



REPORT OF THE BOARD OF DIRECTORS OF SACYR, S.A. IN RELATION TO THE PROPOSAL TO AUTHORISE THE BOARD OF DIRECTORS SO THAT THE COMPANY MAY ACQUIRE TREASURY SHARES –DIRECTLY OR INDIRECTLY– AND, IF APPROPRIATE, REDUCE THE SHARE CAPITAL, INCLUDED IN ITEM FIFTEEN OF THE AGENDA OF THE ORDINARY GENERAL MEETING CALLED FOR APRIL 28, 2021 AND 29 APRIL 2021, AT FIRST AND SECOND CALL, RESPECTIVELY,

1. Purpose of the report

Section 286 of the Corporate Enterprises Act establishes that for the amendment of the Bylaws, the Directors are required draw up the full text of the proposed amendment to the Bylaws and also draw up a written report justifying the amendment. Section 318 of the Corporate Enterprises Act establishes that for a capital reduction the resolution must be passed by the General Shareholders Meeting with the requirements for the amendment of the Bylaws.

This report (the "**Report**"), drafted and approved by the Board of Directors of SACYR, S.A. (the "**Company**") at its meeting held on March 25, 2021, complies with this legal requirement with respect to the resolution to authorise the Board of Directors to reduce, where appropriate, the share capital on one or more occasions so as to redeem the treasury shares acquired, as applicable, as a result of the exercise of the authorisation granted by the General Shareholders Meeting for the acquisition of treasury shares proposed to be passed at the General Shareholders Meeting under item fifteen on the agenda of the meeting called by the Board of Directors of the Company to be held on April 28, 2021 at first call and on April 29, 2021 at second call.

2. Justification of the proposal

The Corporate Enterprises Act, which regulates dealings in treasury shares in sections 146 et seq. and 509 et seq. allows public limited companies, subject to certain conditions, to acquire, either directly or through subsidiaries, shares issued by the company itself and to hold them as treasury stock.

Once the derivative acquisition of treasury shares has taken place, current legislation envisages a number of procedures for disposing of the treasury stock generated, such as, inter alia, the redemption of the shares or their disposal on the market.

The decision to be taken with regard to any treasury shares held by the Company will be determined by circumstances that are difficult to assess and evaluate in advance, such as market conditions and, primarily, the Company's best interests.

It is impossible to determine, *a priori*, the appropriateness of the procedure which, in the interests of the Company, should be used for the above-mentioned purpose of reducing or disposing of the treasury shares acquired. There is no way to foresee the market conditions at a given point in time, which could be favourable or unfavourable with respect to a single



previously established procedure.

For this reason, it is considered appropriate that the assessment of the circumstances at any given time be carried out by the Company's Board of Directors, which will then decide on the most suitable system.

Ultimately, the Board of Directors will be responsible for assessing and deciding on the actions to be taken in relation to treasury stock, taking into account the circumstances prevailing at the time.

To allow the Board of Directors to follow any legally envisaged procedures for the disposal of treasury stock, it is proposed to empower the Board of Directors to reduce, if necessary, the share capital on one or more occasions in order to redeem all or some of the treasury shares held by the Company at the time when it is considered appropriate to dispose of the treasury stock. The current lack of clarity on future circumstances means that the authorisation to reduce capital must be given in broad terms, delegating to the Board of Directors a series of powers enabling it to use this procedure, which is provided for by law, including the following powers: (i) execute or cancel the capital reduction, setting the specific date or dates of the operations, as the case may be, taking into account the internal and external factors that influence the decision; (ii) specify in each case the amount of the capital reduction; (iii) determine the allocation of the amount of that capital reduction; (iv) adapt in each case Article 5 ("Share Capital") of the Bylaws to the new amount of share capital and the new number of shares; (v) request in each case the delisting of the redeemed shares; and (vi) in general, adopt any resolutions considered necessary for the redemption and consequent reduction of capital, designating the persons responsible for formalising them.

Furthermore, and in accordance with section 146. 1 a) paragraph 3 of the Corporate Enterprises Act, the proposed resolution also provides that the shares acquired may be allocated, in whole or in part, to be delivered directly, on one or more occasions, to employees or directors of the Company or its group.

3. Proposed resolution

The proposed resolution relating to item twelve on the agenda, which is submitted for the approval of the Company's General Shareholders Meeting, is as follows:

"1. Approve the derivative acquisition of own shares in Sacyr, S.A. (the "Company") by the Company itself, or by its group companies, under the provisions of section 146, and following, and section 509 and other concordant provisions of the Spanish Corporate Enterprises Act, complying with the requirements and limitations established under law at any given time, all of such in the following terms:

- o Acquisition modalities: acquisitions may be carried out directly by the Company or indirectly through its group companies, and they may be executed, on one or more occasions, through the sale and purchase, exchange or any other legal transaction.*
- o Maximum number of shares to acquire: the par value of the shares to be acquired, plus, where appropriate, those already owned, directly or indirectly, may not exceed the maximum legally permitted percentage at any given time.*



- *Maximum and minimum consideration: the acquisition price per share will be at least the par value and at most the listed share price on the securities market on the acquisition date.*
- *Duration of the conferred powers: these powers are conferred for a period of five years, starting from the date when this General Meeting is held.*

Likewise, and for the purposes of the provisions of the second paragraph of section 146.1a) of the Spanish Corporate Enterprises Act, it is expressly stated that these express powers are conferred on the subsidiaries to acquire shares in the Company, under the same terms referred to above.

Pursuant to these conferred powers, the Board of Directors may acquire own shares, by direct resolution or by the Executive Committee or another person or persons that have been delegated to do so by the Board of Directors, and hold them in the portfolio, transfer them or, where appropriate, cancel them, within the legal limits and in compliance with the conditions set forth in this agreement.

These conferred powers also include the acquisition of shares that, where appropriate, are to be delivered directly to the employees or directors of the Company or group companies, in the event the holders exercise their option rights or as settlement and payment for the share bonus schemes.

The conferred powers referred to in this agreement covers all treasury share transactions carried out within their terms, without the need to be repeated for each of the acquisitions, as well as the funding or allocation to reserves that are carried out in accordance with the Spanish Corporate Enterprises Act.

The Board of Directors will especially ensure that, at the moment in which any acquisition carried out under these conferred powers occurs, both the conditions established by this General Meeting and the requirements of the Spanish Corporate Enterprises Act are respected.

These conferred powers render without effect the others approved by the General Meeting of the Company held on 7 June 2018, in the undrawn amount.

2. Empower the Board of Directors to reduce the share capital in order to cancel the Company's treasury shares that the Company or its group companies have acquired, charged to the share capital (at par value) and to unrestricted reserves (for the amount of the acquisition exceeding their par value), for the amounts considered appropriate at any given time and up to the maximum number of treasury shares existing at any time.

3. Confer powers to the Board of Directors for the performance of the previous capital reduction agreement, so that it can be carried out on one or more occasions and, also, render it without effect, within a maximum period of 5 years from the date of this General Meeting, carrying out as many actions as necessary or required by law.

In particular, powers are conferred to the Board of Directors, so that within the terms and limits indicated under this resolution, it may proceed to (i) execute or cancel the capital reduction,



setting, where appropriate, the specific date or dates of the transactions, taking into account the internal and external factors affecting the decision; (ii) specify the amount of the capital reduction in each case; (iii) determine the destination of the amount of the capital reduction; (iv) modify, in each case, Article 5 (Share Capital) of the Company By-laws based on the new capital amount and the new number of shares; (v) request, in each case, the delisting of the canceled shares; and (vi) in general, adopt as many resolutions as considered necessary for the share cancellation and consequent capital reduction, appointing the persons who must carry out the corresponding procedures."

Madrid, March 25, 2021.