



**Sacyr, S.A.**

*(incorporated in the Kingdom of Spain)*

**€200,000,000**

**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 €200,000,000 euro-commercial paper programme (the "**Programme**") of Sacyr, S.A. ("**Sacyr**" or the "**Issuer**") described in this document to be admitted to the Official List and trading on the regulated market of Euronext Dublin, a regulated market for purposes of the Markets in Financial Instruments Directive 2014/65/EC (as amended, "**MiFID II**").

Prospective investors should consider carefully and fully understand the risks set forth herein under "*Risk Factors*" prior to making investment decisions with respect to the Notes.

Potential investors should note the statements on pages 94 – 102 regarding the tax treatment in Spain of income obtained in respect of the Notes and the disclosure requirements imposed by the Spanish tax legislation in relation 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.

***Dealers***

**Banco Sabadell**

**Bestinver**

**BRED Banque Populaire**

**PKF Attest**

**Santander Corporate & Investment  
Banking**

## IMPORTANT NOTICE

This information memorandum (together with any information incorporated herein by reference, the "**Information Memorandum**") contains summary information provided by the Issuer in connection with the Programme under which the Issuer may issue and have outstanding at any time Notes up to a maximum aggregate amount of €200,000,000 or its equivalent in alternative currencies. Under the Programme, the Issuer may only 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**"). The Issuer, pursuant to a dealer agreement dated 23 April 2021 (the "**Dealer Agreement**"), has appointed Banco de Sabadell, S.A., Banco Santander, S.A., Bestinver S.V., S.A., BRED Banque Populaire, and PKF ATTEST Capital Markets, A.V., S.A., as dealers for the Notes (the "**Dealers**") and authorised and requested the Dealers to circulate the Information Memorandum in connection with the Programme on its behalf to investors or potential investors in the Notes.

**THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR ANY U.S. STATE SECURITIES LAWS 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) ("U.S. PERSONS") 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 NOTES ARE ISSUED IN ACCORDANCE WITH AN EXEMPTION GRANTED BY THE CENTRAL BANK OF IRELAND UNDER SECTION 8(2) OF THE CENTRAL BANK ACT 1971, INSERTED BY SECTION 31 OF THE CENTRAL BANK ACT, 1989, AS AMENDED BY SECTION 70(d) OF THE CENTRAL BANK ACT, 1997, EACH AMENDED BY THE CENTRAL BANK AND FINANCIAL SERVICES AUTHORITY OF IRELAND ACT 2004 AND CONSTITUTES "COMMERCIAL PAPER" FOR THE PURPOSES OF THAT EXEMPTION.**

**AN INVESTMENT IN THE NOTES DOES NOT HAVE THE STATUS OF A BANK DEPOSIT IN IRELAND AND IS NOT WITHIN THE SCOPE OF THE DEPOSIT PROTECTION SCHEME OPERATED BY THE CENTRAL BANK OF IRELAND. THE ISSUER IS NOT REGULATED BY THE CENTRAL BANK OF IRELAND BY VIRTUE OF THE ISSUE OF THE NOTES.**

The Issuer accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge 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. The Issuer confirms that, where information herein has been sourced from a third party, this information has been accurately reproduced, and so far as the Issuer is aware and is able to ascertain from the information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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 pricing supplements (each the "**Pricing Supplement**") which will be attached to the relevant Note (see "*Forms of the Notes*"). Each Pricing Supplement will be supplemental to and must be read in conjunction with the full terms and conditions of the Notes. Copies of each Pricing Supplement containing details of each particular issue of Notes will be available from the specified office set out below of the Issuing and Paying Agent (as defined below).

This Information Memorandum is not a prospectus for the purposes of (i) Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**"), or (ii) Regulation (EU) 2017/1129, as it forms part of the current domestic law of the United Kingdom ("**UK**") by virtue of the European Union (Withdrawal) Act 2018 and secondary legislation made under it, in each case, as amended, including by the European Union (Withdrawal) Act 2020 (the "**EUWA**") (the "**UK Prospectus Regulation**").

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

None of the Issuer, the Issuing and Paying Agent (as defined below), and the Dealers accept any responsibility, express or implied, for updating the Information Memorandum and neither the delivery of the Information Memorandum nor any offer or sale made on the basis of the information in the Information Memorandum shall under any circumstances create any implication that the Information Memorandum is accurate at any time subsequent to the date thereof with respect to the Issuer or that there has been no change in the business, financial condition or affairs of the Issuer since the date thereof.

No person is authorised by the Issuer to give any information or to make any representation not contained or incorporated by reference in the Information Memorandum and any information or representation not contained or incorporated by reference herein must not be relied upon as having been authorised by the Issuer, the Issuing and Paying Agent, the Dealers or any of them.

Neither the Issuing and Paying Agent, 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 the Dealers 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 Pricing Supplement or in or from any accompanying or subsequent material or presentation.

The information contained in the Information Memorandum or any Pricing Supplement is not and should not be construed as a recommendation by 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 Pricing Supplement.

No Dealer undertakes to review the business or financial condition or affairs of the Issuer during the life of the Programme, nor to advise any recipient of the Information Memorandum or any Pricing Supplement of any information or change in such information coming to such Dealer's attention.

None of the Dealers accepts any liability in relation to this Information Memorandum or any Pricing Supplement or its or their distribution by any other person. This Information Memorandum does not, and is not intended to, constitute (nor will any Pricing Supplement constitute, or be intended to constitute) an offer or invitation to any person to purchase Notes.

The distribution of this Information Memorandum and any Pricing Supplement 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 Pricing Supplement or any Notes or any interest in such Notes or any rights in respect of such Notes are required by the Issuer 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, the Issuer set out under "*Subscription and Sale*" below.

The Issuer has undertaken, in connection with the admission of the Notes to listing on the Official List and to 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 listing on the Official List and to 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 relating to the Notes – Risks relating to taxation*" and "*Taxation – Taxation in Spain*"). No comment is made or advice is given by the Issuer or the Dealers in respect of taxation matters relating to the Notes. Investors must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Notes.

The Dealers and their affiliates have engaged, and may in the future engage, in 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 addition, 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 the Issuer's affiliates. The 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 short 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.

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.

### **IMPORTANT - EEA RETAIL INVESTORS**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no

key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

### **IMPORTANT - UK RETAIL INVESTORS**

The Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to any retail investor in the UK. For the purposes of this Information Memorandum (a) the expression retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the current domestic law of the UK by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the current domestic law of the UK by virtue of the EUWA. Consequently no key information document required by regulation (EU) No 1286/2014 as it forms part of the current domestic law of the UK by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

### **MIFID II PRODUCT GOVERNANCE / TARGET MARKET**

The Pricing Supplement in respect of any Notes will include a legend entitled "MiFID II product governance - professional investors and eligible counter parties 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 MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

### **UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET**

The Pricing Supplement in respect of any Notes may include a legend entitled "**UK MiFIR Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to the Financial Conduct Authority 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 Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

## BENCHMARK REGULATION

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**EU Benchmark Regulation**") and/or the EU Benchmark Regulation as it forms part of the current domestic law of the UK by virtue of the EUWA (the "**UK Benchmark Regulation**"). If any such reference rate does constitute such a benchmark, the Pricing Supplement will indicate whether or not the benchmark is provided by an administrator included in (i) 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, and/or (ii) the register of administrators and benchmarks established and maintained by the UK Financial Conduct Authority (the "**FCA**") pursuant to Article 36 (Register of administrators and benchmarks) of the UK Benchmark Regulation. Transitional provisions in the EU Benchmark Regulation and/or the UK 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 maintained by ESMA and/or the FCA at the date of the Pricing Supplement. The registration status of any administrator under the EU Benchmark Regulation and/or the UK Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Information Memorandum to reflect any change in the registration status of the administrator.

## INTERPRETATION

In this Information Memorandum, all references to "Euro" and "€" are to the single currency of participating member states of the European Union; all references to "Sterling" and "£" are to the currency of the United Kingdom; all references to "U.S. dollars" and "U.S.\$" are to the currency of the United States of America; and all references to "Swiss Franc" and "SFr" are to the currency of the Swiss Confederation.

In this Information Memorandum the word "Issuer" refers to Sacyr, S.A.; and the words "Group" or "Sacyr" refer to Sacyr, S.A. and its consolidated subsidiaries.

This Information Memorandum contains the non-GAAP measure EBITDA that is not required by or presented in accordance with IFRS. EBITDA is calculated as profit for the period from continuing operations, after adding back income tax benefit, share of (loss)/profit of associates carried out under the equity method, finance expense net and depreciation, amortization and impairment charges of the Group. The management of the Issuer presents this non-GAAP financial measure because it believes that this measure is widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The EBITDA of Sacyr may not be comparable to this measure as calculated by other companies and has limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the operating results of Sacyr as reported under IFRS.

For these purposes, "GAAP" refers to generally accepted accounting principles and "IFRS" refers to the International Financial Reporting Standards as adopted by the European Union.

This Information Memorandum also includes certain additional financial measurements, known as Alternative Performance Measures ("APMs") used by management in decision-making and evaluation of the Group's financial performance, cash flows and financial position. This additional information is presented in order to improve the comparability, reliability and comprehensibility of the financial information included herein.

### Alternative Performance Measures:

- *Gross debt*: comprises non-current financial debt and current financial debt as shown on the liabilities side of the consolidated statement of financial position, which include bank borrowings and issues in capital markets (bonds).
- *Net debt*: calculated as gross debt less other current financial assets and cash and cash equivalents, from the asset side of the consolidated statement of financial position.
- *Project debt (gross or net)*: the financial debt (gross or net) from project companies. In this type of debt, the guarantee received by the lender is limited to the project cash flow and its asset value, with limited recourse to shareholders.
- *Corporate debt (gross or net)*: debt incurred by Sacyr, comprising bank borrowings and issues in capital markets.
- *Backlog*: value of awarded and closed work contracts pending completion. These contracts are included in the backlog once they are formalised. The backlog is shown as the percentage attributable to the Group, as per the corresponding consolidation method.

Once a contract has been included in the backlog, the value of production pending completion on the contract remains in the backlog, until it is completed or cancelled. Nevertheless, valuation adjustments are made to reflect any changes in prices and time periods agreed with the client. Due to a number of factors, all or part of the backlog linked to a contract may not actually become income. The Group's backlog is subject to

adjustments and cancellation of projects, and cannot be taken as an exact indicator of future earnings. The concessions backlog represents estimated future revenues on concessions, over the concession period, based on the financial plan for each concession, and includes projected fluctuations in the exchange rate between the euro and other currencies, as well as changes in inflation, prices, tolls and traffic volumes.

The above mentioned APMs of Sacyr may not be comparable to these measures as calculated by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the operating results of Sacyr as reported under IFRS.

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

Where this 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.

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## **DOCUMENTS INCORPORATED BY REFERENCE**

The audited consolidated financial statements of the Group corresponding to the years ended 31 December 2020 and 31 December 2019 shall be deemed to be incorporated in, and to form part of, this Information Memorandum.

Any statement contained in a document incorporated by reference into this Information Memorandum shall be deemed modified or superseded to the extent that a statement contained in any subsequent document which is also incorporated by reference into this Information Memorandum modifies or supersedes such statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

Except as provided above, no other information is incorporated by reference into this Information Memorandum.

The Issuer will provide each person to whom a copy of this Information Memorandum has been delivered, upon request of such person, with a copy of any or all the documents incorporated herein by reference, unless such documents have been modified or superseded as specified above. Written requests for such documents should be directed to the Issuer at its office as set out at the end of this Information Memorandum.

## OVERVIEW OF THE PROGRAMME

*The following overview is qualified in its entirety by the remainder of this Information Memorandum.*

- Issuer:** Sacyr, S.A.
- 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 "*Risk Factors*" below.
- Dealers:** Banco de Sabadell, S.A., Banco Santander, S.A., Bestinver S.V., S.A., BRED Banque Populaire, and PKF ATTEST Capital Markets, A.V., S.A.
- Issuing and Paying Agent:** The Bank of New York Mellon, London Branch
- Irish Listing Agent:** PKF ATTEST Capital Markets, A.V., S.A.
- Programme Amount:** The aggregate principal amount of Notes outstanding at any time will not exceed €200,000,000 (or its equivalent in other currencies) subject to applicable legal and regulatory requirements. The Programme Amount may be increased from time to time in accordance with the Dealer Agreement.
- Currencies:** Notes may be denominated in Euro, Sterling, Swiss Franc, U.S. dollars and such other currencies as may be agreed between the Issuer and the Dealers from time to time, subject in each case to compliance with all applicable legal and regulatory requirements.
- 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 Swiss Franc Notes, SFr500,000 (and integral multiples of SFr1,000 in excess thereof);
- or such other conventionally accepted denominations in those currencies as may be agreed between the Issuer and the Dealers from time to time, subject in each case to compliance with all applicable legal and regulatory requirements, provided that Notes (including Notes denominated in Sterling) the proceeds of which are to be accepted by the Issuer in the United Kingdom shall have a minimum denomination of £100,000 (or its equivalent in other currencies).
- Maturity:** Not less than 1 day nor more than 364 days from and including the date of issue, to but excluding the maturity date, subject to compliance with any applicable legal and regulatory

requirements.

**Redemption:**

The Notes may be redeemed at par.

Any Notes in respect of which the proceeds are to be accepted by the Issuer in the United Kingdom shall (a) have a redemption value of not less than £100,000 (or an amount of equivalent value denominated wholly or partially in a currency other than Sterling), and (b) provide that no part of any such Note may be transferred unless the redemption value of such part is not less than £100,000 (or such an equivalent amount).

**Tax Redemption:**

Early redemption will only be permitted for tax reasons as described in the terms of the Notes.

**Issue Price:**

The Issue Price of each issue of Notes will be set out in the relevant Pricing Supplement.

**Yield Basis:**

The Notes may be issued at a discount or a premium or may bear fixed or floating interest.

**Status of Notes:**

The Notes constitute and at all times shall constitute a direct, unsecured and unsubordinated obligation of the Issuer ranking *pari passu* without any preference among themselves and with all present and future unsecured and unsubordinated obligations of the Issuer, other than those preferred by mandatory provisions of law and other statutory exceptions.

**Taxation:**

All payments under the Notes will be made without deduction or withholding for or on account any present or future Spanish taxes, except as stated in the Notes and as stated under the heading "*Taxation – Taxation in Spain*".

**Tax disclosure requirements:**

Under Law 10/2014 and Royal Decree 1065/2007, as amended, the Issuer shall receive certain information in respect of the Notes as described under "*Taxation – Taxation in Spain. Disclosure obligations in connection with payments on the Notes*".

The Issuer and the Issuing and Paying Agent have entered into an agency agreement dated 23 April 2021 (the "**Agency Agreement**") where they have arranged certain procedures to facilitate the collection of information concerning the Notes.

If the Issuing and Paying Agent fails to provide to the Issuer the information described under "*Taxation – Taxation in Spain. Disclosure obligations in connection with payments on the Notes*", the Issuer may be required to withhold tax and may pay income in respect of such principal amount net of the Spanish withholding tax applicable to such payments (currently at the rate of 19 per cent.).

None of the Issuer, the Dealers, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A., ("**Clearstream, Luxembourg**") and, together with Euroclear, the "**Clearing Systems**") assumes any responsibility thereof.

<b>Form of the Notes:</b>	The Notes will be in bearer form. Each issue of Notes will initially be represented by one or more global notes (each a " <b>Global Note</b> " and together the " <b>Global Notes</b> "). Each Global Note which is not intended to be issued in new global note form (a " <b>Classic Global Note</b> " or " <b>CGN</b> "), as specified in the relevant Pricing Supplement, 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 Global Note which is intended to be issued in new global note form (a " <b>New Global Note</b> " or " <b>NGN</b> "), as specified in the relevant Pricing Supplement, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Global Notes may be exchanged in whole (but not in part) for Definitive Notes in the limited circumstances set out in the Global Notes (see " <i>Certain Information in Respect of the Notes – Form of the Notes</i> ").
<b>Listing and Trading:</b>	Each issue of Notes may be admitted to the Official List and to trading on the regulated market of Euronext Dublin and/or listed, traded and/or quoted on any other listing authority, stock exchange and/or quotation system as may be agreed between the Issuer and the Dealers. No notes may be issued on an unlisted basis.
<b>Delivery:</b>	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. Accountholders will, in respect of Global Notes, have the benefit of a deed of covenant dated 23 April 2021 (the " <b>Deed of Covenant</b> ").
<b>Governing Law:</b>	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 and all related contractual documentation will be governed by, and construed in accordance with, English law.
<b>Selling Restrictions:</b>	The offering and sale of the Notes is subject to all applicable selling restrictions including, without limitation, those of the United States of America, the United Kingdom, Ireland, France, Portugal and Spain (see " <i>Subscription and Sale</i> ")
<b>Use of Proceeds:</b>	The net proceeds of the issue of the Notes will be used for the general funding purposes of the Issuer.
<b>Rating:</b>	Not rated.

## RISK FACTORS

*An investment in the Notes involves a high degree of risk. Prospective investors should carefully consider, among other things, the risks set forth below and the other information contained or incorporated by reference in this Information Memorandum and reach their own view prior to making any investment decision with respect to the Notes. Each of the risks highlighted below could have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects, which, in turn, could have a material adverse effect on the Issuer's ability to make payments under the Notes.*

*In addition, the value of the Notes could decline due to any of these risks, and prospective investors may lose some or all of their investment. Prospective investors should note that the risks described below are not the only risks that the Issuer faces but are the risks that the Issuer currently considers to be material. There may be additional risks that the Issuer currently considers immaterial or of which it is currently unaware, and any such risks could have effects similar to the risks set forth below. Furthermore, 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.*

*Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes are also described below.*

### **Risks relating to Sacyr's business and the market in which it operates**

***Sacyr's business could be adversely affected by the continuation or deterioration of the challenging economic conditions in the markets in which Sacyr operates.***

The performance of Sacyr's business has in the past been closely linked to the economic cycle in the countries, regions and cities where Sacyr operates. Normally, robust economic growth in the geographic regions where Sacyr is located results in greater demand for Sacyr's services, while slow economic growth or economic contraction adversely affects demand for Sacyr's services.

Since December 2019, a new strain of coronavirus, or covid-19, spread in the People's Republic of China and progressively to the rest of the world, mainly to Europe (including Spain and the UK), Latin America and the United States, among others. The outbreak was declared a public health emergency of international concern and a global pandemic by the World Health Organization.

Countries around the world have responded to the covid-19 pandemic by adopting a variety of measures in an attempt to contain the spread and impact of covid-19, including imposing mass quarantines or other containment measures, shelter-in-place orders and medical screenings, restricting travel, limiting public gatherings and suspending most economic activities. These measures have resulted in a severe decrease of global economic activity and falls in production and demand, which has led to sharp declines in the gross domestic product (GDP) of those countries which are most affected by the pandemic and is expected to continue to have an overall negative impact on global GDP in 2021. Other consequences include increased unemployment levels, sharp decreases and high volatility in the stock markets, disruption of global supply chains, exchange rate volatility, steady customer draws on lines of credit, decline in real estate prices, and uncertainty in relation to the future impact in regional and global economies in the medium and long term. These measures have also negatively impacted, and could continue to negatively impact, businesses, market participants, Group's counterparties and clients, and the global economy for a prolonged period of time. Furthermore, it is unclear how the macroeconomic business environment or societal norms may be impacted after the pandemic. The post-covid-19 environment may undergo unexpected developments or changes in the financial markets, fiscal, tax and regulatory environments as well as customer and corporate client behaviour which could have an adverse impact on the business of the Group.

Many governments and regulatory authorities have acted, and may further act, to provide relief from the economic and market disruptions resulting from the covid-19 pandemic. It is difficult to predict how effective these and other measures taken to mitigate the economic effects of the pandemic will be.

If the covid-19 pandemic continues to adversely affect the global economy and/or adversely affect the business, financial condition, liquidity or results of operations of the Group, it may also increase the likelihood and/or magnitude of other risks described in this 'Risk Factors' section.

Economic performance among the Eurozone in 2020, the economic has overall been negative, as a result of restrictions imposed since March to contain it the COVID-19 expansion. Provisional GDP data figures, estimate that the Eurozone as suffered a slowdown of 6.8% over the year, compared with an increase of 1.2% in 2019, putting an end to 7 years of consecutive growth. As for the European Union as a whole, it experienced a decline of 6.4%, compared to a rise of 2.0% in 2019, entailing the weakest figure since 2014. During this year, the European Central Bank has kept interest rates at 0%, with the intention of even lowering them further until inflation forecasts approach 2% levels. Regarding the economic outlook for the coming years, the European Commission expects a gradual recovery as the European population becomes vaccinated and current restrictions are gradually lifted. The European Union subsidies of 375,769 million euros for its 27 member states, of which Spain will receive a total of 79,796 million euros, will begin to be felt.

34 per cent. of Sacyr's revenues (excluding consolidation adjustments) for the year ended in 31 December 2020 came from Spain, where the global economic crisis due to COVID-19 caused a significant deterioration in the economy in 2020.

According to the Spanish Statistic National Institute (*Instituto Nacional de Estadística*) ("**INE**") Spanish GDP, decreased a 10.8% during 2020, opposing to the increase of 2% in 2019, although the 2020 ended, unexpectedly, with a quarterly increase of 0.4%. As regards the effects of demand on the GDP, 10.4% decrease of the national demand lowered the GDP in 9%, while international demand grew by 1.9% in 2020, in contrast to 2019.

There is also a risk associated to certain emerging economies, which might not be able to rebalance their economies and, therefore, negatively impact Sacyr's activities in these countries.

If either or both of global and Spanish economic conditions deteriorate due to the COVID-19 outbreak or other circumstances and the improvement in the recovery from the global recession does not consolidate, Sacyr's business, results of operations, financial condition and prospects may be materially adversely affected.

### ***Sacyr operates in highly competitive industries.***

Sacyr faces strong competition in the industries and geographies in where it operates. Sacyr competes against various groups and companies, including large groups that may possess greater financial resources, technical capabilities or local awareness than Sacyr does, or may require a lower return on their investments and be able to present better technical or economic bids. This competition could intensify because of new companies entering the market or because of the consolidation of the industries in which Sacyr operates.

Sacyr's ability to successfully compete in these markets depends on its ability to foresee and react to various factors that affect competition in its industry sectors, including those resulting from economic conditions. These factors include the identification of competitors as well as their strategies and their ability to conduct business, prevailing market conditions at any given time, rules applicable to new market participants and Sacyr, and the efficacy of Sacyr's efforts to prepare for and confront competition. If Sacyr is not able to react to changes in the factors that affect

competition in Sacyr's industries and geographies, Sacyr may be unable to win tenders for concession projects or to obtain contracts or may be forced to accept projects or contracts under less favourable financial conditions than in the past, which could have a material adverse effect on Sacyr's business, results of operations, financial condition and prospects.

***Sacyr's competitive position could be adversely affected by changes in technology and industry standards.***

The markets in which Sacyr operates change rapidly because of technological innovations and changes in prices, industry standards, product instructions, customer requirements and the economic environment. New technology or changes in industry and customer requirements may render existing products or services obsolete, excessively costly or otherwise unmarketable. As a result, Sacyr seeks to continuously enhance the efficiency and reliability of its existing technologies, and to develop new technologies in order to remain at the forefront of industry standards and customer requirements. If Sacyr is unable to introduce and integrate new technologies into its products and services in a timely and cost-effective manner, Sacyr's competitive position will suffer and its business, results of operations, financial condition and prospects would be materially adversely affected.

***Sacyr's business is subject to risks related to its international operations.***

As a result of the process of diversification of its business in recent years, a significant part of Sacyr's operating revenue is generated outside of Spain, across a mix of developed and developing countries that include Chile, Italy, Portugal, Peru, Colombia, Mexico, Angola, United Kingdom, USA, Ecuador, Brazil, Qatar, Oman, Australia, Bolivia, Panama, Uruguay, Paraguay, Netherlands and Ireland, among others. As of 31 December 2020, 66 per cent. of Sacyr's revenue was generated outside of Spain (excluding consolidation adjustments). The revenues of, market value of, and dividends payable by, foreign subsidiaries within the Group are exposed to risks inherent to the countries where they operate, including emerging markets. Sacyr's operations in countries where Sacyr is present are exposed to a range of risks related to investments and business, including but not limited to some or all of the following:

- fluctuations in local economic growth;
- changes in inflation rates;
- devaluation, depreciation or excessive valuation of local currencies;
- foreign exchange controls or restrictions on profit repatriation;
- foreign exchange market volatility;
- changing interest rate environment;
- changes in financial, economic and tax policies;
- regulations relevant to the power and infrastructure industry activities;
- changing social, political and economic conditions, including recessions;
- logistical challenges, including transportation delays;
- blackouts or temporary reductions in power or other public services;
- restrictions on currency conversion;
- import and export quotas;
- variations in codes of business conduct;
- changes in local employment conditions;
- the lack of a skilled labour force;

- social conflicts; and
- political and macroeconomic instability.

Sacyr 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 the Group for any losses arising from such risks. Sacyr is exposed to these risks in all of its foreign operations to some degree, and such exposure could be material to its business, results of operations, financial condition and prospects, particularly in emerging markets where the political, economic and legal environment is less stable.

***Sacyr intends to continue operating through strategic partnerships, including consortia and joint ventures, and Sacyr is exposed to risks associated with such partnerships.***

As part of Sacyr's on-going international growth strategy, it may execute joint venture agreements with local companies whose experience, knowledge and history in the given market where Sacyr wishes to develop is greater than its own. Despite its best efforts in selecting appropriate partners, it is possible that the partners chosen for these joint venture agreements may not be the most appropriate or qualified for the market in question. In the event that any of these partners turn out to be inadequate, Sacyr's consortia and joint ventures may not be successful. In particular, in certain countries where Sacyr intends to develop its business, local regulations might require foreign companies entering into such market to do so through joint ventures with local partners. In these situations, the local partners might not meet the expected level of expertise or qualification, or even, the minimum expertise or qualification required to carry out the project in question. Underperformance by local partners might expose Sacyr to the risk of the project not attaining the expected success. Moreover, in markets with high level of government interventionism and local protectionism, Sacyr might face the risk that local regulation benefits the local partner's interests over Sacyr's interests.

Additionally, even if Sacyr conducts rigorous due diligence on potential partners, it may not be able to ascertain whether its potential partners or their affiliated companies have material hidden liabilities, especially with respect to tax, employment and environmental issues. Any of these risks could affect the success of current and future partnerships and consortia. If any of the foregoing were to occur, Sacyr's business, results of operations, financial condition and prospects may be materially adversely affected.

Sacyr's partners may be unable, or unwilling, to honour or fulfil their obligations under the relevant consortium, joint venture or partnership agreements or may experience financial or other difficulties that may adversely impact Sacyr's investment in a particular consortium, joint venture or business. Sacyr's partners may also have different strategies or priorities in executing projects than Sacyr does, and as a result their interests may not be aligned with Sacyr's interests or those of investors in the Notes, and Sacyr may be unable to pursue the actions envisaged in Sacyr's strategic plan or be restricted in its ability to carry out certain activities. Moreover, Sacyr's partners may operate under compliance, regulatory or ethical standards which are different from those applicable to Sacyr, and if they fail to comply with any relevant rules or recommendations, Sacyr's reputation, business, results of operations, financial condition and prospects may be materially adversely affected. Additionally, Sacyr's partners may fail to fulfil their obligations and/or terminate their agreements with Sacyr for cause or for convenience. If a partner does not fulfil its obligations, Sacyr may be subject to unexpected costs, project delays or other losses. In addition, in certain of Sacyr's consortium, joint ventures and partnerships, Sacyr may also be reliant on the particular expertise of its partners and, as a result, any failure to perform their obligations in a diligent manner could adversely impact the consortia, joint venture or partnership and in turn Sacyr. Moreover, liability in concessions contracts may be joint and several, and Sacyr could become liable in the event of a default by one of its partners.

***Sacyr's backlog reduction or deferral may not be a reliable indicator of its future revenue or earnings.***

Sacyr defines backlog to include projects for which contracts have been signed. As of 31 December 2020 Sacyr's backlog was €39,185 million, as compared to €42,965 million as of 31 December 2019. As part of its backlog calculation policy, the Group assumes that each party will satisfy all of its respective obligations under the contract and that payments to it under the contract will be made on a timely basis consistent with historical experience. For contracts that are not for a fixed price or lump sum, Sacyr estimates and updates the related backlog based upon the estimated amount of work to be completed through periodic consultation with the client. For projects in which Sacyr acts as the lead contractor within a consortium, in calculating backlog Sacyr only includes its scope of work in connection with such projects. For projects related to unconsolidated joint ventures, Sacyr only includes its percentage ownership of the joint venture's backlog, except for in the Concessions business division, in which the backlog is only accounted for when the joint venture is consolidated.

Sacyr cannot guarantee that the revenue projected in its backlog will be realized or profitable. Many of its contracts are subject to cancellation, termination or suspension at the discretion of the customer. From time to time, changes in project scope may occur with respect to contracts reflected in its backlog and could reduce the amount of its backlog and the timing of the revenue and profits that it actually earns. Projects may remain in Sacyr's backlog for an extended period of time because of the nature of the project and the timing of the particular services or equipment required by the project. Additionally, poor project performance could also impact its backlog and profits if it results in the termination of a contract. Sacyr cannot predict the impact that future economic conditions may have on its backlog which could include a diminished ability to replace backlog once projects are completed and/or could result in the termination, modification or suspension of projects currently in its backlog. Such developments could have a material adverse effect on Sacyr's financial condition, results of operations and cash flows.

***Sacyr's business, results of operations, financial condition and prospects may be adversely affected if it does not effectively manage its exposure to interest rate and foreign exchange rate risks.***

Sacyr is exposed to various types of market risk in the normal course of business, including the impact of interest rate changes. Some of Sacyr's indebtedness bears interest at variable rates, mainly linked to EURIBOR. Any increase in interest rates would increase Sacyr's finance costs relating to its variable rate indebtedness and increase the costs of refinancing Sacyr's existing indebtedness and issuing new debt. Interest rate fluctuation risk is particularly important in the financing of infrastructure projects and other projects, which are heavily leveraged in their early stages and whose performance depends on possible changes in the interest rate.

After the sharp increase observed at the start of the pandemic, the ten-year Spanish government debt yield has followed a declining path in recent months. It is expected to grow over the projection horizon, from 0.2 per cent to 0.5 per cent between 2021 and 2023 in annual average terms. In the specific case of non-financial corporations, the cost of financing is expected to increase from 2% in 2020 to 2.9% in 2023 (Source: *Bank of Spain, Macroeconomic projections for the Spanish economy (2020-2023), December 2020*).

Although Sacyr enters into hedging arrangements to cover interest rate fluctuations on a portion of Sacyr's debt, there can be no assurance that any current or future hedging contracts that Sacyr enters into will adequately protect Sacyr's results of operations from the effects of interest rate fluctuations or will not result in losses.

Sacyr's revenue, costs, debts, capital expenditure and investments are mainly denominated in Euros. Sacyr is also exposed to currencies such as the US dollar, Australian dollar, sterling pound, Chilean peso, Mexican peso, Brazilian real, Indian rupee and Qatari riyal, among others.

Consequently, portions of Sacyr's costs, profit margins and asset values are affected by fluctuations in the exchange rates among the above-mentioned currencies. Sacyr does not generally engage in foreign exchange hedging because it believes that a significant portion of the revenues of its subsidiaries is denominated in the same currencies as their operating costs; however, at times Sacyr's Group companies may enter into foreign exchange forward contracts or other hedging contracts to attempt to remove the foreign exchange risk on transactions (e.g. loans). In addition, where possible, Sacyr's subsidiaries enter into local funding and/or leasing arrangements denominated in their functional currency.

To the extent balances change in the future or foreign currency exchange rates fluctuate significantly in the future, Sacyr's cash flows, financial condition and results of operations could be materially adversely affected. Some of the currencies may not be convertible or exchangeable or may be subject to exchange controls.

***Sacyr's ability to effectively manage its credit risk exposure could affect its business, results of operations and financial condition.***

Sacyr is exposed to the credit risk implied by default on the part of a counterparty (customer, provider, partner or financial entity), which could impact its business, results of operations, financial condition and prospects.

The high uncertainties associated with the COVID-19 epidemic make it difficult to predict how long these conditions will persist and the extent to which Sacyr's counterparties may be eventually affected, The cost of government financing and financing of other public entities has also increased due to financial stress in Europe, and although such risk was partially mitigated in Spain by the enactment of Royal Decree-Law 7/2012, also known as *Real Decreto-Ley de Creación del Fondo de Financiación de los Pagos a Proveedores*, of 9 March, that enabled distressed public entities to make certain payments which allowed them to reduce their commercial debts with suppliers, this may nonetheless represent an increased risk for Sacyr's public sector clients, especially those to which such legislation does not apply. However, such risk has been the target of European Central Bank measures aimed at improving liquidity in the European Union.

At the national level, measures to promote liquidity and face COVID-19 have also been adopted in accordance with Royal Decree-Law 8/2020, of 17 March, on urgent extraordinary measures to deal with the economic and social impact of COVID-19 (*Real Decreto-ley 8/2020, de 17 de marzo, de medidas urgentes extraordinarias para hacer frente al impacto económico y social del COVID-19*), by means of the granting of line of guarantees for the account of the State, through the Ministry of Economic Affairs and Digital Transformation, for an amount of up to euro 100 billion in favour of credit institutions for the purpose of covering both the renewal of loans and the granting of new financing lines to meet liquidity needs arising from, inter alia, (i) the management of invoices, (ii) the need for working capital or (iii) other liquidity requirements, including those arising from overdue financial or tax obligations.

Although Sacyr actively manages this credit risk through credit scoring, an active management of the evolution of the debt levels, and eventually, in certain cases, the use of non-recourse factoring contracts and credit insurance, Sacyr's risk management strategies may not be successful in limiting its exposure to credit risk, which could adversely affect its business, results of operations, financial condition and prospects.

In addition, legislation implemented in Spain in 2010 relating to late payments (Law 15/2010, of 5 July, known as *Ley de Morosidad*), requires that payment terms do not exceed certain limits. If clients of Sacyr (public or private) do not comply with this stricter legal framework, liquidity could be affected. In addition, late payments by Sacyr could lead to considerable penalties being imposed to Sacyr.

***Sacyr's business, financial condition and results of operations may be adversely affected by its level of indebtedness, the increase of such debt and its ability to effectively manage its exposure to liquidity risk.***

Sacyr needs to be able to secure significant levels of financing to be able to continue its operations. Certain of the industries in which it operates, such as toll roads or water services, require a high level of financing. Sacyr's ability to secure financing depends on several factors, many of which are beyond its control, including general economic conditions, adverse effects in the debt or capital markets, the availability of funds from financial institutions and monetary policy in the markets in which it operates. For example, global financial markets have experienced, and may continue to experience, significant volatility and liquidity disruptions due to COVID-19, which might adversely affect Sacyr funding costs and access to funding. If Sacyr is unable to secure additional financing on favourable terms, or at all, its growth opportunities would be limited and its business, results of operations, financial condition and prospects may be materially adversely affected. Sacyr might incur significant additional debt in the future. Although Sacyr's financing agreements contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of qualifications and exceptions, and debt incurred in compliance with these restrictions could be substantial or secured. Incurring such additional debt could further increase the related risks which Sacyr currently faces, as described above.

In addition, Sacyr may seek to refinance its existing debt and can give no assurance as to the availability of financing on acceptable terms. Sacyr's future ability to refinance existing borrowings depends on its future business performance that is subject to economic, financial, competitive and other factors. Should market conditions deteriorate or fail to improve, resulting in a decrease in Sacyr's operating results, it may have difficulties to refinance the Issuer's existing financial arrangements. Additionally, if Sacyr is able to refinance its existing borrowings, it cannot guarantee that the terms on which it will be able to refinance are as favourable for Sacyr as the terms of the current financial arrangements. All these circumstances could negatively affect Sacyr's business results, financial condition and prospects.

***Existing and potential future defaults by subsidiaries, joint ventures or associates pursuant to project debt could adversely affect Sacyr.***

Sacyr attempts to finance certain of its projects and significant investments, including capital expenditures typically relating to concessions, primarily under loan agreements and related documents which, except as noted below, typically require the loans to be repaid solely from the revenue of the project being financed thereby, and provide that the repayment of the loans (and interest thereon) is typically secured solely by the shares, physical assets, contracts and cash flow of that project company. This type of financing is referred to herein as project debt or project financing. As of 31 December 2020, Sacyr had gross project debt totalling €5,122 million (78% per cent. of Sacyr's total outstanding indebtedness as at 31 December 2020) on a consolidated basis; at 31 December 2019, Sacyr had gross project debt totalling €4,547 million (76 per cent. of Sacyr's total outstanding indebtedness as at 31 December 2019) on a consolidated basis.

While the lenders of Sacyr's project debt typically do not have direct recourse to Sacyr, defaults by subsidiaries, joint ventures and associates can still have important consequences for Sacyr, including, without limitation:

- reducing receipt of distributions, fees, interest payments and loans since the project company will typically be prohibited from distributing cash to Sacyr during the existence of any default;
- causing the Group to record a loss in the event the lender forecloses on the assets; and
- the loss or impairment of investor confidence in the Group.

In addition, members of the Group provide, from time to time, guarantees of obligations under bank financing arrangements of certain project companies, which may be group companies or joint ventures established with third parties, in order to finance projects on a temporary or definitive basis. These guarantees are provided where members of the Group act as sponsors for the period prior to such project companies securing long-term project financing for their projects and are provided by the members of the Group on a pro-rata basis according to their respective participating interests in the project.

In the ordinary course of business, as is common practice in companies engaged in construction activities, the Group furnished guarantees to third parties, such as advance bonds, performance bonds, tender bonds retention money bonds or sureties, totalling €3,546 million as of 31 December 2020 (€3,689 million as of 31 December 2019) for the proper performance of contracts.

If any of Sacyr's subsidiaries, joint ventures or associates was to fail to satisfy its debt service obligations or to breach any related financial or operating covenants, the relevant lender may be entitled to declare the full amount of the relevant indebtedness to be immediately due and payable and could foreclose on any assets pledged as collateral or enforce any of the parent company's guarantees. Certain agreements entered into by Sacyr's subsidiaries, joint ventures or associates contain cross-default provisions related to the financing arrangements of other project sponsors unrelated to the Group. Further, certain of the financing arrangements contain cross-default provisions such that enforcement of a guarantee by the Group could automatically trigger events of default under such arrangements. As a result of the above, any defaults by subsidiaries, joint ventures or associates could have a material adverse effect on Sacyr's business, financial condition, results of operations and cash flows.

***The continued international expansion of Sacyr's operations may not be successful.***

Sacyr has expanded in recent years its scope and international reach, and it plans to continue the functional and geographical expansion of its businesses into new countries and markets that it believes will contribute to Sacyr's future performance. Such expansion may not be possible due to the constraints of legal, operational or other nature resulting from the COVID-19 crisis or may not be successful. Hence Sacyr may not achieve results in these new business areas and countries similar to those achieved in the businesses in locations where Sacyr currently operates. Furthermore, Sacyr may have difficulty hiring experts or qualified executives or employees for the countries and business areas of expansion. Failure by Sacyr to successfully implement any of its international expansion plans could materially adversely affect Sacyr's business, results of operations, financial condition and prospects.

***The loss of key members of Sacyr's management and technical team could have a material adverse effect on its business, results of operations, financial condition and prospects.***

Sacyr relies on certain key personnel. If, in the future, Sacyr is unable to attract and retain sufficiently qualified management and technical staff, its business development could be limited or delayed. In addition, if Sacyr were to lose key members of its senior management or technical staff, and could not find a suitable replacement in a timely manner, its business, results of operations, financial condition and prospects could be adversely affected.

***Sacyr operates in highly regulated environments which are subject to changes in regulations.***

Sacyr is required to comply with a range of specific toll road, waste management and treatment, and construction sector regulations, as well as more general regulations in the various jurisdictions where it operates (such as those related to accounting, employment, data protection and taxation). As in all highly regulated sectors, any regulatory changes in these sectors could adversely affect the business, results of operations, financial condition and prospects of Sacyr. In the case of

significant regulatory changes (including tax amendments) affecting the concessions which Sacyr holds, there may in certain circumstances be a right to adjust the terms of a concession or to negotiate changes with the competent administration in order to re-establish the economic and financial balance between the parties. Sacyr cannot guarantee that an adjustment, however, will be possible in all cases, that any such adjustment would be satisfactory for the concessionaires or that it would be carried out in a reasonable time period. If these adjustments are not possible, do not provide sufficiently greater income or are delayed, Sacyr's business, results of operations, financial condition and prospects may be materially adversely affected.

***Sacyr's business, results of operations, financial condition and prospects may be adversely affected if it fails to obtain or renew, or if there are any material delays in obtaining, requisite government approvals for its projects.***

Sacyr is established in jurisdictions where the industries in which it operates may be regulated. In order to bid, develop and complete a project, the developer may need to obtain permits, licenses, certificates and other approvals from the relevant governmental or administrative authorities before bidding for the project or at various stages of the project process. In particular, authorisation procedures for activities with a large environmental footprint are often preceded by in-depth studies and public inquiries. There is no assurance that Sacyr will be able to obtain or maintain such governmental or administrative approvals, fulfil the conditions required for obtaining the approvals, or adapt to new laws, regulations or policies that may come into effect from time to time, without undue delay or at all. Sacyr may also have to abandon certain projects in which it is unable to generate compensation sufficient to cover the cost of its investment if it fails to obtain the permits it needs to perform the activity or if it cannot obtain any necessary authorizations from the relevant authorities.

If Sacyr is unable to obtain or maintain the relevant approvals or fulfil the conditions of such approvals for a significant number of its projects in a timely manner, this could lead to delays and its business, results of operations, financial condition and prospects may be adversely affected.

***Sacyr participates in competitive tender processes that can generate significant expense with no assurance of success.***

Sacyr 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. Sacyr may invest significant resources in a project or tender bid without winning the contract thus losing growth opportunities, which could adversely affect the business, results of operations, financial condition and prospects of Sacyr.

***Environmental and health and safety laws could increase Sacyr's costs.***

In the countries where Sacyr operates, there are local, regional, national and European Union bodies which regulate its activities and establish applicable environmental and health and safety regulations. The technical requirements imposed by environmental and health and safety 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 Sacyr is held liable for environmental damage regardless of whether it has acted negligently, or that it owes fines whether or not effective damage exists or is proven, and Sacyr could be held jointly and severally liable with other parties. The relevant authorities may impose fines or sanctions or may revoke and refuse to grant authorizations and permits based on a breach of current regulations.

The entry into force of new laws, the discovery of previously unknown sources of pollution, the imposition of new or more stringent requirements or a stricter application of existing regulations, for

example to prevent a new outbreak of a pandemic disease, as the COVID-19, may increase Sacyr's costs or impose new responsibilities, leading to lower earnings and liquidity available for its activities and the business, results of operations, financial condition and prospects of Sacyr may be materially adversely affected.

***Sacyr is subject to anti-corruption and anti-bribery laws and regulations and economic sanctions programs in various jurisdictions where it operates, violations of which could include suspension or debarment of its ability to contract with state or local governments in such jurisdictions.***

Doing business on a worldwide basis requires Sacyr to comply with the laws and regulations of various jurisdictions (including, without limitation, Spain, the United States, the United Kingdom, Chile and others where Sacyr conducts operations).

In particular, Sacyr's international operations are subject to anti-corruption laws and regulations, such as, as applicable, the U.S. Foreign Corrupt Practices Act of 1977 ("**FCPA**") and the United Kingdom Bribery Act of 2010 (the "**Bribery Act**"). These laws generally prohibit direct or indirect payments or offers of financial or other advantages to (a) foreign officials (including government officials and officers or employees of majority state-owned or controlled entities) with the intent of influencing any act or decision of the foreign official or inducing the foreign official to use his influence to affect an act or decision of a government entity for the purpose of obtaining or retaining business, or (b) any person, where the payment is intended to, or does influence that person to act or reward that person for acting in breach of an expectation of good faith, impartiality or trust or where the payment would otherwise be improper for the recipient to accept.

As part of Sacyr's business, it or service providers hired by Sacyr may deal with state-owned business enterprises, the employees of which are considered foreign officials for purposes of the FCPA. The provisions of the Bribery Act extend beyond bribery of foreign officials and are more onerous than the FCPA in a number of other respects, including jurisdiction, non-exemption of facilitation payments and penalties.

In addition, economic sanctions programmes including, as applicable, those administered by the United Nations Security Council, European Union, the United Kingdom and the United States, including the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**"), restrict Sacyr's ability to undertake business dealings with certain sanctioned countries, individuals and entities.

Sacyr operates in many parts of the world that have experienced governmental corruption to some degree and, in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. In addition, some of the international locations in which Sacyr operates lack a developed legal system and have a reputation for heightened corruption risk. Sacyr's continued expansion and worldwide operations, including in developing countries, its development of joint venture relationships worldwide and the employment by Sacyr of local service providers in the countries in which it operates increase the compliance risk with respect to anti-corruption laws, sanctions regulations, and similar laws. Although Sacyr has implemented internal policies and procedures designed to prevent and detect violations of, and therefore to ensure compliance with, applicable anti-corruption laws and sanctions regulations, there can be no assurance that such policies and procedures will be sufficient or that Sacyr's employees, directors, officers, partners, agents and service providers as well as those companies to which Sacyr outsources certain of its business operations, will not take actions in violation of Sacyr's policies and procedures (or otherwise in violation of the relevant anti-corruption laws and sanctions regulations) for which Sacyr or they may be ultimately held responsible.

If Sacyr is found to be liable for violations of these laws or economic sanctions programmes (either due to its own acts or omissions, or due to the acts or omissions of others), it could suffer severe

criminal or civil penalties or other sanctions, including fines, loss of authorizations needed to conduct aspects of Sacyr's international business and a restriction of Sacyr's ability to enter into contracts with customers who have contracts with the U.S. and other governments, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

***Sacyr and/or other members of the Group may be subject to exchange and capital controls, and or restrictions on dividends or distributions.***

Sacyr's financial condition is partly dependent on the ability of other members of the Group to make cash available to Sacyr, whether by dividend distributions, debt repayment, loans or otherwise, and the ability of Sacyr's joint ventures to make distributions to their parent companies. Sacyr's subsidiaries may not be able to, or may be restricted by the terms of their existing or future indebtedness, or by law, in their ability to make distributions or advance upstream loans to enable Sacyr to make payments in respect of its indebtedness, including the Notes. Furthermore, each member of the Group is a distinct legal entity and, under certain circumstances, legal and contractual restrictions, or the inability to convert local currency pursuant to exchange controls and transfer restrictions in some countries in which they do business, such as Brazil, may limit Sacyr's ability to obtain cash from its subsidiaries. Sacyr's joint ventures are also subject to contractual restrictions on the amount of cash they may distribute. The repatriation of funds from certain regions where the Group operates, including Brazil, is also subject to tax.

Governments and public authorities may, following the COVID-19 outbreak, engage in more protective laws and regulations that may prevent or make more difficult for Sacyr's subsidiaries to make cash available to Sacyr.

Sacyr can provide no assurances regarding the effect that restrictions on the payment of dividends or other distributions, or exchange and capital controls, or the tax regime applicable to the repatriation of funds, or any changes thereto, may have on Sacyr. Any such restrictions on the payment of dividends or other distributions, or exchange and capital controls could adversely affect Sacyr's financial condition or results of operations and Sacyr's ability to execute its financing plans.

***Sacyr 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.***

Sacyr 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 Sacyr may not be able to implement necessary upgrades on a timely basis or upgrades may fail to function as planned. Furthermore, failure to protect its operations from cyber-attacks or inappropriate use of Sacyr's information technology systems, 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 Sacyr will be able to protect against all threats. As a result of any failure of its IT systems, Sacyr could experience significant interruptions of its business, could lose or compromise important data and may incur significant costs. Sacyr cannot assure you that the back-up systems it maintains to provide high-level service availability and ensure business continuity will protect it. Should these systems fail or prove to be inadequate, or any resulting loss of confidential or proprietary data, could materially and adversely affect Sacyr's reputation, expose it to legal claims and materially adversely affect its business, results of operations, financial condition and prospects.

***Sacyr is subject to litigation risks which, if adversely adjudicated or settled, could have a material adverse effect on Sacyr's liquidity, debt level, capital resources, business, results of operations, financial condition and prospects.***

Sacyr and/or other members of the Group are, and may in the future be, a party, both as plaintiff and as defendant, to judicial, arbitration and regulatory proceedings which arise in the ordinary course of business, including claims relating to compulsory land purchases required for toll road construction, claims relating to defects in construction projects performed or services rendered, claims for third party liability in connection with the use of the Group's assets or the actions of Group employees, employment-related claims, environmental claims and tax claims. For a summary of certain legal proceedings relating to the Group, including the Panama Canal and the Itínere Stake litigation, see "Description of the Issuer – Litigation and Legal Proceedings" and "Recent Developments". There is no guarantee that any member of the Group will not be found liable and ordered to make substantial payments in one or more of the lawsuits in which the Group is or may be involved, including any advanced payments in connection with any preliminary injunctions. Any unfavourable outcome (including an out-of-court settlement) in one or more of such proceedings could, depending on the value or severity thereof, have a material adverse effect on Sacyr's business, results of operations, financial condition and prospects.

***Sacyr's business requires the work of many employees and any major disruption in its workforce could adversely affect its cash flows, financial condition and results of operations.***

Sacyr's business is labour intensive. If it is unable to hire additional employees to meet its requirements or to retain existing employees, Sacyr's cash flows, financial condition and results of operations could be adversely affected.

Sacyr's operations and services rely heavily upon its workforce and any labour strikes, work stoppages and other labour disputes affecting its workforce could have a negative impact on its operations. For example, during April and May 2014, Sacyr faced a labour strike in relation to its construction works on the Panama Canal, which led to cost overruns in this project, which have been partially borne by the Panama Canal Authority (see "Description of the Issuer – Litigation and Legal Proceedings"). Furthermore, measures adopted by several government and public authorities in the countries where Sacyr operates and elsewhere, including Spain and Italy, to prevent the spread of COVID-19, have imposed severely restrictive measures to business and peoples movements that could affect Sacyr's employees' productivity. Equally, Sacyr may also be reliant on a range of other industry personnel who are not employed by Sacyr. Labour strikes or stoppages by such non-employees are beyond Sacyr's control and they could have a material adverse effect on Sacyr's cash flows, financial condition and results of operations.

***Sacyr is exposed to risks connected to the quantification and cashing of claims.***

Sacyr has in the past and may occasionally in the future bring claims against its clients for additional costs exceeding the contract price or for amounts not included in the original contract price. These types of claims can often occur due to matters such as owner-caused delays or changes from the initial project scope, which result in additional cost, both direct and indirect. From time to time, these claims can be the subject of lengthy and costly arbitration or litigation proceedings, and it is often difficult to accurately predict when these claims will be fully resolved. When these types of events occur and unresolved claims are pending, Sacyr may incur financial charges pending the resolution of the relevant claims. Although any favourable court decision would also likely lead to the full or partial reimbursement of interest as financial charges, a failure to promptly recover on these types of claims or to recover the full amount expected could have a material adverse effect on Sacyr's business, results of operations, financial condition and prospects.

***Sacyr and/or other members of the Group are highly dependent on public sector customers and, accordingly, decreases in the funds allocated to public sector projects may harm the Group's business, results of operations, financial condition and prospects.***

Sacyr and/or other members of the Group's business, results of operations, financial conditions and prospects are highly dependent on public sector customers.

Sacyr and/or other members of the Group rely on infrastructure development programs currently planned and being undertaken by public authorities in various markets to generate a significant amount of the Group's business. Sacyr and/or other members of the Group may start working on a specific public sector project but, due to the lack or revocation of government funding, the project may subsequently not be completed within the original time frame or at all. Sacyr and/or other members of the Group's government clients may be under no obligation to maintain funding at any specific level and funds for any program may even be eliminated. Global economic instability and difficult and recessionary economic conditions in certain countries in which Sacyr and/or other members of the Group operate may result in the contraction of infrastructure spending and therefore in delay or suspension of projects already commenced or awarded. At the date of this Information Memorandum, it is uncertain how COVID-19 outbreak could affect supranational and government or local entities clients' plans, budgets or policies of infrastructure development, but Sacyr anticipates it could have an impact in its business given its dependency on public sector customers.

Future changes and/or reductions by these supranational and government clients in their plans, budgets or policies of infrastructure development, delay in the awarding of major projects or postponement of previously awarded projects could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

***Risk of potential liability claims against Sacyr during the course of carrying out ordinary business activities.***

Sacyr engages in major construction projects which could cause major harm to employees or third parties if there is an error in the design or during construction or for any other reason. In particular, Sacyr's projects often put its employees and others in close proximity with heavy equipment, moving vehicles and potentially hazardous materials. Applicable law generally renders Sacyr responsible for the safety and wellbeing of its personnel and imposes a duty of care on Sacyr for third parties who may be nearby. Although Sacyr tries to comply with the laws on safety at the workplace (*normas de prevención de riesgos laborales*) and other applicable regulations, if it fails to implement safety procedures or if the procedures it implements are ineffective, its employees and others may be injured. Unsafe work sites also have the potential to increase employee turnover, increase the cost of service to Sacyr's customers and raise Sacyr's operating costs. Many of Sacyr's customers require that it meet certain safety criteria to be eligible to bid for contracts. The introduction of new technology, procedures, services, tools and machinery may have unforeseen negative effects on the working conditions of Sacyr's employees and may subject Sacyr to liability based on allegations of illness or injury resulting from exposure. Any of the foregoing could result in financial losses, which could have a material adverse effect on Sacyr's cash flows, financial condition and results of operations.

Furthermore, the occurrence of accidents at Sacyr's projects could severely disrupt the operations of Sacyr and lead to delays in the completion of projects and such delays could result in a loss of income, due to delayed receipt of proceeds from purchasers, as well as potential claims for compensation and termination of contracts by clients. In addition, there is a possibility that any such claims for compensation in relation to such accidents may not be covered by Sacyr's insurance policies (see "*Sacyr's insurance cover may not be adequate or sufficient*" below). Any accidents and any consequential claims for damages could therefore have a material adverse effect on the business, results of operations, financial condition and prospects of Sacyr.

Sacyr could also be exposed to claims for any actions or omissions by subcontractors that cause damage, or claims brought against Sacyr by clients, subcontractors or suppliers to recover any amounts paid (for example, claims for amounts for which they do not consider themselves contractually liable or which exceed the amounts expected to be incurred).

***Sacyr relies to a large extent on external contractors and on third-party manufacturers and suppliers to provide much of the equipment and raw materials, respectively, used for Sacyr's projects.***

If Sacyr is unable to find reliable suppliers, its ability to successfully complete its projects could be impaired. Furthermore, if a supplier fails to provide equipment or raw materials, in each case, as required under a contract for any reason, Sacyr may be required to source such services, equipment or raw materials at a higher price than anticipated, which could negatively impact its profitability, as there can also be no assurance that it will be able to pass on any or all of such increased costs to Sacyr's customers. In some cases, the equipment purchased for a project does not perform as expected, and these performance failures may result in delays in completion of the project, additional costs for Sacyr or the customer to complete the project and, in some cases, may require Sacyr to obtain alternate equipment at additional cost. Although contracts with suppliers generally provide for indemnification to cover their failure to perform their obligations satisfactorily, such indemnification may not fully cover Sacyr's financial losses in attempting to mitigate their failures and fulfil the relevant contract with Sacyr's client. Furthermore, delivery by Sacyr's suppliers of faulty equipment or raw materials could also negatively impact Sacyr's overall project, resulting in claims against it for failure to meet required project specifications and it may be unable to successfully obtain compensation from its suppliers. In addition, in the case of government contracts, a failure by a supplier to comply with applicable laws, rules or regulations could result in Sacyr facing fines, penalties, suspension or even debarment by the relevant governmental authority. At the date of this Information Memorandum, it is uncertain how COVID-19 could affect Sacyr's suppliers. Any such failures by a supplier could have a material adverse effect on Sacyr's business, results of operations, financial condition and prospects.

***Sacyr's insurance cover may not be adequate or sufficient.***

Sacyr benefits from insurance cover to protect against key insurable risks, including industrial accidents (including labour accidents), fire, earthquakes, acts of terrorism and other natural and man-made disasters. Although Sacyr maintains what it believes to be adequate insurance, any claim could exceed its insurance coverage, fall outside its insurance coverage or could result in the cancellation of its insurance coverage. In particular, the insurance policy may not be adequate to cover lost income, reinstatement costs, increased expenses or other liabilities and as such there can be no assurance that Sacyr would not be forced to bear substantial losses irrespective of insurance coverage. 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.

An industrial accident could also tarnish Sacyr's reputation, thus resulting in a significant, and possibly sustained, decline in demand. Any of these events could have a material adverse effect on Sacyr's business, cash flows, financial condition and results of operations.

Furthermore, if insurance cover is not available or proves more expensive than in the past, Sacyr's business, results of operations and financial condition may be materially adversely affected.

## **Risks relating to the Engineering and Infrastructures Business Division**

### ***If investment in the construction industry continues to decrease, Sacyr's results of operations may be affected.***

Investment in the construction sector derives from both the public and private sectors and the level of investment is dependent on general economic conditions. In times of economic growth, investment levels generally increase, with levels decreasing during a recession. Sacyr cannot make any assurances that the level of investment will increase in the coming years. If conditions continue to limit investment by the public and private construction sectors, then the business, results of operations and financial condition of the Group may be adversely affected. At the date of this Information Memorandum, it is uncertain how COVID-19 outspread could affect supranational entities and governments plans, budgets or policies of infrastructure development.

### ***Sacyr's business may be affected by a decrease in the funds available for civil engineering projects.***

As a result of the economic conditions during the recent global recession, there was a sharp decrease in tenders for civil engineering works, including for public sector projects. The allocation of funds for civil engineering projects within the annual budget for each of the countries where Sacyr is present or which it is targeting is mainly dependent on two factors: the budgetary policies of the relevant government and the economic conditions existing at the time. Tenders for public sector projects in Spain during 2020 amounted to €14,584 million in terms of real investments, a decrease of 16.1 per cent. as compared to real investments in 2019. This amount includes, amongst others, investments by: (i) *Administración local* in an amount of €6,278 million, which represents a 10 per cent. increase as compared to 2019; (ii) *Comunidades Autónomas* in an amount of €4,782 million, which represents a 16.1 per cent. decrease as compared to 2019; and (iii) *Administración General del Estado* in an amount of €3,524 million, which represents a 41 per cent. decrease as compared to 2019. The amount invested by the *Administración General del Estado* includes the investments by *Dirección General de Carreteras* in an amount of €473 million, by *ADIF* (including high speed) in an amount of €917 million, by *Aena* in an amount of €311 million and by *Autoridades portuarias* in an amount of €328 million (Source: *Seopan, Asociación de Empresas Constructoras de Ámbito Nacional de España-Licitación Pública, January 2021*). At the date of this Information Memorandum, it is uncertain how COVID-19 outspread could affect plans, budgets or policies of infrastructure development in Spain, but Sacyr anticipates it could have an impact in its business given its dependency on public sector customers.

### ***Difficulties in securing private sector projects may adversely affect Sacyr's results of operations.***

As a result of the economic conditions during the recent global recession, there was a decrease in procurement by private sector companies. Such companies may be forced to halt the projects already underway due to a lack of funds, or may decide to delay or abandon studies of potential projects while they await more favourable investment conditions. Whilst standard practice in the private sector is for the construction company to be paid as the works are executed, Sacyr is exposed to loss of revenue if such works are delayed or cancelled. At the date of this Information Memorandum, it is uncertain how COVID-19 outspread could affect private sector companies business and operations. Reductions in project procurement by the private sector may adversely affect the business, results of operations, financial condition and prospects of Sacyr.

### ***Sacyr's working capital needs are highly seasonal and require Sacyr to maintain a high level of liquidity.***

Sacyr's cash needs in connection with its construction business are strongly seasonally correlated, reaching their highest level in the first quarter and their lowest level in the fourth quarter, since

payment from many of the public sector customers is received in the fourth quarter. Sacyr finances these needs principally through syndicated and bilateral facilities at the corporate level and, more recently, in the capital markets. Some of these facilities must be periodically renewed. As of 31 December 2020, Sacyr had €6,573 million of financial debt: (i) €1,451 million of which was corporate debt; and (ii) €5,122 million of which was project debt. Sacyr may be unable to renew its credit facilities or finance in the capital markets on economically attractive terms or at all, and any failure to do so could have a materially adverse effect on Sacyr's business, results of operations, financial condition and prospects. At the date of this Information Memorandum, it is uncertain how COVID-19 outbreak could affect Sacyr's level of liquidity. Any increase in the seasonality of Sacyr's business or unknown effect of the COVID-19 outbreak that cannot be met by expanded use of syndicated and bilateral facilities or other sources of liquidity may also materially adversely affect Sacyr's business, results of operations, financial condition and prospects.

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

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 Sacyr's contractors and sub-contractors fails to meet agreed deadlines and budgets, or if there are any interruptions arising from adverse weather conditions or outbreak of infectious diseases or any other serious public health threats or unexpected technical or environmental difficulties, there may be resulting delays and excess construction costs. Contractor and sub-contractor liability clauses, included in most standard construction agreements entered into with contractors and sub-contractors, generally cover these situations, although they may not cover the total value of any resulting losses. In the event of construction delays, Sacyr may receive revenues later than expected and could face penalties and even contractual termination. These eventualities could increase Sacyr's expenses and reduce its income, particularly if it is unable to recover any such expenses from third parties under its concessions, in which case the business, results of operations, financial condition and prospects of Sacyr may be materially adversely affected.

***Sacyr's construction backlog is subject to unexpected adjustments and cancellations and is therefore not a fully accurate indicator of its future revenue or earnings.***

As of 31 December 2020, Sacyr's construction backlog was €5,622 million, as compared to €7,134 million as of 31 December 2019. Construction backlog serves to measure the total euro value of work to be performed on (i) contracts awarded in the case of public sector contracts and (ii) contracts signed in the case of private sector contracts. Sacyr's construction backlog is expected to translate into revenue within 41 months. Commitments are typically in the form of written contracts for specific projects, purchase orders, or indications of the amount of time and materials Sacyr needs to make available for the anticipated projects. Sacyr's construction backlog is revisited on a monthly basis and adjusted for additional work to be performed, costs incurred, changes in currency exchange rates or one-off payments relating to its Construction business. The amount of its construction backlog that is subject to delay or cancellation at any given time is largely a reflection of broad global economic trends and, as of any date, may not be indicative of actual results of operations in any succeeding period.

Overall, construction backlog figures are based on a number of assumptions and estimates, including assumptions as to exchange rates between the euro and other currencies, estimates of the amount of additional work and cost overruns for which Sacyr is able to claim payment from the client under the relevant contracts and estimates of the percentage of completion of contracts. Contingencies that could affect the realization of Sacyr's construction backlog as future revenue or cash flows include cancellations, renegotiations, scope of work adjustments, force majeure, outbreak of infectious diseases or any other serious public health threats, legal impediments and default by Sacyr. Consequently, construction backlog as of any particular date may not be indicative of actual results of operations for any succeeding period. Furthermore, Sacyr's construction backlog

is subject to concentration risk, with Sacyr's five and ten largest projects accounted for approximately 34 per cent. and 47 per cent., respectively, of its construction backlog as of 31 December 2020. If we exclude the Pedemontana project (see "*Description of the Issuer – Engineering and Infrastructures Business Division*"), the concentration of the five and ten largest construction projects would be 20 per cent. and 34 per cent. respectively. As a result, any contingencies that could affect the realization of any of these projects could have a material adverse impact on Sacyr's business, financial condition, results of operations and prospects.

Sacyr's definition of construction backlog may not necessarily be the same as that used by other companies engaged in activities similar to theirs. As a result, the amount of its construction backlog may not be comparable to the construction backlog reported by such other companies. Moreover, there can be no assurance that the revenue projected in Sacyr's construction backlog will be realized or, if realized, will result in profit. As a result of project terminations or suspensions and changes in project scope and schedule, Sacyr cannot predict with certainty when, or if, its construction backlog will be realized. Sacyr may suffer from unexpected or unanticipated cancellations, and, even where a project proceeds as scheduled, it is possible that the customer may default and fail to pay amounts owed to Sacyr. Delays, cancellations or payment defaults may materially adversely affect Sacyr's business, results of operations, financial condition and prospects.

***The public may react negatively to waste management facilities.***

Although Sacyr has not yet encountered any major problems, it may face adverse public opinion in relation to its waste recycling activities near inhabited areas, the expansion of such existing facilities or the construction of new facilities in this business division. Governments responding to public pressure may restrict the current activities of Sacyr or its plans for future expansion, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

**Risks relating to the Concession Business Division**

***The concession agreements under which Sacyr conducts some of the operations are subject to revocation or termination.***

Certain of Sacyr's operations are conducted pursuant to concessions granted by various governmental bodies. Generally, these concessions give Sacyr rights to provide services for a limited period of time, subject to various governmental regulations. The governmental bodies responsible for regulating these services often have broad powers to monitor Sacyr's compliance with the applicable concession contracts and can require Sacyr to supply them with technical, administrative and financial information. Among other obligations, Sacyr may be required to comply with investment commitments and efficiency and safety standards established in the concession. Such commitments and standards may be amended in certain cases by the governmental bodies. Sacyr's failure to comply with the concession agreements or other regulatory requirements may result in concessions not being granted, upheld or renewed in Sacyr's favour, or, if granted, upheld or renewed, may not be done on as favourable terms as currently applicable. This could have a material adverse effect on Sacyr's business, results of operations, financial condition and prospects.

***During their initial years of operation, Sacyr's infrastructure concessions generate little or no cash for distribution to the Group.***

The development and operation of infrastructure concession assets is a capital-intensive business. Newer assets are typically highly leveraged to optimize the capital structure with the objective of maximizing shareholder return. The financing structure for a concession is selected based on cash flow projections that Sacyr models for that concession. A new project is typically financed through

a project finance structure, which involves the creation of a legally independent project company financed with debt on a non-recourse basis and with equity contributed by Sacyr and, in some cases, other investors. As a result of the high rate of leverage, during the initial years of a concession, the costs of financing consume most of a concession's available cash flows, leaving little or no cash flows available for distribution to the Group. In addition, since cash flows constitute the main security for the repayment of project borrowings, credit agreements usually limit the use of funds by shareholders until certain conditions have been met, which is assessed each year. As a result, it is unlikely that cash generated from newer concessions will be available to meet the cash needs of other Group companies, including repayment of amounts due under the Notes. Furthermore, it is possible that Sacyr's cash flow projections for a concession will not be met, and that concession may take longer than expected to generate cash for its shareholders or may never do so, which could decrease the resources available to other Group companies to meet their financial obligations, including those under the Notes. Such a decrease may have a material adverse effect on the business, results of operations and financial condition of Sacyr.

***Infrastructure concessions have a limited duration.***

Upon termination of a concession, in many instances Sacyr must return the infrastructure to the competent governmental authority or owner, in an adequate state of repair, together with any assets and facilities required for operation, and receives no economic compensation whatsoever. If Sacyr's concession companies (the "**Concession Companies**") are unable to extend the duration of their concessions during their lifetime or are unable to secure new concessions to replace any concessions expired, terminated or recovered, this could have a material adverse effect on its business, results of operations, financial condition and prospects of the Group.

***Any inability to negotiate adequate compensation for terminated and repurchased concessions or the breach by government entities of their obligations to compensate concession companies in those circumstances could reduce the future revenues of Sacyr.***

The Concession Companies derive most of their revenues from operations conducted under their concession agreements. Under the relevant public laws, the governments of the countries in which their concessions are located may unilaterally terminate or repurchase concessions in the public interest, subject to judicial supervision. However, to date Sacyr has only experienced a single instance of the unilateral termination of one of its concessions, being that of its concession at Corvera airport in Murcia, which took place on 16 September 2013 (see "*Description of the Issuer – Litigation and Legal Proceedings*"). If a governmental authority exercises its option to terminate or repurchase some of Sacyr's concessions, in general Sacyr would be entitled to receive the compensation provided by law or contract to cover its anticipated profits for the remaining duration of the concession agreements. Each contract may have different provisions regarding the compensation provided by the relevant authority in the event of early termination of the concession. Depending on each contract's terms and conditions, recovery of its investment might be limited to capped construction costs and land acquisition costs. If it is unable to negotiate adequate compensation for terminated or repurchased concessions, the revenues of the Concession Companies in the future may be reduced, and the business, results of operations, financial condition and prospects of the Group may be materially adversely affected. Additionally, Sacyr cannot make any assurances that the relevant governmental authorities will honour their compensation undertaking towards Sacyr. Moreover, Sacyr is subject to the risk that the law which sets forth the compensation to be paid in case of early termination of the concession is amended in such a way that it reduces the potential compensation Sacyr is entitled to receive in case of termination. Likewise, in certain other cases, governmental authorities may decide to terminate Sacyr's concession agreements due to a serious violation of its contractual obligations.

***Difficulties in obtaining the necessary land rights could delay certain Sacyr concession projects or lead to increased development costs.***

In order to build or extend the toll roads or develop the infrastructure assets for the concessions in which Sacyr has an interest, it must obtain the necessary land rights to carry out such development. Sacyr may seek to obtain such land rights through market transactions, although it often relies on governmental authority to expropriate the land on which the relevant infrastructure asset is to be constructed. In Spain, Sacyr generally manages the land acquisition and expropriation process itself, subject to the approval of the relevant government authorities. Laws regarding transfer of land rights and land expropriation, and therefore the costs and process associated with such transfer or expropriation, vary from jurisdiction to jurisdiction. The Concession Companies may be adversely affected by changes in laws governing land transfer and land expropriation, or be exposed to the risk of compulsory purchase cost overruns. They may also incur delays in connection with the transfer of the necessary land rights or with the land expropriation process, which could delay the commencement of operations on their toll roads. In addition, the Concession Companies have in the past been, and may in the future be, subject to legal claims in connection with carrying out land expropriation orders, which have, in the past resulted, and could, in the future result, in additional costs in connection with defending against such claims and have, in the past delayed, and could, in the future delay, development of the relevant infrastructure assets. Delays or increases in costs for obtaining the necessary land rights could have a material adverse effect on its business, financial condition and results of operations.

***The Concession Companies are subject to risks related to their contracts with government or public entities.***

Sacyr's toll road concessions are granted by government or public authorities and are subject to special risks, including the risk that the sovereign government will take action contrary to the Group's rights under the concession agreement, for example by unilaterally terminating, amending or expropriating the concessions in the public interest. As stated above, Sacyr seeks to operate concessions in developed nations where the risk that the sovereign government will take actions of such nature tends to be low, but Sacyr also operates concessions in developing countries where such risk is higher. Sacyr cannot give any assurance that the relevant governments will not legislate, impose regulations or change applicable laws or act contrary to the law in a way that would materially adversely affect its business. Any such action, which could include the expropriation of the assets of the Concession Companies, could be taken by a relevant government with or without compensation to Sacyr and this could have a material adverse effect on the business, results of operations and financial condition of Sacyr.

***The Concession Companies depend to a significant extent on the continued availability of attractive levels of government subsidies and soft public financing.***

The concession industry depends to a significant extent on the continued availability of attractive levels of government subsidies and incentives to attract private investments. Such subsidies can be granted for the construction and/or operation of toll roads or other concession's assets. There is a risk that political developments, such as a change in government or governmental policy, could result in subsidized sources of financing becoming unavailable and this could have a material adverse effect on the business, results of operations, financial condition and prospects of Sacyr.

***Reduced vehicle use on the toll roads operated by Sacyr's toll road concession companies with demand risk could adversely affect Sacyr's business, results of operations, financial condition and prospects.***

If the Concession Companies with demand risk are unable to maintain an adequate level of vehicle traffic on their toll roads, the Group's toll receipts and profitability will suffer. The tolls collected by the Concession Companies on their toll roads depend on the number of vehicles using

such toll roads, the capacity of their portfolios to absorb traffic and their tariffs. In turn, traffic volumes and toll receipts depend on a number of factors, including the quality, convenience and travel time on toll-free roads or toll roads that are not part of the Group's portfolio, the quality and state of repair of the toll roads, the economic climate and fuel prices, the occurrence of natural disasters such as earthquakes and forest fires, meteorological conditions in the countries in which the Concession Companies operate, environmental legislation (including measures to restrict motor vehicle use), outbreak of infectious diseases (as the COVID-19 outbreak) or any other serious public health threats that may limit free movement of persons or goods and the viability and existence of alternative means of transportation, such as air and rail transport, buses and urban mass transportation.

In addition, competition from alternative transport routes could affect the volume of traffic on the toll roads operated by the Concession Companies. In certain cases, the creation of new roads which create an alternative transport route to a toll road may give the concession company the right to require that the economic balance of their concessions be restored and request compensation. However, an increase in the number and convenience of alternative routes could reduce traffic on the toll roads they operate to a greater degree than that for which they receive compensation.

If the Concession Companies are unable to maintain an adequate level of traffic, the business, results of operations and financial condition of Sacyr may be adversely affected.

***Tariff rate increases on the toll roads operated by the Concession Companies are limited to inflation under some of their concession agreements.***

The revenue generated from Sacyr's toll road business is dependent in part on its tariff rates and the tariff structure is usually established under each individual concession agreement. In certain cases, the Concession Companies have limited or no ability to independently raise tariffs beyond the rate of inflation. During the life of a concession, the relevant government authority may also unilaterally impose additional restrictions on the tariff rates. Whilst the Concession Companies may be able to negotiate compensation from the government authority for changes to their tariff structures, or renegotiate their concession terms in general, the Concession Companies cannot guarantee the success of their negotiations with the relevant government authority.

Sacyr has substantial investments and indebtedness, many of which are related to costs incurred during the design and construction phase. Sacyr covers these investments and indebtedness principally from its toll road receipts. If the assumptions underlying Sacyr's financial models prove to be incorrect and the revenues generated are not sufficient to cover its costs, Sacyr may be unable to successfully adjust the operating parameters due to inflexible concession terms or reduce its costs to remain profitable, which would have a material adverse effect on Sacyr's business, results of operations, financial condition and prospects of the Group.

***The public may react negatively to toll collection and periodic tariff readjustments or public pressure may cause the relevant government to challenge the tariffs set by the Concession Companies.***

Although the Concession Companies have not yet encountered any major problems with motorists reacting adversely to its tariffs, for example, by avoiding tolls or refusing to pay tolls, such problems might arise in the future, resulting in lower traffic volumes and reduced toll revenues. These problems could be further aggravated by a perception that the Concession Companies are unable or unwilling to effectively recover tolls and fees from motorists who fail or refuse to pay. In addition, adverse general public opinion may result in pressure to restrict their tariff increases. If public pressure or government action forces the Concession Companies to restrict their tariff increases or reduce their tariffs, and they are not able to secure adequate compensation to restore the economic balance of the relevant concession agreement, Sacyr's business, results of operations and financial condition could be materially adversely affected.

***Any delays in toll road construction could have a material adverse effect on Sacyr's business, results of operations and financial condition.***

Certain risks are inherent in the large-scale construction projects currently being undertaken by Sacyr, such as shortages or increases in the cost of materials and labour, general factors affecting economic activity and financing, including outbreak of infectious diseases or any other serious public health threats, malfeasance by its contractors and sub-contractors and disruptions, either resulting from adverse weather conditions or from technical or environmental problems. Construction delays will delay the time at which revenues from a toll road concession are received by Sacyr and will reduce the revenue-generating lifetime of the concession. These factors could increase Sacyr's costs and reduce its revenues and, particularly if Sacyr is unable to pass on some or all of these costs under the terms of its concession agreements, could materially adversely affect Sacyr's business, results of operations, financial condition and prospects.

***Sacyr's growth may be limited by its inability to obtain new sites and expand existing ones.***

Sacyr's ability to maintain its competitive position and meet its growth objectives for its operations in Sacyr's concession activity depends on Sacyr's ability to upgrade existing sites or acquire or lease additional sites in strategically located areas. Sacyr's ability to obtain new sites and expand existing sites is limited by regulation and geographic considerations. Government restrictions, including environmental, public health and technical restrictions, limit where Sacyr's facilities and plants can be located.

#### **Risks relating to the Services Business Division**

***Sacyr could be held liable for environmental damage resulting from its operations and its insurance for environmental liability may not be sufficient to cover that damage.***

Significant liability could be imposed on Sacyr for damages, clean-up costs or penalties in the event of certain discharges into the environment and/or environmental contamination and damage. This is of particular importance in the case of landfills, where costs of sealing are very high and are subject to heavy increases due to changes in environmental law. Sacyr's insurance for environmental liability may not be sufficient or may not apply to any exposure to which it may be subject resulting from the type of environmental damage in question.

Any substantial liability for environmental damage could have a material adverse effect on Sacyr's business, results of operations, financial condition and prospects.

***Sacyr's results from operations are affected by the cyclical nature of the waste management business.***

The waste management business is cyclical by nature. The demand for waste management services is connected to general economic conditions. Demand generally increases in times of economic growth and decreases during economic contraction periods. Due to the recent global financial crisis, the level of spending in waste decreased, and Sacyr cannot be sure of a favourable change in spending levels in the coming years or the impact that COVID-19 may have on the economy activity in the medium term. If conditions continue to limit spending in the waste management industry, then the business, results of operations, financial condition and prospects of Sacyr may be adversely affected.

***Sacyr's Services business division is dependent on the trend toward outsourcing.***

Sacyr's business and growth depend in large part on the industry trend toward outsourced certain management services, including environmental services, water services or multiservices. Outsourcing means that an entity contracts with a third party, such as Sacyr, to provide customer contact services rather than perform such services in-house. There can be no assurance that this

trend will continue, as organizations may elect to perform such services themselves. A significant change in this trend could have a material adverse effect on Sacyr's business, results of operations, financial condition and prospects.

Sacyr's business may be adversely affected by potential new laws and regulations prohibiting or limiting outsourcing of certain core business activities of Sacyr's clients in key jurisdictions in which Sacyr conducts its business. The introduction of such laws and regulations or the change in interpretation of existing laws and regulations could adversely affect Sacyr's business, results of operations, financial condition and prospects.

## **Risks relating to the Notes**

### ***The Notes are not rated.***

Neither the Notes nor the long-term debt of the Issuer are rated. To the extent that any credit rating agencies assign credit ratings to the Notes, such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that could affect the value of the Notes. A rating or the absence of a rating is not a recommendation to buy, sell or hold securities.

### ***There is no active trading market for the Notes.***

The Notes will be new securities which may not be widely distributed and for which there is currently no active trading market. 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 application has been made for the Notes to be admitted to the Official List of Euronext Dublin and trading on its Global Exchange Market, there is no assurance that such application will be accepted 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 the Notes.

### ***The market price of the Notes may be volatile.***

The market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Notes as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations which, if repeated in the future, could adversely affect the market price of the Notes without regard to the Issuer's operating results, financial condition or prospects.

### ***Global Notes held in a clearing system.***

Because the Global Notes are held by or on behalf of Euroclear and/or Clearstream, Luxembourg investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

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 a deed of covenant dated 23 April 2021 (the "**Deed of Covenant**").

***The Issuer may redeem the Notes prior to maturity.***

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

The Issuer may be expected to redeem Notes if it has or will become obliged to pay additional amounts pursuant to the terms and conditions of the Notes as a result of any change in, or amendment to, the laws or regulations of 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 decision 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 regulation and reform of "benchmarks" may adversely affect the value of any Notes linked to such "benchmarks"***

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory reform. Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted.

For example, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. The FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. On 5 March 2021, the FCA announced that all 35 LIBOR settings currently published by ICE Benchmark Administration will either cease to be provided or will no longer be representative immediately after (as applicable to the particular LIBOR benchmark) 31 December 2021, 29 December 2022 or 30 June 2023. The Bank of England and the FCA had previously announced, on 29 November 2017, that from January 2018, its Working Group on Sterling Risk-Free Rates had been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

There are separate on-going workstreams to determine a euro risk free-rate as an alternative to EURIBOR. On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate ("**€STR**") as the new risk free rate. €STR has been published by the ECB since October 2019. Meanwhile, EURIBOR underwent a methodological reform in 2019 to make it compliant with the regulatory requirements outlined in the EU Benchmark Regulation. It is now determined using a hybrid methodology rather than a purely quote-based method. Following a testing phase and public consultations, the hybrid methodology became applicable at the end of 2019, and the European Money Markets Institute has received authorisation from the competent authority, meaning that the benchmark can continue to be used for new and legacy contracts after 3 January 2022. Nevertheless, the long-term sustainability of EURIBOR depends on factors such

as the continued willingness of the panel of contributing banks to support it, the support of the regulator and the administrator and/or whether or not there is sufficient activity in its underlying market.

The EU Benchmark Regulation and the UK Benchmark Regulation apply, subject in each case to certain transitional provisions. Each of the EU Benchmark Regulation and/or the UK Benchmark Regulation could have a material impact on any Notes linked to LIBOR, EURIBOR or another "benchmark" rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the EU Benchmark Regulation and/or the UK Benchmark Regulation. Such changes could (amongst other things) have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the benchmark.

In addition, 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. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks".

The potential elimination of LIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest provisions of the Conditions or result in other consequences, in respect of any Notes linked to such benchmark (including but not limited to floating rate notes whose interest rates are linked to LIBOR or such other applicable benchmark). Any such consequence could have a material adverse effect on the value of and return on any such Notes.

## **Risks relating to taxation**

### ***Risks relating to Spanish withholding tax.***

The Issuer considers that, pursuant to the provisions of the Law 10/2014 and Royal Decree 1065/2007, as amended, it is not obliged to withhold taxes in Spain on any interest paid on the Notes to any investor, irrespective of whether such investor is tax resident in Spain. The foregoing is subject to the Issue and Paying Agent complying with certain information procedures described in section "*Disclosure obligations in connection with payments on the Notes*" below.

The Issuer and the Issue 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.

Under Royal Decree 1065/2007, the Issuer may make payments free of Spanish withholding tax, provided that the Notes comply, among others, with the following requirements: (i) the Notes are regarded as listed debt securities issued under Law 10/2014; and (ii) they are initially registered at foreign clearing and settlement entity that is recognised under Spanish regulations or under those of another OECD member state. The Issuer expects that the Notes will meet the requirements referred to in (i) and (ii) above and that, consequently, payments made by the Issuer to investors should be paid free of Spanish withholding tax, provided that the Issue and Paying Agent complies with the procedural requirements referred to above.

Notwithstanding the foregoing, if the Issue and Paying Agent fails to submit to the Issuer the relevant information in a timely manner, the Issuer will withhold tax at the then-applicable rate (as at the date of this Information Memorandum, 19%) from any payment in respect of the relevant Notes. The Issuer will not pay any additional amounts with respect to any such withholding as a

result of such failure by the Issue and Paying Agent to comply with the relevant procedural requirements.

Investors who are not resident in Spain for tax purposes and are entitled to exemption from Non-Resident Income Tax ("**NRIT**") on income derived from the Notes, but where the Issuer does not timely receive from the Issue and Paying Agent the information above about the Notes by means of a certificate the form of which is attached as Annex I of this Information Memorandum, would have to apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the Spanish Non Resident Income Tax Law.

If the Spanish Tax Authorities maintain a different opinion as to the application by the Issuer of withholding to payments made to Spanish tax residents (individuals and entities subject to Corporate Income Tax (*Impuesto sobre Sociedades*)), the Issuer will be bound by the opinion and, with immediate effect, will make the appropriate withholding. If this is the case, identification of investors may be required and the procedures, if any, for the collection of relevant information will be applied by the Issuer (to the extent required) so that it can comply with its obligations under the applicable legislation as interpreted by the Spanish Tax Authorities. If procedures for the collection of the investors information are to apply, the investors will be informed of such new procedures and their implications.

Notwithstanding the above, in the case of Notes held by Spanish tax resident individuals (and, under certain circumstances, by Spanish entities subject to Corporate Income Tax) and deposited with a Spanish resident entity acting as depositary or custodian, payments in respect of such Notes may be subject to withholding by such depositary or custodian (currently 19%).

#### ***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

#### **Risks arising in connection with the Spanish Insolvency Law**

Royal Decree 1/2020 of 5 may on Insolvency, approving the restatement text of the insolvency law (the "**Spanish Insolvency Law**") regulates court insolvency proceedings.

#### ***Declaration of insolvency.***

In the event of insolvency of a debtor, insolvency proceedings can be initiated either by the debtor or by its creditors. In the event that the debtor files an insolvency petition, a "voluntary" insolvency (*concurso voluntario*), such debtor shall provide evidence of the situation of insolvency (whether actual or imminent insolvency). The directors of such debtor company shall request the insolvency (or file with the insolvency court a communication under 583.1 of the Spanish Insolvency Law informing that it has commenced negotiations with its creditors to agree a refinancing agreement or an advanced proposal of settlement agreement (*convenio*), to obtain an additional period of three months to negotiate with its creditors plus one additional month to file for insolvency if needed - totalling four months in practice to reach a refinancing agreement or an advanced proposal of settlement agreement (*convenio*)-) within two months from the moment they knew, or ought to have known, of the actual insolvency situation.

A debtor may file for insolvency or file with the insolvency court a communication under 583.1 of the Spanish Insolvency Law as a protective measure in order to avoid (i) the attachment of its assets or (ii) certain enforcement actions that could be taken by its creditors.

An insolvency petition may be filed in relation to more than one company on a coordinated basis where, for instance, such companies belong to the same group of companies.

Creditors may only file for insolvency where the debtor is actually insolvent (i.e., not in the event of imminent insolvency). Upon receipt of an insolvency petition by a creditor, the insolvency court may issue provisional interim measures to protect the assets of a debtor and may request a guarantee from the petitioning creditor asking for the adoption of such measures to cover damages caused by the preliminary protective measures in case that the insolvency petition filed by such creditor is eventually dismissed.

The insolvency court will issue a court order either rejecting the petition or declaring the insolvency. In the event of declaration of insolvency, the insolvency court order will appoint a court administrator or receiver (*administración concursal*) ("**receiver**") and will order the publication of such declaration of the insolvency in the State Official Gazette (*Boletín Oficial del Estado*). The declaration of insolvency shall be also filed with the Commercial Registry (*Registro Mercantil*) and the Public Registry of Insolvency (*Registro Público Concursal*).

#### ***Certain effects of the insolvency declaration.***

The general rule is that the declaration of insolvency shall not affect the continuity of the business activity of a debtor company other than in the terms expressly set out in the Spanish Insolvency Law. In practice, however, it is likely that any such insolvency declaration will indeed have an adverse impact on the operations and business of the debtor.

In case of voluntary insolvency (*concurso voluntario*), a debtor company will usually maintain administrative control of its affairs, however, the management decisions will be subject to the receiver's authorization. In case of mandatory insolvency (*concurso necesario*), the receiver will usually assume the administration of the debtor company, unless the insolvency court decides otherwise.

Unless otherwise provided by certain specific rules applicable to a certain type of contracts (e.g. insurance or financial collateral agreements), creditors will not be able to terminate bilateral agreements based only on the declaration of the insolvency (*declaración de concurso*) of a debtor. Any provision to the contrary will be null and void. However, under Spanish Law, whether creditors are allowed to accelerate a credit agreement based only on the declaration of insolvency of a debtor is arguable.

The debt will cease to accrue interest from the declaration of insolvency, except for such debt secured with security rights *in rem*, and up to, the lower of the amount obtained from the enforcement of the security and the maximum secured interests under the relevant security.

As a general rule, insolvency proceedings are not compatible with other enforcement proceedings. When compatible, in order to protect the interests of a debtor and its creditors, the law extends the jurisdiction of the court dealing with insolvency proceedings, which is, then, legally authorized to handle any enforcement proceedings or interim measures affecting the debtor's assets (whether based upon civil, labour or administrative law). As a general rule, the insolvency declaration of a debtor prevents the enforcement of security against such debtor and those enforcement proceedings of security that have been initiated prior to the insolvency declaration shall be suspended (however, under certain circumstances these proceedings may be resumed).

### **Classification of the company's debts.**

The court order declaring the insolvency of the debtor shall contain an express request for the creditors to communicate and declare to the receivers any debts owed to them, within a one-month period starting from the date after the publication of the insolvency in the State Official Gazette (*Boletín Oficial del Estado*), providing documentation to justify such credits. Based on the documentation provided by the creditors and the accounting records of the debtor, the insolvency receivers shall draw up a list of acknowledged creditors and classify them according to the categories established under Spanish Insolvency Law as follows: (i) debt against the insolvency estate, (ii) debt benefiting from special privileges, (iii) debt benefiting from general privileges, (iv) ordinary debt and (v) subordinated debt:

- i. Debts against the insolvency estate (*créditos contra la masa*): which are not subject to ranking and will be paid out of the insolvent company's assets (other than those attached to the specially privileged debts) as they fall due with preference to any other debt. Debts against the insolvency estate may include, among others, (i) certain employees' claims, (ii) costs and expenses of the insolvency proceedings, (iii) certain amounts arising under reciprocal contracts, (iv) certain claims deriving from the exercise of a clawback action (except in cases of bad faith), (v) certain amounts arising from obligations created by law or from the non-contractual liability of an insolvent debtor after the declaration of insolvency and until its conclusion, (vi) 50 per cent. of the new funds (excluding interests) granted within the context of certain refinancing agreement meeting the requirements set out under the Spanish Insolvency Law and (vii) certain debts incurred by a debtor following the declaration of insolvency.
- ii. Debts benefiting from special privileges, representing attachments on certain assets (basically in rem security). These privileges may entail separate proceedings over the related assets, subject to certain restrictions (including, where the related assets are deemed necessary for the on-going operations and business of the debtor, a waiting period that may last up to one year unless the security qualifies as financial collateral subject to Royal Decree-Law 5/2005, of 11 of March, on urgent measures to improve the productivity and the public trade (*RDL 5/2005*), implementing the financial collateral directive (Directive 2002/47/EC of the European Parliament and of the council of June 6, 2002 on financial collateral arrangements) in Spain. However, the insolvency court may authorize the sale of the assets/business of the insolvent company before the settlement/liquidation phases subject to certain specific payment rules which do not necessary entail the full recovery of the secured debt. In this regard, it must be noted that secured claims against a debtor shall be recognised as debts benefiting from special privileges up to the lower of (i) the maximum secured liabilities under the relevant security interest, and (ii) the value ascribed to the relevant security interest in accordance with the provisions of the Spanish Insolvency Law (i.e. 90% of the fair value of the assets charged under the relevant security interest minus the amount of outstanding claims with higher ranking security over the same assets).
- iii. Debts benefiting from general privileges, including, among others, certain labour debts, certain taxes, debts arising from non-contractual liability, up to 50 per cent. of the debt owed to the creditor who applied for insolvency or new money granted pursuant to a refinancing agreement that comply with certain requirements set out under the Spanish Insolvency Law in the amount not admitted as a debt against the insolvency estate (*crédito contra la masa*).
- iv. Ordinary debts (non-subordinated and non-privileged creditors) will be paid on a pro-rata basis or subject to the terms and conditions of any creditors' composition agreement (*convenio de acreedores*) that may be agreed and approved.
- v. Subordinated debts (thus classified by virtue of law) include, among others, (A) credits which have been contractually subordinated to all debtor's obligations; and (B) those credits held by parties in special relationships with a debtor: in the case of an individual, his/her relatives; in the case of a legal entity, any shareholders holding more than 5 per cent. (for companies which have issued securities listed on an official secondary market) or 10 per cent. (for companies which have not issued securities listed on an official secondary market) of the

share capital and companies pertaining to the same group as such debtor and their common shareholders, provided that such shareholders meet the minimum shareholding requirements set forth before and the insolvent company's directors, de facto directors, liquidators and general attorneys and those holding any of such capacities during the two years prior to the insolvency declaration: and (C) in broad terms, claims that have been reported late to the insolvency administrator. Subordinated creditors cannot vote on a creditors' composition agreement (but are bound by the contents thereof) and will be paid only if and after all claims against the estate and privileged and ordinary debts have been fully satisfied.

The Spanish Insolvency Law sets forth that certain judicially-sanctioned refinancing agreements reached by a debtor prior to the opening of insolvency proceedings and creditors' composition agreements (*convenio*) reached by a debtor in an insolvency scenario are capable of binding dissenting (including absentee) unsecured and secured creditors of financial indebtedness ("**dissenting creditors**") *vis-à-vis* such debtor. Whether dissenting creditors are bound by a judicially-sanctioned refinancing agreement or a creditors' composition agreement as well as the relevant measures that can be imposed on dissenting creditors depends on the level of support received from the various types of creditors.

### ***Claw back regime.***

Any acts performed and agreements entered into by a debtor company within the two years immediately preceding the declaration of insolvency may be set aside by the court upon the petition of the receivers or the creditors if such acts are considered to be detrimental to the company's asset base (even in the absence of fraud). Unless any of the statutory presumptions of detriment applies, the burden of proof is on the receivers or the creditors, as the case may be, alleging that such acts were detrimental. However:

- i. certain acts and agreements are presumed to be detrimental to the company's assets base, without any possibility for the parties to file evidence against this presumption (this is applicable in the case of acts that have been concluded for no consideration and early payments of debts which are not secured with a right in rem and the maturity of which fall after the opening of insolvency proceedings);
- ii. in respect of certain acts and agreements (such as, for instance, the creation of security in respect of pre-existing obligations, onerous contracts entered into with certain related persons, or early payments of debts secured with a right in rem and the maturity of which fall after the opening of insolvency proceedings) the burden of proof is reversed, and the burden of proof is on the creditor(s) to rebut, to the court's satisfaction, that the relevant acts or agreements were not detrimental to the company's asset base; and
- iii. transactions made within the company's ordinary course of business in ordinary terms and conditions cannot be rescinded on the basis of being prejudicial to the company's asset base.

The main consequence of rescission is that the reciprocal obligations must be restored and the receivable of the creditor (if any) will be classified as a debt against the insolvency estate (please see paragraph (i) of "*Classification of the company's debts*" above) unless the court finds that the creditor acted in bad faith, in which case its claim will be classified as a subordinated claim.

The above remedy is without prejudice to the possibility to rescind those acts and contracts entered into by the company (i) in fraud of creditors during the previous four years or (ii) as null and void (*acción de nulidad*).

The agreements in relation to the Notes could be challenged if, amongst others things, those transactions were deemed to have been detrimental, as explained above, and (since they are governed by English law) provided further that they are capable of being challenged (under any grounds whatsoever) under English law.

## DESCRIPTION OF THE ISSUER

### General Information

Sacyr, S.A. previously Sacyr Vallehermoso, S.A. and whose commercial name together with its consolidated subsidiaries (the "**Group**") is "Sacyr", was incorporated in Madrid on 5 July 1921 as a limited liability company (*sociedad anónima*) for an indefinite period under the name of "Compañía Madrileña de Contratación y Transportes, S.A." and on 25 July 2013 it changed its corporate name to "Sacyr, S.A.". Its tax identification number (*NIF*) is A-28013811, its Legal Entity Identifier (LEI) Code is 959800XKAB9VNAVN9425 and it is currently registered in the Commercial Registry of Madrid in volume 1884, sheet 61, page M-33841 and entry 677.

The Issuer's current registered office is located at calle Condesa de Venadito nº 7, 28027 Madrid, Spain and its telephone number is +34 91 545 5000.

The information related to the Issuer included in this section has been extracted from the audited consolidated annual accounts of Sacyr as of and for the years ended 31 December 2019 and 31 December 2020.

The Issuer complies with the Spanish Royal Legislative Decree 1/2010, of 2 July, which approved the consolidated text of the Spanish Companies Law (*Real Decreto Legislativo 1/2010, de 2 de Julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*).

### Share capital and major shareholders

As of 31 December 2020, the Issuer's issued and paid-up share capital was €604,572,039 made up of 604,572,039 ordinary shares with a nominal value of €1 each, represented by book entries and forming a single class.

On 24 April 2014, Sacyr undertook an issue of convertible bonds having a total amount of €250 million and maturing on 8 May 2019 (the "**2019 Convertible Bonds**"). The 2019 Convertible Bonds were issued at par value, with nominal value of €100,000 each, and bear annual nominal interest of 4.0 per cent., payable on a quarterly basis. The 2019 Convertible Bonds were convertible into newly issued ordinary shares of Sacyr and/or exchangeable for existing shares during the period commencing 41 days after the date of disbursement and ending on the tenth day before the prepayment date. Sacyr may choose, upon each conversion request, whether to issue new shares or deliver existing shares. The initial conversion price of the 2019 Convertible Bonds was €5.725. The 2019 Convertible Bonds are admitted to trading on the Frankfurt Stock Exchange's exchange-regulated Open Market (*Freiverkehr*). During 2019 Sacyr fully amortized €250 million of the 2019 Convertible Bonds.

On 7 June 2018, Sacyr's General Shareholders' Meeting approved two separate share capital increases with a charge to profits or reserves as a means of remunerating its shareholders (i.e. a scrip dividend), for a maximum par value of up to €36 for both share capital increases (i.e. for a maximum par value of €18 million for the first share capital increase and of €18 million for the second) through the issuance of new ordinary shares each with a par value of €1, with no share premium, of the same class and series as those in circulation, with the possibility of incomplete subscription. The powers to establish the conditions for the share capital increase were delegated to Sacyr's Board of Directors. The share capital was increased on 2 August 2018, corresponding to the first of the two share capital increases, in a total amount of €9,797,346 up to €553,555,329. Subsequently, the share capital was increased on 8 January 2019, corresponding to the second of the two share capital increases, in a total amount of € 15,039,736 up to € 568,595,065.

On 13 June 2019 Sacyr's General Shareholders' Meeting approved two separate share capital increases with a charge to profits or reserves as a means of remunerating its shareholders (i.e. a scrip dividend), for a maximum par value of up to €36 for both share capital increases (i.e. for a

maximum par value of €18 million for the first share capital increase and of €18 million for the second) through the issuance of new ordinary shares each with a par value of €1, with no share premium, of the same class and series as those in circulation, with the possibility of incomplete subscription. The share capital was increased on 13 June 2019, corresponding to the first of the two share capital increases, in a total amount of € 13,410,823 up to €582,005,888. Subsequently, the share capital was increased on 14 February 2020, corresponding to the second of the two share capital increases, in a total amount of €11,980,391 up to €593,986,279.

On 25 April 2019, Sacyr undertook an issue of convertible bonds having a total amount of €175 million and maturing on 25 April 2024 (the "**2024 Convertible Bonds**"). The 2024 Convertible Bonds were issued at par value, with nominal value of €100,000 each, and bear annual nominal interest of 3.75 per cent., payable on a quarterly basis. The 2024 Convertible Bonds were convertible into newly issued ordinary shares of Sacyr and/or exchangeable for existing shares during the period commencing 41 days after the date of disbursement and ending on the tenth day before the prepayment date. Sacyr may choose, upon each conversion request, whether to issue new shares or deliver existing shares. The initial conversion price of the 2024 Convertible Bonds was €2.8898. The 2024 Convertible Bonds are admitted to trading on the Frankfurt Stock Exchange's exchange-regulated Open Market (*Freiverkehr*).

On 11 June 2020 Sacyr's General Shareholders' Meeting approved two separate share capital increases with a charge to profits or reserves as a means of remunerating its shareholders (i.e. a scrip dividend), for a maximum par value of up to €36 for both share capital increases (i.e. for a maximum par value of €18 million for the first share capital increase and of €18 million for the second) through the issuance of new ordinary shares each with a par value of €1, with no share premium, of the same class and series as those in circulation, with the possibility of incomplete subscription. The share capital was increased on 30 November 2020, corresponding to the first of the two share capital increases, in a total amount of € 10,585,760 up to €604,572,039. Subsequently, the share capital was increased on 3 February 2021, corresponding to the second of the two share capital increases, in a total amount of €11,878,992 up to €616,451,031.

The Issuer's shares are listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges (the "**Spanish Stock Exchanges**") and have been quoted on the Automated Quotation System of the Spanish Stock Exchanges since 1953. The shares of the Issuer are included in the following indexes: IBEX Medium Cap Index, IGBM, MSCI World Index USD, MSCI Euro Index, DJ Euro Stoxx Price Euro, DJ Stoxx 600 Price, Ethical Index Euro, FTSE Europe Ex UK and FTSE4Good IBEX.

As at 31 December 2020, the shareholding base according to the information contained in the register of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. ("**Iberclear**") is composed of:

<b>Name</b>	<b>Stake (%)</b>
DISA CORPORACIÓN PETROLÍFERA, S.A.	12.66%
GRUPO CORPORATIVO FUERTES, S.L.	6.33%
BETA ASOCIADOS, S.L.	5.16%
PRILOMI, S.L.	4.70%
PRILOU, S.L.	3.58%
Others	67.57%

To the best of Sacyr's knowledge, no direct or indirect shareholder, acting individually or in concert with others, controls the Issuer.

## Board of Directors

The Board of Directors of the Issuer, as at the date hereof, is composed of the following thirteen directors:

<b>Name</b>	<b>Position</b>	<b>Type of Director</b>
Manuel Manrique Cecilia	Chairman and CEO	Executive
Demetrio Carceller Arce	1 <sup>st</sup> Vice Chairman	Proprietary <sup>(1)</sup>
Luis Javier Cortés Domínguez	Director	Other external
Isabel Martín Castella	Director	Independent
PRILOU, S.L. (represented by José Manuel Loureda Mantiñán)	Director	Proprietary
María Jesús de Jaén Beltrá	Director	Independent
GRUPO CORPORATIVO FUERTES, S.L. (represented by Tomás Fuertes Fernández)	Director	Proprietary
Raimundo Baroja Rieu	Director	Proprietary
Augusto Delkader Teig	Director	Independent
Juan María Aguirre Gonzalo	Director	Independent
Francisco Javier Adroher Biosca	Director	Proprietary
José Joaquín Güell Ampuero	Director	Independent
Elena Jiménez de Andrade Astorqui	Director	Independent
Ana María Sala Andrés	Secretary (non-Director)	
Alfonso Aguirre Díaz de Guardamino	Vice Secretary (non-Director)	

<sup>(1)</sup> *Consejero dominical* in Spanish.

The business address of each of the members of the Board of Directors is calle Condesa de Venadito nº 7, 28027 Madrid, Spain.

The table below sets out the companies in which the members of the Board of Directors carry out other activities outside the Issuer, which are significant with respect to the Issuer:

<b>Name</b>	<b>Entity</b>	<b>Position/Title</b>	
Manuel Manrique Cecilia	- Repsol, S.A.	- 2nd Vice Chairman	
	- Sacyr Construcción, S.A. (Group company)	- Chairman	
	- Sacyr Servicios, S.A. (Group company)	- Director	
	- Sacyr Concesiones, S.L. (Group company)	- Chairman	
	- Sacyr Gestión de Activos, S.L. (Group company)	- Representative of the sole director Sacyr, S.A.	
	- Tebalsa Construcciones e Inversiones, S.L.	- Sole Director	
	- Cymofag, S.L.	- Sole Director	
	- Sacyr Fluor, S.A.	- Director	
	Demetrio Carceller Arce	- Sociedad Anónima Damm (Group Company)	- Chairman
		- Disa Corporación Petrolífera, S.A.	- Chairman
- Ebro Foods, S.A.		- Vice Chairman	

Name	Entity	Position/Title
Juan María Aguirre Gonzalo	- Quantop Investments, SICAV, S.A.	- Director
	- Mallorquina de Títulos, SICAV, S.A.	- Director
	- Gardama de Inversiones, SICAV, S.A.	- Director
	- Merlin Properties SOCIMI SA.	- Director
Augusto Delkader	- Prisa Radio, S.A.	- Chairman
	-	-
Raimundo Baroja Rieu	- Disa Corporación Petrolífera, S.A.	- Vice Chairman
	- DAMM, S.A.	- Director

Sacyr believes that no conflicts of interest exist between the duties of the members of its Board of Directors and their private interests or other duties, other than as disclosed in Sacyr's audited consolidated annual accounts and its annual corporate governance report for the year ended 31 December 2020. In the event that any such conflicts of interest arise, Sacyr manages them in accordance to its internal rules and policies.

### Sacyr's History

Sacyr is a multinational and diversified infrastructures and services company listed on the IBEX Medium Cap Index. Sacyr, as it exists today, is the result of various corporate mergers, as summarised below:

- Vallehermoso, S.A.** was incorporated in 1921 under the name "Compañía Madrileña de Contratación y Transportes, S.A." and expanded into real estate development in 1953. It changed its original name to Vallehermoso, S.A. and began to acquire and build urban properties for lease or sale. In 1989, it merged with Corporación Inmobiliaria Hispamer, S.A. and Inmobanif, S.A., forming a company with greater geographical diversification, while extending its traditional business in the fields of housing, offices and commercial premises to include developing shopping centres, hotels and car parks. By the 1990s, it was considered the leading Spanish real estate company. Vallehermoso, S.A. was reorganised in 2000 and converted into a holding company with three main subsidiaries: Vallehermoso División Promoción, S.A.U. ("**Vallehermoso División**"), Vallehermoso Renta, S.A. and Valoriza, S.A., which respectively engaged in residential development, property-owning and services. As of 31 December 2018 and 31 December 2017, Sacyr's shareholding in Vallehermoso División was accounted for as a non-current asset held for sale.
- Sociedad Anónima Caminos y Regadíos, S.A.** was incorporated in 1986, with a business model based on construction and focused primarily on civil engineering. It changed its name to Sacyr, S.A. in 1991. In 1996, Sacyr, S.A. moved into the contracting business and since then it has increased its presence in that sector, while also diversifying its construction business by moving into new areas such as building, real estate and services. In 2002, Sacyr, S.A. became the holding company of the Group, while Sacyr Concesiones, S.A. focused on concession business and Sacyr, S.A. focused on construction.
- On 28 May 2002, Sacyr, S.A. acquired 24.5 per cent. of Vallehermoso, S.A., and subsequently, on 29 January 2003, the respective boards of directors of Sacyr, S.A. and Vallehermoso, S.A. approved a merger project that was submitted for approval and approved by both companies' General Shareholder Meetings on 3 April 2003. The merger process was completed on 2 June 2003 and shares in the merged company, named Sacyr Vallehermoso, S.A., started trading on the same date. The aim of the merger was to create a diversified construction group with complementary business lines, comprising activities generating cash flow (construction and

residential development) with others generating revenues and high margins (property-owning and infrastructure concessions), all of them coupled with a diversified services division.

- On 31 July 2013, the Issuer changed its name to "Sacyr, S.A." pursuant to the approval of Sacyr's General Shareholders' Meeting held on 27 June 2013.
- After a corporate rebranding in March 2018, Sacyr's construction business division, previously known as Sacyr Construction, is now called Sacyr Engineering and Infrastructures. In addition, the Services business division maintains the Valoriza Servicios brand in Spain, but is known as Sacyr Services in international markets. Sacyr Industrial and Sacyr Concessions complete the second level of brand architecture. Therefore, the four business divisions of the Sacyr group are as follows: (i) Engineering and Infrastructures, (ii) Concessions, (iii) Industrial and (iv) Services.

### Sacyr's Business and Group Structure

Sacyr is a diversified group, focused on innovation and international expansion in all its areas. Over time, Sacyr has developed a global business focused on internationalisation as the engine for growth coupled with a local perspective when required. Sacyr believes such vision has allowed it to become one of the world leaders in the building and management of infrastructures and industrial projects and services. Sacyr has activities and operations in over 29 countries across five continents, working through subsidiaries in Australia, Bolivia, Brazil, Chile, Colombia, Ireland, Italy, Mexico, Oman, Panama, Peru, Portugal, Qatar, United Kingdom and United States of America, among others. Sacyr is structured as a holding company, with sub-holdings for each of the business divisions. At 31 December 2020, the Group comprised the Issuer as holding company and 288 companies, of which 238 were subsidiary companies and the remaining 50 were associate companies.

Since the restructuring in 2020 of its business divisions, following the integration its two EPC areas (Sacyr Engineering and Infrastructures and Sacyr Industrial) into one, Sacyr has structured its activities through three main business areas of activity: (i) Engineering and Infrastructures; (ii) Concessions; and (iii) Services.

In addition, Sacyr's business divisions are further divided into areas of activity as follows:



The table below sets out the entities that head up each business division and each business division's revenue, EBITDA and backlog on a consolidated basis as of and for the years ended 31 December 2020 and 31 December 2019:

**As of and for the year ended December 31 December 2020 and 31 December 2019:**

Segments	Holding Company	Revenues				EBITDA <sup>(1)</sup>				Backlog			
		2020 <sup>(3)</sup>	%	2019 <sup>(4)</sup>	%	2020 <sup>(3)</sup>	%	2019 <sup>(4)</sup>	%	2020 <sup>(3)</sup>	%	2019 <sup>(4)</sup>	%
<i>(millions of euros)</i>													
Engineering and Infrastructures	Sacyr Construcción, S.A.	2612	57%	2336	56%	291	40%	276	41%	5622	14%	7488	17%
Concessions	Sacyr Concesiones, S.L.	1381	30%	1121	27%	365	50%	348	51%	30895	79%	32390	75%
Services	Sacyr Servicios, S.A.	992	22%	1022	25%	89	12%	92	14%	2668	7%	3087	7%
Holding, promotion and adjustment		-437	-10%	-310	-7%	-21	-3%	-36	-5%	0	0%	0	0%
<b>Total</b>		<b>4548</b>		<b>4169</b>		<b>724</b>		<b>680</b>		<b>39185</b>		<b>42965</b>	

Notes:

- (1) "EBITDA" is earnings before interest, taxes, depreciation and amortization, impairment losses and asset disposals. The tables below show the EBITDA reconciliation for the years ended 31 December 2020 and 31 December 2019.
- (2) Backlog is defined as the part of the contracts signed pending execution.
- (3) Figures as of and for the year ended 31 December 2020 were extracted from the 2020 consolidated annual accounts.
- (4) Figures as of and for the year ended 31 December 2019 were extracted from the 2019 consolidated annual accounts, as re-estate for comparative purposes.

**Year ended 31 December 2020**

EBITDA reconciliation	Engineering and Infrastructures	Concessions	Services	Holding and consolidation adjustments	Total
<i>(millions of euros)</i>					
Operating results	187	301	44	-65	467
Depreciation and amortization	80	53	43	3	179
Impairment of goodwill	0	0	0	0	0
Changes in traffic provisions	23	5	-1	51	78
Changes in provisions for intangible and tangible assets and order book	1	0	0	0	1
Provisions associated with other operating expenses	0	6	3	-10	-1
<b>EBITDA</b>	<b>291</b>	<b>365</b>	<b>89</b>	<b>-21</b>	<b>724</b>

Year ended 31 December 2019\*

EBITDA reconciliation	Engineering and Infrastructures	Concessions	Services	Holding and consolidation adjustments	Total
	<i>(millions of euros)</i>				
Operating results	124	287	50	-20	441
Depreciation and amortization	79	58	44	6	187
Impairment of goodwill	68	0	0	0	68
Changes in traffic provisions	-6	-12	-1	-25	-44
Changes in provisions for intangible and tangible assets and order book	6	-1	-1	0	4
Provisions associated with other operating expenses	5	16	0	3	24
<b>EBITDA</b>	<b>276</b>	<b>348</b>	<b>92</b>	<b>-36</b>	<b>680</b>

\*Re-stated.

Sacyr's internationalisation strategy started at the end of 1996, channelled through Sacyr's contracting business and initially undertaken on the back of Sacyr's construction business. Subsequently, Sacyr also expanded its concessions business internationally, starting with the operation of motorways in Chile. In 2000, this was further complemented by Sacyr becoming the largest shareholder of Somague Engenharia, S.A. ("**Somague**"), a leading Portuguese construction firm, with operations in both Portugal and Brazil. Over time, Sacyr has selectively moved into new markets in search of growth, both in terms of revenues and profitability, to gain a competitive advantage. In particular, Sacyr's international growth has accelerated over the last decade, and as a result of this geographical expansion and business diversification, Sacyr now ranks as a multinational corporation with global operations and a broad and diversified client base with no significant dependence on any individual client or group of related clients.

As a result of Sacyr's internationalisation strategy, 65.61% per cent. of Sacyr's total revenue was generated outside of Spain in the year ended 31 December 2020. Sacyr's international revenue amounted to €3,311 million as of 31 December 2020 while domestic revenue amounted to €1,735 million (excluding consolidation adjustments). International revenue as of 31 December 2019 amounted to €2,582 million while domestic revenue amounted to €2,052 million (excluding consolidation adjustments).

As of 31 December 2020, 79.89 per cent. of Sacyr's backlog consisted of non-domestic transactions (i.e. those to be performed outside of Spain). Sacyr defines "backlog" as contracts signed with either public or private sector customers in respect of which Sacyr's contracted obligations have not yet been performed. Sacyr's backlog is revisited on a quarterly basis and adjusted for work already performed or additional work to be performed, costs incurred and/or changes in currency exchange rates. In the case of Sacyr's Concession business division, backlog reflects the estimated euro value associated with operating the relevant concessions over the concessional period, as estimated in Sacyr's internal financial models for each concession, revisited annually and adjusted for inflation estimates.

### Engineering and Infrastructures Business Division

Since the restructuring in 2020 of its business divisions, following the integration its two EPC areas (Sacyr Engineering and Infrastructures and Sacyr Industrial) into one, the Group's Engineering and

Infrastructures business division carries out all types of civil and building works for both public and private sector customers and all engineering activities, EPC activities (engineering, procurement and construction) of energy and industry plants (including construction and operation of thermosolar plants, biomass and cogeneration facilities), and a diverse range of oil and gas, environment and mining and electrical infrastructures.

Building works comprise the construction of both residential and non-residential buildings, including offices, hotels, hospitals and other institutional buildings. This business is mainly conducted through Sacyr Construcción, S.A.U. ("**Sacyr Construcción**") in Spain and Chile, Somague in Portugal, and S.I.S.S.C.P.A. ("**SIS**") in Italy. The Group offers services related to all stages of the construction process. The Engineering and Infrastructures business division is a strategic business for the Group, as it generates cash flow, has growth potential and allows the creation of synergies with other strategic activities, such as infrastructure concessions.

Sacyr's construction activities are primarily composed of civil works, with a particular focus on high technological and added-value works. Civil works accounted for 71 per cent. of the revenues of Sacyr Construcción in 2020 and 88 per cent. in 2019. The remainder of Sacyr Construcción's revenues come from non-residential construction, services and others related activities. In the past, Sacyr Construcción has been engaged in major projects in the development space including both residential and non-residential construction projects. Sacyr had undertaken several significant projects, during 2019 the percentage remained stable, due to the incorporation of very significant contracts during such year such as, among others the construction of the new Ruta 66 "Camino de la Fruta" motorway in Chile, for a total of 383 million euros; the construction of the "Los Vilos - La Serena" motorway, also in Chile, for a total of 331 million euros; the construction of the new "Sotero del Río" Hospital in Chile, for a total of 328 million euros. In 2020, Sacyr has undertaken several significant projects, among others, the construction of the road SS 340 Regina-Tremezinna variant in Italy for a total of 388 million euros, the construction of offices and promotions in Spain for 314 million euros, the expansion of "Jorge Chavez" airport in Peru for 190 million euros and the construction of a bypass of the US59 in Texas for 128 million euros.

The Group conducts its industrial activities primarily through Sacyr Industrial, S.L.U. ("**Sacyr Industrial**"). Sacyr Industrial is the result of the integration of Sacyr's engineering and industrial construction specialists working in development and design, engineering, construction and operation, including renewable power plants, cogeneration plants, biomass plants, solar energy and geothermal plants, engineering, procurement and construction operations ("**EPC**") for industrial processes, and operation and maintenance of power plants and industrial facilities with an installed power capacity of more than 1200 MW, the design, construction and operation of waste treatment and upgrade plants, having designed and built 43 waste management plants and installed 150 MWe of electrical power. It also has experience in mining and processing plant projects, EPC solutions for refineries, the chemical and petrochemical industry, processing and treatment of gas and LNG, in addition to the transport and storage of liquid and gas fuels; engineering and construction of high-voltage power lines, electrical substations and low, medium and high-voltage facilities and the design and construction of water plants of all technologies, including desalination, water purification and wastewater treatment projects.

### **Concessions Business Division**

The Group's concessions business, primarily operated through Sacyr Concesiones, started in 1996 when the Group was awarded its first concession in Chile, namely the Los Vilos – La Serena section of Route 5. The concession portfolio continued to expand subsequently through awards and acquisitions both in Spain and internationally, and by participation in tenders arising from privatisation processes.

Sacyr Concesiones S.L. ("**Sacyr Concesiones**") is currently the Group's vehicle for its infrastructure concession business. Sacyr Concesiones promotes, develops and manages various types of concessions including all types of transport infrastructure in the European Union and South

America, focusing primarily on "greenfield" projects and provides operation and maintenance services within a single package. In 2008 Sacyr sold Itínere Infraestructuras, S.A. ("**Itínere**") to Citi Infrastructure Partners, but remained a major player in the concession space, maintaining, at that time, over twenty concessions that were contributed in 2008 to Sacyr Concesiones. The sale of a number of investees making up Itínere was completed in 2009, resulting in Sacyr maintaining stakes in twenty five concessions under construction and in the ramp-up stage, in addition to non-motorway concessions (service stations, transport hubs, airports and hospitals).

The Concessions business division mainly comprises of the operation of toll roads, motorways and other road concessions, the operation of hospitals and water services, although Sacyr Concesiones also holds interests in certain other concessions. Globally, the Group ranks seventh among managers of transport infrastructure concessions and fourth in greenfield infrastructure projects developed according to the *Public Works Financing*. As of 31 December 2020, Sacyr Concesiones held a portfolio of 58 concessions spread across 13 countries (Spain, Portugal, Chile, USA, Algeria, Peru, Colombia, Uruguay, Ireland, Paraguay, Oman, Brazil and Mexico), of which 44 were operational and 14 were under construction.

In 2020, all water services, carried out through Sacyr Agua, S.L.U. ("**Sacyr Agua**", previously Valoriza Agua, S.L.) focusing on providing integrated water cycle management services, production of drinking water, desalination, purification and reuse and reutilisation of water were integrated within the Concession business division.

### **Services Business Division**

The activities of Sacyr's Services business division comprise infrastructure and facility maintenance and management, motorway and road maintenance and service areas, waste management, providing an integral service for its clients.

The Group conducts its services activities primarily through Sacyr Servicios, S.A. ("**Sacyr Servicios**") which serves as holding company of the services companies of the Group. Sacyr Servicios has experienced strong dynamic growth in recent years, underpinned by corporate restructuring. Sacyr Servicios focuses on the following two business areas:

- **Environmental Services:** carried out through Valoriza Servicios Medioambientales, S.A. ("**Valoriza Medioambiente**") focusing on municipal services, operation and maintenance of waste, treatment and recovery of plants, treatment of wastewater and sludge, gardening, landscaping restoration work and environmental projects.
- **Multiservices:** comprising a wide range of services such as end-to-end facilities management, industrial maintenance, servicing and maintenance of motorways, highways and other road systems, maintenance of dams and canals, service stations on motorways and roads, healthcare services comprehensive hospital management and mining operations.

### **Investments and Divestments: Repsol and Testa**

#### ***Repsol***

In line with its diversification strategy and in view of the high potential and strategic importance of the energy sector, in 2006 Sacyr acquired a 20 per cent. stake in Repsol, becoming the largest shareholder at the time.

In December 2011, Sacyr sold a 10 per cent. stake in Repsol and used the proceeds to release €2.45 billion of debt that it had incurred to finance part of its acquisition of its stake in Repsol. The remaining outstanding debt amounting to €2.26 billion was refinanced on 7 May 2015. The refinancing agreement implied the deferral in the maturity date of the debt until 31 January 2018. Further amounts of €611 million, €885 million and €769 were repaid in 2015, 2016 and 2017,

respectively, and therefore, as of 31 December 2017, there was no outstanding amount of the loan to be repaid by Sacyr.

On 29 September 2016, 14 December 2016 and 10 April 2017, Sacyr entered into three hedging transactions in relation to 20,000,000, 30,000,000 and 72,704,410 shares of Repsol (amounting to 100 per cent. of Sacyr's total stake in Repsol) with Banco Santander, Société Générale and JP Morgan respectively, in order to reduce Sacyr's exposure to the market price variation risk of Repsol shares under the thresholds of €10.50/share, €11.8/share and €13.75//share, respectively. With these transactions, Sacyr has removed its risk related to Repsol shares decreasing below the mentioned thresholds, and it has retained the potential upside in the market price of Repsol shares up to an undisclosed cap considerably above current trading levels as of the date hereof.

As of 31 December 2020, Sacyr's stake amounted to 7.8353 per cent., making it Repsol's largest shareholder following CaixaBank's divestment in September 2018.

Repsol is one of the leading oil companies in Spain and one of Spain's leading sellers of liquefied petroleum gas. In chemical products, Repsol is the market leader in Spain and Portugal, and it is the world leader in agricultural plastics.

Repsol posted a €3.289 billion net loss for the year ended 31 December 2020 and a €3.816 billion net loss for the year ended 31 December 2019. For the years ended 31 December 2020 and 31 December 2019, Repsol distributed a total gross dividend of €0.916 under the "script dividend" formula. €112,4 million and €113.99 million were paid out to Sacyr in dividends corresponding to the years ended 31 December 2020 and 31 December 2019, respectively.

Repsol is listed on Spain's IBEX-35 stock market index, and also on the leading US index. At 31 December 2020 and 31 December 2019, the share price stood respectively at €8.25 and €14.51, and Repsol's market capitalisation was €12.6 billion and €21.3 billion at 31 December 2020 and 31 December 2019, respectively. Repsol's growth strategy is based on its 2021-2025 strategic plan, which was published on November 2020, which will shape Repsol's transformation in the coming years and speed up the energy transition. Repsol shall prioritize profitable growth and maximize shareholder value with a strong increase in cash flow generation and financial discipline.

## **Litigation and Legal Proceedings**

Sacyr is involved from time to time in various claims and lawsuits, most of which arise in the ordinary course of its business. The main judicial, arbitration and regulatory proceedings of Sacyr as of the date of this Information Memorandum are set forth below, without prejudice to those shown in the financial statements hereto incorporated by reference and those disclosed under the section "*Recent Developments*".

### *Panama Canal*

On 2 January 2014, Sacyr and the other shareholders of Grupos Unidos por el Canal, SA, which is a consortium in charge of the design and construction of the third set of locks of the Panama Canal ("**GUPC**") announced the risk of suspension of the construction works due to serious contractual breaches by the Panama Channel Authority (the "**ACP**"). On 14 March 2014, the parties signed a memorandum of understanding, whereby the ACP and GUPC undertook to co-finance the overrun costs and the construction works were carried out as agreed. The Panama Canal expansion project was completed on 31 May 2016 and the expansion was inaugurated on 26 June 2016.

As of 31 December 2019 and 31 December 2020, the Group's stake in GUPC was 41.6 per cent. and the Group's participation in GUPC's earnings and losses was 41.6 per cent., in accordance with internal agreements regulating the redistribution of GUPC's results amongst its members.

GUPC incurred overrun costs due to unexpected and unpredictable circumstances, and it requested the ACP to bear such costs. This claim was ignored by the ACP and so GUPC filed several claims with the relevant authorities and initiated arbitrations procedures in accordance with the Rules of Arbitration of the International Chamber of Commerce (the “**ICC**”) for an overall amount of U.S.\$4,221 million. As of 31 December 2020 there are three ongoing arbitration proceedings in which GUPC is requesting a total of U.S.\$ 3,586 million

GUPC has collected a net aggregate amount of U.S.\$108 million in total from claims submitted. On 15 December 2020, the independent expert DFL Associates, Ltd. updated the report analysing each claim, describing the status of each until that date, and establishing a fair estimate of the amount that the company can expect from each. The estimates are based on its own research and experience and on the documentation provided by GUPC. Its conclusion is that GUPC should reasonably expect to recover U.S.\$1,852 million (of which U.S.\$108 million were collected until of 31 December 2020).

#### Itínere Stake

On 27 February 2019, Sacyr sold its entire stake in Itínere, as disclosed in the significant event (*hecho relevante*) filed on 28 February 2019 with the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (“**CNMV**”). This divestment remains subject to ongoing litigation in which a third-party is claiming its alleged right to acquire Sacyr’s stake in Itínere which was sold by Sacyr on 27 February 2019 for a total amount of €202 million. According to the latest information available, its claim was dismissed by the court, ordering the claimant to pay the litigation costs.

The third party has appealed (“*recurso de apelación*”) the dismissal of the court.

The abovementioned stake sale is also being under discussion in an arbitration proceeding, which arbitration award declared the retrospectively extinction of the shareholders’ agreement. Sacyr has brought an invalidity action against such award, pending of admission.

#### Autopista Madrid Sur (Radial 4)

Inversora de Autopistas del Sur, S.L. (“**IAS**”), in which the Group holds a 35% interest and which owns 100% of the concessionaire Autopista Madrid Sur, C.E.S.A. (“**AMS**”), which relates to the R4 motorway asset.

On 14 September 2012, the respective boards of directors of IAS and AMS agreed to file for insolvency for these companies.

The Spanish Government representative in National Concessionaires of Toll Highways notified that they intended to take over control of the management of the R4. The transfer finally took place without incident on 21 February 2018.

On 2018, following a Resolution of the Spanish Government delegation to the National Toll Motorway Concession Companies, which provides for the publication of the Council of Ministers agreement of 13 July 2018, terminating the administrative concession contract for the construction, upkeep and operation of the toll motorway.

With regard to the ordinary proceedings arising from the claim filed by a group of financial institutions against the shareholders of IAS, claiming certain contributions of funds to the latter company by virtue of the shareholders’ or sponsors’ agreement in relation to the financing of the R4 motorway concession, on 20 October 2015 the Court of First Instance handed down a judgement dismissing the claim in its entirety. The counter-appeal lodged by the plaintiffs was dismissed by a judgement of the Madrid Provincial Court handed down on 16 December 2016.

Having filed an extraordinary appeal for a procedural infringement, the Civil Chamber of the Supreme Court upheld the appeal in a ruling dated 19 February 2020, ordering that the proceedings be referred back to the Provincial Court of Madrid for a new ruling on the merits of the case, which has not yet been handed down.

The Provincial Court of Madrid handed down a ruling on 30 September 2020 declaring the liability of the co-respondent entities to meet their obligations to provide funds to the borrower (Autopistas del Sur S.L., in bankruptcy) pursuant to the Sponsors agreement. It therefore ordered the respondents to pay into the Tranche A account of the borrower (Autopistas del Sur S.L., in bankruptcy) the amounts due under the Sponsors agreement. Specifically, Sacyr Concesiones, S.L.U. and Sacyr, S.A. should jointly and severally pay 8,050,000 euros, plus the legally determined interest since 21 September 2012 (5 business days from the final maturity date, 28 September 2012). A cassation appeal was filed against this ruling on 10 November 2020.

The directors of Sacyr have made a provision of 10,314,557 euros for the amount claimed plus the legally-determined interest.

#### Accesos de Madrid (R-3 and R-5 Motorways)

Alazor Inversiones, S.A., in which the Group holds a 25.16% interest, owns 100% of the concessionaire Accessis de Madrid, C.E.S.A., which relates to the concessionaire assets of the R3 and R5 motorways.

Both companies are involve in a solvency proceeding, were the liquidation process has been initiated.

The Spanish Government representative in National Concessionaires of Toll Highways notified that they intended to take over control of the management of the R3 and R5. The transfer finally took place without incident on 10 May 2018.

On 2018, following a Resolution of the Spanish Government delegation to the National Toll Motorway Concession Companies, which provides for the publication of the Council of Ministers agreement of 13 July 2018, terminating the administrative concession contract for the construction, upkeep and operation of the toll motorway.

In terms of the claim for declaratory judgement filed by financial institutions and communicated to shareholders in October 2013, it is worth noting that, after abandoning appeal proceedings in September 2018 that had been filed against the dismissal thereof, the funds acquiring the credits prepared a new claim for declaratory judgement against the shareholders of Alazor Inversiones S.A. (Sacyr S.A.) and against its guarantors (Sacyr Concesiones S.L.U. and Sacyr Construcción S.A.), which was notified in January 2019, asking for certain fund contributions to be made to Alazor Inversiones S.A. under the Support Agreement in relation to the financing of the administrative concession of the construction, upkeep and operation of the R3 and R5 motorways. The suit demands from Sacyr and its guarantors payment of the sum of 180,123,711 euros. A reply was filed on 18 February 2019, and the preliminary hearing has been postponed until 8 March 2021..

In May 2019, leave was granted for hearing of the lawsuit filed by Haitong Bank, S.A., Branch in Spain, in its capacity as agent of the banking syndicate that granted the financing necessary for the execution of the concession works, against the shareholders of Alazor Inversiones, S.A. (Sacyr S.A.) and against its guarantors (Sacyr Concesiones S.L.U. and Sacyr Construcción S.A.), requesting certain fund contributions under the support agreement entered into in connection with the financing. The suit demands from Sacyr and its guarantors payment of the sum of 141,543,779 euros. On 20 June 2019, a statement of defence was filed. The preliminary hearing was held on 16 December 2020, with the hearing date being set for 2 June 2021.

## **Risk Management**

Due to its considerable international presence, Sacyr carries out its activity in a number of sectors, social and economic environments and regulatory frameworks. This entails a number of different risks that are consubstantial to the areas of business and sectors in which the Group operates. Sacyr believes that significant risks are those that may compromise the viability of its businesses, their profitability and their corporate reputation, particularly any factor that may compromise the safety of its employees or third parties affected by its business activities, or that might impact upon the environment in which those activities are performed.

Sacyr has established a sound policy to efficiently identify, evaluate and manage risks in order to reasonably guarantee the efficiency and effectiveness of operations, reliability of information and compliance with legislation.

As established in Sacyr's Risk Control and Management Policy, the process begins with identification and a preliminary evaluation of risks. Due to the changing nature of the environments in which the Group operates, this identification and evaluation process is regularly updated. The risk management and control policy is formally presented to and approved by the Board of Directors of Sacyr on an annual basis.

## **Employees**

As at 31 December 2020, the Group had 47,789 employees, as compared to 43,467 employees as at 31 December 2019.

## RECENT DEVELOPMENTS

There has not been any significant change in the solvency, business, financial or trading position of the Issuer since 31 December 2020, other than as described below:

- On 11 January 2021 Sacyr decided to implement a second “scrip dividend” and the share capital was increased, corresponding to the second of the two share capital increases approved by the General Shareholders’ Meeting on 11 June 2020, in a total amount of €11,878,992 up to €616,451,031.
- On 12 January 2021 Repsol distributed a total gross dividend of €0.288 under the “script dividend” formula which accounted for €35.34 Million net income for Sacyr.
- On 21 January 2021, Grupo Satocán Desarrollos, S.L.U. notified its dismissal as Board Member following the new policy of Sacyr and the imminent amendment to the Spanish Corporate Act on the appointment of legal entities as board members.
- On 11 February 2021 the Group has formalize an agreement with the Angolan group Griner for the selling of Sacyr’s subsidiaries Sacyr Somague Angola, Sacyr Somague Mozambique and CVC Sacyr Somague, in Cabo Verde, for a total amount of €33 Million (debt not included).
- On 25 February, Mr. Raimundo Baroja Rieu was appointed as board member in substitution of Grupo Satocán Desarrollos, S.L.U.
- Main awards since 31 December 2020 were:
  - SIS Consortium, participated by Sacyr Ingeniería e Infraestructuras has been awarded the construction of 340 “Regina – Variante Tremezzina” hi-way, located in Como (Lombardía), Italy, for an amount of €388 Million and 5 years of execution of the construction works.
  - Sacyr Fluor, subsidiary of Sacyr Ingeniería e Infraestructuras, has been awarded the expansion of compression gas station located in Dahshour (Egypt) for GASCO (Egyptian Natural Gas Company). The project will amount for an investment of circa €80 million and for a term of 18 months.

## 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 the Notes will be used for the general funding purposes of the Issuer.

### 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 Pricing Supplement.

The maximum aggregate principal amount of Notes which may be outstanding at any one time is €200,000,000 (or its equivalent in other currencies). Such amount may be increased from time to time in accordance with the Dealer 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 Swiss Franc Notes, SFr500,000 (and integral multiples of SFr1,000 in excess thereof);

or such other conventionally accepted denominations in those currencies as may be agreed between the Issuer and the Dealers from time to time, subject in each case to compliance with all applicable legal and regulatory requirements, provided that Notes (including Notes denominated in Sterling) the proceeds of which are to be accepted by the Issuer in the United Kingdom shall have a minimum denomination of £100,000 (or its equivalent in other currencies).

The international security identification number ("**ISIN**") of each issue of Notes will be specified in the relevant Pricing Supplement.

#### *Legislation under which the Notes have been created*

The Notes and any non-contractual obligations arising out of or in connection with them are 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 Pricing Supplement, 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 Pricing Supplement, 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 Pricing

Supplement, be exchangeable for Notes in definitive bearer form in the limited circumstances specified in the relevant Global Note.

On 13 June 2006, the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the "**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 Euro, Sterling, Swiss Franc and U.S. dollars and such other currencies as may be agreed between the Issuer and the Dealers from time to time and subject to the necessary regulatory requirements having been satisfied.

#### *Status of the Notes*

The payment obligations of the Issuer pursuant to the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon the insolvency (*concurso*) of the Issuer (and unless they qualify as subordinated debts under article 309.2 of the Spanish Insolvency Law or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) rank *pari passu* and rateably without any preference among themselves and *pari passu* with all other unsecured and unsubordinated indebtedness, present and future, of the Issuer.

In the event of the Issuer's insolvency (*concurso*), under the Spanish Insolvency Law, claims relating to the Notes (unless they qualify as subordinated credits under Article 309.2 of the Spanish Insolvency Law) will be ordinary claims (*créditos ordinarios*) as defined in the Spanish Insolvency Law. The claims that qualify as subordinated under Article 309.2 of the Spanish Insolvency Law include, but are not limited to, any accrued and unpaid interests not covered by securities 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 administrative expenses (post-petition claims that pre-deductible from the estate) (*créditos contra la masa*) and claims with a privilege (*créditos privilegiados*). Ordinary claims rank before subordinated claims and the rights of shareholders. Under Spanish law, accrual of interest shall be suspended from the date of any declaration of insolvency (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security).

#### *Rights attaching to the Notes*

Each issue of Notes will be the subject of a Pricing Supplement which, for the purposes of that issue only, supplements the terms and conditions set out in the relevant Global Note or, as the case may be, definitive Notes and must be read in conjunction with the relevant Notes (see "*Forms of the Notes*" and "*Form of Pricing Supplement*").

#### *Maturity of the Notes*

The Maturity Date applicable to each issue of Notes will be specified in the relevant Pricing Supplement. The Maturity Date of an issue of Notes may not be less than 1 day nor more than 364 days from and including the date of issue, to but excluding the maturity date, subject to compliance with any applicable legal and regulatory requirements.

### *Optional Redemption for Tax Reasons*

The Issuer may redeem Notes (in whole but not in part) if it has or will become obliged to pay additional amounts pursuant to the terms and conditions of the Notes as a result of any change in, or amendment to, the laws or regulations of 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.

### *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 Pricing Supplement.

### *Yield Basis*

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

### *Authorisations and approvals*

The establishment of the Programme and the issuance of Notes pursuant thereto was authorised by the General Shareholders Meeting of the Issuer on 16 June 2016 and the Board of Directors of the Issuer on 16 June 2016, 27 April 2017 and 26 September 2019.

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 at One Canada Square, London E14 5AL, United Kingdom is the Issuing and Paying Agent in respect of the Notes.

PKF ATTEST Capital Markets, A.V., S.A. at Orense, 81, 7<sup>a</sup> Planta, 28020, Madrid, Spain 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 Pricing Supplement.

### **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.

## FORMS OF THE NOTES

### FORM OF MULTICURRENCY GLOBAL NOTE

THIS GLOBAL NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED ("**THE SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. NEITHER THIS GLOBAL NOTE NOR ANY PORTION HEREOF MAY BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS GLOBAL NOTE IS BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE UPON REGULATIONS UNDER THE SECURITIES ACT. TERMS USED IN THIS PARAGRAPH HAVE THE MEANINGS GIVEN TO THEM IN REGULATIONS.

**Sacyr, S.A.**

*(incorporated with limited liability under the laws of the Kingdom of Spain)*

**€200,000,000**

#### **Euro-Commercial Paper Programme**

1. For value received, Sacyr, S.A. (the "**Issuer**") promises to pay to the bearer of this Global Note on the Maturity Date set out in the Pricing Supplement 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 Pricing Supplement, 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 Pricing Supplement. Terms defined in the Pricing Supplement 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 agency agreement (the "**Agency Agreement**") dated 23 April 2021 (as amended and restated or supplemented from time to time) between the Issuer and The Bank of New York Mellon, London Branch as the issuing and paying agent (the "**Issuing and Paying Agent**"), a copy of which is available for inspection, upon reasonable notice, at the offices of the Issuing and Paying Agent for the time being, being as at 23 April 2021 at One Canada Square, London E14 5AL, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. Terms defined in the Agency Agreement shall where the context allows and unless otherwise defined in herein have the same meanings herein and the provisions of Clause 1.2 (*Interpretation*) of the Agency Agreement shall apply herein. All such payments shall be made upon presentation and surrender of this Global Note at the office of the Issuing and Paying Agent referred to above by transfer to an account denominated in the Specified Currency set out in the Pricing Supplement 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 Pricing Supplement specifies that the New Global Note form is applicable, this Global Note shall be a "**New Global Note**" or "**NGN**" and the Nominal Amount of Notes represented by this Global Note shall be the aggregate amount from time to time entered in the records of both Clearing Systems (as defined below). The records of the Clearing Systems (which expression in this Global Note means the records that each Clearing System holds for its customers which reflect the amount of such customers' interests in the Notes (but excluding any interest in any Notes of one Clearing System shown in the records of another Clearing System)) shall be conclusive evidence of the Nominal Amount of Notes represented by this Global Note and, for these purposes, a statement issued by an Clearing System (which statement shall be made available to the bearer upon request) stating the Nominal Amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the Clearing System at that time.

If the Pricing Supplement specifies that the New Global Note form is not applicable, this Global Note shall be a "**Classic Global Note**" or "**CGN**" and the Nominal Amount of Notes represented by this Global Note shall be the Nominal Amount stated in the Pricing Supplement or, if lower, the Nominal 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 by or on behalf of Spain or any political subdivision thereof or any taxing authority or agency thereof or therein ("**Taxes**"). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Note or the holder or beneficial owner of any interest herein or rights in respect hereof (the "**holder**") 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 the Issuer shall not be required to pay any additional amounts in relation to any payment:
  - (a) to, or to a third party on behalf of, a holder who is liable for such Taxes in respect of such Note by reason of his having some connection with the jurisdiction imposing the Taxes other than the mere holding of such Note;
  - (b) to, or to a third party on behalf of, a holder who would have been able to avoid such deduction or withholding by presenting a certificate of tax residence and/or such other document evidencing its tax residence required by the competent tax authorities;
  - (c) in respect of any Note presented for payment more than 15 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 15 days;
  - (d) in respect of any Note presented for payment by or on behalf of a holder of a Note who would have been able to avoid such withholding or deduction by presenting the relevant Note to another paying agent in a Member State of the European Union;

- (e) to, or to a third party on behalf of, individuals resident for tax purposes in Spain, if the Spanish tax authorities determine that payments made to such individuals are not exempt from withholding tax and require a withholding to be made;
  - (f) to, or to a third party on behalf of, a Spanish resident legal entity subject to Spanish Corporate Income Tax, if the Spanish tax authorities determine that the Notes do not comply with the exemption requirements specified in the General Directorate for Taxation's ruling of 27 July 2004 and require a withholding to be made; or
  - (g) to, or to a third party on behalf of, a holder if the Issuer does not receive any relevant information about the Notes as may be required in order to comply with Spanish Tax disclosure obligations applicable at that time.
  - (h) where such withholding or deduction is 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 Section 1471 through 1474 of the Code (including any regulations or official interpretations issued, agreements (including, without limitation, intergovernmental agreements) entered into or non-U.S. laws enacted with respect 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 Pricing Supplement, together with (if this Note is an interest bearing Note) interest accrued to the date fixed for redemption, if:
- (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in paragraph 3 above as a result of any change in, or amendment to, the laws or regulations 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 Pricing Supplement; 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 at the cost of the Issuer to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

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

5. The 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. On each occasion on which:

- (a) Notes in definitive form are delivered; or  
(b) Notes represented by this Global Note are to be cancelled in accordance with paragraph 6 above,

the Issuer shall procure that:

- (i) if the Pricing Supplement specifies that the New Global Note form is not applicable, (1) the aggregate principal amount of such Notes; and (2) the remaining Nominal Amount of Notes represented by this Global Note (which shall be the previous Nominal Amount hereof less the aggregate of the amount referred to in (1) above) are entered in the Schedule hereto, whereupon the Nominal Amount of Notes represented by this Global Note shall for all purposes be as most recently so entered; and
- (ii) if the Pricing Supplement specifies that the New Global Note form is applicable, details of the exchange or cancellation shall be entered *pro rata* in the records of the Clearing Systems and the Nominal Amount of the Notes entered in the records of the Clearing Systems and represented by this Global Note shall be reduced by the principal amount so exchanged or cancelled.
8. The payment obligations of the Issuer represented by this Global Note constitute and at all times shall constitute a direct, unsecured and unsubordinated obligation of the Issuer ranking *pari passu* without any preference among themselves and with all present and future unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by mandatory provisions of law and other statutory exceptions or by application of provisions of general application including insolvency laws and other laws affecting rights of creditors generally.
9. 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 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 Pricing Supplement 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 Pricing Supplement or (ii) if the Specified Currency set out in the Pricing Supplement is Euro, a day which is a TARGET Business Day;

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007; and

"**TARGET Business Day**" means any day on which TARGET2 is open for the settlement of payments in Euro.

10. 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).
11. 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 depositories or "**Clearing Systems**") or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of public holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so;
  - (b) if an Event of Default (as defined below) has occurred and is continuing; 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 Pricing Supplement in an aggregate nominal amount equal to the Nominal Amount of this Global Note.

12. If, upon any such Event of Default and following such surrender, definitive Notes are not issued in full exchange for this Global Note before 5.00 p.m. (London time) on the thirtieth day after surrender, this Global Note (including the obligation hereunder to issue definitive notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated 23 April 2021, entered into by the Issuer).
13. If this is an interest bearing Global Note, then:
  - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Global Note falling due for payment prior to the Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day; and
  - (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 Pricing Supplement specifies 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 Pricing Supplement specifies that the New Global Note form is applicable, details of such payment shall be entered pro rata in the records of the Clearing Systems.

14. If this is a fixed rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:

- (a) interest shall be payable on the Nominal 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 Pricing Supplement 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 Pricing Supplement 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.

15. If this is a floating rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:

- (a) in the case of a Global Note which specifies LIBOR as the Reference Rate in the Pricing Supplement, the Rate of Interest will be the aggregate of LIBOR and the Margin specified in the Pricing Supplement (if any) above or below LIBOR. Interest shall be payable on the Nominal 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 Pricing Supplement 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.

As used in this Global Note (and unless otherwise specified in the Pricing Supplement):

"**LIBOR**" shall be equal to the rate defined as "LIBOR-BBA" in respect of the above-mentioned Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Global Note, (the "**ISDA Definitions**")) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period or, if this Global Note is denominated in Sterling, on the first day thereof (a "**LIBOR 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 Pricing Supplement in relation to the Reference Rate; and

"**London Banking Day**" shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

- (b) in the case of a Global Note which specifies EURIBOR as the Reference Rate in the Pricing Supplement, the Rate of Interest will be the aggregate of EURIBOR and the Margin specified in the Pricing Supplement (if any) above or below EURIBOR. Interest shall be payable on the Nominal 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 Pricing Supplement 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 Pricing Supplement), "**EURIBOR**" shall be equal to EUR-EURIBOR-Reuters (as defined in the 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 Pricing Supplement in relation to the Reference Rate;

- (c) in the case of a Global Note which specifies EONIA as the Reference Rate in the Pricing Supplement, the Rate of Interest will be the aggregate of EONIA and the Margin specified in the Pricing Supplement (if any), determined on each TARGET Business Day during the relevant Interest Period as specified below. 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 Pricing Supplement 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 (unless otherwise specified in the Pricing Supplement) "**EONIA**", for each day in an Interest Period beginning on, and including, the first day of such Interest Period and ending on, but excluding, the last day of such Interest Period, shall be equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page in respect of that day at 11.00 a.m. (Brussels time) on the TARGET Business Day immediately following such day (each an "**EONIA Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified in the Pricing Supplement in relation to the Reference Rate;

- (d) the Calculation Agent specified in the Pricing Supplement will, as soon as practicable after (i) 11.00 a.m. (London time) on each LIBOR Interest Determination Date or (ii) 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date, or (iii) on each EONIA Interest Determination Date (as the case may be), 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 (A) if the Reference Rate is LIBOR, the rate which is determined in accordance with the provisions of paragraph 15(a) above, (B) if the Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph 15(b) above and (C) if the Reference Rate is EONIA, the rate which is determined in accordance with the provisions of paragraph 15(c) above. The Amount of Interest shall be calculated by applying the Rate of Interest to the nominal amount of one Note of each Denomination, multiplying such product by the Day Count Convention specified in the Pricing Supplement or, if none is specified, by the actual number of

days in the Interest Period concerned divided by 360 or, if this Global Note is denominated in Sterling, by 365 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;

- (e) 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
- (f) 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 11 above, will be published in a leading English language daily newspaper published in London (which is expected to be the Financial Times).

If the Calculation Agent is unable to determine the Rate of Interest for an Interest Period due to the Reference Rate specified in the Pricing Supplement not being published, calculated or administered or it becomes illegal for the Calculation Agent to determine any amounts due to be paid to the holder of the Note as at the relevant Interest Determination Date using the Reference Rate specified in the Pricing Supplement, the Issuer in consultation with an independent financial advisor (the "**IFA**"), appointed by the Issuer in its sole discretion, shall determine any successor reference rate which has replaced the Reference Rate in customary market usage for international debt capital market transactions for the purposes of determining the Reference Rate specified in the Pricing Supplement. The Issuer shall inform the Calculation Agent in writing of the successor reference rate and instruct the Calculation Agent to use such successor reference rate to determine the Rate of Interest for each successive Interest Period. If the Issuer in consultation with the IFA determines that there is no clear market consensus as to whether any successor reference rate has replaced the Reference Rate in customary market usage for international debt capital market transactions, the IFA shall determine an appropriate alternative reference rate. The IFA shall inform the Issuer and the Calculation Agent in writing of its determination of the alternative reference rate (such determination of the IFA to be binding on the Issuer, the Calculation Agent and the holder of the Note) and the Issuer shall instruct the Calculation Agent to use such alternative reference rate to determine the Rate of Interest for each successive Interest Period. Notwithstanding the above, if the Issuer and/or the IFA is not able to determine an appropriate successor or alternative rate, the Rate of Interest for such Interest Period shall be the one applicable to the last preceding Interest Period and any subsequent Interest Periods will be subject to the subsequent operation of, and to adjustment as provided in, this paragraph.

The Issuer shall promptly after its determination notify the successor or alternative reference rate to the holder of the Note as set out in item (f) above.

16. Instructions for payment must be received at the office of the Issuing and Paying Agent referred to above together with this Global Note as follows:
  - (a) if this Global Note is denominated in United States dollars or Sterling on or prior to the relevant payment date; and

- (b) in all other cases, at least one Business Day prior to the relevant payment date.

As used in this paragraph, "**Business Day**" means:

- (i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
- (ii) in the case of payments in Euro, a TARGET Business Day; and
- (iii) in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the Specified Currency set out in the Pricing Supplement.

17. Upon any payment being made in respect of the Notes represented by this Global Note, the Issuer shall procure that:

- (a) if the Pricing Supplement specifies 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 Nominal Amount of the Notes represented by this Global Note shall be reduced by the principal amount so paid; and
- (b) if the Pricing Supplement specifies that the New Global Note form is applicable, details of such payment shall be entered *pro rata* in the records of the Clearing Systems and, in the case of any payment of principal, the Nominal Amount of the Notes entered in the records of the Clearing Systems and represented by this Global Note shall be reduced by the principal amount so paid.

18. This Global Note shall not be validly issued unless manually<sup>1</sup> authenticated by The Bank of New York Mellon, London Branch as Issuing and Paying Agent.

19. If the Pricing Supplement specifies 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 Clearing Systems.

20. If one or more of the following events of default (each, an "**Event of Default**") shall occur and be continuing:

- (a) the Issuer fails to pay any amount payable hereunder as and when such amount becomes payable in the currency and in the manner specified herein provided such failure to pay continues for more than seven Business Days in case of principal, and 14 Business Days in case of interest or any other amount; or
- (b)
  - (i) any Indebtedness of the Issuer or any Material Subsidiary becomes due and payable prior to its stated maturity by reason of the occurrence of an event of default (howsoever described); or
  - (ii) any Indebtedness of the Issuer or any of its Material Subsidiaries is not paid when due or, as the case may be, within any applicable grace period,

provided that the aggregate amount of the Indebtedness (without double counting) in respect of which one or more of the events mentioned above in this paragraph

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<sup>1</sup> Note: Issuing and Paying Agent to consider and confirm given current restrictions – might electronic be preferable?

20 have occurred equals or exceeds €30,000,000 (or its equivalent in any other currency or currencies);

then any holder of a Note may, by written notice to the Issuer at the specified office of the Issuing and Paying Agent, effective upon the date of receipt thereof by the Issuing and Paying Agent, declare any Notes held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at the principal amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

In this paragraph 20, the following terms shall have the following meanings:

**"Auditors"** means the auditors for the time being of the IFRS consolidated financial statements of the Group;

**"Group"** means the Issuer and its Material Subsidiaries taken as a whole;

**"IFRS"** means International Financial Reporting Standards, including International Accounting Standards and Interpretations issued by the International Accounting Standards Board;

**"Indebtedness"** means any present or future indebtedness, in respect of any Person for, or in respect of, moneys borrowed or raised including, without limitation, any present or future amount raised by acceptance under any acceptance credit facility; any present or future amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; any present or future amount of money raised pursuant to any issue of shares which are expressed to be redeemable; any present or future amount raised under any other transaction having the commercial effect of a borrowing; and the amount of any present or future liability in respect of any guarantee or indemnity for any of the items referred to above;

**"Limited Recourse Financing"** means any indebtedness which is, or is expected to be, recorded as "project finance" or "project bonds" (or such other or additional term used or to be used as a line item in, or line item in the notes to, the Issuer's consolidated financial statements as is certified by a director of the Issuer as the term which designates limited recourse project financing) in the Issuer's annual consolidated financial statements;

**"Limited Recourse Subsidiary"** means any present or future Subsidiary of the Issuer, the principal business of which involves the ownership, acquisition, construction, creation, development, maintenance and/or operation of an asset (whether or not an asset of the Issuer or any of its Subsidiaries), or any associated rehabilitation works, which has been or is intended to be primarily financed with Limited Recourse Financing;

**"Material Subsidiary"** means, at any relevant time, a Subsidiary of the Issuer, that is any entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of the Issuer, (but excluding (i) any Limited Recourse Subsidiary, and (ii) Vallehermoso División Promoción, S.A.U.):

- (a) whose total assets or gross revenues (or, where the subsidiary in question prepares consolidated accounts, whose total consolidated assets or gross consolidated revenues of the subgroup of such Material Subsidiary) at any relevant time represent no less than 7.5 per cent. of the total consolidated assets or gross consolidated revenues, respectively, of the Issuer and its Subsidiaries, as calculated by reference to the then latest consolidated audited accounts or consolidated six-monthly reports of the Issuer and the latest accounts or six-monthly reports of each relevant Subsidiary (consolidated or, as the case may be,

unconsolidated) prepared in accordance with IFRS, provided that in the case of a Subsidiary acquired after the end of the financial period to which the then latest consolidated audited accounts or consolidated six-monthly reports of the Issuer relate, then for the purpose of applying each of the foregoing tests, the reference to the Issuer's latest consolidated audited accounts or consolidated six-monthly reports shall be deemed to be a reference to such accounts or reports as if such subsidiary had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the auditors of the Issuer for the time being after consultation with the Issuer; or

- (b) to which is transferred all or substantially all of the assets and undertaking of a Subsidiary which, immediately prior to such transfer, is a Material Subsidiary;

An Officers' Certificate that a Subsidiary of the Issuer is or is not a Material Subsidiary, accompanied by a report by the Auditors addressed to the board of directors of the Issuer as to proper extraction of the figures used in the Officers' Certificate in determining the Material Subsidiaries of the Issuer and mathematical accuracy of the calculations shall, in the absence of manifest error, be conclusive and binding on all parties;

**"Officers' Certificate"** means a certificate signed on behalf of the Issuer by an authorised signatory of the Issuer;

**"Person"** means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality; and

**"Subsidiary"** means, in relation to any Person, any corporation, association, partnership or other business entity of which more than 50 per cent. of the total voting rights of its share capital is at the time owned or controlled directly by such Person, such Person and one or more Subsidiaries of such Person or one or more Subsidiaries of such Person.

- 21. This Global Note (except paragraph 8) and all non-contractual obligations arising out or in connection with this Global Note are governed by, and construed in accordance with, English law. Paragraph 8 of this Global Note is governed by, and shall be construed in accordance with, Spanish law.

22.

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising from or in connection with this Global Note (including a dispute relating to any non-contractual obligations arising out or in connection with this Global Note, or a dispute regarding the existence, validity or termination of this Global Note or the consequences of its nullity) (a **"Dispute"**).
- (b) 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) The Issuer agrees that the documents which start any Disputes and any other documents required to be served in relation to those Disputes may be served on it by being delivered to Bondholders Limited at its registered office at 22a. Saint James Square, London SW1Y 4JH or, if different, its registered office for the time being or at any address of the Issuer in England at which service of process may be served on it in accordance with the Companies Act 2006. 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, 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 Condition 22 applies to Disputes in England and to Disputes elsewhere.

23. If the Notes represented by this Global Note have been admitted to listing on the Official List of Euronext Dublin and to trading on the regulated market of Euronext Dublin (and/or have 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 the Notes 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 depository or common depository for the Clearing Systems or any other relevant clearing system or a Common Safekeeper (which expression has the meaning given in the 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.
24. 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.
25. No person shall have any right to enforce any provision of this Global Note under the Contracts (Rights of Third Parties) Act 1999.

**SIGNED** on behalf of:

**Sacyr, S.A.**

By: \_\_\_\_\_  
(Authorised Signatory)

**AUTHENTICATED** by

**The Bank of New York Mellon, London Branch**

without recourse,  
warranty or liability and for authentication  
purposes only

By: \_\_\_\_\_  
(Authorised Signatory)

**EFFECTUATED** for and on behalf of

.....

as common safekeeper without  
recourse, warranty or liability

By: \_\_\_\_\_  
(Authorised Signatory)

**Schedule<sup>1</sup>**

**Payments of Interest, Delivery of Definitive Notes and Cancellation of Notes**

<b>Date of payment, delivery or cancellation</b>	<b>Amount of interest then paid</b>	<b>Amount of interest withheld</b>	<b>Amount of interest then paid</b>	<b>Aggregate principal amount of definitive Notes then delivered</b>	<b>Aggregate principal amount of Notes then cancelled</b>	<b>New Nominal Amount of this Global Note</b>	<b>Authorised signature</b>

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<sup>1</sup> This Schedule should only be completed where the Pricing Supplement specifies that the New Global Note form is not applicable.

## **Pricing Supplement**

[Completed Pricing Supplement to be attached]

## FORM OF MULTICURRENCY DEFINITIVE NOTE

THIS DEFINITIVE NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED ("**THE SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THIS DEFINITIVE NOTE MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS DEFINITIVE NOTE IS BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE UPON REGULATIONS UNDER THE SECURITIES ACT. TERMS USED IN THIS PARAGRAPH HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S.

**Sacyr, S.A.**

*(incorporated with limited liability under the laws of the Kingdom of Spain)*

**€200,000,000**

**Euro-Commercial Paper Programme**

Nominal Amount of this Note: \_\_\_\_\_

1. For value received, Sacyr, S.A. (the "**Issuer**") promises to pay to the bearer of this Note on the Maturity Date set out in the Pricing Supplement 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, Redemption Amount set out in the Pricing Supplement, together with interest thereon, if this is an interest bearing Note, at the rate and at the times (if any) specified herein and in the Pricing Supplement. Terms defined in the Pricing Supplement 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 agency agreement (the "**Agency Agreement**") dated 23 April 2021 (as amended and restated or supplemented from time to time) between the Issuer and The Bank of New York Mellon, London Branch as the issuing and paying agent (the "**Issuing and Paying Agent**"), a copy of which is available for inspection, upon reasonable notice, at the offices of the Issuing and Paying Agent for the time being, being as at 23 April 2021 at One Canada Square, London E14 5AL, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. Terms defined in the Agency Agreement shall where the context allows and unless otherwise defined in herein have the same meanings herein and the provisions of Clause 1.2 (*Interpretation*) of the Agency Agreement shall apply herein. All such payments shall be made upon presentation and surrender of this Note at the office of the Issuing and Paying Agent referred to above by transfer to an account denominated in the Specified Currency set out in the Pricing Supplement maintained by the bearer in the principal financial centre in the country of that currency or, in the case of a 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 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 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. 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 by or on behalf of Spain or any political subdivision thereof or any taxing authority or agency thereof or therein ("**Taxes**"). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Note or the holder or beneficial owner of any interest herein or rights in respect hereof (the "**holder**") 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 the Issuer shall not be required to pay any additional amounts in relation to any payment:
  - (a) to, or to a third party on behalf of, a holder who is liable for such Taxes in respect of such Note by reason of his having some connection with the jurisdiction imposing the Taxes other than the mere holding of such Note;
  - (b) to, or to a third party on behalf of, a holder who would have been able to avoid such deduction or withholding by presenting a certificate of tax residence and/or such other document evidencing its tax residence required by the competent tax authorities;
  - (c) in respect of any Note presented for payment more than 15 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 15 days;
  - (d) in respect of any Note presented for payment by or on behalf of a holder of a Note who would have been able to avoid such withholding or deduction by presenting the relevant Note to another paying agent in a Member State of the European Union;
  - (e) to, or to a third party on behalf of, individuals resident for tax purposes in Spain, if the Spanish tax authorities determine that payments made to such individuals are not exempt from withholding tax and require a withholding to be made;
  - (f) to, or to a third party on behalf of, a Spanish resident legal entity subject to Spanish Corporate Income Tax, if the Spanish tax authorities determine that the Notes do not comply with the exemption requirements specified in the General Directorate for Taxation's ruling of 27 July 2004 and require a withholding to be made; or
  - (g) to, or to a third party on behalf of, a holder if the Issuer does not receive any relevant information about the Notes as may be required in order to comply with Spanish Tax disclosure obligations applicable at that time.
  - (h) where such withholding or deduction is 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 Section 1471 through 1474 of the Code (including any regulations or official interpretations issued,

agreements (including, without limitation, intergovernmental agreements) entered into or non-U.S. laws enacted with respect thereto).

3. 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 Pricing Supplement, together with (if this Note is an interest bearing Note) interest accrued to the date fixed for redemption, if:
  - (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in paragraph 2 as a result of any change in, or amendment to, the laws or regulations of 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 Pricing Supplement; 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 at the cost of the Issuer to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

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

4. The Issuer or any subsidiary of the Issuer may at any time purchase Notes in the open market or otherwise and at any price.
5. 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.
6. The payment obligation of the Issuer represented by this Note constitutes and at all times shall constitute a direct, unsecured and unsubordinated obligation of the Issuer ranking *pari passu* with all present and future unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by mandatory provisions of law and other statutory exceptions or by application of provisions of general application including insolvency laws and other laws affecting rights of creditors generally.
7. 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 in this Note:

**"Payment Business Day"** means any day other than a Saturday or 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 Pricing Supplement 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 Pricing Supplement or (ii) if the Specified Currency set out in the Pricing Supplement is Euro, a day which is a TARGET Business Day;

**"TARGET2"** means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007; and

**"TARGET Business Day"** means any day on which TARGET2 is open for the settlement of payments in Euro.

8. 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).
9. [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 Note falling due for payment prior to the Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day; and
  - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Issuing and Paying Agent to reflect such payment.
10. If this is a fixed rate interest bearing Note, interest shall be calculated on the above-mentioned Nominal Amount as follows:
  - (a) interest shall be payable on the above-mentioned Nominal 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 Pricing Supplement or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days at the Rate of Interest specified in the Pricing Supplement 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.

11. If this is a floating rate interest bearing Global Note, interest shall be calculated on the above-mentioned Nominal Amount as follows:

- (a) in the case of a Note which specifies LIBOR as the Reference Rate in the Pricing Supplement, the Rate of Interest will be the aggregate of LIBOR and the Margin specified in the Pricing Supplement (if any) above or below LIBOR. Interest shall be payable on the above-mentioned Nominal 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 Pricing Supplement 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 Pricing Supplement):

"**LIBOR**" shall be equal to the rate defined as "LIBOR-BBA" in respect of the above-mentioned Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Note, (the "**ISDA Definitions**")) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period or, if this Note is denominated in Sterling, on the first day thereof (a "**LIBOR 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 Pricing Supplement in relation to the Reference Rate; and

"**London Banking Day**" shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

- (b) in the case of a Note which specifies EURIBOR as the Reference Rate in the Pricing Supplement, the Rate of Interest will be the aggregate of EURIBOR and the Margin specified in the Pricing Supplement (if any) above or below EURIBOR. Interest shall be payable on the above-mentioned Nominal 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 Pricing Supplement 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 Pricing Supplement), "**EURIBOR**" shall be equal to EUR-EURIBOR-Reuters (as defined in the 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 Pricing Supplement in relation to the Reference Rate;

- (c) In the case of a Note which specifies EONIA as the Reference Rate in the Pricing Supplement, the Rate of Interest will be the aggregate of EONIA and the Margin specified in the Pricing Supplement (if any), determined on each TARGET Business

Day during the relevant Interest Period as specified below. 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 Pricing Supplement 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 (unless otherwise specified in the Pricing Supplement) "**EONIA**", for each day in an Interest Period beginning on, and including, the first day of such Interest Period and ending on, but excluding, the last day of such Interest Period, shall be equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page in respect of that day at 11.00 a.m. (Brussels time) on the TARGET Business Day immediately following such day (each an "**EONIA Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified in the Pricing Supplement in relation to the Reference Rate;

- (d) the Calculation Agent specified in the Pricing Supplement will, as soon as practicable after (i) 11.00a.m. (London time) on each LIBOR Interest Determination Date or (ii) 11.00a.m. (Brussels time) on each EURIBOR Interest Determination Date, or (iii) on each EONIA Interest Determination Date (as the case may be), 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 (A) if the Reference Rate is LIBOR, the rate which is determined in accordance with the provisions of paragraph 11(a) above, (B) if the Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph 11(b) above and (C) if the Reference Rate is EONIA, the rate which is determined in accordance with the provisions of paragraph 11(c) above. The Amount of Interest shall be calculated by applying the Rate of Interest to the nominal amount of one Note of each Denomination, multiplying such product by the Day Count Convention specified in the Pricing Supplement or, if none is specified, by the actual number of days in the Interest Period concerned divided by 360 or, if this Note is denominated in Sterling, by 365 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;
- (e) 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
- (f) 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).

If the Calculation Agent is unable to determine the Rate of Interest for an Interest Period due to the Reference Rate specified in the Pricing Supplement not being published, calculated or administered or it becomes illegal for the Calculation Agent to determine any

amounts due to be paid to the holder of the Note as at the relevant Interest Determination Date using the Reference Rate specified in the Pricing Supplement, the Issuer in consultation with an independent financial advisor (the "IFA"), appointed by the Issuer in its sole discretion, shall determine any successor reference rate which has replaced the Reference Rate in customary market usage for international debt capital market transactions for the purposes of determining the Reference Rate specified in the Pricing Supplement. The Issuer shall inform the Calculation Agent in writing of the successor reference rate and instruct the Calculation Agent to use such successor reference rate to determine the Rate of Interest for each successive Interest Period. If the Issuer in consultation with the IFA determines that there is no clear market consensus as to whether any successor reference rate has replaced the Reference Rate in customary market usage for international debt capital market transactions, the IFA shall determine an appropriate alternative reference rate. The IFA shall inform the Issuer and the Calculation Agent in writing of its determination of the alternative reference rate (such determination of the IFA to be binding on the Issuer, the Calculation Agent and the holder of the Note) and the Issuer shall instruct the Calculation Agent to use such alternative reference rate to determine the Rate of Interest for each successive Interest Period. Notwithstanding the above, if the Issuer and/or the IFA is not able to determine an appropriate successor or alternative rate, the Rate of Interest for such Interest Period shall be the one applicable to the last preceding Interest Period.

The Issuer shall promptly after its determination notify the successor or alternative reference rate to the holder of the Note as set out in item (f) above.

12. Instructions for payment must be received at the office of the Issuing and Paying Agent referred to above together with this Note as follows:
- (a) if this Note is denominated in United States dollars or Sterling on or prior to the relevant payment date; and
  - (b) in all other cases, at least one Business Day prior to the relevant payment date.

As used in this paragraph, "**Business Day**" means:

- (i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
- (ii) in the case of payments in Euro, a TARGET Business Day; and
- (iii) in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the Specified Currency set out in the Pricing Supplement.<sup>1</sup>

13. This Note shall not be validly issued unless manually authenticated by The Bank of New York Mellon, London Branch as Issuing and Paying Agent.
14. If one or more of the following events of default (each, an "**Event of Default**") shall occur and be continuing:
- (a) The Issuer fails to pay any amount payable hereunder as and when such amount becomes payable in the currency and in the manner specified herein provided such

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<sup>1</sup> If this Note is denominated in Sterling, delete paragraphs 9 through 12 inclusive and replace with interest provisions to be included on the reverse of the Note as indicated below.

failure to pay continues for more than seven Business Days in case of principal, and 14 Business Days in case of interest or any other amount; or

(b)

- (i) any Indebtedness of the Issuer or any Material Subsidiary becomes due and payable prior to its stated maturity by reason of the occurrence of an event of default (howsoever described); or
- (ii) any Indebtedness of the Issuer or any of its Material Subsidiaries is not paid when due or, as the case may be, within any applicable grace period,

provided that the aggregate amount of the Indebtedness (without double counting) in respect of which one or more of the events mentioned above in this paragraph 14 have occurred equals or exceeds €30,000,000 (or its equivalent in any other currency or currencies);

then any holder of a Note may, by written notice to the Issuer at the specified office of the Issuing and Paying Agent, effective upon the date of receipt thereof by the Issuing and Paying Agent, declare any Notes held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at the principal amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

In this paragraph 14, the following terms shall have the following meanings:

**"Auditors"** means the auditors for the time being of the IFRS consolidated financial statements of the Group;

**"Group"** means the Issuer and its Material Subsidiaries taken as a whole;

**"IFRS"** means International Financial Reporting Standards, including International Accounting Standards and Interpretations issued by the International Accounting Standards Board;

**"Indebtedness"** means any present or future indebtedness, in respect of any Person for, or in respect of, moneys borrowed or raised including, without limitation, any present or future amount raised by acceptance under any acceptance credit facility; any present or future amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; any present or future amount of money raised pursuant to any issue of shares which are expressed to be redeemable; any present or future amount raised under any other transaction having the commercial effect of a borrowing; and the amount of any present or future liability in respect of any guarantee or indemnity for any of the items referred to above;

**"Limited Recourse Financing"** means any indebtedness which is, or is expected to be, recorded as "project finance" or "project bonds" (or such other or additional term used or to be used as a line item in, or line item in the notes to, the Issuer's consolidated financial statements as is certified by a director of the Issuer as the term which designates limited recourse project financing) in the Issuer's annual consolidated financial statements;

**"Limited Recourse Subsidiary"** means any present or future Subsidiary of the Issuer, the principal business of which involves the ownership, acquisition, construction, creation, development, maintenance and/or operation of an asset (whether or not an asset of the Issuer or any of its Subsidiaries), or any associated rehabilitation works, which has been or is intended to be primarily financed with Limited Recourse Financing;

**"Material Subsidiary"** means, at any relevant time, a Subsidiary of the Issuer, that is any entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of the Issuer, (but excluding (i) any Limited Recourse Subsidiary, and (ii) Vallehermoso División Promoción, S.A.U.):

- (a) whose total assets or gross revenues (or, where the subsidiary in question prepares consolidated accounts, whose total consolidated assets or gross consolidated revenues of the subgroup of such Material Subsidiary) at any relevant time represent no less than 7.5 per cent. of the total consolidated assets or gross consolidated revenues, respectively, of the Issuer and its Subsidiaries, as calculated by reference to the then latest consolidated audited accounts or consolidated six-monthly reports of the Issuer and the latest accounts or six-monthly reports of each relevant Subsidiary (consolidated or, as the case may be, unconsolidated) prepared in accordance with IFRS, provided that in the case of a Subsidiary acquired after the end of the financial period to which the then latest consolidated audited accounts or consolidated six-monthly reports of the Issuer relate, then for the purpose of applying each of the foregoing tests, the reference to the Issuer's latest consolidated audited accounts or consolidated six-monthly reports shall be deemed to be a reference to such accounts or reports as if such subsidiary had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the auditors of the Issuer for the time being after consultation with the Issuer; or
- (b) to which is transferred all or substantially all of the assets and undertaking of a Subsidiary which, immediately prior to such transfer, is a Material Subsidiary;

An Officers' Certificate that a Subsidiary of the Issuer is or is not a Material Subsidiary, accompanied by a report by the Auditors addressed to the board of directors of the Issuer as to proper extraction of the figures used in the Officers' Certificate in determining the Material Subsidiaries of the Issuer and mathematical accuracy of the calculations shall, in the absence of manifest error, be conclusive and binding on all parties;

**"Officers' Certificate"** means a certificate signed on behalf of the Issuer by an authorised signatory of the Issuer;

**"Person"** means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality; and

**"Subsidiary"** means, in relation to any Person, any corporation, association, partnership or other business entity of which more than 50 per cent. of the total voting rights of its share capital is at the time owned or controlled directly by such Person, such Person and one or more Subsidiaries of such Person or one or more Subsidiaries of such Person.

- 15. This Note (except paragraph 6) and all non-contractual obligations arising out or in connection with this Note are governed by, and construed in accordance with, English law. Paragraph 6 of this Note is governed by, and shall be construed in accordance with, Spanish law.
- 16.
  - (a) The courts of England have exclusive jurisdiction to settle any dispute arising from or in connection with this Note (including a dispute relating to any non-contractual obligations arising out or in connection with this Note, or a dispute regarding the

existence, validity or termination of this Note or the consequences of its nullity) (a "Dispute").

- (b) 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) The Issuer agrees that the documents which start any Disputes and any other documents required to be served in relation to those Disputes may be served on it by being delivered to Bondholders Limited at its registered office at 22a. Saint James Square, London SW1Y 4JH or, if different, its registered office for the time being or at any address of the Issuer in England at which service of process may be served on it in accordance with the Companies Act 2006. 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, 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 Condition 16 applies to Disputes in England and to Disputes elsewhere.
17. If the Notes have been admitted to listing on the Official List of Euronext Dublin and to trading on the regulated market of Euronext Dublin (and/or have 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 the Notes shall be published in accordance with the requirements of Euronext Dublin (and/or of the relevant listing authority, stock exchange and/or quotation system).
18. 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.
19. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999.

**SIGNED** on behalf of:

**Sacyr, S.A.**

By: \_\_\_\_\_

(Authorised Signatory)

**AUTHENTICATED** by

**The Bank of New York Mellon, London Branch**

without recourse,

warranty or liability and for authentication

purposes only

By: \_\_\_\_\_

(Authorised Signatory)

**[On the Reverse]**<sup>1</sup>

9. [If this is an interest bearing Note, then:
- (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day; and
  - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Issuing and Paying Agent to reflect such payment.
10. If this is a fixed rate interest bearing Note, interest shall be calculated on the Nominal Amount specified in the Pricing Supplement as follows:
- (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 365 days at the Rate of Interest specified in the Pricing Supplement with the resulting figure being rounded to the nearest penny (with halves being rounded upwards); and
  - (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an "**Interest Period**" for the purposes of this paragraph (B).
11. If this is a floating rate interest bearing Note, interest shall be calculated on the Nominal Amount specified in the Pricing Supplement as follows:
- (a) the Rate of Interest will be the aggregate of LIBOR and the Margin specified in the Pricing Supplement (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 365 days.  
  
As used in this Note, "**LIBOR**" shall be equal to the rate defined as "LIBOR-BBA" in respect of Sterling (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Note (the "**ISDA Definitions**")) as at 11.00 a.m. (London time) or as near thereto as practicable on the first day of the relevant Interest Period (the "**LIBOR 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 Pricing Supplement in relation to the Reference Rate;
  - (b) the Calculation Agent specified in the Pricing Supplement will, as soon as practicable after 11.00 a.m. (London time) on the LIBOR 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 sub-

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<sup>1</sup> For Sterling-denominated Notes only.

paragraph (a) above. The Amount of Interest shall be calculated by applying the Rate of Interest to the above-mentioned Nominal Amount, multiplying such product by the Day Count Fraction specified in the Pricing Supplement or, if none is specified, by the actual number of days in the Interest Period concerned divided by 365 and rounding the resulting figure to the nearest penny. The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;

- (c) the period beginning on (and including) the above-mentioned 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 11(c); 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 (which is expected to be the Financial Times).]

If the Calculation Agent is unable to determine the Rate of Interest for an Interest Period due to the Reference Rate specified in the Pricing Supplement not being published, calculated or administered or it becomes illegal for the Calculation Agent to determine any amounts due to be paid to the holder of the Note as at the relevant Interest Determination Date using the Reference Rate specified in the Pricing Supplement, the Issuer in consultation with an independent financial advisor (the "**IFA**"), appointed by the Issuer in its sole discretion, shall determine any successor reference rate which has replaced the Reference Rate in customary market usage for international debt capital market transactions for the purposes of determining the Reference Rate specified in the Pricing Supplement. The Issuer shall inform the Calculation Agent in writing of the successor reference rate and instruct the Calculation Agent to use such successor reference rate to determine the Rate of Interest for each successive Interest Period. If the Issuer in consultation with the IFA determines that there is no clear market consensus as to whether any successor reference rate has replaced the Reference Rate in customary market usage for international debt capital market transactions, the IFA shall determine an appropriate alternative reference rate. The IFA shall inform the Issuer and the Calculation Agent in writing of its determination of the alternative reference rate (such determination of the IFA to be binding on the Issuer, the Calculation Agent and the holder of the Note) and the Issuer shall instruct the Calculation Agent to use such alternative reference rate to determine the Rate of Interest for each successive Interest Period. Notwithstanding the above, if the Issuer and/or the IFA is not able to determine an appropriate successor or alternative rate, the Rate of Interest for such Interest Period shall be the one applicable to the last preceding Interest Period.

The Issuer shall promptly after its determination notify the successor or alternative reference rate to the holder of the Note as set out in item (d) above.

**Schedule  
Payments of Interest**

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

<b>Date of payment</b>	<b>Payment from</b>	<b>Payment to</b>	<b>Gross Amount paid</b>	<b>Withholding</b>	<b>Net Amount paid</b>	<b>Notation on behalf of Paying Agent</b>

## **Pricing Supplement**

[Completed Pricing Supplement to be attached]

## FORM OF PRICING SUPPLEMENT

*Set out below is the form of Pricing Supplement 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 the current domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 and secondary legislation made under it, in each case, as amended, including by the European Union (Withdrawal) Act 2020 ("**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.]

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**") or (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). for the purposes (a) the expression retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in

point (8) of article 2 of Regulation (EU) no 2017/565 as it forms part of the current domestic law by virtue of the European Union (withdrawal) Act 2018 and secondary legislation made under it, in each case, as amended, including by the European Union (Withdrawal) Act 2020 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of article 2(1) of Regulation (EU) no 600/2014 as it forms part of the current domestic law of the UK by virtue of the EUWA. consequently no key information document required by Regulation (EU) no 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPS Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**Sacyr, S.A.**

**€200,000,000 Euro-Commercial Paper Programme  
(the "Programme")**

**Issue of [Aggregate Principal Amount of Notes] [Title of Notes]  
Part A – Contractual Terms**

This document constitutes the Pricing Supplement (as referred to in the Information Memorandum dated 23 April 2021 (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 this Pricing Supplement. Reference is made to the Information Memorandum for a description of the Issuer, the Programme and certain other matters. This Pricing Supplement is supplemental to and must be read in conjunction with the full terms and conditions of the Notes. This Pricing Supplement is 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 this Pricing Supplement and the Information Memorandum [as so supplemented]. The Information Memorandum [and the supplemental Information Memorandum] [is][are] available for viewing during normal business hours at the registered office of the Issuer at calle Condesa de Venadito nº 7, 28027 Madrid, Spain, and at the offices of the Issuing and Paying Agent at One Canada Square, London E14 5AL, United Kingdom.

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

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

- 1. Issuer: Sacyr, S.A.
- 2. Type of Note: Euro-commercial paper
- 3. Series number: [•]
- 4. Dealer(s): [•]
- 5. Specified Currency: [•]
- 6. Nominal Amount: [•]

7. Issue Date: [•]
8. Maturity Date: [•][*May not be less than 1 day nor more than 364 days*]
9. Trade Date [•]
10. Issue Price: [•]
11. Denominations: [•][*The Notes shall be issued with a denomination of €100,000 each or such other conventionally and legally accepted denomination for commercial paper in the relevant currency or currency unit, provided that Notes (including Notes denominated in Sterling) the proceeds of which are to be accepted by the Issuer in the United Kingdom shall have a minimum denomination of £100,000 (or its equivalent in other currencies).*]
12. Redemption Basis: [Redemption at par][ [•] per Note of [•] Denomination][other]
13. Calculation Amount: [•]<sup>1</sup>
14. Delivery: [Free of][against] payment

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 15. Fixed Rate Note Provisions** [Applicable/Not Applicable] [*If not applicable, delete the remaining subparagraphs of this paragraph*]
- (i) Interest Rate[(s)]: [•] per cent. per annum
- (ii) Interest Payment Date(s): [•]
- (iii) Day Count Convention (if different from that specified in the terms and conditions of the Notes): [Not Applicable][other]  
[The above-mentioned Day Count Convention shall have the meaning given to it in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date.]
- (iv) 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*]
- 16. Floating Rate Note Provisions** [Applicable/Not Applicable] [*If not applicable, delete the remaining subparagraphs of this paragraph*]
- (i) Interest Payment Date(s): [•]
- (ii) Party responsible for calculating the Interest Rate(s) and Interest [Not Applicable][[Name] shall be the Calculation Agent]

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<sup>1</sup> If more than one Denomination, the Calculation Amount will be the amount of the smallest Denomination.

Amount(s) (if not the Issuing and Paying Agent):

- (iii) Reference Rate: [•] month [LIBOR][EURIBOR][EONIA]
- (iv) Margin(s): [+/-][•] per cent. per annum
- (v) Minimum Interest Rate: [•] per cent. per annum [Not Applicable]
- (vi) Maximum Interest Rate: [•] per cent. per annum [Not Applicable]
- (vii) Day Count Convention (if different from that specified in the terms and conditions of the Notes): [Not Applicable][other]  
[The above-mentioned Day Count Convention shall have the meaning given to it in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date.]
- (viii) other terms relating to the method of calculating interest for Fixed Rate Notes (if different from those specified in the terms and conditions of the Notes): [Not Applicable][give details]

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

17. Listing and admission to trading: [Application has been 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 [•]]/[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market] with effect from [•].]
18. Rating: The Notes to be issued under the Programme have not been rated.
19. Clearing System(s): Euroclear, Clearstream, Luxembourg
20. Issuing and Paying Agent: The Bank of New York Mellon, London Branch
21. Listing Agents: PKF ATTEST Capital Markets, A.V., S.A.
22. ISIN: [•]
23. Common code: [•]
24. Any clearing system(s) other than Euroclear Bank, SA/NV and Clearstream Banking, S.A. and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
25. New Global Note: [Yes]/[No]

26. Intended to be held in a manner which would permit Eurosystem eligibility [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 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)

[No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, 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.]

27. 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] [and/or] the FCA pursuant to Article 36 (*Register of administrators and benchmarks*) of the UK Benchmark Regulation/[Not Applicable]

### **Listing and admission to trading application**

This Pricing Supplement comprises the contractual terms required to list and have admitted to trading the issue of Notes described herein pursuant to the €200,000,000 euro-commercial paper programme of Sacyr, S.A.

### **Responsibility**

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of **Sacyr, S.A.**

By: \_\_\_\_\_

Duly authorised

Dated:

## Part B – Other Information

### 1. Interests 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

Estimate of total expenses [•]  
related to listing and  
admission to trading:

### 3. Yield

Indication of yield: [•][Not Applicable] (*Fixed Rate Notes only*)

### 4. Historic Interest Rates

Details of historic [LIBOR/EURIBOR/EONIA/other] rates can be obtained from [Reuters].  
(*Floating Rate Notes only*)

## TAXATION

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

### **Taxation in Spain**

*The following is a general summary of certain Spanish tax considerations. It does not purport to be a complete summary of tax law and practice currently applicable in Spain and is subject to any changes in law and the interpretation and application thereof, which could be made with retroactive effect, nor does it represent an analysis of all the potential tax effects relevant to a decision to invest in the Notes, nor should it be considered to be legal or tax advice to any potential investor. Accordingly, prospective investors who are in any doubt as to their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside of Spain, are urged to consult their tax advisers regarding the applicable tax consequences of acquiring, holding and disposing of the Notes based upon their particular circumstances.*

#### **1. 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 of 26 June, on organization, supervision and solvency of credit institutions (formerly, Law 13/1985 of 25 May), as well as 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, as amended by Royal Decree 1145/2011 of 29 July ("**Royal Decree 1065/2007**");
- (b) for individuals resident for tax purposes in Spain who are Personal Income Tax ("**PIT**") tax payers, Law 35/2006, of 28 November, on the PIT and on the partial amendment of the Corporate Income Tax Law, Non-Resident Income Tax Law and Wealth Tax Law, as amended (the "**PIT Law**"), and Royal Decree 439/2007, of 30 March approving the PIT Regulations which develop the PIT Law, as amended, along with Law 19/1991, of 6 June on Wealth Tax, as amended most recently by Royal Decree Law 3/2016, of 3 December 2016 ("**Royal Decree Law 3/2016**") and Law 29/1987, of 18 December on Inheritance and Gift Tax, as amended.
- (c) for legal entities resident for tax purposes in Spain which are Corporate Income Tax ("**CIT**") taxpayers, Law 27/2014, of 27 November, on CIT (the "**CIT Law**"), as amended, and Royal Decree 634/2015, of 10 July 2015, promulgating the CIT Regulations, as amended (the "**CIT Regulations**"); and
- (d) for individuals and entities who are not resident for tax purposes in Spain which are NRIT taxpayers, Royal Legislative Decree 5/2004, of 5 March, promulgating the Consolidated Text of the NRIT Law, as amended and Royal Decree 1776/2004, of 30 July, promulgating the NRIT 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.

Whatever the nature and residence of the 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.

## 2. **Spanish tax resident individuals**

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

Both interest periodically received and income deriving from the transfer, redemption or repayment of the Notes 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 PIT Law, and must be included in the PIT savings taxable base ("*renta del ahorro*") of each investor and taxed currently at 19 per cent. for taxable income up to €6,000; 21% for taxable income between €6,000.01 and €50,000; 23% for taxable income between €50,000.01 and €200,000; and 26% for taxable income exceeding €200,000. As a general rule, both types of income are subject to a withholding tax on account at the current rate of 19%.

Pursuant to section 5 of Article 44 of Royal Decree 1065/2007, if the Notes are registered with a clearing system outside of Spain (such as Euroclear or Clearstream) any income derived from the Notes will be paid by the Issuer free of Spanish withholding tax provided that the relevant information about the Notes is submitted in the manner detailed in "*Disclosure obligations in connection with Payments on the Notes*". In addition, income obtained upon transfer, redemption or repayment of the Notes may also be paid free of Spanish withholding tax in certain circumstances.

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 and may be refundable pursuant to Section 103 of the Personal Income Tax Law.

### 2.2 **Wealth Tax (*Impuesto sobre el Patrimonio*)**

According to Law 19/1991 (*Ley 19/1991, de 6 de junio, del Impuesto sobre el Patrimonio*), as amended and subject to any exceptions provided under relevant legislation in each autonomous region (*Comunidad Autónoma*), the net worth of any Spanish tax resident individuals in excess of €700,000 is subject to Wealth Tax.

Therefore, investors who are Spanish tax resident individuals should take into account the value of the Notes which they hold as at 31 December of each year for the purposes of Spanish Wealth Tax, the applicable rates ranging between 0.2% and 3.5% of the average market value of the Notes during the last quarter of such year, as published by the Spanish Ministry of Revenues on an annual basis (subject to any exceptions provided under relevant legislation in each Spanish autonomous region (*Comunidad Autónoma*)).

### 2.3 **Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)**

Individuals resident in Spain for tax purposes who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to the Inheritance and Gift Tax in accordance with the applicable Spanish regional or State rules (subject to any regional tax exemptions being available to them). The applicable effective tax rates currently range between 7.65% and 81.6%, depending on relevant factors, such as the amount of the gift or inheritance, the net wealth of the heir or beneficiary of the gift, and the kinship with the deceased or the donor. However, this taxation may vary depending on the Spanish autonomous region of tax residence of the corresponding investor.

### **3. Spanish tax resident legal entities**

#### **3.1 Corporate Income Tax (*Impuesto sobre Sociedades*)**

Both interest periodically received and income deriving from the transfer, redemption or repayment of the Notes must be included as taxable income of Spanish tax resident legal entities for CIT purposes in accordance with the rules for this tax, being typically subject to the standard rate of 25 per cent. Special rates apply in respect of certain types of entities.

Pursuant to either section 4 or 5 of article 44 of Royal Decree 1065/2007, any income derived from the Notes will be paid by the Issuer to Spanish CIT taxpayers (which for the sake of clarity, include Spanish tax resident investment funds and Spanish tax resident pension funds) free of Spanish withholding tax provided that the relevant information about the Notes is submitted in the manner detailed in "*Disclosure Obligations in connection with payments on the Notes*".

However, regarding the interpretation of Royal Decree 1065/2007, please refer to "*Risk Factors – Risks relating to Taxation*".

In the case of Notes held by Spanish resident entities and deposited with a Spanish resident entity acting as a depository or custodian, payments of interest and income deriving from the transfer, redemption or repayment may be subject to withholding tax, (currently at a rate of 19 per cent.) withholding that will be made by Issuer or the depository or custodian, unless the Notes comply with the exemption requirements specified in letter (s) of article 61 of the CIT Regulations, as interpreted by the ruling n<sup>o</sup> 1500/2004 issued by the Spanish General Directorate for Taxes (*Dirección General de Tributos*) dated 27 July 2004, which requires that (i) the Notes are offered and sold outside of Spain, in other OECD jurisdiction, and (ii) the Notes are admitted to trading in an organised market of a OECD jurisdiction other than Spain.

Amounts withheld, if any, may be credited by the relevant investors against their final CIT liability.

#### **3.2 Wealth Tax (*Impuesto sobre el Patrimonio*)**

In Spain, legal entities are not subject to Wealth Tax.

#### **3.3 Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)**

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

### **4. Individuals and legal entities tax resident outside of Spain**

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

##### **(a) *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 shall be, generally, the same as those previously set out for Spanish CIT taxpayers.

(b) *Not acting through a permanent establishment in Spain*

Both interest payments periodically received and income deriving from the transfer, redemption or repayment of the Notes, obtained by individuals or entities who are not resident in Spain for tax purposes, and who are NRIT taxpayers with no permanent establishment in Spain, are exempt from NRIT, on the same terms laid down for income from Spanish public debt.

In order for the exemption to apply, it is necessary to comply with certain information obligations relating to the Notes, in the manner detailed under "*Disclosure obligations in connection with payments on the Notes*" as laid down in article 44 of Royal Decree 1065/2007. If these information obligations are not complied with in the manner indicated, the Issuer will withhold at the rate applicable from time to time (currently 19 per cent.) and the Issuer will not pay additional amounts.

In any case, please note that non-resident investors acting without a permanent establishment in Spain may benefit from a withholding tax exemption or reduced withholding tax rate pursuant to the NRIT Law or an applicable double tax treaty signed by Spain, subject to certain requirements.

#### 4.2 **Wealth Tax (*Impuesto sobre el Patrimonio*)**

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to the Wealth Tax will not be generally subject to such tax on the Notes. Otherwise, under current Wealth Tax regulations non-Spanish resident individuals whose properties and rights located in Spain (or that can be exercised within the Spanish territory) exceed €700,000 will be subject to Wealth Tax, the applicable rates ranging between 0.2% and 3.5%. However, as the income derived from the Notes is exempted from NRIT, any non-resident individuals holding the Notes will be exempt from Spanish Wealth Tax in respect of such holding.

If the provisions of the foregoing paragraph do not apply, non-Spanish tax resident individuals whose net worth related to property located, or rights that can be exercised, in Spain is above €700,000 and who hold Notes on the last day of any year would therefore be subject to Spanish Net Wealth Tax for such year at marginal rates varying between 0.2% and 3.5% of the average market value of the Notes during the last quarter of such year, as published by the Spanish Ministry of Revenues on an annual basis.

Non-Spanish tax resident individuals who are resident in an EU or European Economic Area member State may apply the rules approved by the Spanish autonomous region where the assets and rights with more value are situated. As such, prospective holders of the Notes should consult their tax advisers.

Legal entities tax resident outside of Spain are not subject to Spanish Wealth Tax.

#### 4.3 **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 are tax resident 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 no treaty for the avoidance of double taxation in relation to IGT applies, effective IGT rates would range between 7.65% and 81.6%, depending on various factors, such as the amount of the gift or inheritance, the net wealth of the heir or beneficiary of the gift, the kinship with the deceased or the donor and the qualification for tax benefits. These factors may vary depending on the application of the state or the autonomous regions IGT governing laws.

Generally, non-Spanish tax resident individuals are subject to Inheritance and Gift Tax according to the rules set forth in the Spanish state level or relevant autonomous region law. According to the amendments passed by Law 26/2014, of 27 November, it will be possible to apply tax benefits approved in some Spanish regions to EU residents following specific rules. As such, prospective investors should consult their tax advisers.

Legal entities not tax resident in Spain which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Inheritance and Gift Tax. They will be subject to NRIT (as described above). If the 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.

#### 5. **Disclosure obligations in connection with payments on the Notes**

In accordance with article 44 of Royal Decree 1065/2007, certain information with respect to the Notes must be submitted to the Issuer at the time of each payment (or, alternatively, for interest payments, before the tenth calendar day of the month following the month in which the relevant payment is made).

According to section 5 of article 44 of Royal Decree 1065/2007 (which would apply if the Notes are registered with clearing systems outside of Spain), such information includes the following:

- (a) Identification of the Notes (as applicable) in respect of which the relevant payment is made;
- (b) the date on which the relevant payment is made;
- (c) total amount of income from the Notes;
- (d) total amount of income (either from interest payments or redemption) corresponding to each clearing house located outside of 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 to 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 by the close of business on the Business Day immediately preceding each relevant Payment Date. If, despite these procedures, the relevant information is not received by the Issuer on each Payment Date, the Issuer would withhold tax at the then-applicable rate (currently 19 per cent.) from any payment in respect of the relevant Notes. The Issuer would not pay any additional amounts with respect to any such withholding.

If, before the tenth day of the month following the month in which interest is paid, the Issuing and Paying Agent provides such information, the Issuer will reimburse the amounts withheld.

Investors who are not resident in Spain for tax purposes and are entitled to exemption from NRIT on income derived from the Notes, but where the Issuer does not timely receive from the Paying Agent the information above about the Notes, would have to apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the Spanish NRIT Law.

Investors should note that neither the Issuer nor the Dealers accept any responsibility in relation to the procedures established for the collection of information concerning the Notes. Accordingly, neither the Issuer nor the Dealers will be liable for any damage or loss suffered

by any holder who would otherwise be entitled to an exemption from Spanish withholding tax but whose income payments are nonetheless paid net of Spanish withholding tax because these procedures prove ineffective.

Moreover, the Issuer will not pay any additional amounts with respect to any such withholding. See "*Risk Factors – Risks relating to Taxation*". The procedures for providing documentation referred to in this section are set out in detail in the Agency Agreement which may be inspected upon reasonable notice, at the specified offices of the Issuer and the Issuing and Paying Agent. Should any withholding tax be levied in Spain, holders of the Notes should note that they may apply directly to the Spanish tax authorities for any tax refund which may be available to them.

## 6. **Financial Transaction Tax**

The Spanish law which implements the Spanish tax on financial transactions (the "**Spanish FTT**") was approved on 7 October 2020 (the "**FTT Law**") and was published in the Spanish Official Gazette (*Boletín Oficial del Estado*) on 16 October 2020. The Spanish FTT came into force three months after the publication of the FTT Law in the Spanish Official Gazette (that is, on 16 January 2021).

The Spanish FTT should not affect transactions involving notes or debt or analogous instruments.

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

## 7. **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 pass-thru 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, proposed regulations have been issued that provide that 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. 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.

*Set out below is Annex I. Sections in English have been translated from the original Spanish. 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 only hold the Spanish language version of the relevant certificate as the valid one for all purposes.*

## 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 (...)<sup>1</sup>, en nombre y representación de (entidad declarante), con número de identificación fiscal (....)<sup>2</sup> y domicilio en (...) en calidad de (marcar la letra que proceda):**

Mr. (name), with tax identification number (...)<sup>3</sup>, in the name and on behalf of (entity), with tax identification number (....)<sup>4</sup> 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) 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:

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<sup>1</sup> 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

<sup>2</sup> 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

<sup>3</sup> 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.

<sup>4</sup> 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.

- 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 gestiona 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 \_\_\_\_\_

## SUBSCRIPTION AND SALE

### General

The Dealers have represented and agreed 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.

### Spain

Neither the Notes nor this Information Memorandum have been authorised or registered in the administrative registries of the Spanish Securities Markets Commission (*Comisión Nacional del Mercado de Valores*) and therefore the Information Memorandum is not intended for any public offer of the Notes in Spain.

The Dealers have represented and agreed 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 all legal and regulatory requirements under Spanish securities law.

### Portugal

This Information Memorandum and the offering and marketing of the Notes has not been nor will be submitted for approval, nor notified, before the Portuguese Securities Market Commission ("**Comissão do Mercado de Valores Mobiliários**" or "**CMVM**"), nor has any application been or will be made to obtain said approval, in accordance with Portuguese laws and regulations.

The Notes have not been directly or indirectly offered, marketed, sold or distributed to undetermined addressees in the Republic of Portugal and will not be directly or indirectly offered, marketed, sold or distributed to undetermined addressees in the Republic of Portugal nor any prospecting or advertisement activities of any kind or by any means or the collection of investment intentions from undetermined addressees have been or will be undertaken in the Republic of Portugal in connection with the offering of the Notes, in circumstances which could qualify as a public offering of securities pursuant to Article 109 of the Portuguese Securities Code "**Código dos Valores Mobiliários**" or "**CVM**", as amended) applicable by virtue of article 12 of Decree-Law no.69/2004 of 25 March 2004, as amended from time to time, or which could qualify the Portuguese jurisdiction as the competent authority pursuant to Article 145 applicable ex vi Article 108 of the CVM.

Consequently, the Notes will only be offered, marketed, sold or distributed, directly or indirectly, in the Republic of Portugal to qualified investors (*investidores qualificados*) as defined in numbers 1 and 4 of Article 30 of CVM, as final addressees, in compliance with the available exemptions for private placements.

Accordingly, this Information Memorandum and any other offering or marketing material or documentation relating to the Notes has not been, directly or indirectly, distributed or caused to be distributed and will not be, in any circumstance, in whole or in part, directly or indirectly, distributed, reproduced, redistributed, published or delivered, nor its contents will be disclosed by any means, in the Republic of Portugal to any person other than to qualified investors as referred to above.

Any potential investor in the Notes must ensure that it is capable of understanding and assuming the risks associated to such an investment decision and/or seeking appropriate investment advice.

For the avoidance of doubt, Madeira and the Azores fall within the jurisdiction of the Republic of Portugal.

## Prohibition of Sales to EEA Retail Investors

Each of the Dealers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

## United Kingdom

### *Prohibition of sales to UK Retail Investors*

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

- (a) the expression retail investor means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the current domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 and secondary legislation made under it, in each case, as amended, including by the European Union (Withdrawal) Act 2020 ("**EUWA**"); or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (the "**FSMA**") to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### *Other regulatory restrictions*

The Dealers have represented and agreed 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 FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

## **United States**

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act ("**Regulation S**"). The Dealers have represented and agreed that it has not offered or sold, and will not offer or sell, any Notes constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S. Terms used above have the meaning given to them by Regulation S. The Dealers have also represented and agreed that it has offered and sold the Notes, and will offer and sell the Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date (the "**distribution compliance period**"), only in accordance with Rule 903 of Regulation S. The Dealers agree that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period 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 (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of the Securities as determined and certified by the Dealers and except in either case in accordance with Regulation S under the Securities Act ("**Regulation S**"). Terms used above have the meanings given to them by Regulation S."*

The Dealers have also represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have 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. Terms used in this paragraph have the meaning given to them by Regulation S.

## **US Tax Selling Restrictions**

Terms used in this section shall have the meanings given to them by the Internal Revenue Code of 1986, as amended, and the US Treasury Regulations promulgated thereunder, including the C Rules and the D Rules.

## **Ireland**

The Dealers have represented and agreed that it has not sold, placed or underwritten and that it will not sell, place or underwrite the Notes otherwise that in conformity with the provisions of:

- (a) the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended), including, without limitation, Parts 6, 7, and 12 thereof and any codes

or rules of conduct approved in connection therewith, and the provisions of the Investor Compensation Act 1998 (as amended);

- (b) the provisions of the Irish Companies Act 2014 (as amended);
- (c) the Central Bank Acts 1942 – 2014 of Ireland (as amended) and any codes or rules of practice made under Section 117(1) of the Irish Central Bank Act 1989 (as amended) of Ireland;
- (d) the provisions of the Market Abuse Regulation (EU 596/2014), the Market Abuse Directive on Criminal Sanctions for market abuse (Directive 2014/57/EU) (as amended), the European Union (Market Abuse) Regulations 2016 of Ireland (as amended) and any rules issued by the Central Bank of Ireland pursuant to section 1370 of the Companies Act 2014 of Ireland (as amended); and
- (e) Regulation (EU) 2017/1129, the European Union (Prospectus) Regulations 2019 (as amended) of Ireland and any rules issued by the Central Bank pursuant to section 1363 of the Companies Act 2014 of Ireland.

### **France**

The Dealers have represented and agreed that it has not offered or sold, and will not offer or sell directly or indirectly any Notes to the public in France, and has not distributed and will not distribute or cause to be distributed to the public in France any offering material relating to the Notes and that such offers, sales and distributions have been and will only be made in France to (i) to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) acting for their own account, other than individuals, all as defined in, and in accordance with, articles L 411-2 and D 411-1 of the French *Code monétaire et financier*.”

## 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 ("ISIN") in relation to each issue of Notes and any other clearing system as shall have accepted the relevant Notes for clearance will be specified in the Pricing Supplement 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 23 April 2021. 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 Pricing Supplement 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 Dealers may agree. No Notes may be issued pursuant to the Programme on an unlisted basis.

### 3. No Significant Change

There has been no significant change in the financial or trading position of the Group since 31 December 2020, being the date of the most recently published audited financial statements of the Issuer.

### 4. Independent Auditors

The consolidated financial statements of the Issuer for the years ended 31 December 2020 and 31 December 2019 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, Torre Azca, 28003 Madrid, Spain.

### 5. LEI code

The Legal Entity Identifier (LEI) Code of the Issuer is 959800XKAB9VNAV9425.

### 6. Documents on Display

From the date hereof, so long as any Notes remain outstanding and throughout the life of the Programme, copies (and, where appropriate, English translations) will be available:

- (a) electronic copies of the by-laws of the Issuer, on its website ([www.sacyr.com](http://www.sacyr.com) in section Shareholders Channel/Corporate governance);
- (b) electronic copies of the financial information listed in the section "Documents Incorporated by Reference" above, on the Issuer's website ([www.sacyr.com](http://www.sacyr.com) in section Shareholders Channel/Financial Information) and on the CNMV website ([www.cnmv.es](http://www.cnmv.es));

- (c) physical copies of this Information Memorandum, together with any supplements thereto, for inspection upon reasonable notice at the specified offices (which are set out below) of the Issuer and the Issuing and Paying Agent;
- (d) physical copies of any Pricing Supplement in respect of Notes listed on any stock exchange, for inspection upon reasonable notice at the specified offices (which are set out below) of the Issuer and the Issuing and Paying Agent;
- (e) physical copies of the Agency Agreement, for inspection upon reasonable notice at the specified offices (which are set out below) of the Issuer and the Issuing and Paying Agent;
- (f) physical copies of the Deed of Covenant, for inspection upon reasonable notice at the specified offices (which are set out below) of the Issuer and the Issuing and Paying Agent;
- (g) physical copies of the constitutional documents of the Issuer, on the Commercial Registry (*Registro Mercantil*) of Madrid; and
- (h) physical copies of 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), for inspection upon reasonable notice at the specified offices (which are set out below) of the Issuer and the Issuing and Paying Agent.

**7. Governmental, Legal and Arbitration Proceedings**

There has been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months, which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.

## **ISSUER**

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Spain

## **DEALERS**

### **Banco de Sabadell, S.A.**

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### **Banco Santander, S.A.**

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### **Bestinver S.V., S.A.**

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Spain

### **BRED Banque Populaire**

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75012 Paris  
France

### **PKF ATTEST Capital Markets, A.V., S.A.**

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28020, Madrid  
Spain

## **ISSUING AND PAYING AGENT**

### **The Bank of New York Mellon, London Branch**

One Canada Square  
London E14 5AL  
England

## **IRISH LISTING AGENT**

### **PKF ATTEST Capital Markets, A.V., S.A.**

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Spain

## **AUDITORS**

### **Ernst & Young, S.L.**

Raimundo Fernández Villaverde, 65  
Torre Azca  
28003 Madrid

## **LEGAL ADVISORS**

*To the Dealers in respect of English and Spanish law*

### **Dentons Europe Abogados, S.L.P.**

Paseo de la Castellana, 53  
28046 Madrid  
Spain