



**Sacyr, S.A.**

*(incorporated in the Kingdom of Spain)*

**Maximum outstanding balance of €550,000,000**

**Commercial Paper Programme Sacyr 2023**

**BASE INFORMATION MEMORANDUM (*DOCUMENTO BASE INFORMATIVO*) ON THE  
ADMISSION (*INCORPORACIÓN*) TO TRADING OF COMMERCIAL PAPER (*PAGARÉS*) ON THE  
ALTERNATIVE FIXED-INCOME MARKET ("*MARF*")**

Sacyr, S.A. ("**Sacyr**" or the "**Issuer**" and jointly with the entities of the Issuer's group, the "**Group**"), a public limited company (*sociedad anónima*) incorporated under the laws of Spain with registered office at Condesa de Venadito, 7, Madrid, registered in the Commercial Registry of Madrid in volume 1884, page 61, sheet M-33841 and entry 677, and with Tax Identification Number A-28013811 and Legal Entity Identifier (LEI) Code is 959800XKAB9VNAV9425, will request the admission (*incorporación*) to trading of commercial paper notes (the "**Commercial Paper**") which will be issued in accordance with the provisions set out in this Base Information Memorandum (the "**Base Information Memorandum**") on the Alternative Fixed-Income Market (*Mercado Alternativo de Renta Fija*) ("**MARF**").

This Base Information Memorandum for the admission to trading of the Commercial Paper is the one required in Circular 2/2018 of MARF, on admission (*incorporación*) and removal of securities on the Alternative Fixed-Income Market.

The Commercial Paper will be represented by book entries at Sociedad de Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. ("**Iberclear**") which, together with its Participating Entities, will be responsible for its accounting record.

**An Investment in Commercial Paper involves certain risks.**

**Read section 1 of the Base Information Memorandum on Risk Factors.**

**MARF has not carried out any kind of verification or testing with regard to this Base Information Memorandum or with regard to the content of the documentation and information provided by the Issuer in compliance with the abovementioned Circular 2/2018.**

The underwriting of the Commercial Paper is solely addressed to qualified investors or professional clients pursuant to article 194 of Law 6/2023, of 17 March, Law of the Capital Markets and Investment Services (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*) ("**Securities Market Act**") and article 39 of Royal Decree 1310/2005, of 4 November, which partially develops Act 24/1988, of 28 July, on the Securities Market, with regard to the admission of securities to trading on official secondary markets, public offerings or subscription and the prospectus required for this purpose (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*) ("**Royal Decree 1310/2005**"). No action has been taken in any jurisdiction to permit a public offering of the Commercial Paper or the possession or distribution of the Base Information Memorandum or any other offering material in any country or jurisdiction where such action is required for said purpose. This Base Information Memorandum (*Documento Base Informativo de Incorporación*) does not represent a prospectus (*folleto informativo*) approved and registered with the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) ("**CNMV**"). The subscription of the Commercial Paper does not represent a public offering pursuant to the provisions set out in article 35 of the Securities Market Act, which provides an exemption for the obligation to approve, register and publish a prospectus at the CNMV.

## **SOLE LEAD ARRANGER**

**Banca March, S.A.**

## **PLACEMENT ENTITIES**

**Banca March, S.A.**

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

**Banco Santander, S.A.**

**Banco Bilbao Vizcaya Argentaria, S.A.**

**Link Securities, S.V., S.A.**

**NORBOLSA, SOCIEDAD DE VALORES, S.A.**

**PKF Attest Capital Markets A.V., S.A.**

The date of this document is 22 September 2023.

## **IMPORTANT NOTICE**

The potential investor should not base his investment decision on information other than the information contained in this Base Information Memorandum. The Placement Entities does not take responsibility for the content of this Base Information Memorandum. The Placement Entities have entered into a collaboration agreement with the Issuer to place the Commercial Paper but neither the Placement Entities nor any other entity has accepted any undertaking to underwrite the Commercial Paper. This is without prejudice to the Placement Entities being able to acquire part of the Commercial Paper in their own name.

**NO ACTION HAS BEEN TAKEN IN ANY JURISDICTION TO PERMIT A PUBLIC OFFERING OF THE COMMERCIAL PAPER OR THE POSSESSION OR DISTRIBUTION OF THE BASE INFORMATION MEMORANDUM OR ANY OTHER OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE SUCH ACTION IS REQUIRED FOR SAID PURPOSE. THIS DOCUMENT IS NOT TO BE DISTRIBUTED, DIRECT OR INDIRECTLY, IN ANY JURISDICTION WHERE SUCH DISTRIBUTION MAY REPRESENT AN OFFERING. THIS DOCUMENT IS NOT AN OFFER FOR THE SALE OF SECURITIES NOR A REQUEST TO PURCHASE SECURITIES AND THERE IS NO OFFER OF SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER OR SALE IS CONSIDERED CONTRARY TO APPLICABLE LEGISLATION.**

### **PRODUCT GOVERNANCE RULES UNDER MiFID II THE TARGET MARKET SHALL CONSIST EXCLUSIVELY OF ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS**

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Commercial Paper has led to the conclusion that: (i) the target market for the Commercial Paper is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Commercial Paper to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Commercial Paper (a "distributor") shall 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 Commercial Paper (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

## **PROHIBITION ON SELLING TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA**

The Commercial Paper is not intended to be offered, sold or made available in any other way, nor should it be offered, sold or made available, to retail investors in the European Economic Area (the “**EEA**”). “**Retail investor**” shall be understood for these purposes to refer to any person to whom either or both of the following definitions is/are applicable:

- (i) “retail client” within the meaning of section (11) of article 4(1) of MiFID II; and
- (ii) client within the meaning of Directive 2002/92/EC, provided that they cannot be classed as a professional client based on the definition contained in section (10) of article 4(1) of MiFID II. For this reason, none of the key information documents required by Regulation (EU) No. 1286/2014 of the European Parliament and of the Council of November 26, 2014 on key information documents for packaged retail and insurance based investment products (the “**Regulation 1286/2014**”) has been prepared for the purposes of the offering or sale of the Commercial Paper, or to make it available to retail investors in the EEA, and therefore, any of such activities could be unlawful pursuant to the provisions of Regulation 1286/2014.

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

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

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# **BASE INFORMATION MEMORANDUM (DOCUMENTO BASE INFORMATIVO) ON THE ADMISSION TO TRADING OF COMMERCIAL PAPER (PAGARÉS)**

## **1. Risk factors**

*An investment in the Commercial Paper is subject to a number of risks. Potential investors should carefully assess the risks described below, together with the remaining information contained in this Base Information Memorandum, before investing in the Commercial Paper. If any of the risks described below actually materializes, the business, financial condition and operating results of the Issuer, as well as the ability of the Issuer to reimburse the Commercial Paper upon maturity, could be adversely affected and, accordingly, the market price of the Commercial Paper may decrease, resulting in a loss of all or part of any investment made in the Commercial Paper.*

*The Issuer believes that the following factors represent the main or material risks inherent to the investment in the Commercial Paper, however default in payment of the Commercial Paper at maturity may be due to other unknown or unforeseen factors. The majority of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any of such contingencies occurring. The Issuer does not state that the factors described below are exhaustive and it is possible that the risks and uncertainties described may not be the only ones the Issuer faces. Additional risks and uncertainties currently unknown or considered immaterial alone or jointly with others (either identified in the present Base Information Memorandum or not) may have a material adverse effect on the business, financial condition and operating results of the Issuer, as well as on the ability of the Issuer to reimburse the Commercial Paper upon maturity, resulting in a loss of all or part of any investment made in the Commercial Paper.*

### **1.1. 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 five consecutive times since its meeting in July 2022, after maintaining them at 0 per cent. for years, peaking at 4.50 per cent. at September 2023, 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 peoples movements that could affect Sacyr's employees' productivity. Equally, Sacyr may also be reliant on a range of other industry personnel who are not employed by Sacyr. Labour strikes or stoppages by such non-employees are beyond Sacyr's control and they could have a material adverse effect on Sacyr's cash flows, financial condition and results of operations.

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

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

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

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

Sacyr and/or other members of the Group rely on infrastructure development programs currently planned and being undertaken by public authorities in various markets to generate a significant amount of the Group's business. Sacyr and/or other members of the Group may start working on a specific public sector project but, due to the lack or revocation of government funding, the project may subsequently not be completed within the original time frame or at all. Sacyr and/or other members of the Group's government clients may be under no obligation to maintain funding at any specific level and funds for any program may even be eliminated. Global economic



instability and difficult and recessionary economic conditions in certain countries in which Sacyr and/or other members of the Group operate may result in the contraction of infrastructure spending and therefore in delay or suspension of projects already commenced or awarded.

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 uses 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.

## **1.2. Essential information regarding the specific risks of the securities**

***The Commercial Paper is not rated.***

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

***There is no existing public trading market for the Commercial Paper and the ability to transfer them is limited, which may adversely affect the value of the Commercial Paper.***

There is no existing trading market for the Commercial Paper and there can be no assurance that a trading market for the Commercial Paper will develop. We cannot predict the extent to which investor interest in our company will lead to the development of an active trading market or how liquid that trading market might become. The market price of our Commercial Paper may be influenced by many factors, some of which are beyond our control, including:

- changes in demand, the supply or pricing of our products;
- general economic conditions, including raw material prices;
- the activities of competitors;
- our quarterly or annual earnings or those of our competitors;
- investors' perceptions of us and the automotive industry;
- the public's reaction to our press releases or our other public announcements;
- future sales of notes; and

- other factors described under these “Risk Factors”.

As a result of these factors, you may not be able to resell your Commercial Paper at or above the initial offering price. In addition, securities trading markets experience extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of our Commercial Paper, regardless of our operating performance. If an active trading market does not develop, you may have difficulty selling any Commercial Paper that you buy.

***The market price of the Commercial Paper may be volatile.***

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

***Other risks***

The Commercial Paper is subject to the following risks:

- Market risk: these are fixed-income securities and their market price is subject to possible fluctuations, mainly concerning the interest rate. Consequently, the Issuer cannot guarantee that the Commercial Paper will be traded at a market price that is equal to or higher than the subscription price of the same.
- Credit risk: the credit risk arises from the potential inability of the counterparty to comply with the obligations set out in the contract, and involves the possible loss that a full or a partial breach of these obligations could cause.
- Issuer’s credit rating: the Issuer is not rated. However, despite the fact that the company has an adequate solvency level, this capacity is not exempt from long-term deterioration, given the current level of leverage and its exposure to a sector highly linked to the economic cycle. This situation, nevertheless, improves as a result of the strategic focus on the concession business of the company.
- Liquidity risk: this is the risk whereby investors are unable to find a counterparty for the securities when they want to sell the Commercial Paper prior to maturity. Even though we will apply for admission (*incorporación*) of Commercial Paper to be issued under the aegis of the Commercial Paper Programme to mitigate this risk, we cannot guarantee there will be active trading on the market.

In this regard, we point out that the Issuer has not entered into any liquidity contract. Consequently, investors may not find a counterparty for the securities.

- Enforcement risk: enforcement of the Commercial Paper against the Issuer, and particularly court enforcement, may not secure prompt and full redemption of the Commercial Paper, in view of the statutory procedural mechanics to be followed in accordance with Spanish regulation and the potential excessive workload of the Spanish relevant court/judge; this risk may be substantially increased in case of insolvency of the Issuer.

### ***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 Commercial Paper are legal investments for it, (2) the Commercial Paper can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Commercial Paper. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Commercial Paper under any applicable risk-based capital or similar rules.

### ***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.

## 2. Full name of the Issuer, including its address and identification data

Sacyr, S.A. previously Sacyr Vallehermoso, S.A. and whose commercial name together with its consolidated subsidiaries (the "**Group**") is "Sacyr", was incorporated in Madrid on 5 July 1921 as a limited liability company (sociedad anónima) for an indefinite period under the name of "Compañía Madrileña de Contratación y Transportes, S.A." and on 25 July 2013 it changed its corporate name to "Sacyr, S.A.". Its tax identification number (NIF) is A-28013811, its Legal Entity Identifier (LEI) Code is 959800XKAB9VNAV9425 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, 7, Madrid, Spain and its telephone number is +34 91 545 5000.

The Issuer's website is <http://www.sacyr.com>.

### Brief description of the Issuer's activity

Sacyr is a multinational and diversified infrastructures and services company listed on the IBEX-35 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 years ended 31 December 2022 and 31 December 2021:

Segments	Holding Company	Revenues		EBITDA <sup>(1)</sup>				Backlog <sup>(2)</sup>					
		2022 <sup>(3)</sup>	%	2021 <sup>(4)</sup>	%	2022 <sup>(3)</sup>	%	2021 <sup>(4)</sup>	%	2022 <sup>(3)</sup>	%	2021 <sup>(4)</sup>	%
<i>(Thousands of euros)</i>													
Engineering and Infrastructures	Sacyr Construcción, S.A.	3,162	54	2,649	57	518,235	35	342	37	7,354	14	6,280	14
Concessions	Sacyr Concesiones, S.L.	2,072	35	1,475	31	878,545	59	504	55	43,885	80	36,530	79
Services	Sacyr Servicios, S.A.	1,094	19	1,017	22	110,129	7	101	11	3,516	6	3,128	7
Holding, promotion and adjustment		(476)	(8)	(465)	(10)	(4,852)	(1)	(24)	(3)	0	0	0	0
<b>Total</b>		<b>5,852</b>	<b>100</b>	<b>4,676</b>	<b>100</b>	<b>1,502.057</b>	<b>100</b>	<b>923</b>	<b>100</b>	<b>54,755</b>	<b>100</b>	<b>45,938</b>	<b>100</b>

Notes:

- (1) "EBITDA" is earnings before interest, taxes, depreciation and amortization, impairment losses and asset disposals. The tables below show the EBITDA reconciliation for the years ended 31 December 2022 and 31 December 2021.
- (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.

Year ended 31 December 2022					
EBITDA reconciliation	Engineering and Infrastructures	Concessions	Services	Holding and consolidation adjustments	Total
<i>(millions of euros) (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
<b>EBITDA</b>	<b>518</b>	<b>879</b>	<b>110</b>	<b>(5)</b>	<b>1,502</b>

Year ended 31 December 2021

EBITDA reconciliation	Engineering and Infrastructures	Concessions	Services	Holding and consolidation adjustments	Total
<i>(millions of euros) (unaudited)</i>					
Operating profit/ (loss)	292	435	48	(45)	731
Depreciation and amortization	46	61	42	4	153
Impairment of goodwill	0	0	0	0	0
Changes in operating 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)
<b>EBITDA</b>	<b>342</b>	<b>504</b>	<b>101</b>	<b>(24)</b>	<b>923</b>



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 exchanges 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.**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, while ordering GUPC to pay ACP the amount of U.S. \$20,6 million for legal costs, as confirmed by the Tribunal in a decision dated August 2023. 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.

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

With regard to the proceeding 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 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 proceeding be referred back to the Provincial Court of Madrid for a new ruling on the merits of the case.

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.

In 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. The claimants filed an appeal against this first instance ruling before the Provincial Court, which is pending resolution.

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, which is pending resolution.

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 admisión* – 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.

### **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.
- On June 2023 Sacyr announced that it has reached an agreement for the sale of 100% of Valoriza Servicios Medioambientales, S.A. and its subsidiaries to a company owned by funds managed by Morgan Stanley Infrastructure Partners.
  - The amount of the divestment totals €734 million enterprise value, (including debt and equity). The Valoriza Servicios Medioambientales area achieved an EBITDA of €80 million in 2022.
  - The equity value of the transaction amounts to approximately €425 million, excluding the stake held by external minority shareholders.
  - The final price payable at the closing of the transaction will be adjusted by reference to a balance sheet prepared at that date.
  - The completion of the transaction is subject to the compliance with the customary conditions precedent set out for this type of transaction (antitrust authorization, waivers from financial institutions...) and is expected to take place in 4Q 2023.
  - The transaction is expected to generate pre-tax capital gains of approximately €270 million.
- On July 2023 Sacyr announced that has reached an agreement for the sale of 100% of Sacyr Facilities, S.A.U. to Grupo Serveo S.L.
  - The transaction's perimeter excludes the maintenance contracts for the Antofagasta Hospital in Chile and several police stations in Spain, which will continue to be managed by Sacyr.
  - The amount of the divestment totals €87 million enterprise value, (including debt and equity). The EBITDA of Sacyr Facilities, which is included in the perimeter of this sale achieved €13.7million in 2022.
  - The equity value of the transaction amounts to approximately €76 million.
  - The sale and purchase agreement contemplates that Sacyr will receive earn-outs valued at approximately €15 million, depending on the success of several claims currently in process.

- The completion of the transaction is subject to the compliance with the customary conditions precedent set out for this type of transaction (antitrust authorization, waivers from financial institutions...) and is expected to take place in 4Q 2023.
- The transaction is expected to generate pre-tax capital gains of approximately €40 million.

### **Consolidated financial statements of the Issuer for the financial years ended on 31 December 2021 and 31 December 2022, for the three month period ended 31 March 2023 and for the six month period ended 30 June 2023**

The Issuer's consolidated financial statements for the financial years ended on 31 December 2021 and 31 December 2022, audited and without reservations, are attached as **Annex** to this Base Information Memorandum.

The Issuer's unaudited interim consolidated financial statements for the three month period ended 31 March 2023 and for the six month period ended 30 June 2023 can be accessed on the following address on the Issuer's website: <https://www.sacyr.com/accionistas-inversores/informacion-economica-financiera/informacion-publica-periodica/informe-resultados>

### **3. Full name of the securities issue**

Programa de Pagares Sacyr, S.A. 2023.

### **4. Persons responsible**

Mr. Carlos Mijangos Gorozarri, acting on behalf of and representing Sacyr, in his capacity as authorized signatory of Sacyr and acting under a special authorization granted by the Board of Directors of Sacyr on 29 April 2021 and 24 March 2022, is responsible for the entire content of this Base Information Memorandum (*Documento Base Informativo de Incorporación*).

Mr. Carlos Mijangos Gorozarri hereby declares that the information contained in this Base Information Memorandum is, to the best of his knowledge and after executing the reasonable diligence to ensure that it is as stated, compliant with the facts and does not suffer from any omission that could affect the content.

### **5. Duties of the Registered Advisor of the MARF**

Banca March, S.A. is a company incorporated on 24 June 1946, before the notary public of Madrid, Mr. Rodrigo Molina Pérez, that adapted its corporate bylaws to the current Capital Companies Act on 19 July 1990 before the notary public of Madrid, Mr. Luis Coronel de Palma, with number 3,703 of his official records, duly registered in the Commercial Registry of Baleares, volume 20, book 104, page 230, sheet 195, and in the Registry of Registered Advisors pursuant to instruction (*Instrucción Operativa*) 8/2014 ("**Banca March**" or the "**Registered Advisor**").

Banca March has been designated as Registered Advisor of the Issuer. Accordingly, the Registered Advisor shall enable the Issuer to comply with the obligations and responsibilities to be assumed on incorporating its issues into the multilateral trading facility, the Alternative Fixed-Income Market (MARF), acting as specialist liaison between both, MARF and Sacyr, and as a means to facilitate the insertion and development of the same under the new securities trading regime.

Therefore, Banca March must provide MARF with any periodically information it may require and, on the other hand, MARF may require as much information as it may deem necessary regarding

the actions to be carried out and its corresponding obligations, being authorized to perform as many actions as necessary, where appropriate, in order to verify the information provided.

The Issuer must have, at any time, a designated Registered Advisor registered in the "Market Registered Advisor Registry" (*Registro de Asesores Registrados del Mercado*).

Banca March has been designated as Registered Advisor of the Issuer in order to provide advisory services to Sacyr (i) on the admission to trading (*incorporación*) of the securities issued, (ii) on compliance with any obligations and responsibilities applicable to the Issuer for taking part on MARF, (iii) on compiling and presenting the financial and business information required, and (iv) in order to ensure that the information complies with these regulatory requirements.

As Registered Advisor, Banca March with respect to the request for the admission (*incorporación*) to trading of the Commercial Paper on MARF:

- (i) has verified that the Issuer complies with the requirements of MARF's regulations for the admission (*incorporación*) of the securities to trading;
- (ii) has assisted the Issuer in the preparation of the Base Information Memorandum, has reviewed all the information provided by the Issuer to the Market in connection with the request for the admission (*incorporación*) to trading of the securities on MARF and has checked that the information provided complies with the requirements of applicable regulations and does not leave out any relevant information that could lead to confusion among potential investors.

Once the securities are admitted to trading, the Registered Advisor will:

- (i) review the information that the Issuer prepares for MARF periodically or on a one-off basis, and verify that this information meets the requirements concerning content and deadlines set out in the regulations;
- (ii) advise the Issuer on the events that might affect compliance with the obligations assumed when including its securities to trading on MARF, and on the best way of treating such events in order to avoid breach of said obligations;
- (iii) report to MARF any events that could represent a breach by the Issuer of its obligations in case it notices any potential and relevant breach that had not been rectified following notification; and
- (iv) manage, answer and deal with queries and requests for information from MARF regarding the situation of the Issuer, progress of its activity, the level of compliance with its obligations and any other data the Market may deem relevant.

Regarding the previous, the Registered Advisor shall perform the following actions:

- (i) maintain regular and necessary contact with the Issuer and analyse any exceptional situations that may arise concerning the evolution of the price, trading volumes and other relevant circumstances regarding trading of the Issuer's securities;
- (ii) sign any declarations which, in general, have been set out in the regulations as a consequence of the admission (*incorporación*) to trading of the securities on MARF, as well as with regard to the information required from companies with securities on the Market;
- (iii) forward to MARF, without delay, the communications received in response to queries and requests for information the latter may send.

## 6. Maximum outstanding balance

The maximum amount of this Commercial Paper programme will be a nominal of FIVE HUNDRED AND FIFTY MILLION EUROS (€550,000,000) (the “**Commercial Paper Programme**” or the “**Programme**”).

This amount is understood as the maximum outstanding balance of all the Commercial Paper issued at any given time pursuant to the Base Information Memorandum.

## 7. Description of the type and class of the securities. Nominal value

The Commercial Paper are securities issued at discount, which represent a debt for the Issuer, accrue interest and can be reimbursed at their nominal value on maturity. An ISIN code will be assigned to each Commercial Paper with the same maturity issued in accordance with the provisions set out in the Programme.

Each Commercial Paper will have a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000), meaning that the maximum number of Commercial Paper in circulation at any given time shall not exceed five thousand five hundred (5,500).

## 8. Governing Law of the securities

The securities are issued in accordance with the Spanish legislation applicable to the Issuer or to the Commercial Paper. In particular, the Commercial Paper is issued pursuant to Law 6/2023, of 17 March, Law of the Capital Markets and Investment Services (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*) (“**Securities Market Act**”), in accordance with its current wording and with any other related regulations.

The courts of the city of Madrid (Spain) will have exclusive jurisdiction to settle any dispute arising out of or in connection with the Commercial Paper.

This Base Information Memorandum is the one required in Circular 2/2018 of MARF, on admission (*incorporación*) and removal of securities on the Alternative Fixed-Income Market.

## 9. Representation of the securities through book entries

The Commercial Paper to be issued in accordance with the provisions set out in the Programme will be represented by book entries, as set out in the mechanisms for trading on the MARF for which admission (*incorporación*) of the securities is requested. The party in charge of accounting records is Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (“**Iberclear**”), with registered office in Madrid, Plaza de la Lealtad, 1, together with its Participating Entities, pursuant to the provisions of article 8.3 of the Securities Market Act and Royal Decree 878/2015 of October 2 on the clearing, settlement and registration of marketable securities represented by book entry forms (*anotaciones en cuenta*), on the legal regime governing central securities depositories and central counterparties and on transparency requirements of issuers of securities admitted to trading on an official secondary market (*Real Decreto 878/2015, de 2 de octubre, sobre compensación, liquidación y registro de valores negociables representados mediante anotaciones en cuenta, sobre el régimen jurídico de los depositarios centrales de valores y de las entidades de contrapartida central y sobre requisitos de transparencia de los emisores de valores admitidos a negociación en un mercado secundario oficial*), as amended by Royal Decree 827/2017 of September 1, by which the Royal Decree 878/2015 of October 2 is modified.



## 10. Currency of the issue

The Commercial Paper issued in accordance with the provisions set out in this Programme will be denominated in Euros.

## 11. Order of priority

The present issue of Commercial Paper by Sacyr will not be secured by any in rem guarantees (*garantías reales*) or guaranteed by any personal guarantees (*garantías personales*). The capital and the interest of the Commercial Paper will be unsecured.

For the purposes of priority, should the Issuer file for insolvency, the investors are behind any privileged creditors that the Issuer has on that date, pursuant to the classification and order of priority of credits set out in Law 22/2003 of 9 July, on Insolvency, as amended, and its related regulations.

## 12. Description of the rights inherent to the securities and the procedure to exercise such rights. Method and term for payment and delivery of the securities

In accordance with the applicable legislation, the Commercial Paper issued in accordance with the provisions set out in this Programme will not represent, for the investor that acquires them, any present and/or future political rights over the Issuer.

The economic and financial rights of the investor associated to the acquisition and holding of the Commercial Paper will be those arising from the conditions of the interest rate, yields and redemption prices with which they are issued, specified in sections 13, 14 and 16 below.

The date of disbursement of the Commercial Paper will coincide with its date of issuance, and the effective value of the Commercial Paper will be paid to the Issuer by Banca March (as paying agent), into the account specified by the Issuer on the corresponding date of issuance.

In all cases the relevant Placement Entity will issue a nominative and non-negotiable certificate of acquisition. The referred document will provisionally credit the subscription of the Commercial Paper until the appropriate book entry is practiced, which will grant its holder the right to request the relevant legitimacy certificate (*certificado de legitimación*). Furthermore, the Issuer will report the disbursement to MARF and Iberclear through the corresponding certificate.

## 13. Date of issue. Term of the Programme

The term of the Programme is one (1) year from the date of incorporation of this Base Information Memorandum with MARF.

As the Programme is a continuous type, the securities may be issued and subscribed on any day during its term. Notwithstanding the previous, the Issuer reserves the right not to issue new securities when it deems such action appropriate, pursuant to the cash needs of the Issuer or because it has found more advantageous conditions of funding.

## 14. Nominal interest rate. Indication of the yield and calculation method

The annual nominal interest will be set in each adjudication. The Commercial Paper will be issued at the interest rate agreed by and between Banca March, S.A., Banco Bilbao Vizcaya Argentaria, S.A., Banco de Sabadell, S.A., Banco Santander, S.A., Link Securities, S.V., S.A., Norbolsa, Sociedad de Valores, S.A. and PKF Attest Capital Markets A.V., S.A. (for these purposes, the "Placement Entities" and each individually a "Placement Entity") and the Issuer. The yield will be implicit in the nominal value of the Commercial Paper, to be reimbursed on the maturity date.

The interest at which the relevant Placement Entity transfers the Commercial Paper to third parties will be the rate freely agreed between the interested parties.

As these are discounted securities with an implicit rate of return, the cash amount to be paid out by the investor varies in accordance with the issue interest rate and period agreed.

Therefore, the cash amount of the Commercial Paper may be calculated by applying the following formulas:

- When the Commercial Paper is issued for a term of 365 days or less:

$$E = \frac{N}{1 + i_n \frac{d}{365}}$$

- When the Commercial Paper is issued for a term greater than 365 days:

$$E = \frac{N}{(1 + i)^{d/365}}$$

Whereby:

N = nominal amount of the Commercial Paper.

E = cash amount of the Commercial Paper.

d = number of days of the period to maturity.

i = nominal interest rate, expressed as an integer value.

A table is included to help the investor, specifying the cash value tables for different rates of interest and redemption periods, and there is also a column showing the variation of the cash value of the Commercial Paper by increasing the period of this by 10 days.

Nominal rate (%)	7 days			30 days			60 days			90 days			180 days			270 days			365 days		
	Subscription price (euros)	IRR / AER (%)	+ 10 days (euros)	Subscription price (euros)	IRR / AER (%)	+ 10 days (euros)	Subscription price (euros)	IRR / AER (%)	+ 10 days (euros)	Subscription price (euros)	IRR / AER (%)	+ 10 days (euros)	Subscription price (euros)	IRR / AER (%)	+ 10 days (euros)	Subscription price (euros)	IRR / AER (%)	+ 10 days (euros)	Subscription price (euros)	IRR / AER (%)	+ 10 days (euros)
1	99,980.8	1	-27.4	99,917.9	1	-27.4	99,835.9	1	-27.3	99,754.0	1	-27.2	99,509.3	1	-27.2	99,265.71	1.00%	-26.99	99,009.9	1	-26.8
1.25	99,976.0	1.26	-34.2	99,897.4	1.26	-34.2	99,794.9	1.26	-34.1	99,692.7	1.26	-34	99,387.3	1.25	-33.8	99,083.81	1.25%	-33.61	98,765.4	1.25	-33.4
1.5	99,971.2 +	1.51	-41	99,876.9	1.51	-41	99,754.0	1.51	-40.8	99,631.5	1.51	-40.8	99,265.7	1.51	-40.5	98,902.59	1.50%	-40.18	98,522.2	1.5	-39.9
1.75	99,966.4	1.77	-47.8	99,856.4	1.76	-47.8	99,713.2	1.76	-47.7	99,570.3	1.76	-47.5	99,144.4	1.76	-47.1	98,722.02	1.75%	-46.71	98,280.1	1.75	-46.3
2	99,961.7	2.02	-54.8	99,835.9	2.02	-54.6	99,672.3	2.02	-54.4	99,509.3	2.02	-54.3	99,023.3	2.01	-53.7	98,542.12	2.01%	-53.18	98,039.2	2	-52.6
2.25	99,956.9	2.28	-61.6	99,815.4	2.27	-61.4	99,631.5	2.27	-61.2	99,448.3	2.27	-61	98,902.6	2.26	-60.3	98,362.86	2.26%	-59.61	97,799.5	2.25	-58.9
2.5	99,952.1	2.53	-68.4	99,794.9	2.53	-68.1	99,590.7	2.53	-67.9	99,387.3	2.52	-67.6	98,782.1	2.52	-66.8	98,184.26	2.51%	-65.98	97,561.0	2.5	-65.2
2.75	99,947.3	2.79	-75.2	99,774.5	2.78	-75	99,550.0	2.78	-74.6	99,326.5	2.78	-74.3	98,662.0	2.77	-73.3	98,006.31	2.76%	-72.31	97,323.6	2.75	-71.3
3	99,942.5	3.04	-82	99,754.0	3.04	-81.7	99,509.3	3.04	-81.4	99,265.7	3.03	-80.9	98,542.1	3.02	-79.7	97,829.00	3.01%	-78.60	97,087.4	3	-77.4
3.25	99,937.7	3.3	-88.8	99,733.6	3.3	-88.5	99,468.6	3.29	-88	99,205.0	3.29	-87.6	98,422.5	3.28	-86.1	97,652.33	3.26%	-84.84	96,852.3	3.25	-83.5
3.5	99,932.9	3.56	-95.6	99,713.2	3.56	-95.3	99,427.9	3.55	-94.7	99,144.4	3.55	-94.2	98,303.3	3.53	-92.6	97,476.30	3.52%	-91.03	96,618.4	3.5	-89.5
3.75	99,928.1	3.82	-102.5	99,692.7	3.82	-102	99,387.3	3.81	-101.3	99,083.8	3.8	-100.7	98,184.3	3.79	-99.0	97,300.90	3.77%	-97.17	96,385.5	3.75	-95.3
4	99,923.3	4.08	-109.3	99,672.3	4.07	-108.7	99,346.8	4.07	-108.1	99,023.3	4.06	-107.3	98,065.6	4.04	-105.3	97,126.13	4.02%	-103.27	96,153.8	4	-101.2
4.25	99,918.6	4.34	-116.2	99,651.9	4.33	-115.5	99,306.2	4.33	-11.7	98,962.9	4.32	-113.9	97,947.1	4.3	-111.5	96,951.99	4.27%	-109.33	95,923.3	4.25	-107.1
4.5	99,913.8	4.6	-123	99,631.5	4.59	-122.2	99,265.7	4.59	-121.3	98,902.6	4.58	-120.5	97,829.0	4.55	-117.9	96,778.47	4.53%	-115.33	95,693.8	4.5	-112.8
4.75	99,909.0	4.86	-129.7	99,611.1	4.85	-129	99,225.2	4.85	-127.9	98,842.3	4.84	-127	97,711.1	4.81	-124	96,605.57	4.78%	-121.30	95,465.4	4.75	-118.5
5	99,904.2	5.12	-136.5	99,590.7	5.12	-135.7	99,184.8	5.11	-134.6	98,782.1	5.09	-133.5	97,593.6	5.06	-130.3	96,433.29	5.03%	-127.22	95,238.1	5	-124.1
5.25	99,899.4	5.39	-143.3	99,570.3	5.38	-142.4	99,144.4	5.37	-141.2	98,722.0	5.35	-140	97,76.3	5.32	-136.5	96,261.62	5.29%	-133.10	95,011.9	5.25	-129.7
5.5	99,894.6	5.65	-150.1	99,550.0	5.64	-149.1	99,104.0	5.63	-147.8	98,662.0	5.62	-146.5	97,359.3	5.58	-142.6	96,090.56	5.54%	-138.93	94,786.7	5.5	-135.2
5.75	99,889.8	5.92	-156.9	99,529.6	5.9	-155.8	99,063.6	5.89	-154.3	98,602.0	5.88	-152.9	97,242.6	5.83	-148.8	95,920.11	5.79%	-144.72	94,562.6	5.75	-140.6
6	99,885.1	6.18	-163.8	99,509.3	6.17	-162.5	99,023.3	6.15	-160.9	98,542.1	6.14	-159.4	97,126.1	6.09	-154.8	95,750.26	6.05%	-150.47	94,339.6	6	-146.1

Given the different types of issues that will be applied throughout the Commercial Paper Programme, we cannot predetermine the internal rate of return (IRR) for the investor. In any case, it will be determined in accordance with the formula detailed below:

$$i = \left[ \left( \frac{N}{E} \right)^{365/d} - 1 \right]$$

Whereby:

$i$  = effective annual interest rate, expressed as an integer value.

$N$  = nominal amount of the Commercial Paper.

$E$  = cash amount at the time of subscription or acquisition.

$d$  = number of calendar days between the date of issue (inclusive) and the date of maturity (exclusive).

## 15. Paying agent and depository entities

The entities which are collaborating in this Program (the “**Placement Entity**”) are:

- Banca March, S.A.
  - Tax Identification Number: A-07004021
  - Registered office: Avenida Alejandro Rosselló 8, 07002, Palma de Mallorca.
- Banco Bilbao Vizcaya Argentaria, S.A.
  - Tax Identification Number: A-48265169
  - Registered office: P San Nicolás, 4, 48005 Bilbao
- Banco de Sabadell, S.A.
  - Tax Identification Number: A-08000143
  - Registered office: Avenida Óscar Esplá 37, 03007 Alicante.
- Banco Santander, S.A.
  - Tax Identification Number: A-39000013
  - Registered office: Paseo de Pereda, 9 to 12, 39004, Santander
- Link Securities, S.V., S.A.
  - Tax Identification Number: A-80298110
  - Registered office: calle Juan Esplandiú, n.º 15 de Madrid
- Norbolsa, Sociedad de Valores, S.A.
  - Tax Identification Number: A-48403927
  - Registered office: Plaza Euskadi, 5 de Bilbao

- PKF Attest Capital Markets, A.V., S.A.
  - Tax Identification Number: A-86953695
  - Registered office: calle Orense, 81, 7ª Planta de Madrid

The relevant placement agreement have been entered into by the Issuer and the Placement Entities for this Programme, including the possibility to sell to third parties.

The issuer may sign contracts with other entities and these new entities would sign the relevant collaboration agreement and will be communicated to MARF through the corresponding announcement of other relevant information (*otra información relevante*).

Banca March, S.A. will also act as paying agent (the “**Paying Agent**”).

Although IBERCLEAR will be the entity entrusted with the book-keeping (*registro contable*) of the Commercial Paper, the Issuer has not designated any securities’ depository entity. Each subscriber will designate, from among the participants in Iberclear, the entity in which to deposit its securities.

## **16. Redemption price and provisions regarding maturity of the securities. Date and methods of redemption**

The Commercial Paper issued in accordance with the provisions set out in this Programme will be redeemed at their nominal value on the date indicated in the document proving acquisition, applying, when appropriate, the corresponding withholding tax.

The Commercial Paper issued in accordance with the provisions set out in this Programme may have a redemption period of between three (3) business days and seven hundred and thirty (730) calendar days (twenty four (24) months).

The Commercial Paper will not include an early redemption option for the Issuer (call) or for the securities’ holder (put). Regardless of the aforementioned, the Commercial Paper may be early redeemed given that, for any reason, they are in legitimate possession of the Issuer.

Given that the Commercial Paper will be traded in MARF, their redemption will take place pursuant to the operating rules of the clearance system of MARF, being paid, on maturity date, the nominal amount of the securities to their legitimate holder. Banca March as delegated paying agent does not take any liability whatsoever regarding reimbursement by the Issuer of the Commercial Paper on the maturity date.

## **17. Valid term to claim the reimbursement of the principal**

In accordance with article 1,964 of the Spanish Civil Code, reimbursement of the nominal value of the securities will no longer be callable after five (5) years from the date on which it becomes due.

## **18. Minimum and maximum issue period**

As previously stated, during the validity of this Base Information Memorandum the Commercial Paper issued may have a redemption period of between three (3) business days and seven hundred and thirty one (730) calendar days (twenty four (24) months).

## 19. Early redemption

The Commercial Paper will not include an early redemption option for the Issuer (call) or for the securities' holder (put). Regardless of the aforementioned, the Commercial Paper may be early redeemed given that, for any reason, they are in legitimate possession of the Issuer.

## 20. Restrictions on the free transferability of the securities

In accordance with the applicable legislation, there are no specific or generic restriction on the free transferability of the Commercial Paper to be issued.

## 21. Taxation of the securities

In accordance with the provisions set out in current legislation, the Commercial Paper is rated as financial assets with implicit returns. Income from the Commercial Paper is considered to be an income derived from moveable property and subject to Personal Income-tax (the "PIT"), Corporate Tax (the "CT") and Non-residents Income-tax (the "NRIT"). The tax is collected through interim withholdings at source, under the terms and conditions set out in the respective regulatory laws and other standards that implement said laws.

For illustrative purposes only, the applicable regulations will be:

- Law 35/2006, of 28 November, governing Personal Income-tax and partial amendment of the laws on Corporate Tax, Non-residents Income-tax and Wealth (*Ley 35/2006, de 28 de noviembre, del Impuesto sobre la Renta de las Personas Físicas y de modificación parcial de las leyes de los Impuestos sobre Sociedades, sobre la Renta de no Residentes y sobre el Patrimonio*) (the "PIT Law"), as well as those contained in articles 74 et seq of Royal Decree 439/2007, of 30 March, which approves the Regulation on Personal Income tax and modifies the Regulations on Pension Funds and Plans approved through Royal Decree 304/2004, of 20 February (*Real Decreto 439/2007, de 30 de marzo, por el que se aprueba el Reglamento del Impuesto sobre la Renta de las Personas Físicas y se modifica el Reglamento de Planes y Fondos de Pensiones, aprobado por Real Decreto 304/2004, de 20 de febrero*).
- Law 27/2014, of 27 November, of the Corporate Tax Law (*Ley 27/2014, de 27 de noviembre, del Impuesto sobre Sociedades*) (the "CT Law") as well as articles 60 et seq of the Corporate Tax Regulations approved through Royal Decree 634/2015, of 10 July (*Reglamento del Impuesto sobre Sociedades aprobado por el Real Decreto 634/2015, de 10 de julio*).
- Royal Legislative Decree 5/2004, of 5 March, which approves the recast text of the Non-residents Income Tax Law (*Real Decreto Legislativo 5/2004, de 5 de marzo, por el que se aprueba el texto refundido de la Ley del Impuesto sobre la Renta de no Residentes*) and those contained in Royal Decree 1776/2004 of July 30, 2004 which approves the regulations in respect of Nonresidents Income Tax (*Real Decreto 1776/2004, de 30 de julio por el que se aprueba el Reglamento del Impuesto sobre la Renta de no residentes*).

All this is without prejudice to any provincial tax regimes which may be applicable, particularly those corresponding to the historic territories of the Basque Country and of the Regional Community of Navarre, or any other regimes that could be applicable due to the specific characteristics of the investor.

As a general rule, in order to dispose of or obtain reimbursement of financial assets with implicit yield that are subject to a withholding at source at the time of transfer, redemption or reimbursement, prior acquisition of the same must be substantiated through a notary public or by financial institutions obliged to perform withholdings. The price of the transaction must also be

certified. The financial institutions through which the payment of interest is made or which intervene in the transfer, redemption or reimbursement of securities are obliged to calculate the returns attributable to the securities holder and notify this to both the holder of the security as well as to the Tax Authorities. The Tax Authorities must also be notified of those persons taking part in the aforementioned transactions.

In any case, given that this summary is not a thorough description of all tax considerations, we recommend that investors interested in acquiring the Commercial Paper to be issued or offered check with their tax advisors or lawyers who could give them personalized advice in view of their specific circumstances. Likewise, investors and potential investors should take into consideration potential changes in legislation or its criteria of interpretation.

## **Investors that are individuals with tax residence on Spanish territory**

### ***Personal Income Tax***

Income obtained by the assets holders that are taxpayers of the PIT because of the transfer, redemption or reimbursement thereof will be considered as an implicit yield (movable income) derived from the transfer of own capital to third parties, in the terms provided in article 25.2 of PIT Law. Furthermore, the difference between the value of subscription or acquisition of the asset and its transfer, redemption, swap or reimbursement value will be added to the taxable base for the financial year in which the sale, redemption or reimbursement takes place. Tax will be paid at the rate in force at any given time, which is currently 19% up to €6,000, 21% from €6,000.01 to €50,000 euros, 23% from €50,000.01 to €200,000 and 26% from 201,000.01 upwards.

In order to carry out the transfer or reimbursement of the assets, the prior acquisition of the same must be certified by notaries public or financial institutions obliged to perform the withholding, and the price at which the transaction was carried out must be evidenced. The issuer cannot perform reimbursement when the holder fails to substantiate such status through the opportune certificate of acquisition.

In general, the implicit yield derived from the investments in commercial paper by individuals that are resident on Spanish territory are subject to withholding tax at source, as interim payment of Personal Income Tax at the current rate of 19%. The withholding carried out will be deductible from the Personal Income Tax amount, giving rise, where appropriate, to the tax rebates provided for in current legislation.

In the case of returns obtained through transfer, the financial institution acting on behalf of the transferring party will be obliged to make the withholding at source.

In the case of returns obtained through reimbursement, the entity obliged to make the withholding will be the issuer or the financial institution responsible for the transaction.

Similarly, to the extent that the securities are subject to application of the tax regime set out in Additional Provision One of Law 10/2014, of 26 June, governing the legal system, supervision and solvency of credit institutions (*Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*) (the “**Law 10/2014**”) the reporting regime set out in article 44 of Royal Decree 1065/2007, of 27 July, will apply pursuant to the wording given in Royal Decree 1145/2011, of 29 July.

In case the Additional Provision One of Law 10/2014 was not applicable, or applying, the amortization or redemption period of the Commercial Paper was higher than 12 months, the general reporting obligations would be applicable.

### ***Wealth tax***

Individuals who are resident in Spanish territory pursuant to the provisions of article 9 of the PIT Law are liable for Wealth Tax on their total net assets as at December 31 of each calendar year, irrespective of where their properties are located or where their rights can be exercised.

Spanish Wealth Tax Law (Ley 19/1991, de 6 de junio, del Impuesto sobre el Patrimonio) exempts from taxation the first €700,000 of net wealth owned by an individual (some additional exemptions may apply on specific assets); the rest of the net wealth is taxed at rates ranging between 0.2% to 3.5%. However, this taxation may vary depending on the Spanish Autonomous Region of residence of the corresponding Spanish Holder.

Spanish individuals subject to Spanish Wealth Tax filing obligations will be obliged to include reference (in the corresponding tax form) to the Commercial Paper yearly owned at December 31. This paper should be reported at their average market value during the last quarter of the year. The Spanish Ministry of Finance and Taxation publishes annually such market value for the purposes of the Spanish Wealth Tax.

### ***Inheritance and Gift Tax***

Moreover, pursuant to Law 29/1987, of 18 December, governing Inheritance and Gift Tax, individuals resident in Spain that acquire the securities or rights over these securities through inheritance or gift will be subject to the tax without prejudice to the specific legislation applicable in each Autonomous Community. The effective tax rate, after applying all relevant factors, ranges from 0% to 81.6%. Some tax benefits may reduce the effective tax rates (bearing in mind the Autonomous Regions provisions).

### **Investors that are entities with tax residence on Spanish territory**

#### ***Corporation Tax***

The profits obtained by CT taxpayers when said profits arise from these financial assets are exempt from the obligation of making the withholding providing that the Commercial Paper (i) are represented by book entry forms (*anotaciones en cuenta*) and (ii) are traded on a Spanish official secondary market of securities, or on a multilateral trading facility such as the MARF. Otherwise, the withholding at source -performed as an interim payment of Corporation Tax- will be carried out at the current rate of 19%. The interim withholding carried out will be deductible from the CT amount payable.

The procedure to introduce the exemption described in the previous paragraph will be the one set out in the Order of 22 December 1999.

The financial institutions that take part in the transfer or reimbursement operations will be obliged to calculate the capital gains attributable to the securities holder and to notify this to both the holder as well as the Tax Authorities.

Notwithstanding the foregoing, to the extent that the securities are subject to application of the regime set out in Additional Provision One of Law 10/2014, the procedure set out in article 44 of Royal Decree 1065/2007, of 27 July, will be applicable in accordance with the wording given through Royal Decree 1145/2011, of 29 July, for the securities issued with a redemption of 12 or less months.

In case the Additional Provision One of Law 10/2014 was not applicable, or applying, the amortization or redemption period of the Commercial Paper was higher than 12 months, the general reporting obligations would be applicable.



### **Wealth Tax**

Legal entities are not subject to Wealth Tax.

### **Inheritance and Gift Tax**

Legal entities do not pay Inheritance and Gift Tax and will be subject to the Corporate Income Tax Law.

### **Investors that are not resident on Spanish territory**

#### ***Non-residents income-tax for investors not resident in Spain with a permanent establishment***

Non-resident investors with a permanent establishment in Spain will be subject to a tax regime similar to the one described for investors that are legal entities resident in Spain.

The withholding tax procedure will be also the same as provided for such entities.

#### ***Non-residents income-tax for investors not resident in Spain without permanent establishment***

To the extent that the provisions set out in Additional Provision One of Law 10/2014 are met and that the non-resident investor without permanent establishment grants its condition, the returns of its securities will be exempt from NRIT.

In case the Additional Provision One of Law 10/2014 was not applicable, or applying, the amortization or redemption period of the Commercial Paper was higher than 12 months, the general reporting obligations would be applicable.

If the aforementioned Additional Provision One is not applicable, the returns resulting from the difference between the value of redemption, transfer, and reimbursement or swap of the securities issued in accordance with the provisions set out in this the Commercial Paper Programme and their subscription or acquisition value, obtained by investors without tax residence in Spain, these will be subject to a tax rate of 19%, in general. Tax treaties and domestic exemptions should be borne in mind.

In order to apply the exemption referred to in the previous paragraph to the securities issued with a redemption of 12 or less months, it will be necessary to comply with the procedure set out in article 44 of Royal Decree 1065/2007, of 27 July, in the wording given by Royal Decree 1145/2011, of 29 July.

### **Wealth Tax**

Without prejudice to the provisions set out in the treaties to avoid double taxation, in general those individuals that do not have a usual place of residence in Spain pursuant to the provisions set out in article 9 of the PIT Law and who, at 31 December of each calendar year, own properties that are either situated in Spain or with executable rights over the same, are subject to Wealth Tax, without prejudice to any applicable exemptions.

However, it should be taken into account that those securities whose implicit yields are exempt from the IRNR will be also exempt from Wealth Tax.

The valuation of these assets will be subject to the same criteria as provided in connection with individuals resident for tax purposes in Spain.

Taxpayers will be entitled to apply a minimum exemption amount to 700,000 euros, as well as the general scale of charges whose tax rates ranges from 0.2% to 3.5%, and without prejudice to what had already been established, where appropriate, in each Autonomous Region.

Non-resident taxpayers that are resident in a Member State of the European Union or the European Economic Area will be entitled to the application of the regulations approved by the Autonomous Region in which their most valuable assets and rights, on which the tax is imposed, are situated, because they are located, may be exercised or must be fulfilled in Spanish territory. We recommend investors to consult their own advisors in this regard

### ***Inheritance and Gift Tax.***

Pursuant to Law 29/1987, of 18 December, governing Inheritance and Gift Tax (*Ley 29/1987, de 18 de diciembre, del Impuesto sobre Sucesiones y Donaciones*), individuals non-resident in Spain that acquire the securities or rights over the securities through inheritance, bequest or gift and who are resident in a country with which Spain has a treaty to avoid double taxation vis-à-vis this tax will be subject to taxation pursuant to the provisions set out in the respective treaty. In order to apply the provisions set out in this treaty, it will be necessary to prove tax residence through the corresponding certificate validly issued by the tax authorities in the investor's country of residence, expressly placing on record their residence for the purposes set out in the treaty.

If a treaty to avoid double taxation is not applicable, individuals non-resident in Spain will be subject to Inheritance and Gift Tax pursuant to state laws. The tax rate will range between 0 and 81.6%.

Notwithstanding the above, the non-resident deceased, heir or done would be entitled to the application of the regulations approved by the Autonomous Region in which their most valuable assets and rights, on which the tax is imposed, are situated, because they are located, may be exercised or must be fulfilled in Spanish territory. We recommend investors to consult their own advisors in this regard.

### ***Reporting regime set out in article 44 of the Royal Decree 1065/2007***

In the event that the First Additional Provision of Law 10/2014 applies to the issue of the commercial paper, the reporting regime established in article 44 of the Royal Decree 1065/2007, as amended by Royal Decree 1145/2011, of 29 July will apply thereto. The above as long as the commercial paper issued has a redemption period equal or lower than twelve months.

In case the referred reporting regime applies, (i) the entities maintaining the securities in its third parties accounts, and (ii) entities managing the securities compensation and liquidation systems established in a foreign country which have signed an agreement with such compensation and liquidation entity domiciled within the Spanish territory (i.e. Iberclear), shall file before the Issuer, or the financial institution acting on its behalf, the statement according to the form annex to the aforesaid Royal Decree 1145/2011, which will include:

- Identification of the securities
  
- Reimbursement date.
  
- Total amount of income derived from the reimbursement of the securities
  
- Amount of income corresponding to taxpayers of Personal Income Tax

- Amount of income that shall be paid on its gross amount.

Income corresponding to non-residents without a permanent establishment in Spain, to taxpayers of Corporate Income Tax and to non-residents with permanent establishment in Spain, will be paid on its gross amount.

According to the wording of section 6 of article 44 after the aforesaid legal modification, such statement will be submitted the working day prior to the maturity date of the paper, taking into account the situation at the end of the market of the mentioned day. Such statement could be presented through electronic processes.

The lack of submission of the statement referred to in article 44, by any of the obliged entities, at the date foreseen in first paragraph of article 44.6 would imply, for the Issuer or its authorized paying agent, the obligation of paying the income corresponding to such entity on its net amount resulting after deducting withholding taxes at the general tax rate of 19% over the total amount of such interest.

Subsequently, if the obliged entity submits the statement established in article 44 prior to the 10th day of the month following to the month when the maturity of the paper takes place, the Issuer or its authorized paying agent will refund the exceeded withholding.

If the statement is not sent to the Issuer within the periods mentioned in the preceding paragraphs, investors who are not resident for tax purposes in Spain and who do not act in relation to the Commercial Paper through a permanent establishment in Spain may, where applicable, apply to the Tax Authorities for a refund of the amount withheld in excess, subject to the procedure and declaration form provided for in Order EHA/3316/2010 of 17 December 2010. Potential investors are advised to consult their advisors on the procedure to be followed, in each case, in order to request the aforementioned refund from the Spanish Tax Authorities.

Without prejudice to the foregoing, the Issuer must inform the Tax Authorities of the identity of the PIT taxpayers who are holders of the Commercial Paper issued by the Issuer, as well as IRNR taxpayers who obtain income from such Commercial Paper through a permanent establishment located in Spanish territory.

### **Indirect taxation in the acquisition and transfer of the securities issued**

The acquisition and, where appropriate, subsequent transfer of the Notes is exempt from the Tax on Onerous Property Transfers and Documented Legal Acts (Stamp Duty) and VAT under the terms set out in article 338 of the Securities Market Act and concordant articles of the laws that regulate the aforementioned taxes.

## **22. Publication of the Base Information Memorandum**

This Base Information Memorandum will be published on the website of MARF (<https://www.bolsasymercados.es>).

## **23. Description of the placement system and, if applicable, subscription of the issue**

**Issuance and placement of Commercial Paper through customized placement by the Placement Entity.**

On any business day, between 10 a.m. and 2 p.m., the Issuer may receive personalized requests from a Placement Entity for a minimum amount of ONE MILLION EUROS (€1,000,000), whereby the nominal value of each Commercial Paper is ONE HUNDRED THOUSAND EUROS (€100,000).

The relevant Placement Entity acts as broker in the placement of the Commercial Paper, without prejudice to which the relevant Placement Entity may subscribe Commercial Paper in its own name.

The determination of the price in each case will be performed through an agreement between the Issuer and the relevant Placement Entity, and the terms of said agreement will be confirmed by fax, which will be sent by the Issuer to the relevant Placement Entity. The rate applied to third parties by the relevant Placement Entity may not be the same as the acquisition price of the same.

Pricing date will be agreed between the Issuer and the relevant Placement Entity and settlement of the relevant issuance will take place non earlier than two business days following the pricing date.

#### **Publication of the issue results.**

The result of each issue will be notified to the market through REUTERS (TTPS screen or news). This communication will be carried out on the same day as the issue.

#### **Publication of the admission (*incorporación*) to trading.**

The admission (*incorporación*) to trading will be published on the website of MARF (<https://www.bolsasymercados.es>).

#### **24. Costs for legal, financial and auditing services, and other services provided to the Issuer regarding the issue/admission (*incorporación*), as well as the placement costs and where appropriate, insurance costs, regarding the issue, placement and admission (*incorporación*)**

The costs for all legal and financial services, and other services provided to the Issuer for the issue/admission to trading of the Commercial Paper sum up approximately sixty five thousand euros (€65,000), excluding taxes (assuming the issue of five hundred and fifty million (€550,000,000) under the Programme), and including the fees of MARF and Iberclear.

#### **25. Deadline for the admission (*incorporación*) to trading**

The admission (*incorporación*) to trading of the securities described in the present Base Information Memorandum will be requested for the multilateral trading facility known as the Alternative Fixed-Income Market (MARF). The Issuer hereby undertakes to carry out all the necessary actions so that the Commercial Paper is listed on MARF within seven (7) days from the date of issuance of the securities. For these purposes, as stated above, the date of issuance coincides with the date of disbursement. Under no circumstances will the deadline exceed the maturity of the Commercial Paper. In the event of breach of the aforementioned deadline, the reasons for the delay will be notified to MARF and will be published on the website of MARF (<https://www.bolsasymercados.es>). This is without prejudice to any possible contractual liability that may be incurred by the Issuer. The date of incorporation of the Commercial Paper must be, in any event, a date falling within the validity period of the Programme and under no circumstances will the listing period exceed the maturity date of the Commercial Paper.

MARF has the legal structure of a multilateral trading facility (MTF) (*sistema multilateral de negociación (SMN)*), under the terms set out in article 68 of Law 6/2023, of 17 March, Law of the Capital Markets and Investment Services (*Ley 6/2023, de 17 de marzo, de los Mercados de*

*Valores y de los Servicios de Inversión*), constituting an unofficial alternative market for the trading of fixed-income securities.

This Base Information Memorandum is the one required in Circular 2/2018 of MARF, on admission (*incorporación*) and removal of securities on the Alternative Fixed-Income Market.

Neither MARF nor the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (CNMV) or the Placement Entities have approved or carried out any verification or testing regarding the content of the Base Information Memorandum or the audited financial statements. The intervention of MARF does not represent a statement or recognition of the full, comprehensible and consistent nature of the information set out in the documentation provided by the Issuer.

It is recommended that the investor fully and carefully reads the present Base Information Memorandum prior to making any investment decision regarding the securities.

The Issuer hereby expressly declares that it is aware of the requirements and conditions necessary for the acceptance, permanence and removal of the securities on MARF, according to current legislation and the requirements of its governing body, and expressly agrees to comply with them.

The Issuer hereby expressly declares that it is aware of the requirements for registration and settlement on Iberclear. The settlement of transactions will be performed through Iberclear.

## **26. Liquidity agreement**

The Issuer has not entered into any liquidity undertaking with any entity regarding the Commercial Paper to be issued in accordance with the provisions set out in this Programme.

As the person responsible for this Base Information Memorandum:

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Mr. Carlos Mijangos Gorozarri

**Sacyr, S.A.**

## ISSUER

### **Sacyr, S.A.**

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Spain

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

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

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## LEGAL ADVISOR

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## ANNEX

### CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER FOR THE FINANCIAL YEARS ENDED ON 31 DECEMBER 2022 AND 31 DECEMBER 2021

The audited consolidated financial statements of the Group corresponding to the years ended 31 December 2022 and 31 December 2021 shall be deemed to be incorporated in, and to form part of, this Base Information Memorandum.

Consolidated Financial Statements of the Issuer for the financial years ended on 31 December 2022:

<https://www.sacyr.com/documents/121856245/121935557/CCAA%20GRUPO%20SACYR%202022.pdf/b59d2970-f552-0e27-0acd-4357b62e0f41>

Consolidated Financial Statements of the Issuer for the financial years ended on 31 December 2021:

<https://www.sacyr.com/documents/121856245/121925406/CCAA%20GRUPO%20SACYR%20DI-C-21.pdf/cd3858eb-0feb-c237-de36-99ad58ac6f38>