



Sacyr, S.A.

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

€500,000,000

Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme (the “**Programme**”) described in this base prospectus (the “**Base Prospectus**”) which replaces the previous Base Prospectus dated 19 May 2022 in respect of the Programme, Sacyr, S.A. (“**Sacyr**” or the “**Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the “**Notes**”).

The aggregate nominal amount of Notes outstanding issued under the Programme will not at any time exceed €500,000,000 (or the equivalent in other currencies). The Notes may be issued on a continuing basis to one or more of the Dealers specified below and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a “**Dealer**” and together the “**Dealers**”).

This document constitutes a base prospectus (the “**Base Prospectus**”) for purposes of Article 8(1) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the “**Prospectus Regulation**”).

This Base Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under the Prospectus Regulation. The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer of the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes that are the subject of this Base Prospectus. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended, “**MiFID II**”). Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) for the Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to its official list (the “**Official List**”) and trading on its regulated market. References in this Base Prospectus to Notes being “listed” (and all related references) shall mean that such Notes have been admitted to the Official List and to trading on the regulated market of Euronext Dublin. The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Each Tranche of Notes (as described below) will be issued on the terms set out herein under “*Terms and Conditions of the Notes*” as completed by a final terms document (the “**Final Terms**”) which, with respect to Notes to be listed on Euronext Dublin, will be delivered to the Central Bank on or before the date of issue of the Notes of such Tranche. In the case of any Notes which are to be admitted to trading on a regulated market within the EEA or offered to the public in a Member State of the European Economic Area (the “**EEA**”) in circumstances which require the publication of a prospectus under the Prospectus Regulation the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

Investing in the Notes issued under the Programme involves certain risks. For a discussion of these risks, see “*Risk Factors*”.

The Notes will be in bearer form. The Notes of each Tranche will be represented on issue by a temporary global note or a permanent global note (each a “**Global Note**”). If the Global Notes are stated in the relevant Final Terms to be issued in new global note form, they will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”). Global Notes which are not issued in new global note form will be deposited on the issue date of the relevant Tranche with a common depository on behalf of Euroclear and Clearstream, Luxembourg. See “*Form of the Notes*”.

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

UK MiFIR product governance / target market –The Final Terms in respect of any Notes may include a legend entitled "*UK MiFIR Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any 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 Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFID Product Governance Rules.

IMPORTANT – EEA RETAIL INVESTORS

If the Final Terms in respect of any Notes include a legend entitled "*Prohibition of Sales to 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 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; (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; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, 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

If the Final Terms in respect of any Notes include a legend entitled "*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 UK. For these purposes a 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 United Kingdom ("**UK**") by virtue of the European Union (Withdrawal) Act 2020 (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; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 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.

BENCHMARK REGULATION – Amounts payable under floating rate notes may be calculated by reference to the Euro Interbank Offered Rate ("**EURIBOR**"). EURIBOR constitutes "benchmarks" for the purposes of Regulation (EU) 2016/1011 (the "**EU Benchmark Regulation**"). EURIBOR is provided and administered by the European Money Markets Institute ("**EMMI**"). At the date of this Base Prospectus, EMMI is authorised as a benchmark administrator, and included on, the register of administrators and benchmarks (the "**EU Benchmark Register**") established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to article 36 of the EU Benchmark Regulation. Transitional provisions in the EU Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Final Terms. The registration status of any administrator under the EU Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update this Base Prospectus to reflect any change in the registration status of any administrator.

Arranger

Banca March

Dealers

Banca March

BBVA

CaixaBank

Santander Corporate & Investment Banking

PKF Attest

Potential investors should be aware that any website referred to in this document does not form part of this Base Prospectus and has not been scrutinised or approved by the Central Bank.

This Base Prospectus will be published in electronic form on the website of Euronext Dublin (<https://live.euronext.com/en/markets/dublin/bonds/list>). This Base Prospectus is valid for a period of twelve months after its approval.

The validity of the Base Prospectus shall expire on the evening of 19 May 2024. Any obligation to supplement a base prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when a base prospectus is no longer valid.

The date of this Base Prospectus is 19 May 2023

IMPORTANT NOTICES

This Base Prospectus constitutes a base prospectus for the purposes of Article 8 of the Prospectus Regulation. The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect its import.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

The Issuer confirms that any information from third party sources has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such third party source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Arranger and the Dealers have not separately nor independently verified all the information contained in this Base Prospectus. None of the Arranger or the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated in this Base Prospectus or any responsibility accepted for any acts or omissions of the Issuer or any other person in connection with the Base Prospectus, or the issue and offering of any Notes. None of the Arranger or the Dealers accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or any of the Dealers. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently supplemented, or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently supplemented, or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Issuer, the Arranger and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Therefore, the distribution of this Base Prospectus and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus and other offering materials in relation to the Notes, see “*Subscription and Sale*”.

In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”). Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger or the Dealers to subscribe for, or purchase, any Notes.

Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life

of the arrangements contemplated by this Base Prospectus or to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

This Base Prospectus describes in summary form certain Spanish tax implications and procedures in connection with an investment in the Notes (see “*Risk Factors – Risks in relation to the Notes – Risks in relation to Spanish withholding tax*” and “*Taxation – Taxation in Spain*”). No comment is made or advice is given by the Issuer, the Arranger 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.

Certain of the Dealers and their affiliates, including parent companies, have engaged, and may in the future engage, in financing, investment banking and/or commercial banking transactions (including the provision of loan facilities and/or securitization transactions) and other related transactions with, and may perform financial and non-financial activities and services for, the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their affiliates, including parent companies, 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 or its affiliates. Certain of the Dealers or their affiliates, including parent companies, that have a lending relationship with the Issuer routinely hedge their credit exposure to them consistent with their customary risk management policies. Typically, such Dealers and their affiliates, including parent companies, 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, including parent companies, 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.

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

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

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.

Some Notes are complex financial instruments and such instruments may be purchased by potential investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

In connection with the issue of any Tranche (as defined in “*Overview of the Programme – Method of Issue*”), the Dealer or Dealers (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”) (or any person acting on behalf of any Stabilising Manager(s)) in the relevant Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

INTERPRETATION

All references in this Base Prospectus to “euro” and “€” refer to the lawful currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended from time to time.

In this Base Prospectus the words “**Group**” refer to the Issuer and its consolidated subsidiaries.

As used in this Base Prospectus, the term “**IFRS-EU**” refers to the International Financial Reporting Standards as adopted by the European Union.

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

This Base Prospectus is drawn up in the English language. In case there is any discrepancy between the English text and the Spanish text, the English text stands approved for the purposes of approval under the Prospectus Regulation.

ALTERNATIVE PERFORMANCE MEASURES

Certain financial measures presented by the Group in this Base Prospectus are not defined in accordance with IFRS-EU accounting standards. The Group believes that these alternative performance measures (as defined in the European Securities and Markets Authority guidelines (the “**ESMA Guidelines**”) on Alternative Performance Measures (“**APMs**”) provide useful supplementary information to both investors and to the Group's management to assess the Group's performance. However, investors should note that, since not all companies calculate financial measures, such as the APMs presented by the Group in this Base Prospectus, in the same manner, these are not always directly comparable to performance metrics used by other companies. Additionally, the APMs presented by the Group in this Base Prospectus are unaudited and have not been prepared in accordance with IFRS-EU or any other accounting standards. Accordingly, these financial measures should not be seen as a substitute for measures defined according to IFRS-EU. The Group considers that the following metrics (which are set out below along with their reconciliation (which can be consulted on the relevant section of the corresponding annual accounts), to the extent that such information is not defined according to IFRS-EU) presented in this Base Prospectus constitute APMs for the purposes of the ESMA Guidelines:

- “**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.

- **“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.

Certain additional APMs are used in, and defined by, the audited consolidated financial statements of the Group corresponding to the years ended 31 December 2022 and 31 December 2021 and the interim financial information of the Group for the three months period ended 31 March 2023, all of which are incorporated by reference into this Base Prospectus (see *“Documents incorporated by reference”*).

The Group uses these measures as part of its financial and operational decision and planning process and to evaluate the performance of the Group. The Group considers that these measures provide useful additional information to assess the business, financial condition and results of operations of the Group and the adoption of decisions both by investors and the Group’s management.

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OVERVIEW OF THE PROGRAMME

*The following overview is qualified by the more detailed information contained elsewhere in this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the relevant Final Terms. Capitalised terms which are defined in “Form of the Notes” or “Terms and Conditions of the Notes” have the same meaning when used in this overview. References to numbered Conditions are to the terms and conditions of the Notes (the “**Conditions**”) as set out under “Terms and Conditions of the Notes”.*

Issuer	Sacyr, S.A.
Issuer’s Legal Entity Identifier (LEI)	959800XKAB9VNAV9425
Risk Factors	Investing in Notes issued under the Programme involves certain risks. See “ <i>Risk Factors</i> ”.
Description	Euro Medium Term Note Programme.
Size	Up to €500,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arranger	Banca March, S.A.
Dealers	Banca March, S.A., Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., CaixaBank, S.A. and PKF Attest Capital Markets A.V., S.A. The Issuer may from time to time terminate the appointment of any Dealer or appoint new Dealers, either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Issuing and Paying Agent	The Bank of New York Mellon, London Branch.
Irish Listing Agent	The Bank of New York Mellon S.A./N.V., Dublin Branch.
Method of issue	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “ Series ”) and each Series may be issued in tranches (each a “ Tranche ”) issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms. The specific terms of each Tranche will be completed in the final terms (the “ Final Terms ”).
Issue Price	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Use of proceeds	The net proceeds from each issue of Notes may be applied by the Issuer for its general corporate purposes or may be applied for particular uses, as determined by the Issuer. If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.
Form of the Notes	Notes will be issued in bearer form. Each Tranche of Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new global note form (a “ Classic Global Note ” or “ CGN ”), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a “ New Global Note ” or “ NGN ”), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream,

Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Clearing Systems	Euroclear, Clearstream Luxembourg and, in relation to any Tranche, such other clearing system as may be specified in the relevant Final Terms.
Currencies	Any currency, subject to compliance with all relevant laws and regulations.
Maturity	Any maturity, subject to compliance with all relevant laws and regulations.
Denomination	Notes will be in such denominations as may be specified in the relevant Final Terms save that (i) in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area (“EEA”) or offered to the public in an EEA State in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes) (the “ Specified Denomination ”); and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).
Fixed Rate Notes	Fixed interest will be payable in arrears on the date or dates specified in the relevant Final Terms.
Floating Rate Notes	Floating Rate Notes will bear interest determined separately for each Series (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating either the 2006 ISDA Definitions (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)), as published by the International Swaps and Derivatives Association, Inc. or the latest version of 2021 ISDA Interest Rate Derivatives Definitions, including each Matrix (as defined therein) (and any successor thereto), as specified in the relevant Final Terms, each as published by ISDA (or any successor) on its website (http://www.isda.org), on the date of issue of the first Tranche of the Notes of such Series or; (b) by reference to EURIBOR, as adjusted for any applicable margin. Interest periods will be specified in the relevant Final Terms.
Interest Periods and Interest Rates	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

Redemption	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
Optional redemption	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders.
Status of the Notes	The Notes and Coupons relating to them constitute (subject to Condition 4 (<i>Negative Pledge</i>)) unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and (subject to Condition 4 (<i>Negative Pledge</i>), at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.
Negative Pledge	The Notes will have the benefit of a negative pledge, as described in Condition 4 (<i>Negative Pledge</i>).
Cross default	The Notes will have the benefit of a cross default provision, as described in Condition 10 (<i>Events of Default</i>).
Tax redemption	The Issuer may redeem the Notes at any time, in whole but not in part, at their principal amount plus accrued and unpaid interest, if any, to the date of redemption if the Issuer has or will become obliged to pay additional amounts as a result of any change in, or amendment to, certain tax laws and regulations and such obligation cannot be avoided by the issuer taking reasonable measures to it. See Condition 6(c) (<i>Redemption, Purchase and Options - Redemption for Taxation Reasons</i>).
Redemption in case of Change of Control/ Tender Offer Triggering Event	The Notes may have the benefit of a redemption provision in case of Change of Control or upon the occurrence of a Tender Offer Triggering Event, as described in Condition 6 (<i>Redemption, Purchase and Options – Redemption at the Option of Noteholders – Change of Control and/or Tender Offer Triggering Event</i>).
Withholding tax	<p>The payment of interest and other amounts in respect of the Notes will be made free of withholding taxes in Spain, unless such taxes are currently required by law to be withheld. In such case the Issuer will pay additional amounts as may be necessary in order that the net amounts receivable by the Noteholder after such deduction or withholding shall equal the respective amounts which would have been receivable by such Noteholder in the absence of such deduction or withholding; except that no such additional amounts shall be payable in certain circumstances set out in the Conditions. See Condition 8 (<i>Taxation</i>).</p> <p>The Issuer considers that, according to Royal Decree 1145/2011, it is not obliged to withhold any tax amount provided that the simplified information procedures (which do not require identification of the Noteholders) are complied with by the Issuing and Paying Agent, as described in “<i>Taxation – Taxation in Spain – Disclosure obligations in connection with payments on the Notes</i>”.</p> <p>In the event that the currently applicable procedures are, after the date of this Base Prospectus, modified, amended or supplemented by any Spanish law or regulation, or any ruling of the Spanish Tax Authorities</p>

(*Dirección General de Tributos*), the Issuer will inform the Noteholders of any such change in the information procedures and of any implications such changes may have for the Noteholders. In particular, there can be no assurance that the Issuer will not be required to apply withholding tax on interest payments under the Notes as a result of any such changes in the information procedures. In such event, the Issuer would not pay any additional amounts.

For further information, see Condition 8 (*Taxation*) and “*Taxation – Taxation in Spain – Disclosure obligations in connection with payments on the Notes*”.

Governing law

The Agency Agreement, the Dealer Agreement, the Deed of Covenant and the Notes and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law. The status of the Notes as described in Condition 3 (*Status of the Notes*) is governed by, and shall be construed in accordance with, Spanish law.

The Courts of England will have jurisdiction to settle any disputes which may arise out of or in connection with the Notes.

Listing

Application has been made for the Notes to be admitted to listing on the Official List and to trading on the regulated market of Euronext Dublin.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. The relevant Final Terms will state the stock exchanges or markets on which the relevant Notes are to be listed or admitted to trading.

Ratings

The Notes are not rated.

Selling Restrictions

United States, United Kingdom, Spain and European Economic Area. See “*Subscription and Sale*”.

RISK FACTORS

Investing in the Notes issued under the Programme involves certain risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry in which it operates together with all other information contained in this Base Prospectus, including, in particular the risk factors described below. Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Base Prospectus have the same meanings in this section.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, financial condition and results of operations of the Issuer and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

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 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. During the past three years, 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 have been most affected by the pandemic and is expected to continue to have an overall negative impact on global GDP in 2023. Other consequences include international conflicts, 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.

In 2022, the COVID-19 pandemic continued to impact the global economy, particularly in the People's Republic of China (the "PRC"). Labour shortages and disruptions of global supply chains contributed to stalling economic growth, notably in PRC where its GDP saw a meagre growth of 3 per cent. in 2022, compared to 8.1 per cent. in 2021). The effects of the COVID-19 pandemic remains dynamic, with the potential emergence of new variants, and its economic and social impact remains uncertain. 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.

The Euro-zone saw an overall GDP growth of 3.5 per cent. In 2022, compared to 5.3 per cent. the previous year. Its economy performed quite unevenly, growing at a healthy pace during the first months of the year, as a result of the full recovery following the COVID-19 pandemic. This growth was disrupted especially in the last quarter of 2022, due to the war between Russia and Ukraine, as well as the drastic rate hike carried out by the European Central Bank ("ECB") to try to rein in the high rates of inflation. By country, according to Eurostat data, a number of countries had noteworthy GDP growth rate figures including Ireland (12 per cent.); Malta (6.9 per cent.); Portugal (6.7 per cent.); Croatia (6.3 per cent.); Greece (5.9 per cent.); Cyprus (5.6 per cent.); Spain (5.5 per cent.); and Slovenia (5.4 per cent.).

The military conflict between the Russia and Ukraine initiated at the end of February 2022 has contributed to further increases in the prices of energy, oil and other commodities and to volatility in financial markets globally, as well as a new landscape in relation to international sanctions.

Sharp inflationary tensions have prompted dramatic increases in interest rates by central banks caused, among other circumstances by the invasion of Ukraine by Russia in February 2022. Year-on-year HICP inflation in the Euro-zone, also reported by Eurostat, stood at 8.4 per cent. in 2022 compared with 2.6 per cent. in the 2021. The ECB has raised interest rates no less than four consecutive times since its meeting in July 2022, after maintaining them at 0 per cent. for years, peaking at 2.5 per cent. at the end of the year, levels not seen since December 2008. The increase in interest rates, among other factors, have caused tensions in the international financial markets leading to the collapse of some American banks and also the recent collapse of Credit Suisse that ended, after previous discussions with the Swiss National Bank and the Swiss government, with the bank's acquisitions by its UBS, events that have generated distrust in the financial sector.

The European Commission is forecasting a GDP growth of 0.9 per cent. in the coming years in the Eurozone and 0.8 per cent. in the European Union, in 2023, and then a rise of 1.5 per cent. and 1.6 per cent., respectively, in 2024. The European Commission has highlighted that the economy effectively recovered from the economic effects caused by COVID-19, but that it remains in a weak position as a result of the effect of the interest rate hikes carried out by the ECB in tackling the strong inflationary rates in European countries produced by the effects of the war between Russia and Ukraine, such as, among others, the rise in energy, commodity and food prices.

According to the Spanish Statistic National Institute (*Instituto Nacional de Estadística*) ("INE") Spanish GDP, increased to 5.5 per cent. during 2022, opposing to a decline of 10.8 per cent. in 2021.

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 a new 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 2022, 67.2 per cent. of Sacyr's revenue was generated outside of Spain. 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, international conflicts, pandemics, 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 2022 Sacyr's backlog was €54,755 million, as compared to €45,938 million as of 31 December 2021. 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 estimated in its backlog will be realized or that the projects to which the backlog is referred will be 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.

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 pandemic and the military conflict between Russia and Ukraine initiated at the end of February 2022 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 were also 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 €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. As of 31 December 2022, Sacyr had a total Net Debt of €7,490 million on a consolidated basis; at 31 December 2021, Sacyr had a total Net Debt of €6,103 million on a consolidated basis. 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, the military conflict between the Russia and Ukraine and the current climate of distrust in the financial sector caused by the collapse of some American and European banks, 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 2022, Sacyr had gross Project Debt totalling €7,705 million (83 per cent. of Sacyr's total outstanding indebtedness as at 31 December 2022) on a consolidated basis; at 31 December 2021, Sacyr had gross project debt totalling €6,085 million (78 per cent. of Sacyr's total outstanding indebtedness as at 31 December 2021) 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 €3,948 million as of 31 December 2022 (compared to €3,943 million as of 31 December 2021) 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 pandemic, the current military conflict between Russia and Ukraine or any other unexpected events 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 pandemic and the military conflict between the Russia and Ukraine, 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 entities 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 litigation, see "*Description of the Issuer – Litigation and Legal Proceedings*" and "*Recent Developments*". There is no guarantee that any entity 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, imposed severely restrictive measures to business and people's 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 entities 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.

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. 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.

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 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: (i) the budgetary policies of the relevant government and (ii) the economic conditions existing at the time. Tenders for public sector projects in Spain from February 2022 to February 2023 amounted to €28,930 million in terms of real investments, an increase of 11.5 per cent. as compared to real investments in the same period of the previous year. This amount includes, amongst others, investments by: (i) *Administración local* in an amount of €11,348 million, which represents a 48.6 per cent. increase as compared to the previous year; (ii) *Comunidades Autónomas* in an amount of €9,256 million, which represents a 22.8 per cent. increase; and (iii) *Administración General del Estado* in an amount of €8,326 million, which represents a 3.3 per cent. increase as compared to the previous year. The amount invested by the *Administración General del Estado* includes the investments by *Dirección General de Carreteras* in an amount of €1,121 million, by *ADIF* (including high speed) in an amount of €3,983 million, by *Aena* in an amount of €434 million and by *Autoridades portuarias* in an amount of €498 million (Source: *Seopan, Asociación de Empresas Constructoras de Ámbito Nacional de España-Licitación Pública, February 2023*). Reductions in project procurement by the public sector may adversely affect the business, results of operations, financial condition and prospects of Sacyr.

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

As a result of the economic conditions during the 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. 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 2022, Sacyr had €9,293 million of financial debt: (i) €1,588 million of which was Corporate Debt; and (ii) €7,705 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. Any increase in the seasonality of Sacyr's business 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 2022, Sacyr's Engineering and Infrastructures backlog was €7,354 million, as compared to €6,280 million as of 31 December 2021. 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 28 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 37,51 per cent and 54,58 per cent, respectively, of its construction backlog as of 31 December 2022. 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 38,38 per cent. and

55,85 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. 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 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. 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 arising in connection with the declaration of Insolvency and the Spanish Insolvency Law

In the event of insolvency of a debtor 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 particular it is worth mentioning the claw back regime regulated by Royal Decree 1/2020 of 5 May on Insolvency, approving the restatement text of the insolvency law (the "**Spanish Insolvency Law**"). In accordance with the Spanish Insolvency Law, 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, 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). 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. 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.

Risks in relation to the Notes

Risks in relation to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Calculation Agent

The Issuer may appoint a Dealer as calculation agent (the "**Calculation Agent**") in respect of an issuance of Notes under the Programme. In such a case, the Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Calculation Agent should, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. 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 when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Conflicts of interest – Calculation Agent

Potential conflicts of interest may exist between the Calculation Agent (if any) and the Noteholders (including where a Dealer acts as a calculation agent), including with respect to certain determinations and judgements that such Calculation Agent may make pursuant to the Conditions that may influence amounts receivable by the Noteholders during the term of the Notes and upon their redemption.

Risks in relation to the Notes generally

Modification and waivers

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Notes may be redeemed by the Issuer 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.

Change of law

The Conditions of the Notes are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

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

Notes issued under the Programme may be represented by one or more Global Notes. The Global Notes will be deposited with a common depositary or common safekeeper for Euroclear and/or Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive Definitive Notes. Euroclear and/or Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes.

While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, Luxembourg and the Issuer will discharge its payment obligations under such Notes by making payments to the common depositary or, in the case of Global Notes in New Global Note form, the common service provider for Euroclear and/or Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and/or Clearstream, Luxembourg to receive payments under their relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to take enforcement action against the Issuer under the relevant Notes but will have to rely upon their rights under the Deed of Covenant (as defined below).

Risks associated with the reform of EURIBOR and other interest rate “benchmarks”

The EURIBOR, and other interest rate indices which are deemed to be “benchmarks” are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already

effective whilst others are still to be implemented. These reforms may cause such “benchmarks” to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a “benchmark”.

Key international reforms of “benchmarks” include IOSCO’s proposed Principles for Financial Market Benchmarks (July 2013) (the “**IOSCO Benchmark Principles**”) and the Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014 (the “**EU Benchmark Regulation**”) and Regulation (EU) 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the “**UK Benchmarks Regulation**”).

The scope of the EU Benchmark Regulation is wide and, in addition to so-called “critical benchmark” indices such as EURIBOR will apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including “proprietary” indices or strategies) which are referenced in listed financial instruments (including listed Notes), financial contracts and investment funds. Similarly, the UK Benchmarks Regulation among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. It prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmark Regulation and/ or UK Benchmarks Regulation, as applicable, could have a material impact on Notes linked to a “benchmark” rate or index, including in any of the following circumstances:

- (i) a rate or index which is a “benchmark” could not be used as such if its administrator does not obtain the relevant authorisation or is based in a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the “equivalence” conditions, is not “recognised” pending such a decision and is not “endorsed” for such purpose. In such event, depending on the particular “benchmark” and the applicable terms of the Notes, the Notes could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted; and
- (ii) the methodology or other terms of the “benchmark” could be changed in order to comply with the terms of the Benchmark Regulation and/ or UK Benchmarks Regulation, as applicable, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the Notes, including Calculation Agent determination of the rate or level in its discretion.

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 disappearance of a “benchmark” or changes in the manner of administration of a “benchmark” could result in adjustment to the terms and conditions, early redemption, discretionary valuation by the Calculation Agent, delisting or other consequence in relation to Notes linked to such “benchmark”.

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation and/ or UK Benchmarks Regulation, as applicable in making any investment decision with respect to any Notes referencing a “benchmark”.

Pursuant to the terms and conditions of any applicable Floating Rate Notes or any other Notes whose return is determined by reference to any benchmark, if the Issuer or Calculation Agent determines at any time that the Relevant Screen Page on which the Reference Rate for such Notes appears has been discontinued or following the adoption of a decision to withdraw the authorisation or registration as set out in Article 35 of the EU Benchmark Regulation or any other benchmark administrator previously authorised to publish any Replacement Reference Rate under any applicable laws or regulations, the Issuer will appoint a Reference Rate Determination Agent (which may be (i) a leading bank or a broker-dealer in the principal financial centre of the Specified Currency (which may include one of the Dealers involved in the issue of the Notes) as appointed by the Issuer, or (ii) the Calculation Agent (if agreed in writing by the relevant Calculation Agent)) who will determine a Replacement Reference Rate, as well as any necessary changes to the business day convention, the definition of business day, the interest determination date, the day count fraction, and any method for obtaining the Replacement Reference Rate, including any adjustment factor needed to make such Replacement Reference Rate comparable to the Relevant Screen Page on which the Reference Rate appears. Such Replacement Reference Rate and any such other

changes will (in the absence of manifest error) be final and binding on the Noteholders, the Issuer, the Calculation Agent and the Paying Agent and any other person, and will apply to the relevant Notes without any requirement that the Issuer obtain consent of any Noteholders.

The Replacement Reference Rate may have no or very limited trading history and accordingly its general evolution and/or interaction with other relevant market forces or elements may be difficult to determine or measure. In addition, the replacement rate may perform differently from the discontinued benchmark. There can be no assurance that any adjustment factor applied to any Series of Notes will adequately compensate for this impact. This could in turn impact the rate of interest on, and trading value of, the affected Notes. Moreover, any holders of such Notes that enter into hedging instruments based on the Relevant Screen Page on which appears the Reference Rate may find their hedges to be ineffective, and they may incur costs replacing such hedges with instruments tied to the Replacement Reference Rate.

If the Reference Rate Determination Agent is unable to determine an appropriate Replacement Reference Rate for any discontinued Reference Rate or a decision to withdraw the authorisation or registration as set out in Article 35 of the EU Benchmark Regulation or any other benchmark administrator previously authorised to publish any Replacement Reference Rate under any applicable laws or regulations is adopted but for any reason a Replacement Reference Rate is not determined, then the provisions for the determination of the rate of interest on the affected Notes will not be changed. In such cases, the Terms and Conditions of the Notes provide that the relevant Interest Rate on such Notes will be the last Reference Rate available for the immediately preceding Interest Period on the Relevant Screen Page as determined by the Calculation Agent, effectively converting such Notes into fixed rate Notes.

Furthermore, in the event that no Replacement Reference Rate is determined by the Reference Rate Determination Agent and the affected Notes are effectively converted to fixed rate Notes as described above, investors holding such Notes might incur costs from unwinding hedges. Moreover, in a rising interest rate environment, holders of such Notes will not benefit from any increase in rates. The trading value of such Notes could therefore be adversely affected.

Risk relating to the Spanish withholding tax

The Issuer considers that, pursuant to the provisions of the Law 10/2014, dated 26 June 2014, on regulation, supervision and solvency of credit institutions (“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 herein.

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 Base Prospectus, 19 per cent.) 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.

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.

In the event that the currently applicable procedures are modified, amended or supplemented by, among other things, any Spanish law, regulation, interpretation or ruling of the Spanish tax authorities, the Issuer will notify the Holders of such information procedures and their implications, as the Issuer may be required to apply withholding tax on any payments made under the Instruments if the Holders do not comply with such information procedures.

Risks in relation to the market generally

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls for investors

The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined in the Conditions). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks for Fixed Rate Notes

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

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.

DOCUMENTS INCORPORATED BY REFERENCE

The following information is incorporated in, and forms part of, this Base Prospectus:

- (i) the English translation of the audited consolidated financial statements of the Issuer for the year ended 31 December 2022 prepared in accordance with IFRS-EU;
- (ii) the English translation of the audited consolidated financial statements of the Issuer for the year ended 31 December 2021 prepared in accordance with IFRS-EU;
- (iii) the English translation of the unaudited interim report of the Issuer for the three months ended on 31 March 2023; and
- (iv) the Terms and Conditions of the Notes as set out on pages 42-62 of the previous Base Prospectus dated 19 May 2022 relating to the Programme, the Terms and Conditions of the Notes as set out on pages 46-68 of the previous Base Prospectus dated 18 May 2021 relating to the Programme and the Terms and Conditions of the Notes as set out on pages 47-70 of the previous Base Prospectus dated 19 May 2020 relating to the Programme;

each of which have been previously filed with the Central Bank of Ireland and Euronext Dublin and can be accessed on the following addresses:

- (i) audited consolidated financial statements of the Issuer for the year ended 31 December 2022:
https://www.sacyr.com/documents/63048160/0/CCAA%20GRUPO%20SACYR%202022_versi%C3%B3n_eng%20%281%29.pdf/44fb4a0a-eae4-b416-33c4-49d56301cb09?1.0
- (ii) audited consolidated financial statements of the Issuer for the year ended 31 December 2021:
<https://www.sacyr.com/documents/63048160/198770276/Audit%20Report%20and%20Consolidated%20financial%20statements%202021.pdf/0cc23a8d-9bc4-36d4-7ff8-2d6df84fd8c7?1.0>
- (iii) unaudited interim report of the Issuer for the three months ended on 31 March 2023:
<https://www.sacyr.com/documents/63048160/0/RESULTADOS%201T%202023-en.pdf/0448b6f9-7a09-e0c2-48c3-28c7993f3362?1.0>
- (iv) the Terms and Conditions of the Notes as set out on pages 42-62 of the previous Base Prospectus dated 19 May 2022 relating to the Programme:
<https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/202205/cea13219-e79f-4974-979f-c896cf81e09f.pdf>

Cross-reference list

The following tables show where the information incorporated by reference in this Base Prospectus can be found in the above-mentioned documents. Information contained in those documents other than the information listed below does not form part of this Base Prospectus and is either not relevant or covered elsewhere in this Base Prospectus.

Audited consolidated financial statements of the Issuer for the year ended 31 December 2022	Page(s)
Auditor’s Audit Report	<u>274-281</u>
Consolidated Balance Sheet	<u>12-13</u>
Consolidated Income Statement	<u>14</u>
Consolidated Comprehensive Statement of Changes in Equity.....	<u>17</u>
Consolidated Statement of Cash Flows	<u>16</u>
Notes	<u>20-241</u>
Consolidated Management Report.....	<u>242-269</u>
Audited consolidated financial statements of the Issuer for the year ended 31 December 2021	Page(s)
Auditor’s Audit Report	247-255
Consolidated Balance Sheet	8-9
Consolidated Income Statement	10
Consolidated Statement of Recognized Income and Expenses	11
Consolidated Statement of Cash Flows	12
Consolidated Comprehensive Statement of Changes in Equity.....	13
Notes	15-219
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Any information contained in or documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus and, for the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or otherwise covered elsewhere in the Base Prospectus.

Pursuant to Spanish regulatory requirements, the audited consolidated financial statements of the Issuer are required to be accompanied by the respective Consolidated Management Report. These Consolidated Management Reports are incorporated by reference in this Base Prospectus only in order to comply with such regulatory requirements. Investors are strongly cautioned that the information contained in the Consolidated Management Report has been neither audited nor prepared for the specific purpose of the Programme. Accordingly, the Consolidated Management Report should be read together with the other sections of this Base Prospectus, and in particular the section “*Risk Factors*”. Any information contained in the Consolidated Management Report shall be deemed to be modified or superseded by any information elsewhere in the Base Prospectus that is subsequent to or inconsistent with it. Furthermore, the Consolidated Management Report include certain forward-looking statements that are subject to inherent uncertainty (see “*Forward-Looking Statements*”). Accordingly, investors are cautioned not to rely upon the information contained in such Consolidated Management Report.

The Issuer will, in connection with the listing of the Notes on Euronext Dublin, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus, prepare a supplement to the Base Prospectus in accordance with Article 23 of the Prospectus Regulation or publish a new Base Prospectus as may be required by the rules of Euronext Dublin for use in connection with any subsequent issue of the Notes to be listed on Euronext Dublin.

Any statement contained in this Base Prospectus or in any information or in any of the documents incorporated by reference in, and forming part of, this Base Prospectus shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document subsequently incorporated by

reference modifies or supersedes such statement provided that such modifying or superseding statement is made by way of a supplement to this Base Prospectus pursuant to Article 23 of the Prospectus Regulation.

If the terms of the Programme are modified or amended in a manner that would make the Base Prospectus, as so modified or amended, inaccurate or misleading, a new base prospectus will be prepared.

FORM OF THE NOTES

Each Tranche of Notes will initially be in the form of either a temporary Global Note (a “**Temporary Global Note**”), without interest coupons, or a permanent global note (a “**Permanent Global Note**”), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a “**Global Note**”) which is not intended to be issued in new global note (“**NGN**”) form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of Notes with a depository or a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking, S.A., Luxembourg (“**Clearstream, Luxembourg**”) and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

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

The relevant Final Terms will also specify whether United States Treasury Regulation §1. 163-5(c)(2)(i)(C) (the “**TEFRA C Rules**”) or United States Treasury Regulation §1. 163-5(c)(2)(i)(D) (the “**TEFRA D Rules**”) are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for a Permanent Global Note

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for a Permanent Global Note”, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Issuing and Paying Agent; and
- (ii) receipt by the Issuing and Paying Agent of a certificate or certificates of non-U.S. beneficial ownership, within 7 days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; provided however that in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form (“**Definitive Notes**”) upon either:

- (i) not less than 60 days’ written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of the holder thereof (or all of the holders acting together, if more than one) of the interest(s) in such Permanent Bearer Global Note) to the Issuing and Paying Agent; or

- (ii) if the relevant Final Terms specifies “in the limited circumstances described in the Permanent Global Note”, if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 10 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Issuing and Paying Agent within 30 days of the bearer requesting such exchange.

The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes includes language substantially to the following effect: “€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000”. Furthermore, such Specified Denomination construction is not permitted in relation to any issuance of Notes which is to be represented on issue by a Permanent Bearer Global Notes exchangeable for Definitive Notes.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non- U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Issuing and Paying Agent within 30 days of the bearer requesting such exchange.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being “Permanent Global Note exchangeable for Definitive Notes”, then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes upon either:

- (i) not less than 60 days’ written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of the holder thereof (or all of the holders acting together, if more than one) of the interest(s) in such Permanent Bearer Global Note) to the Issuing and Paying Agent; or
- (ii) if the relevant Final Terms specifies “in the limited circumstances described in the Permanent Global Note”, if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 10 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons

attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Issuing and Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date ((b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

Rights under the Deed of Covenant

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under “*Terms and Conditions of the Notes*” below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “*Summary of Provisions Relating to the Notes whilst in Global Form*” below.

Legend concerning United States persons

In the case of any Tranche of Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes in definitive form issued under the Programme. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the Definitive Notes. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are issued pursuant to an agency agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 19 May 2023 between the Issuer, The Bank of New York Mellon, London Branch as issuing and paying agent and the other agents named in it and with the benefit of a deed of covenant (as amended or supplemented as at the Issue Date, the “**Deed of Covenant**”) dated 19 May 2023 executed by the Issuer in relation to the Notes. The issuing and paying agent, the paying agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent) and the “**Calculation Agent(s)**”. The Noteholders (as defined below), the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them. If so required by Spanish law, the Issuer will execute a public deed (*escritura pública*) (the “**Public Deed**”) before a Spanish Notary Public in relation to the Notes and will register such Public Deed with the Mercantile Registry of Madrid. The Public Deed will contain, among other information, the terms and conditions of the Notes.

As used in these terms and conditions (the “**Conditions**”), “**Tranche**” means Notes which are identical in all respects.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified offices of each of the Paying Agents.

(i) **Form, Denomination and Title**

The Notes are issued in bearer form in each case in the Specified Denomination(s) shown hereon, provided that in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of those Notes).

This Note is a Fixed Rate Note, a Floating Rate Note or a combination of any of the foregoing, depending upon the Interest and Redemption/Payment Basis shown hereon.

Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached. Title to the Notes, Coupons and Talons shall pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” means the bearer of any Note, “**holder**” (in relation to a Note, Coupon or Talon) means the bearer of any Note, Coupon or Talon and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

(ii) **No Exchange of Notes**

Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

(iii) **Status of the Notes**

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

In the event of the Issuer's insolvency (*concurso*), under the Spanish Insolvency Law, claims relating to the Notes and Coupons (unless they qualify as subordinated credits under Article 281 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 281 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).

(iv) **Negative Pledge**

So long as any Note or Coupon remains outstanding, the Issuer will not, and will ensure that none of its Material Subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Notes the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity is created as security for the obligations of the Issuer under the Notes.

Notwithstanding the above, any Material Subsidiary acquired after the date on which the Notes have been issued may have outstanding security interests with respect to Relevant Indebtedness (or any guarantee or indemnity in respect of such Relevant Indebtedness) of such Material Subsidiary so long as:

- (i) Such security interest was outstanding on the date on which such Material Subsidiary became a Material Subsidiary and was not created in contemplation of such Material Subsidiary becoming a Material Subsidiary or such security interest was created in substitution for or to replace either such outstanding security interest or any such substituted or replacement security interest; and
- (ii) The nominal amount of the Relevant Indebtedness (or any guarantee or indemnity in respect of such Relevant Indebtedness) is not increased after the date that such Material Subsidiary became a Material Subsidiary.

(v) **Interest and other Calculations**

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(e) (*Interest and other Calculations – Calculations*).

(b) *Interest on Floating Rate Notes*

- (i) Interest Payment Dates: Each Floating Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(e) (*Interest and other Calculations – Calculations*). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) Business Day Convention: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) Rate of Interest for Floating Rate Notes: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

If the relevant Final Terms specify either the "2006 ISDA Definitions" or "2021 ISDA Definitions" as the relevant ISDA Definitions:

- (x) the Floating Rate Option is as specified in the relevant Final Terms;
- (y) the Designated Maturity, if applicable, is a period specified in the relevant Final Terms; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

Unless otherwise specified hereon, the Notes will be subject to a Minimum Rate of Interest of zero.

(B) Screen Rate Determination for Floating Rate Notes

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (Brussels time) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (y) if the Relevant Screen Page is not available or, if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

Unless otherwise specified hereon, the Notes will be subject to a Minimum Rate of Interest of zero.

- (z) (1) If the Issuer or the Calculation Agent determines at any time prior to, on or following any Interest Determination Date, that the Relevant Screen Page on which appears the Reference Rate has been discontinued, or (2) following the adoption of a decision to withdraw the authorisation or registration as set out in Article 35 of the EU Benchmark Regulation, the Issuer will as soon as reasonably practicable (and in any event prior to the next relevant Interest Determination Date) appoint an agent (the “**Reference Rate Determination Agent**”), which will not later than the Interest Determination Cut-off Date determine in a commercially reasonable manner whether a substitute or successor rate for purposes of determining the Reference Rate on each Interest Determination Date falling on such date or thereafter that is substantially comparable to the discontinued Reference Rate is available. If the Reference Rate Determination Agent determines that there is an industry accepted successor rate, the Reference Rate Determination Agent will use such successor rate to determine the Reference Rate. If the Reference Rate Determination Agent has determined a substitute or successor rate in accordance with the foregoing (such rate, the “**Replacement Reference Rate**”), for purposes of determining the Reference Rate on each Interest Determination Date falling on or after such determination: (i) the Reference Rate Determination Agent will also determine changes (if any) to the business day convention, the definition of business day, the interest determination date, the day count fraction, and any method for obtaining the Replacement Reference Rate, including any adjustment factor needed to make such Replacement Reference Rate comparable to the discontinued Reference Rate, in each case in a manner that is consistent with industry-accepted practices for such Replacement Reference Rate; (ii) references to the Reference Rate in the Conditions and the Final Terms applicable to the relevant Notes will be deemed to be references to the Replacement Reference Rate, including any alternative method for

determining such rate as described in (i) above; (iii) the Reference Rate Determination Agent will notify the Issuer of the foregoing as soon as reasonably practicable; and (iv) the Issuer will give notice as soon as reasonably practicable to the Noteholders, the relevant Paying Agent and the Calculation Agent specifying the Replacement Reference Rate, as well as the details described in (i) above.

(2) The determination of the Replacement Reference Rate and the other matters referred to above by the Reference Rate Determination Agent will (in the absence of manifest error) be final and binding on the Issuer, the Calculation Agent, the Fiscal Agent, and the Noteholders, unless the Issuer considers at a later date that the Replacement Reference Rate is no longer substantially comparable to the Reference Rate or does not constitute an industry accepted successor rate, in which case the Issuer shall re-appoint a Reference Rate Determination Agent (which may or may not be the same entity as the original Reference Rate Determination Agent) for the purpose of confirming the Replacement Reference Rate or determining a substitute Replacement Reference Rate in an identical manner as described in paragraph (z) above, which will then (in the absence of manifest error) be final and binding on the Issuer, the Calculation Agent, the Fiscal Agent and the Noteholders. If the Reference Rate Determination Agent is unable to or otherwise does not determine a substitute Replacement Reference Rate, then the last known Replacement Reference Rate will apply.

(3) If the Reference Rate Determination Agent determines that the Relevant Screen Page on which appears the Reference Rate has been discontinued or a decision to withdraw the authorisation or registration as set out in Article 35 of the EU Benchmark Regulation has been adopted but for any reason a Replacement Reference Rate has not been determined later than the Interest Determination Cut-off Date, no Replacement Reference Rate will be adopted, and the Relevant Screen Page on which appears the Reference Rate for the relevant Interest Period will be equal to the last Reference Rate available at the immediately preceding Interest Period on the Relevant Screen Page as determined by the Calculation Agent.

(4) The Reference Rate Determination Agent may be (i) a leading bank or a broker-dealer in the principal financial centre of the Specified Currency (which may include one of the Dealers involved in the issue of the Notes) as appointed by the Issuer, or (ii) the Calculation Agent (if agreed in writing by the relevant Calculation Agent).

References in the ISDA Definitions to:

- (A) "**Confirmation**" shall be references to the relevant Final Terms;
- (B) "**Calculation Period**" shall be references to the relevant Interest Period;
- (C) "**Termination Date**" shall be references to the Maturity Date;
- (D) "**Effective Date**" shall be references to the Interest Commencement Date; and

If the relevant Final Terms specify "2021 ISDA Definitions" as being applicable:

- (A) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions, the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".

Unless otherwise defined, capitalised terms used in this Condition 5(b) shall have the same meaning ascribed to them in the ISDA Definitions.

(c) *Accrual of Interest*

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 (*Interest and other Calculations*) to the Relevant Date (as defined in Condition 8 (*Taxation*)).

(d) *Margin, Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding*

- (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) (*Interest and other Calculations – Interest on Floating Rate Notes*) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be; or (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (with 0.000005 of a percentage point being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “**unit**” means the lowest amount of such currency that is available as legal tender in the countries of such currency.

(e) *Calculations*

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(f) *Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts*

The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to the Issuing and Paying Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other

relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii) (*Interest and other Calculations – Interest on Floating Rate Notes*), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10 (*Events of Default*), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(g) *Change of Interest Basis*

If Change of Interest Basis is specified in the relevant final Terms as being applicable, the Final Terms will indicate the relevant Interest Periods to which the Fixed Rate Note provisions, and/or Floating Rate Note provisions shall apply.

(h) *Calculation Agent*

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(vi) **Redemption, Purchase and Options**

(a) *Final Redemption*

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount.

(b) *Early Redemption*

The Early Redemption Amount payable in respect of any Note, upon redemption of such Note pursuant to Condition 6(c) (*Redemption, Purchase and Options - Redemption for Taxation Reasons*), Condition 6(d) (*Redemption, Purchase and Options - Redemption at the Option of the Issuer*) or Condition 6(e) (*Redemption, Purchase and Options - Redemption at the Option of Noteholders*) or upon it becoming due and payable as provided in Condition 10 (*Events of Default*), shall be the Final Redemption Amount unless otherwise specified hereon.

(c) *Redemption for Taxation Reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or, at any time, (if this Note is not a

Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 6(b) (*Redemption, Purchase and Options - Early Redemption*) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Spain or, in each case, 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 date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c) (*Redemption, Purchase and Options - Redemption for Taxation Reasons*), the Issuer shall deliver to the Issuing and Paying Agent a certificate signed by a duly authorized representative 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 an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

(d) *Redemption at the Option of the Issuer*

If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem, all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as defined in Condition 6(b) (*Redemption, Purchase and Options - Early Redemption*) above)) together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(e) *Redemption at the Option of Noteholders*

Change of Control and/or Tender Offer Triggering Event:

If Change of Control and/or Tender Offer Triggering Event is specified hereon, upon the occurrence of a Change of Control or a Tender Offer Triggering Event, each Noteholder may, during the Relevant Event Period, notify the Issuer, as further provided below, that it requires the early redemption of some or all of its Notes. The Issuer will redeem in whole (but not in part) the Notes subject of the notice on the Relevant Event Redemption Date at their principal amount, (together with interest accrued to the Relevant Event Redemption Date).

A Change of Control or Tender Offer Triggering Event shall be notified to the Noteholders in accordance with Condition 13 (*Notices*) by the Issuer within 14 calendar days of its occurrence (a "**Change of Control Notice**" or "**Tender Offer Triggering Event Notice**", as applicable). Any such notification will indicate the Relevant Event Period and the Relevant Event Redemption Date. In order to exercise the option contained in this Condition 6(e) (*Redemption, Purchase and Options – Redemption at the Option of Noteholders – Change of Control and/or Tender Offer Triggering Event*), the holder of a Note must, on any Business Day during the Relevant Event Period, give

notice to any Paying Agent (an “**Option Notice**”) of such exercise. An Option Notice once given shall be irrevocable.

Put Option:

If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days’ notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent, together with a duly completed option exercise notice (“**Exercise Notice**”) in the form obtainable from any Paying Agent within the notice period. No Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) *Residual Maturity Call Option*

If a Residual Maturity Call Option is specified in the relevant Final Terms as being applicable, the Issuer may, on giving not less than 15 nor more than 30 days’ notice (or such other period of notice as may be specified in the relevant Final Terms) to the Noteholders in accordance with Condition 21 (*Notices*) (which notice shall specify the date fixed for redemption (the “**Residual Maturity Call Option Redemption Date**”)), redeem the Notes comprising the relevant Series, in whole but not in part, at their principal amount together with any accrued and unpaid interest up to (but excluding) the date fixed for redemption, which shall be no earlier than three months before the Maturity Date in respect of Notes or such shorter time period as may be specified in the Final Terms.

(g) *Purchase*

The Issuer and any of its Subsidiaries (as defined in Condition 19 (*Definitions*)) may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(h) *Cancellation*

All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(vii) **Payments and Talons**

(a) *Method of Payment*

Payments of principal and interest in respect of Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of all payments of principal and, in the case of interest, as specified in Condition 7(e)(v) (*Payment and Talons - Unmatured Coupons and unchanged Talons*)) or Coupons (in the case of interest, save as specified in Condition 7(e)(v) (*Payment and Talons - Unmatured Coupons and unchanged Talons*)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. “**Bank**” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the T2 System.

(b) *Payments in the United States*

Notwithstanding the foregoing, if any Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(c) *Payments Subject to Laws*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*). No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) *Appointment of Agents*

The Issuing and Paying Agent, the Paying Agents and the Calculation Agent initially appointed and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Issuing and Paying Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) Paying Agents having specified offices in at least two major European cities, and (iv) such other agents as may be required by any other stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Notes denominated in U.S. dollars in the circumstances described in paragraph (b) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(e) *Unmatured Coupons and unexchanged Talons*

- (i) Upon the due date for redemption of Notes which comprise Fixed Rate Notes, those Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9 (*Prescription*)).
- (ii) Upon the due date for redemption of any Note comprising a Floating Rate Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

- (iii) Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note representing it, as the case may be.

(f) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9 (*Prescription*)).

(g) Non-Business Days

If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “**Financial Centres**” hereon and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day.

(h) Delay in Payment

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Note if the due date is not a Business Day.

(viii) Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Spain or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (A) to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with Spain other than the mere holding of the Note or Coupon;
- (B) presented for payment more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting it for payment on the expiry of such period of 30 days
- (C) to, or to a third party on behalf of, a holder if the Issuer does not receive the information as may be necessary to allow payments on such Note to be made free and clear of Spanish withholding tax or deduction on account of Spanish taxes, including a duly executed and completed payment statement from the relevant Paying Agent, pursuant to Law 10/2014, as amended, and Royal Decree 1065/2007, of 27 July 2007, as amended by Royal Decree 1145/2011, of 29 July 2011, and any implementing legislation or regulation, or pursuant to any other law or regulation substituting or amending such law or regulation;
- (E) to, or to a third party on behalf of, a holder who would have been able to avoid such deduction or withholding by presenting upon a written request of the Issuer a certificate of tax residence and /or such other document evidencing its tax residence as may be required by the competent authorities; or
- (F) 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).

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 (*Redemption, Purchase and Options*) or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 (*Interest and other Calculations*) or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

(ix) **Prescription**

Claims against the Issuer for payment in respect of the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

(x) **Events of Default**

If any of the following events (“**Events of Default**”) occurs, the holder of any Note of the relevant Series, in respect of such Note may give written notice to the Issuing and Paying Agent at its specified office that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together (if applicable) with accrued interest to the date of payment shall become immediately due and payable:

- (A) default is made in the payment on the due date of principal or interest or any other amount in respect of any of the Notes and such failure continues for a period of seven (7) days in the case of principal and fourteen (14) days in the case of interest or any other amount;

- (B) the Issuer does not perform or comply with any one or more of its other obligations in respect of the Notes, which default is not remedied within 30 days after written notice of such default shall have been given to the Issuing and Paying Agent at its specified office by any Noteholder;
- (C)
- (i) any other present or future indebtedness for or in respect of moneys borrowed or raised of the Issuer or any Material Subsidiary becomes, or is declared, due and payable prior to its stated maturity by reason of an event of default (howsoever defined); or
 - (ii) any such indebtedness for or in respect of moneys borrowed or raised is not paid when due or, as the case may be, within any applicable grace period; or
 - (iii) the Issuer or any Material Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any indebtedness for or in respect of moneys borrowed or raised,

provided that the aggregate amount of the indebtedness, guarantees or indemnities in respect of which one or more of the events mentioned above in this paragraph (C) have occurred equals or exceeds € 30,000,000 or its equivalent and provided further that the relevant event is not remedied within 20 days after written notice of such default shall have been given to the Paying Agent at its specified office by any Noteholder;

- (D) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any Material Subsidiary and is not discharged or stayed within 30 days provided that the aggregate amount of property, assets and/or revenues involved in any such distress, attachment, execution or legal process equals or exceeds €30,000,000 or its equivalent;
- (E) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any Material Subsidiary in respect of any obligation(s) the principal amount of which equals or exceeds €30,000,000 (or its equivalent) is enforced (including by the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person);
- (F)
- (i) the Issuer or any Material Subsidiary is insolvent or bankrupt (*concurso de acreedores*) or unable to pay its debts as they fall due, or is declared insolvent or bankrupt or a voluntary request has been submitted to a relevant court for the declaration of insolvency or bankruptcy; or
 - (ii) the Issuer stops, suspends or threatens publicly to stop or suspend payment of all or a substantial part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any substantial part of the debts of the Issuer;
- (G) an order is made or an effective resolution passed for the winding-up (*liquidación*) or dissolution (*disolución*) of any Material Subsidiary, or the Issuer or any Material Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or operations, in each case except for (i) the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation; or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another Material Subsidiary;
- (H) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time

required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes; (ii) to ensure that those obligations are legally binding and enforceable; and (iii) to make the Notes admissible in evidence is not taken, fulfilled or done;

- (I) any event occurs which under the laws of any relevant jurisdiction has a similar effect to any of the events referred to in any of the foregoing paragraphs; or
- (J) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes.

(xi) Replacement of Notes, Coupons and Talons

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent upon payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Coupons or further Coupons) and otherwise as the Issuer or the Issuing and Paying Agent may require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

(xii) Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (in all respects except for the first payment of interest thereon) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “Notes” shall be construed accordingly.

(xiii) Notices

Notices to the holders of Notes shall be valid if published in a daily newspaper of general circulation in London. The Issuer shall ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange, multi lateral trading facility or other relevant authority on which the Notes are for the time being listed and/or admitted to trading and, for so long as the Notes are admitted to trading in the regulated market of Euronext Dublin, in accordance with its rules and regulations.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Issuing and Paying Agent may approve.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

Notwithstanding the above, for so long as all the Notes are represented by a Global Note and the Global Note is held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg and such notices shall be deemed to have been given to Noteholders on the day of delivery to Euroclear and/or Clearstream, Luxembourg.

(xiv) Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note or Coupon is due (whether as a result of, or of the enforcement of, a judgment or order of

a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note or Coupon that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note or Coupon, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or Coupon or any other judgment or order.

(xv) Meetings of Noteholders and Modification

(a) Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions and the Deed of Covenant insofar as the same may apply to such Notes. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a majority of more than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, (viii) to modify the Deed of Covenant or (x) to modify this provision, in which case the necessary quorum shall be one or more persons holding or representing not less than 75 per cent. or at any adjourned meeting not less than 25 per cent. in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) Modification

The Issuer and any Agent may agree without the consent of any other party hereto or the Noteholders to any amendment of the Agency Agreement which in the opinion of the Issuer does not materially prejudice the interest of the Noteholders or for the purpose of curing and/or correcting a manifest error.

(c) Notification to the Noteholders

Any modification, waiver or authorisation in accordance with this Condition 15 (*Meetings of Noteholders and Modification*) shall be binding on the Noteholders and the Couponholders and shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 13 (*Notices*).

(xvi) Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

(xvii) Governing Law and Jurisdiction

(a) Governing Law:

Save as described below, the Agency Agreement, the Deed of Covenant and the Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law. Condition 3 (*Status of the Notes*) is governed by, and shall be construed in accordance with, Spanish law.

(b) Jurisdiction:

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Service of Process:

The Issuer irrevocably appoints Bondholders Limited at its office at 57 Lansdowne House, Berkeley Square, Floor 1, London W1J 6ER, United Kingdom as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not, it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 13 (*Notices*). Nothing shall affect the right to serve process in any manner permitted by law.

(xviii) Admission to trading and dealing arrangements

Application has been made to Euronext Dublin for the Notes to be issued 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 Arranger.

(xix) Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**2006 ISDA Definitions**" means, in relation to a Series of Notes, the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) as published by ISDA (copies of which may be obtained from ISDA at www.isda.org);

"**2021 ISDA Definitions**" means, in relation to a Series of Notes, the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 Interest Rate Derivatives Definitions) as at the date of issue of the first Tranche of the Notes of the relevant Series, as published by ISDA (copies of which may be obtained from ISDA at www.isda.org);

"**Business Day**" means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a day on which the T2 System is operating (a "**TARGET Business Day**"); and/or
- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres;

a "**Change of Control**" shall occur if a person or persons acting together acquire Control of the Issuer;

"**Change of Control Notice**" has the meaning given to it in Condition 6(e) (*Redemption, Purchase and Options - Redemption at the Option of Noteholders*);

"**Change of Control Period**" means the period commencing on the occurrence of a Change of Control and ending 60 calendar days following the Change or Control, or if later, 60 calendar days following the date on which a Change of Control Notice is given to Noteholders;

"**Control**" means:

- a) the acquisition or control of more than 50 per cent. of the Voting Rights; or
- b) the right to appoint and/or remove all or the majority of the members of the Issuer's Board of Directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise and "controlled" shall be construed accordingly;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**");

- (i) if "**Actual/Actual**" or "**Actual/Actual - ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if "**Actual/365 (Sterling)**" is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360;

(v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation

Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the

Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls; “**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(vi) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the

Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation

Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the

Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

(vii) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

360

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation

Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and “**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30;

(viii) if “**Actual/Actual-ICMA**” is specified hereon, if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year;

where:

“Determination Period” means the period from and including a Determination

Date in any year to but excluding the next Determination Date; and

“Determination Date” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s);

“EURIBOR” means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate administered by EMMI (or any successor thereto).

“Euro-zone” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

“Interest Accrual Period” means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Period Date and each successive period beginning on and including an Interest Period Date and ending on but excluding the next succeeding Interest Period Date;

“Interest Amount” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period;

“Interest Commencement Date” means the Issue Date or such other date as may be specified hereon;

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two T2 Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro;

“Interest Period” means the period beginning on and including the Interest Commencement 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;

“Interest Period Date” means each Interest Payment Date unless otherwise specified hereon;

“ISDA” means the International Swaps and Derivatives Association, Inc. (or any successor);

“ISDA Definitions” has the meaning given in the relevant Final Terms;

“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 (as defined hereunder), 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-EU, 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;

“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.

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

“Rate of Interest” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon;

“Reference Rate” means the rate specified as such hereon;

“Relevant Event Redemption Date” means the date specified by the Issuer in the Change of Control Notice or the Tender Offer Triggering Event Notice, as applicable, being a date not earlier than five nor later than 10 Business Days after expiry of the Relevant Event Period;

“Relevant Event Period” means in relation to a Change of Control, the Change of Control Period and, in relation to a Tender Offer Triggering Event, the Tender Offer Triggering Event Period;

“Relevant Indebtedness” means any indebtedness which is in the form of, or represented or evidenced by, Notes, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market, but shall not in any event include any Limited Recourse Financing;

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified hereon;

“Specified Currency” means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated;

“Subsidiary” means 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;

“**T2 System**” means the real time gross settlement system operated by Eurosystem (known as T2) (known as T2) System which was launched on 20 March 2023 or any successor thereto.

“**Tender Offer**” means a tender offer (including a competing tender offer);

“**Tender Offer Triggering Event**” means the approval by any relevant authority of a Tender Offer which could result, immediately following completion of the Tender Offer, in the offeror and/or any person acting together with the offeror having Control of the Issuer;

“**Tender Offer Triggering Event Notice**” has the meaning given to it in Condition 6(e) (*Redemption, Purchase and Options - Redemption at the Option of Noteholders*);

“**Tender Offer Triggering Event Period**” shall mean the period commencing on and including the date the Tender Offer Triggering Event occurs and ending on and including the last date on which the Tender Offer is open for acceptance; and

“**Voting Rights**” means, in respect of any person, the right generally to vote at a general meeting of shareholders of such person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

Final Terms dated [●]

SACYR, S.A.
*(incorporated with limited liability
under the laws of the Kingdom of Spain)*

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] (the “Notes”)

Under the €500,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the conditions (“**Conditions**”) set forth in the Base Prospectus dated 19 May 2023 [and the supplement(s) to it dated [●]] [which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (“**Prospectus Regulation**”)]¹. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 8 of the Prospectus Regulation]¹ and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplement(s) to it dated [●]] [have] [has] been published on the website of Euronext Dublin (<https://live.euronext.com/en/markets/dublin/bonds/list>).

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated 8 May 2019, 19 May 2020, 18 May 2021 and 19 May 2022, which are incorporated by reference in the Base Prospectus dated 19 May 2023. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 8 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the “**Prospectus Regulation**”) and must be read in conjunction with the Base Prospectus dated 19 May 2023 [and the supplement(s) to it dated [●]]], which [together] constitute(s) a base prospectus for the purposes of the Prospectus Regulation] (the “**Base Prospectus**”). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the website of Euronext Dublin and will be available at: <https://live.euronext.com/en/markets/dublin/bonds/list>]

[PROHIBITION OF SALES TO 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 Directive 2014/65/EU, as amended (“**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC, as amended or superseded (“**IMD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (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

¹ When drafting Final Terms in relation to an issue of Notes to be listed on a non-regulated market, references to the Prospectus Regulation should be removed.

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 these purposes, 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 ("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; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 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.]

[PROHIBITION OF SALES IN CANADA - The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws. Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor. Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.]

[PROHIBITION OF SALES IN SWITZERLAND - The Notes may not be publicly offered directly or indirectly, in, into or from Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and will not be admitted to trading on any exchange or other trading venue in Switzerland. Neither this document nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to the FinSA and neither this document nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.]

[MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in 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 EUWA ("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. A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFID Product Governance Rules.]

[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 (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]

- | | | |
|-----|--|---|
| 1. | Issuer: | Sacyr, S.A. |
| 2. | (i) Series Number: | [●] |
| | (ii) Tranche Number: | [●] |
| | (iii) Date on which the Notes become fungible: | [Not Applicable]/[The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the <i>[insert description of the Series]</i> on <i>[insert date]</i>]/the Issue Date/[exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 20 below [which is expected to occur on or about <i>[insert date]</i>]] |
| | | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)</i> |
| 3. | Specified Currency or Currencies: | [●] |
| 4. | Aggregate Nominal Amount: | [●] |
| | (i) Series: | [●] |
| | (ii) Tranche: | [●] |
| 5. | Issue Price: | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)] |
| 6. | (i) Specified Denomination: | [●] |
| | (ii) Calculation Amount | [●] |
| 7. | (i) Issue Date: | [●] |
| | (ii) Interest Commencement Date: | <i>[Specify]</i> /[Issue Date]/[Not Applicable] |
| 8. | Maturity Date: | <i>[Fixed rate – specify date]</i> /[<i>Floating rate – [Interest Payment Date falling in or nearest to [specify month and year]</i>]] |
| 9. | Interest Basis: | [[●] per cent. Fixed Rate (see paragraph 14 below)]
[[●] month EURIBOR +/- [●] per cent.
Floating Rate (see paragraph 15 below)]
(further particulars specified below) |
| 10. | Redemption/Payment Basis: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount |
| 11. | Change of Interest Basis: | [From the period from (and including) the Interest Commencement Date, up to (but excluding) <i>[date]</i> , paragraph [14]/[15] applies, and from the period from (and including) <i>[date]</i> , up to (and including) the Maturity Date, paragraph [14]/[15] applies]/[Not Applicable]] |
| 12. | Change of Control/ Tender Offer Triggering Event | [Change of Control]
[Tender Offer Triggering Event]
[Not Applicable] |

13. Put/Call Options: [Put Option]
[Call Option]
[Residual Maturity Call Option]
[Not Applicable]
14. Date Board approval for issuance of Notes obtained: [●] [and [●], respectively]]
(N.B. Only relevant where board of directors approval is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable]/[Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate(s) of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [[●] in each year [adjusted in accordance with *[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]*]/[not adjusted]
- (iii) Fixed Coupon Amount(s): [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount payable on the Interest Payment Date falling [in]/[on] [●]/[Not Applicable]
- (v) Day Count Fraction: [[Actual/Actual] / [Actual/Actual-ISDA]] / [Actual/365 (Fixed)] / [Actual/365 (Sterling)] / [Actual/360] / [[30/360] / [360/360] / [Bond Basis]] / [[30E/360 /Eurobond Basis]] / [30E/360(ISDA)] / [Actual/Actual-(ICMA)]
- (vi) Determination Date(s): [[●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.) (N:B: only relevant where Day Count Fraction is Actual/Actual-(ICMA))*]/[Not Applicable]
16. **Floating Rate Note Provisions** [Applicable]/[Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Interest Period(s): [[●], subject to adjustment in accordance with the Business Day Convention set out in (v) below]/[, not subject to any adjustment, as the Business Day Convention in (v) is specified to be Not Applicable]]
- (ii) Specified Interest Payment Dates: [[●] each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below]/[, not subject to any adjustment, as the Business Day Convention in (v) is specified to be Not Applicable]]
- (iii) First Interest Payment Date [●]
- (iv) Interest Period Date: [[●], subject to adjustment in accordance with the Business Day Convention set out in (v) below]/[, not subject to any adjustment, as the Business Day Convention in (v) is specified to be Not Applicable]/[Not Applicable]]
(Not applicable unless different from Interest Payment Date)

(v) Business Day Convention:	[Floating Rate Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]
(vi) Business Centre(s):	[[•]]/[Not Applicable]
(vii) Manner in which the Rate(s) of Interest and Interest Amount [is/are] to be determined:	[Screen Rate Determination]/[ISDA Determination]
(viii) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Issuing and Paying Agent or the Calculation Agent):	[•]
(ix) Screen Rate Determination:	
- Reference Rate:	[•] month EURIBOR
- Interest Determination Date(s):	[•]
- Relevant Screen Page:	[•]
(x) ISDA Determination:	
- ISDA Definitions:	[2006 ISDA Definitions/2021 ISDA Definitions]
- Floating Rate Option:	[•] <i>If “2021 ISDA Definitions” is selected, then ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions)</i>
Designated Maturity:	[•]
- Reset Date:	[•]
(xi) Margin(s):	[+/-] [•]per cent. per annum
(xii) Minimum Rate of Interest:	[•] per cent. per annum
(xiii) Maximum Rate of Interest:	[•] per cent. per annum
(xiv) Day Count Fraction:	[[Actual/Actual] / [Actual/Actual-ISDA]] / [Actual/365 (Fixed)] / [Actual/365 (Sterling)] / [Actual/360] / [[30/360] / [360/360] / [Bond Basis]] / [[30E/360 / Eurobond Basis]] / [30E/360(ISDA)] / [Actual/Actual- (ICMA)]

PROVISIONS RELATING TO REDEMPTION

17. Call Option	[Applicable]/[Not Applicable] <i>(If not applicable, delete the remaining sub-paragraph of this paragraph)</i>
(i) Optional Redemption Date(s):	[•]
(ii) Optional Redemption Amount(s) of each Note:	[[•] per Calculation Amount]/[Condition 6(b) (Redemption, Purchase and Options - Early Redemption) applies]
(iii) If redeemable in part:	
(a) Minimum Redemption Amount:	[•] per Calculation Amount
(b) Maximum Redemption Amount:	[•] per Calculation Amount
(iv) Notice period:	[•]
18. Change of Control/ Tender Offer Triggering Event:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>

(i) Relevant Event Period:	[•]
(ii) Optional Redemption Amount(s) of each Note:	[[•] per Calculation Amount]/[Condition 6(b) (<i>Redemption, Purchase and Options - Early Redemption</i>) applies]
(iv) Relevant Event Redemption Date:	[•]
19. Put Option	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Optional Redemption Date(s):	[•]
(ii) Optional Redemption Amount(s) of each Note:	[[•] per Calculation Amount/Condition 6(b) (<i>Redemption, Purchase and Options - Early Redemption</i>) applies]
(iii) Notice period:	[•]
20. Residual Maturity Call Option	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Notice Period:	[•]
21. Final Redemption Amount of each Note	[•] per Calculation Amount
22. Early Redemption Amount	[•] per Calculation Amount
Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default:	
GENERAL PROVISIONS APPLICABLE TO THE NOTES	
23. Form of Notes	Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice]/[in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [•] days' notice] [Permanent Global Note exchangeable for Definitive Notes on [•] days' notice]/[in the limited circumstances specified in the Permanent Global Note]
24. New Global Note (NGN):	[Yes]/[No]
25. Financial Centre(s):	[Not Applicable] <i>(Note that this paragraph relates to the place of payment and not Interest Period end dates to which paragraph 15(vi) relates)</i>
26. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[No]/[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made.]
27. Relevant Benchmark[s]:	[EURIBOR is provided by European Money Markets Institute. As at the date hereof, European Money Markets Institute [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (<i>Register of administrators and benchmarks</i>) of the EU Benchmark Regulation/ [Not Applicable]]

OTHER

28. Estimated net amount of the proceeds [•]

THIRD PARTY INFORMATION

[(*relevant third party information*) has been extracted from [specify source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Sacyr, S.A.

By:.....

Duly authorized

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Admission to trading: [Application [has been]/[will be] made to Euronext Dublin for the Notes to be admitted to the Official List and trading on its regulated market on [●] with effect from [●]]/[Not Applicable]
- (ii) Estimate of total expenses related to the admission to trading: [●]

2. RATINGS

- Ratings: The Notes to be issued under the Programme have not been rated

3. REASONS FOR THE OFFER

- Reasons for the offer [General corporate purposes] / [●]
(See “Use of Proceeds” wording in Base Prospectus)

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

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

“Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.” *[Amend as appropriate if there are other interests]*

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)]

5. Fixed Rate Notes only – Yield

- Indication of yield: [●]
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield]

6. OPERATIONAL INFORMATION

- ISIN Code: [●]
- Common Code: [●]
- FISN: [Not Applicable]/[●] [As set out on the website of the Association of National Number Agencies (ANNA) or alternatively sourced from the responsible national numbering agency that assigned the ISIN.]
- CFI Code: [Not Applicable]/[●] [As set out on the website of the Association of National Number Agencies (ANNA) or alternatively sourced from the responsible national numbering agency that assigned the ISIN.]
- Any clearing system(s) other than Euroclear SA/NV and Clearstream Banking S.A. and the relevant identification number(s) [Not Applicable]/[give names and number(s)]
- Delivery: Delivery [against]/[free of] payment
- Name and addresses of initial Paying Agent(s): [●]
- Name and addresses of additional Paying Agent(s) (if any): [●]

Name and addresses of Calculating Agent(s) (if any): [●]

[Intended to be held in a manner which would allow Eurosystem eligibility]

[Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

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

7. DISTRIBUTION

- (i) Method of distribution: [Syndicated]/[Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable]/[[*give names*]]
- (iii) Stabilisation Manager(s) (if any): [Not Applicable]/[[*give name(s)*]]
- (iv) If non-syndicated, name of relevant Dealer: [Not Applicable]/[[*give name*]]
- (v) U.S. Selling Restrictions: [Regulation S Category 2; TEFRA C/TEFRA D/TEFRA not applicable]
- (vi) Prohibition of Sales to EEA Retail Investors: [*Applicable*]/[*Not Applicable*]
- (vi) Prohibition of Sales to UK Retail Investors: [*Applicable*]/[*Not Applicable*]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILST IN GLOBAL FORM

The following provisions apply to the Notes whilst they are in global form, some of which modify the effect of the Conditions.

Clearing system accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Conditions of the Notes to “Noteholder” are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an “**Accountholder**”) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the bearer of the Global Note.

Amendment to Conditions

Each Global Note will contain provisions which modify the Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

Payment Business Day: In the case of a Global Note, shall be: if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Exercise of put option: In order to exercise the option contained in Condition 6(e) (*Redemption, Purchase and Options - Redemption at the Option of Noteholders*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Issuing and Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 6(d) (*Redemption, Purchase and Options - Redemption at the Option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Meetings: The holder of a permanent Global Note shall (unless such permanent Global Note represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of

Noteholders and, at any such meeting, as having one vote in respect of each integral currency unit of the Specified Currency of the Notes.

Notices: So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note, except that, for so long as such Notes are admitted to trading in the regulated market of Euronext Dublin all notices shall be published in a manner which complies with its rules and regulations.

USE OF PROCEEDS

The net proceeds from each issue of Notes may be applied by the Issuer for its general corporate purposes or may be applied for particular uses as determined by the Issuer.

If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

DESCRIPTION OF THE ISSUER

General Information

Sacyr, S.A. ("**Sacyr**") 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 2021 and 31 December 2022, and from the the unaudited interim report of the Issuer for the three months ended on 31 March 2023.

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 2022, the Issuer's issued and paid-up share capital was €653,467,691 made up of 653,467,691 ordinary shares with a nominal value of €1 each, represented by book entries and forming a single class.

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 29 April 2021 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 million 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. During the financial year ended on 31 december 2021, the share capital was increased in a total amount of €24,483,856 up to €629,055,895.

On 28 April 2022 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 million 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. During the financial year ended on 31 december 2022, the share capital has been increased in a total amount of €24,411,796 up to €653,467,691.

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 35, IGBM, MSCI World Index USD, MSCI Euro Index, DJ Euro Stoxx Price Euro, DJ Stoxx 600 Price, Ethical Index Euro, FTSE Europe Ex UK, FTSE4Good IBEX, SE Mid Spanish Index and the Bloomberg Gender Equality Index.

As at 31 March 2023, the shareholding base according to the information contained in the register of the Spanish Stock Exchange Commission ("CNMV") is composed of:

Name	Stake (%)
DISA CORPORACIÓN PETROLÍFERA, S.A.	14.60%
GRUPO CORPORATIVO FUERTES, S.L.	6.32%
BETA ASOCIADOS, S.L. ¹	5%
PRILOMI, S.L. ²	5.01%
PRILOU, S.L. ²	2.36 %
SOCIETE GENERALE S.A.	4.41%
NERIFÁN, S.L. ³	3.05%
OTHERS	59.25%

¹ Controlled by José del Pilar Moreno Carretero.

² Controlled by Jose Manuel Loureda Mantiñán.

³ Controlled by Manuel Lao Hernandez.

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:

Name	Position	Type of Director
Manuel Manrique Cecilia	Chairman and CEO	Executive
Demetrio Carceller Arce	1 st Vice Chairman	Proprietary ⁽¹⁾
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)	

⁽¹⁾ *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:

Name	Entity	Position/Title
Manuel Manrique Cecilia	- Repsol, S.A.	- Director
	- Sacyr Construcción, S.A. (Group company)	- Chairman
	- Sacyr Servicios, S.A. (Group company)	- Director
	- Sacyr Concesiones, S.L. (Group company)	- Chairman
	- Cymofag, S.L.	- Sole Director
Demetrio Carceller Arce	- Sociedad Anónima Damm (Group Company)	- Chairman
	- Disa Corporación Petrolífera, S.A.	- Chairman
	- Ebro Foods, S.A.	- Vice Chairman
Juan María Aguirre Gonzalo	- Merlin Properties SOCIMI SA.	- Director
Raimundo Baroja Rieu	- Disa Corporación Petrolífera, S.A.	- Vice Chairman

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 2022. 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 were 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 26 countries across five continents, working through subsidiaries in Australia, Bolivia, Brazil, Chile, Colombia, Ireland, Italy, Mexico, Oman, Peru, Portugal, Qatar, United Kingdom, United States of America and Uruguay, among others. Sacyr is structured as a holding company, with sub-holdings for each of the business divisions. At 31 December 2022, the Group comprised the Issuer as holding company and 332 companies, of which 279 were subsidiary companies and the remaining 53 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 three months ended 31 March 2023 and for the years ended 31 December 2022 and 31 December 2021:

Segments	Holding Company	Revenues						EBITDA ⁽¹⁾						Backlog							
		1Q23 ⁽⁶⁾	%	1Q22 ⁽⁵⁾	2022 ⁽³⁾	%	2021 ⁽⁴⁾	%	1Q23 ⁽⁶⁾	%	1Q22 ⁽⁵⁾	2022 ⁽³⁾	%	2021 ⁽⁴⁾	%	1Q23 ⁽⁶⁾	%	2022 ⁽³⁾	%	2021 ⁽⁴⁾	%
<i>(Thousands of euros)</i>																					
Engineering and Infrastructures	Sacyr Construcción, S.A.	642,730	50	689,732	3,162	54	2,649	57	91,431	29	87,741	518,235	35	342	37	7,276	12	7,354	14	6,280	14
Concessions	Sacyr Concesiones, S.L.	445,518	34	371,788	2,072	35	1,475	31	200,765	63	131,238	878,545	59	504	55	47,635	81	43,885	80	36,530	79
Services	Sacyr Servicios, S.A.	300,311	23	250,188	1,094	19	1,017	22	26,550	8	23,397	110,129	7	101	11	3,952	7	3,516	6	3,128	7
Holding, promotion and adjustment		(96,032)	(7)	(115,919)	(476)	(8)	(465)	(10)	1,284	0	216	(4,852)	(1)	(24)	(3)	-	-	0	0	0	0
Total		1.292,527	100	[•]	5,852	100	4,676	100	320,030	100	242,592	1,502.057	100	923	100	58,863	100	54,755	100	45,938	100

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 2022 and 31 December 2021. EBITDA is unaudited.
- (2) Backlog (unaudited) is defined as the part of the contracts signed pending execution.
- (3) Figures as of and for the year ended 31 December 2022 were extracted from the 2022 consolidated annual accounts.
- (4) Figures as of and for the year ended 31 December 2021 were extracted from the 2021 consolidated annual accounts.
- (5) Figures for the three months period ended 31 March 2022 were extracted from the 31 March 2022 unaudited consolidated interim report.
- (6) Figures for the three months period ended 31 March 2023 were extracted from the 31 March 2023 unaudited consolidated interim report.

Year ended 31 December 2022

EBITDA reconciliation	Engineering and Infrastructures	Concessions	Services	Holding and consolidation adjustments	Total
	<i>(millions of euros)</i> <i>(unaudited)</i>				
Operating profit/ (loss)	445	780	56	22	1,303
Depreciation and amortization	57	82	46	4	189
Impairment of goodwill	0	0.7	0	0	0.7
Changes in operating provisions	16	12	8	(31)	5
Changes in provisions for non-current assets	0	4	0.6	0	4.6
EBITDA	518	879	110	(5)	1,502

Year ended 31 December 2021

EBITDA reconciliation	Engineering and Infrastructures	Concessions	Services	Holding and consolidation adjustments	Total
	<i>(millions of euros)</i> <i>(unaudited)</i>				
Operating res profit/ (loss)ults	292	435	48	(45)	731
Depreciation and amortization	46	61	42	4	153
Impairment of goodwill	0	0	0	0	0
Changes in traffic provisions	3	6	7	28	44
Changes in provisions for non current assets	1	(5)	2	0	(2)
Provisions associated with other operating expenses	0	7	1	(12)	(4)
EBITDA	342	504	101	(24)	923

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, 67.2 per cent. of Sacyr's total revenue was generated outside of Spain in the year ended 31 December 2022. Sacyr's international revenue amounted to €4,228 million as of 31 December 2022 while domestic revenue amounted to €2,165 million (excluding

consolidation adjustments). International revenue as of 31 December 2021 amounted to €3,354 million while domestic revenue amounted to €1,839 million (excluding consolidation adjustments).

As of 31 December 2022, 85.14 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 SIS, 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 78 per cent. of the revenues of Sacyr Construcción in 2022 and 69 per cent. in 2021. 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. In 2021, Sacyr has undertaken several significant projects, among others, upgrades to the power, water and steam generation and distribution systems at the University of Idaho campus in Moscow for €542 million, improvement works on the A3 "Naples-Pompeii-Salerno" highway in Italy for €389 million, the expansion of "Jorge Chavez" airport in Peru for €300 million, the construction of offices and promotions in Spain for €204 million and the upgrade and extension of RSC-287 highway in the state of Rio Grande do Sul in Brazil for €174 million. In 2022 the most significant openings in Spain include, among others, a new motorway on the island of La Palma, in the Canary Islands in January, in May also inaugurated the new building of the South Airport of Tenerife, with an investment of €54 million, and in December, Sacyr Ingeniería commissioned the new 17.2 kilometer section of the A-32 motorway between the municipalities of Villacarrillo and Villanueva del Arzobispo, Jaen, with an investment of €135 million. The major contracts awarded during 2022 include, among others, in Colombia, Sacyr Ingeniería e Infraestructuras has been awarded the study, environmental management, construction, renovation, upgrade, operation and maintenance project of the "Buga – Loboguerrero – Buenaventura" 5G Corridor in Valle del Cauca for €527 million and a term of 42 months for the performance of the works. In the United States, the construction of the new Vanderbilt Beach Road Extension, in Collier County, Florida. This work, scheduled for completion in 36 months, is worth €150 million, the rehabilitation works on the US62 highway (SH 114/19th Street) in the city of Lubbock, Texas with a budget of €23 million and a completion schedule of 22 months. In the United Kingdom, a consortium formed by Sacyr Ingeniería e Infraestructuras has been awarded the construction of the new Weavers Cross Belfast BTH transport hub in the capital of Northern Ireland. This work, scheduled for completion in 48 months, is worth €61 million. In Chile, a contract for the design and construction of the new "Santiago – San Antonio" motorway, Route 78, for €456 million and a term of 86

months for the performance of the works, the construction of the new Railway Bridge over the Biobío River located in the Chilean Region, it envisages an investment of €174 million and has a term of 43 months for the performance of the works. In Peru, Lima Airport Partners (LAP) has awarded the consortium led by Sacyr "Inti Punku" the extension of the construction contract for the new terminal of the Jorge Chávez International Airport in Lima, for an additional €179 million. In Portugal, adaptation works of the Northern Railway Line in Mato Miranda, Santarem, for €20 million and a term of 18 months for the execution of the works and a contract to carry out the repair works of the dams of the commercial and recreational ports of Vila do Porto, on the Island of Santa María, Azores, for €13 million and a term of 33 months for the execution of the works. In Sweden, a consortium in which Sacyr Ingeniería e Infraestructuras holds a stake has been awarded the contract for the 32-kilometre expansion and improvement of the Väg 56 highway between the municipalities of Katrineholm and Alberga, 120 kilometres west of Stockholm; as well as the construction of an urban bypass, 3.2 kilometres long, in the town of Äs. This 33-month contract for the completion of the works is worth €38 million. In Canada, the Children First consortium in which Sacyr Ingeniería e Infraestructuras holds a stake has been awarded the contract to carry out the design, construction and financing of the new paediatric and educational centre for children with special needs Grandview Children's Centre, in the town from Ajax, Province of Ontario. This work, scheduled for completion in 29 months, is worth €31 million. Finally, in Spain, the mayor projects awarded were, among others, the construction of a number of real estate developments in locations around Spain with leading property developers, worth a total of €324 million, the construction of the new railway access to the Outer Port of A Coruña in Punta Langosteira, for €72 million and a 48-month execution period for the works, the town development works of Sector UZP 02.02 Desarrollo del Este – Los Cerros, in the town of Vicálvaro, Madrid. This 16-month contract is worth €46 million, the construction, and subsequent commissioning, of a 7.6 kilometre long section of the LP-1 road running between Los Llanos and Tijarafe, in the northwest of the island of La Palma, Canary Islands, for a total amount of €42 million and a term of 44 months for the construction phase and the railway adaptation works contract for the standard gauge connection to the Mediterranean Corridor of the La Llagosta multimodal platform, in Barcelona. This 26-month contract is worth €35 million.

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 fourth among managers of transport infrastructure concessions according to the *Public Works Financing*. As of 31 December 2022, Sacyr Concesiones held a portfolio of 69 concessions spread across 16 countries (Spain, Italy, Portugal, Chile, USA, Algeria, Peru, Colombia, Uruguay, Ireland, Paraguay, Oman, Brazil, Australia and Mexico), of which 57 were operational and 12 were under construction.

In 2021, 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

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 million 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.

On 20 December 2021, the Board of Directors of Sacyr unanimously decided that the stake in Repsol no longer qualified as strategic in the long term, estimating that the stakes would be delivered at maturity according to the schedule established in the put contracts. This decision, together with the loss of one of the two seats on the board that Sacyr previously held at Repsol (due to the reduction of the stake from 8.03 per cent. at 31 December 2020 to 3.09 per cent. at 31 December 2021), means that significant influence will be relinquished and the stake will instead be treated as a financial stake at market value recorded in the short and long term according to the expected delivery schedules of the shareholdings.

As of 31 December 2021, Sacyr's stake amounted to 3.09 per cent., losing its position as 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 €2,499 billion net profit for the year ended 31 December 2021. For the year ended 31 December 2021, Repsol distributed a total gross dividend of €0.588, under the "script dividend" formula. €112.4 million were paid out to Sacyr in dividends corresponding to the year ended 31 December.

During the financial year 2022, Sacyr disposed of all the Repsol shares that remained in its possession, amounting to 2.9 per cent. With this divestment, the debt associated with said shares was fully amortised, for an amount of €650 million, and net funds of €58 million were obtained, which were used to reduce Sacyr's debt with recourse. This operation is also part of the Strategic Plan 2021-2025 that focuses on the consolidation of Sacyr as a leading developer and operator in the concession sector.

Valoriza Facilities and Valoriza Servicios Medioambientales

On 16 February 2023, following completion of the analysis of the divestment plan announced on 5 October 2022 and after the indications of interest received in relation to the services division, the Group announced that it will carry out separate sale processes for Valoriza Facilities and Valoriza Servicios Medioambientales.

In both cases, disinvestment of up to 100 per cent. is expected

Sacyr Agua

On 5 October 2022 the Group announced the intention to actively explore the possibility of seeking an investment partner for 49 per cent. of the water subsidiary in order to growth in the water sector.

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 Base Prospectus 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 2021 and 31 December 2022, 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 arbitration procedures in accordance with the Rules of Arbitration of the International Chamber of Commerce (the "ICC"). As of 31 December 2022 there were two ongoing arbitration proceedings in which GUPC was requesting a total of U.S.\$ 3,427 million.

The Sacyr Group's estimate of the recoverable value of the claims filed by GUPC at the end of 2022 amounted to U.S.\$446 million, which represented 13 per cent. of the claims filed pending final resolution. Of this figure, a total of U.S. \$121 million in claims has already been recovered.

On the other hand, on May 16th, 2023 an ICC arbitral award has been notified recognising GUPC'S entitlement to approximately U.S. \$35 million related to increased labour costs, while dismissing the part of the claim relative to the lock-gates. The foregoing doesn't have a material impact on Sacyr Group's financial position.

Autopista Madrid Sur (Radial 4)

Inversora de Autopistas del Sur, S.L. ("IAS"), in which the Group holds a 35 per cent. interest and which owns 100 per cent. 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 and Sacyr should jointly and severally pay €8,050,000, 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 Supreme Court has yet to issue a ruling on the admissibility of the appeal.

The in-house and external legal advisors instructed to provide legal assistance in these proceedings consider that the Group's position is well-founded and reasonably and soundly documented.

The directors of Sacyr Concesiones (wholly owned by the Sacyr Group), based on the reports of internal and external legal advisors and due to the unpredictability of this type of proceedings and the consequences that may arise from them, have classified this risk as probable and consequently have decided to recognise a provision of €11.1 million, which includes the amount claimed together with legal interest.

The Group posted impairment provisions for the entire investment and the subordinated loans with both companies.

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

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

Both companies are involved in a solvency proceeding, where 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) and against its guarantors (Sacyr Concesiones and Sacyr Construcción), which led to Ordinary Proceedings 1049/2018, 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. On 18 February 2019, a statement of defence to the claim was filed. The preliminary hearing was then held on 8 March 2021. The trial took place on 4 July 2022 and the Court dismissed the claim by way of the ruling dated on November 7, 2022.

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) and against its guarantors (Sacyr Concesiones and Sacyr Construcción), which led to Ordinary Proceedings 136/2019, claiming that certain payments be made under the terms of the support contract entered into in connection with financing. The suit demands from Sacyr and its guarantors payment of the sum of €141,543,779. On 20 June 2019, the defence to the claim was filed, the preliminary hearing was held on 16 December 2020 and the trial took place on 2 June 2021. On 2 November 2021, the Court of First Instance handed down a judgment fully upholding the claim of Haitong Bank, S.A., Sucursal en España, and therefore finding against the shareholders of Alazor Inversiones, S.A. and its guarantors. Specifically, Sacyr was ordered to pay the sum of €141,543,779, plus the legal interest accrued since 21 December 2018 and interest on procedural arrears since the judgment; further judgments were handed down against Sacyr Construcción and Sacyr Concesiones, in their capacity as guarantors of Sacyr. On 20 December 2021, Sacyr, Sacyr Construcción and Sacyr Concesiones filed an appeal against this first instance ruling before the Provincial Court.

The Group posted impairment provisions for the entire investment and the subordinated loans with both companies.

In addition, Sacyr has posted a provision of €57.7 million this year to cover the net amount that the Group may have to pay under the lawsuits described above, after deducting the amount it expects to receive as RPA (*responsabilidad patrimonial de la admistración* – public administration patrimonial for the unamortised concessionaire's investments in case of termination of the relevant contracts).

Spanish National Markets and Competition Commission (CNMC) administrative proceeding

The Group is in a legal dispute with the Spanish National Markets and Competition Commission (CNMC), in relation to the construction and rehabilitation of infrastructure and buildings sectors, which affect the main Spanish construction companies, as detailed below:

After initiating a sanctioning procedure, in July 2020 the CNMC issued a ruling stating that the maximum legal duration of the relevant proceedings had lapsed without a decision and, subsequently, agreed to put an end to the procedure and initiate a new one regarding the same facts. In view of the foregoing, a contentious administrative appeal was filed before National High Court.

In July 2022, the CNMC Board notified the resolution of the case, imposing certain sanctions, so putting an end to the administrative process.

In October 2022, another contentious-administrative appeal against this ruling was filed before the National High Court, on the basis of there being no anti-competitive practices on the part of Sacyr. Cautionary measures were requested from the Court and granted in November 2022, suspending the effects of the ruling while the appeal is substantiated.

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 2022, the Group had 44,692 employees, as compared to 46,562 employees as at 31 December 2021.

RECENT DEVELOPMENTS

There has not been any significant change in the solvency, business, financial or trading position of the Issuer since 31 December 2022, other than as described below:

- On 9 January 2023, Sacyr decided to carry out the Scrip Dividend in accordance with the 2022 General Shareholders' Meeting, at a ratio of one new share for every 45 outstanding shares, with the power to issue up to 14,521,504 new shares and a commitment to purchase preferential subscription rights at a gross fixed price of €0.058. The definitive number of shares issued was 13,233,083. The capital increase was registered on 1 February 2022, and the new shares began trading on Spanish stock markets on 8 February 2023.
- At the end of January 2023, Sacyr entered the Bloomberg Gender Equality Index (GEI) for the first time, made up of 484 companies from 45 countries and 11 sectors of activity. This index measures the performance of companies on issues of gender diversity and assigns a rating based on a questionnaire. Our Group obtained an overall score of 75.5 with an outstanding rating in the disclosure chapter.
- At the beginning of February 2023, the rating agency S&P Global Sustainable included Sacyr for the second year running in "The Sustainability Yearbook 2023", which is released each year to showcase the world's leading companies in sustainability. Sacyr ranks among the top 9 international infrastructure companies when it comes to applying good environmental, social and corporate governance practices. The Yearbook analyses more than 7,800 companies from 61 sectors worldwide. To qualify for inclusion, companies must be in the top 15 per cent. of their sector and earn a score of at least 30 per cent. of the score achieved by the best company in their sector.

In the Group's Construction division headed up by Sacyr Ingeniería e Infraestructuras, the following significant events occurred after the reporting date:

- Sacyr Ingeniería e Infraestructuras was awarded, during the month of January, the works for the comprehensive renovation of the infrastructure and track as it passes through Jabugo (Huelva) of the Zafra – Huelva railway line. The contract is worth €13 million.
- Also in January, Sacyr Ingeniería was awarded the construction of 95 multi-family homes in the town of Viladecans (Barcelona), for €13 million.
- At the end of January, the design and construction of the new complex for the Iberian Centre for Energy Storage Research in Cáceres was awarded. The contract is worth €11 million.

In the Services division, headed by Sacyr Servicios, major events after the reporting date were as follows:

- Cafestore was awarded, at the beginning of February 2023, an eight-year concession of six culinary establishments in Terminals 2, 4 and 4S of the Adolfo Suárez Madrid-Barajas International Airport. With a total area of more than 1,200 square metres, these establishments are expected to generate future revenues of more than €100 million.

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 the Kingdom of 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 the Kingdom 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 Base Prospectus:

- (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**”), Law 29/1987, of 18 December on Inheritance and Gift Tax, and Law 38/2022, of 27 December, for the establishment of temporary levies on energy and on financial credit institutions and introducing a temporary solidarity tax on large fortunes.
- (c) for legal entities resident for tax purposes in Spain which are Corporate Income Tax (“**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 Non-Resident Income Tax (“**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 and Law 38/2022, for the establishment of temporary levies on energy and on financial credit institutions and introducing a temporary solidarity tax on large fortunes.

Whatever the nature and residence of the 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 per cent. for taxable income between €6,000.01 and €50,000; 23 per cent. for taxable income between €50,000.01 and €200,000; 27 per cent for taxable income between €200,000.01 and €300,000 and 28 per cent for taxable income in excess of €300,000. As a general rule, both types of income are subject to a withholding tax on account at the current rate of 19 per cent.

Pursuant to section 5 of Article 44 of Royal Decree 1065/2007, in the case of listed debt securities issued under Law 10/2014 and initially registered in a foreign clearing and settlement entity that is recognised under Spanish regulations or under those of another OECD member state (such as the Notes issued by the Issuer), 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*”.

Notwithstanding the above, withholding tax at the applicable rate of 19 per cent. may have to be deducted by other entities (such as depositaries, institutions or financial entities), provided that such entities are resident for tax purposes in Spain or have a permanent establishment in Spanish territory.

In any event, individual holders may credit the withholding against their Personal Income Tax liability for the relevant fiscal year 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 per cent. and 3.5 per cent. (subject to any exceptions provided under relevant legislation in each Spanish autonomous region (*Comunidad Autónoma*)).

Notwithstanding the above, the so-called “solidarity tax” was approved in December 2022, which is a two-year direct wealth tax that, in general terms, applies to all tax residents, under certain conditions. The amount payable for this tax could be reduced by the amount paid for Wealth Tax.

The rates of the “solidarity tax” are (i) 1.7 per cent. on a net worth between €3,000,000 and €5,347,998.03, (ii) 2.1 per cent. on a net worth between €5,347,998.03 and €10,695,996.06 and (iii) 3.5 per cent. on a net worth of more than €10,695,996.06. Note that the regulation lays down a minimum exempt amount of €700,000.00 which means that its effective impact, in general, will occur when the net wealth, not tax exempt, are greater than €3.7 million.

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 0 per cent. and 81.6 per cent., 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, in the case of listed debt securities issued under Law 10/2014 and initially registered in a foreign clearing and settlement entity that is recognised under Spanish regulations or under those of another OECD member state (such as the Notes issued by the Issuer), 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*”.

In the case of Notes held by Spanish resident entities and deposited with a Spanish resident entity acting as a depository or custodian, 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 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° 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 per cent. and 3.5 per cent. 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.

According to the Additional Provision Four of the Law 19/1991, of 6 June, on Wealth Tax, individuals that are not resident in Spain for tax purposes may apply the rules approved by the autonomous region where the assets and rights with more value (i) are located, (ii) can be exercised or (iii) must be fulfilled.

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

The rates of the “solidarity tax” are (i) 1.7 per cent. on a net worth between €3,000,000 and €5,347,998.03, (ii) 2.1 per cent. on a net worth between €5,347,998.03 and €10,695,996.06 and (iii) 3.5 per cent. on a net worth of more than €10,695,996.06 million. Note that the regulation lays down a minimum exempt amount of €700,000.00 which means that its effective impact, in general, will occur when the net wealth, not tax exempt, are greater than €3.7 million.

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 0 per cent. and 81.6 per cent., 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.

According to the Additional Provision Two of the Inheritance and Gift Tax Law, non-Spanish tax resident individuals may be subject to Spanish Inheritance and Gift Tax in accordance with the rules set forth in the relevant autonomous regions in accordance with the law. 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. Obligation to inform the Spanish tax authorities of the ownership of the Notes

With effect as from 1 January 2013, Law 7/2012, of 29 October, as implemented by Royal Decree 1558/2012, of 15 November, introduced annual reporting obligations applicable to Spanish residents (i.e., individuals, legal entities, permanent establishments in Spain of non-resident entities) in relation to certain foreign assets or rights.

Consequently, if the Notes are deposited with or placed in the custody of a non-Spanish entity, holders resident in Spain will be obliged, if certain thresholds are met as described below, to declare before the Spanish Tax Authorities, between 1 January and 31 March each year, the ownership of the Notes held on 31 December of the immediately preceding year (e.g., to declare between 1 January 2023 and 31 March 2023 the Notes held on 31 December 2022).

This obligation would only need to be complied with if certain thresholds are met: specifically, if the only rights/assets held abroad are the Notes, this obligation would only apply if the value of the Notes together with other qualifying assets held on 31 December exceeds €50,000 (with the corresponding valuation to be made in accordance with Wealth Tax rules). If this threshold is met, a declaration would only be required in subsequent years if the value of the Notes together with other qualifying assets increases by more than €20,000 as against the declaration made previously. Similarly, cancellation or extinguishment of the ownership of the Notes before 31 December should be declared if such ownership was reported in previous declarations.

6. Disclosure obligations in connection with payments on the Notes issued in accordance with Law 10/2014

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:

- (i) Identification of the Notes (as applicable) in respect of which the relevant payment is made;
- (ii) the date on which the relevant payment is made;
- (iii) total amount of income from the Notes;
- (iv) 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 Base Prospectus. 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 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. 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.

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 Base Prospectus, 19 per cent.) 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 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 Base Prospectus, 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.

7. Tax Rules for Notes not Listed on a Multilateral Trading Facility, Regulated Market or Organised Market in a OCDE Country

Withholding on Account of IIT, CIT and NRIT

If the Notes are not listed on any Payment Date, payments to Noteholders will be subject to withholding tax at the general rate, currently 19 per cent., except in the case of Noteholders which are: (a) resident in a Member State of the European Union (other than Spain) or in a member state of the European Economic Area (other than Spain) which has entered into an effective exchange of tax information agreement with Spain, and obtain the income either directly or through a permanent establishment located in another Member State of the European Union (other than Spain) or in a member state of the European Economic Area (other than Spain) which has entered into an effective exchange of tax information agreement with Spain, provided that such Holders (i) do not obtain the interest income on the Notes through a permanent establishment in Spain and (ii) are not resident of, or are not located in, nor obtain income through, a non-cooperative jurisdiction (as defined by the Law 36/2006, of 29 November, on prevention measures and actions against tax fraud, as amended through Law 11/2021, of 9 July, and as amended); (b) Spanish securitisation funds which comply with the requirements established in Article 61.k) of Royal Decree 634/2015, of 10 July 2015; or (c) resident for tax purposes of a country which has entered into a double tax treaty with Spain which provides for an exemption from Spanish tax or a reduced withholding tax rate with respect to interest payable to any Holder.

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).

Spanish FTT will charge a 0.2 per cent. rate on specific acquisitions of listed shares issued by Spanish companies whose market capitalisation exceeds €1 billion, regardless of the jurisdiction of residence of the parties involved in the transaction. The tax payer will be the financial traders that transfer or execute the purchase order and must submit an annual tax return.

The list of the Spanish companies with a market capitalisation exceeding EUR 1 billion at 1 December of each year will be published on the Spanish tax authorities’ website before 31 December each year. This being said, the Spanish FTT would not apply in relation to the Notes since the Spanish FTT only applies on the acquisition of shares of certain Spanish companies, so transactions involving bonds or debt or similar instruments, such as preferred securities or derivatives, are not affected by such tax.

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

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “**foreign financial institution**” may be required to withhold on certain payments it makes (foreign passthru payments) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions including Spain have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change.

Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, 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 (...)², en nombre y representación de (entidad declarante), con número de identificación fiscal (...)³ y domicilio en (...) en calidad de (marcar la letra que proceda):

Mr. (name), with tax identification number (...)⁴, in the name and on behalf of (entity), with tax identification number (...)⁵ 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:

² 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

³ 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

⁴ 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.

⁵ 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

Notes may be sold from time to time by the Issuer to any one or more of Banca March, S.A., Banco Santander, S.A., Banco Bilbao Vizcaya Argentaria, S.A., CaixaBank, S.A. and PKF Attest Capital Markets AV, S.A. (the “Dealers”). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in an amended and restated dealer agreement dated 19 May 2023 and made between the Issuer and the Dealers (the “Dealer Agreement”). Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

Other relationships

Certain of 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 in the ordinary course of business.

Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer or any of its subsidiaries or affiliates, in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and/or 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 or for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and/or 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. The Dealers and/or 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.

United States of America

Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Issuing and Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such

Tranche purchased by or through it, in which case the Issuing and Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

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

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specify the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, 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 Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. 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 Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**); 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.

United Kingdom

Prohibition of sales to UK Retail Investors

Unless the Final Terms in respect of any Notes specify the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, 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 Base Prospectus as completed by the Final Terms 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 (“**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.

Public Offer Selling Restrictions under the UK Prospectus Regulation

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to the public in the UK except that it may make an offer of such Notes to the public in the UK:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes means 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

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

- (a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:
 - (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:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) 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) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Kingdom of 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 constitute a public offer of securities in Spain within the meaning of the Spanish Securities Market Law and Investment Services (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*), as amended and restated, or without complying with all legal and regulatory requirements under Spanish securities laws. Neither the Notes nor the Base Prospectus have been registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and therefore the Base Prospectus is not intended for any public offer of the Notes in Spain.

General

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has complied and will comply to the best of its knowledge and belief with all applicable securities laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed “General” above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in a supplement to this Base Prospectus.

GENERAL INFORMATION

Authorisation

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. The establishment of the Programme was authorised by the resolutions of the board of directors passed on 29 April 2021, on the basis of the authorisation granted by a resolution of the Ordinary General Meeting of Shareholders passed on 29 April 2021. 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.

Significant change/Material adverse change

Since 31 December 2022, being the date of the most recently published audited financial statements of the Issuer and the Group, there has been no material adverse change in the prospects of the Issuer or the Group. Since 31 March 2023, being the date of the most recently published unaudited interim financial information of the Group, there has been no significant change in the financial performance or position of the Issuer or the Group.

Legal and arbitration proceedings

Save as disclosed in “*Description of the Issuer – Litigation and Legal Proceedings*”, neither of the Issuer nor any of the members of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of any of the Issuer or the Group. See also “*Risk Factors – 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*”.

Material contracts

There are no material contracts entered into other than in the ordinary course of the Issuer’s business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer’s ability to meet its obligations to Noteholders in respect of the Notes being issued.

Independent Auditors to the Issuer

The audited annual accounts of the Issuer for the financial year ended 31 December 2022 have been audited by PricewaterhouseCoopers Auditores, S.L., registered in the Official Registry of Auditors (*Registro Oficial de Auditores de Cuentas*) under number S0242. The registered office of PricewaterhouseCoopers Auditores, S.L. is Paseo de la Castellana, 259 B, 28046 Madrid, Comunidad de Madrid, Spain.

The audited annual accounts of the Issuer for the financial year ended 31 December 2021 have been audited by Ernst & Young S.L., registered in the Official Registry of Auditors (*Registro Oficial de Auditores de Cuentas*) under number S0530. The registered office of Ernst & Young S.L. is Raimundo Fernández Villaverde 65, Torre Azca, 28003 Madrid, Comunidad de Madrid, Spain.

Third party information

Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third-party information is identified where used.

Listing

Application has been made to Euronext Dublin for the Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the Official List and trading on its regulated market. However, the Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer.

The Bank of New York Mellon SA/NV, Dublin Branch is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List or to trading on the regulated market of Euronext Dublin for the purposes of the Prospectus Regulation.

Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code, International Securities Identification Number (ISIN), Financial Instrument Short Name (FISN) and Classification of Financial Instruments (CFI) code (as applicable) in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

LEI code

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

Documents on display

For the period of 12 months from the date of this Base Prospectus, hard copies of the following documents are available for viewing during normal business hours at the registered office of the Issuer and the Issuing and Paying Agent and at the website of the Issuer at www.sacyr.com:

- (i) the Agency Agreement, the Deed of Covenant, the Issuer-ICSDs agreement and the forms of Global Notes, Definitive Notes, Coupons and Talons;
- (ii) a copy of this Base Prospectus, any future prospectuses, supplements, Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Issuing and Paying Agent as to its holding of Notes and identity) and any documents incorporated herein or therein by reference, and
- (iii) the by-laws of the Issuer (together with an English translation thereof) <https://www.sacyr.com/en/shareholders-investors/corporate-governance/internal-rules>;

The English translation of the audited annual accounts of the Issuer for the financial year ended 31 December 2022 and 2021 and of the unaudited interim report of the Issuer for the three months ending on 31 March 2023, can be accessed on the addresses on the Issuer's website set out in "*Documents incorporated by reference*" (<https://www.sacyr.com/en/shareholders-investors/economic-financial-information/financial-presentations/results-presentation>).

The Base Prospectus, any supplement prospectus and the Final Terms for notes listed on Euronext Dublin will be published on the website Euronext Dublin (live.euronext.com).

REGISTERED OFFICE OF THE ISSUER

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8027 Madrid
Spain

ARRANGER AND DEALER

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