SACYR S.A.'S BOARD OF DIRECTORS REPORT, IN IN RELATION TO THE PROPOSAL FOR AUTHORISATION TO THE BOARD OF DIRECTORS TO EXPAND THE SHARE CAPITAL REFERRED TO IN THE TENTH POINT OF THE AGENDA OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS CONVENED FOR 14 AND 15 JUNE 2023, IN THE FIRST AND SECOND CALLS, RESPECTIVELY

This report is intended to justify the proposed authorisation to the Board of Directors, with powers of substitution, to increase the share capital under the provisions of Article 297.1.b) of the Capital Companies Act, including the power to exclude the right of preferential subscription in accordance with the provisions of Article 506 of the aforementioned Law, whose approval is submitted to Sacyr S.A.'s Ordinary General Meeting, (the "**Company**") in the tenth point of its agenda, all in accordance with the provisions of Articles 286, 297.1.b) and 506 of the Capital Companies Act ("**LSC**").

1. Regulatory Framework

Article 297.1.b) LSC empowers the General Meeting so that, with the requirements provided for the modification of the Articles of Association, it can delegate to the Board of Directors the power to agree on one or several times to increase the share capital to a certain amount, at the time and in the amount that it decides, without prior consultation with the General Meeting.

The rule states that these increases may not be greater in any case than half of the capital of the company at the time of authorisation and must be made by monetary contributions within a maximum period of five years from the agreement of the General Meeting.

In relation to the requirements provided for the modification of the Articles of Association, Article 286 LSC establishes that administrators must draft the full text of the modification they propose and, in the case of corporations, a written report with justification thereof.

For its part, Article 506 LSC provides that when the General Meeting delegates to the directors the power to increase the share capital, it may also attribute to them the power to exclude the preferential subscription right in relation to the issues of shares that are subject to delegation if the interest of the company so requires. In the announcement of a call to the General Meeting in which the proposal to delegate the power to increase the share capital to the directors must expressly state the proposal to delegate the power to exclude the right of preferential subscription and, from the call of the General Meeting, a report of the directors must be made available to the shareholders in which the proposal to delegate that power is justified. This report responds to the aforementioned requirements.

2. Rationale for the proposed agreement

2.1. Regarding the justification for increasing the share capital

The proposed agreement presented to the General Meeting is justified by the convenience of the administrative body having a mechanism, provided for by current corporate regulations, that allows for the agreement, at all times, in an agile manner, without subsequent convening and holding of a new General Meeting, of one or more capital increases within the limits, terms, and conditions that the General Meeting decides.

The demands that the market imposes on commercial companies and, in particular, on listed companies, require that their administrative body be able to make use of the possibilities provided by the regulatory framework to give quick and effective responses to needs that arise in the economic traffic in which large companies currently operate. Without a doubt, among these needs is to equip the Company with new financial resources, which could be proper to articulate through new capital contributions.

However, on many occasions it is impossible to determine in advance what the needs of the Company must be in terms of capital allocation and to anticipate the delays and increases in costs that the natural appeal to the General Shareholders' Meeting may entail to increase capital, making it difficult for the Company to respond effectively and quickly to the needs of the market. This makes it advisable that the Board of Directors be able to use the authorised capital mechanism provided for in our legislation.

Indeed, the appeal to the delegation provided for in Article 297.1.b) of the Capital Companies Act allows the Company to provide the Board of Directors with an agile and flexible instrument for a more adequate attention to the needs of the Company, depending on the circumstances of the market.

On the basis of the foregoing, it has been estimated that it is advisable to submit to the General Meeting a proposal to delegate to the Board of Directors the power to increase the Company's share capital by a maximum nominal amount equal to half of the Company's share capital at the time of authorisation, and which, therefore, respects the limits imposed by the applicable regulations. The increases made under this delegation will be made by issuing and circulating new shares - with or without a premium, which may be with or without vote, ordinary or privileged, including redeemable shares, or of any other type permitted by the applicable regulations - whose value will consist of monetary contributions.

Likewise, the proposal contemplates the request, where appropriate, for admission to negotiation in official or unofficial secondary markets, whether organised or not, domestic or foreign, for the shares that are issued by the Company by virtue of the delegation, empowering the Board of Directors to carry out the necessary procedures and actions for admission to the public before the competent bodies of the different national or foreign securities markets.

2.2. Regarding the justification of attributing the possibility of excluding the preferential subscription right

Under the provisions of Article 506 of the Capital Companies Law, has been deemed equally timely, as a complement to the previous proposal, propose that the delegation to the Board of Directors (with express power of delegation) to increase capital also include the attribution of the power to exclude, in whole or in part, the preferred subscription right of the shareholders in relation to the issuance of shares that are the subject of the delegation, when the interest of the Company so requires, all of this in the terms of the aforementioned precept. Although this power will be limited to increases in share capital made under this authorisation up to the maximum amount corresponding to 10% of the share capital on the date this agreement is adopted, in this way following the best practices of corporate governance in the interest of the shareholders of the Company.

The power to exclude the right of preferential subscription, limited in the terms indicated in the previous paragraph, is complementary to that of increasing the capital since it provides the administrative body with that agility intended with the delegation of the power to increase the share capital. Thus, and in addition to the justification for the cost savings that an increase in capital excluding the preferential subscription right entails versus an increase in rights (in particular, in the commissions of the financial entities participating in the eventual issue), the exclusion of the preferential subscription right is justified by (i) a principle of prudence and anticipation of possible juncture difficulties, (ii) planning criteria, and, mainly, (iii) due to the need to reinforce the speed and flexibility of action and response of the Board of Directors on those occasions that are required by the volatility of the current financial markets, allowing the Company to take advantage of times when market conditions are most favourable.

Likewise, the extent of the suppression of the preferential subscription right is justified by the lower distortion in the trading of the Company's shares during the issue period, which is usually shorter than in a rights issue.
In any case, it should be noted that the possibility of excluding the right of preferential subscription is a power that the General Meeting delegates to the Board of Directors (with express power of delegation) and that corresponds to it, taking into account the specific circumstances and respecting the legal requirements, decide in each case whether or not it is appropriate, and within the indicated limitations. Thus, the delegation of this power does not imply that each capital increase carried out under the authorised capital is carried out with the exclusion of the preferential subscription right; it will be possible to carry out capital increases with the preferential subscription right and it will be the Board of Directors that will analyse the suitability of its exclusion on a case-by-case basis.

Finally, it is also proposed that:

- The Board of Directors be expressly empowered so that it can, in turn, delegate, under the provisions of Article 249bis l) of the Capital Companies Law, the powers referred to in the proposal that motivates this report.

- The authorisation to expand the share capital granted to the Board of Directors by the Ordinary General Shareholders' Meeting held on 7 June 2018 in the undrawn part be voided.

3. Proposal according to the Ordinary General Shareholders' Meeting

The full text of the proposed agreement submitted for approval by the Ordinary General Meeting in relation to the tenth point of the agenda is literally transcribed below.

Authorisation and delegation to the Board of Directors, with powers of substitution, to increase the share capital in accordance with the provisions of Article 297.1.b) of the Capital Companies Act, with the power to exclude the right of preferential subscription limited to a maximum set of 10% of the share capital.

DRAFT RESOLUTION

"To empower the Board of Directors, as broadly as required by law, so that, under the provisions of Article 297.1.b) of the Capital Companies Act, can increase share capital, without prior consultation with the General Meeting, at one or several times and at any time, within a period of five years from the date of holding this General Meeting, up to the maximum nominal amount equal to half (50%) of the Company's share capital at the time of this authorisation, and that, therefore respects the limits imposed by the applicable regulations.

Capital increases under this authorisation will be made, once or several times, by issuing and circulating new shares - with or without a premium - whose value will consist of monetary contributions.

In relation to each increase, it shall be the responsibility of the Board of Directors (with express powers of substitution) to decide whether the new shares to be issued are ordinary, privileged, redeemable, without vote or of any other type of those permitted by the Law.

Likewise, the Board of Directors (with express powers of substitution) may set, in all matters not provided for, the terms and conditions of the capital increases and the characteristics of the shares, as well as freely offer the new shares not subscribed within the term or periods of exercise of the right of preferential subscription. The Board of Directors (with express powers of substitution) may also establish that, in the event of an incomplete subscription, the capital will be increased only in the amount *of the subscriptions made and reword the articles of the Articles of Association relating to the capital and number of shares. Shares issued under this authorisation may be used to address the conversion of convertible securities issued or to be issued by the Company or companies in its group.*

Likewise, in relation to capital increases made under this authorisation, the Board of Directors is empowered to exclude, in whole or in part, the right of first refusal under the terms of Article 506 of the Capital Companies Act, although this power shall be limited to increases in share capital made under this authorisation up to the maximum amount corresponding to 10% of the share capital on the date of adoption of this agreement.

The Company shall request, where appropriate, for admission to negotiation in official or unofficial secondary markets, whether organised or not, domestic or foreign, for the shares that are issued by the Company by virtue of the delegation, empowering the Board of Directors to carry out the necessary procedures and actions for admission to the public before the competent bodies of the different domestic or foreign securities markets. Likewise, in the share capital increase agreement shall be expressly stated, for the appropriate legal purposes, that, in the event that the exclusion from the Company's share price is subsequently requested, it will be adopted with the formalities required by the applicable regulations and, in such a case, the interest of shareholders who oppose or do not vote on the agreement shall be guaranteed, meeting the requirements set out in the Capital Companies Act, in the Securities Exchange Act and other provisions concordant with or developing them.

The Board of Directors is expressly empowered so that it can, in turn, delegate, under the provisions of Article 249 bis l) of the Capital Companies Law, the powers referred to in this agreement.

This authorisation voids that which was granted by the Ordinary General Shareholders' Meeting held on 7 June 2018".