuer is 95980020140005178328.

7. 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.

8. **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 documents 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 Programme 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).

ISSUER

Fomento de Construcciones y Contratas, S.A.

Calle Balmes, 36
08007 Barcelona
Spain

ARRANGER

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Calle Núñez de Balboa, 70 bis – 1ª Planta
28006 Madrid
Spain

DEALERS

Banca March, S.A.

Calle Núñez de Balboa, 70 bis – 1ª Planta
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