



INFORMATION DOCUMENT

CAPITAL INCREASE BY SACYR, S.A. CHARGED TO RESERVES

8 January 2020

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1. Object

1.1 Background

The Ordinary General Meeting of Shareholders of Sacyr, S.A. (the “**Company**”) held today, 13 June 2019, at second call, resolved, under item eight, section 8.2, of its agenda, to increase share capital, with a charge to profits or reserves (“scrip dividend”), by a maximum nominal amount of up to 18,000,000 euros through the issuance and putting into circulation of new ordinary shares of the same class and series and carrying the same rights as the shares currently in circulation, with a nominal value of 1 euro per share and without a share premium, represented by book entries, delegating authority to execute the increase to the Board of Directors, with express authority to subdelegate, within a period of one year counting from the date of that meeting (the “**Capital Increase**”).

Exercising the authority granted by the Ordinary General Meeting of Shareholders, the Company’s Board of Directors, at its meeting held on 19 December 2019, resolved to set most of the terms and conditions and delegate to the Executive Chairman of the Board of Directors (with express power to subdelegate) the authority to set the rest of the terms and the conditions of the Capital Increase, including the date of execution thereof.

Accordingly, the Executive Chairman of the Board of Directors, exercising the authority delegated to him, today, 8 January 2020, decided to put the Capital Increase into effect, setting the remaining terms and conditions of the Capital Increase not approved by the Company’s Board of Directors at its meeting on 19 December 2019.

1.2 Object

This information document (the “**Information Document**”) is issued for the purpose specified in Article 1.5.(g) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC, according to which the preparation and publication of a prospectus for the admission to trading of the new shares of the Company issued in the Capital Increase is not required “*provided those new shares are of the same class as the shares that have already been admitted to trading on the same regulated market and a document containing information on the number and nature of the shares and the reasons for and details of the offer is available.*”

The Information Document is available on the website of the Comisión Nacional del Mercado de Valores (www.cnmv.es) and on the corporate website of the Company (www.sacyr.com).

2. Reasons for the Capital Increase

The current state of the capital markets makes it advisable for companies to maintain their capital and cash structure. However, that fact should not prevent them from meeting one of their main obligations to their shareholders, which is the possibility of paying dividends, if they have the means to do so.

Thus, one of the trends in shareholder remuneration among Ibex-35 companies has been the use of flexible remuneration or "scrip dividend" schemes. Implemented through capital increases via capitalisation of profits or reserves, with a commitment by the company to purchase the free allocation rights, these schemes give shareholders a choice between receiving cash or an allotment of shares of the company, subject to the tax treatment applicable to bonus shares.

With these scrip dividend schemes:

- (i) Shareholders are remunerated insofar as, if they so choose, they may sell their free allocation rights on the market or to the company itself (which assumes a firm commitment to buy them).
- (ii) The company is able to maintain its capital structure (to a greater extent than if the dividend were paid in cash), insofar as some shareholders may elect to hold their rights and not sell them to the company.

With the Capital Increase, the shareholders of the Company are offered the possibility of receiving cash remuneration, if they so wish, or shares of the Company or a combination of both.

3. Details of the Capital Increase

3.1 How it works

Under the terms of the Capital Increase, shareholders of the Company will receive one free allocation right for every share of the Company they hold. These free allocation rights will be negotiable and so may be offered for sale on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges for a period of fifteen calendar days from the dealing day following the day of publication of the announcement of the Capital Increase in the Official Gazette of the Commercial Registry (BORME).

After the rights trading period, the free allocation rights will be automatically converted into newly issued shares of the Company, which will be allotted to the holders of a certain number of free allocation rights.

Therefore, in the Capital Increase, shareholders of the Company will have three options:

- (a) Not to sell their free allocation rights. In this case, at the end of the trading period, the shareholders will receive, completely free of charge, a number of new shares in proportion to their existing shareholding.
- (b) To sell all or some of their free allocation rights to the Company, which has undertaken to purchase the rights at a guaranteed fixed price, as detailed in section 3.3 of this Information Document. In this case, shareholders will monetise their rights, receiving cash in place of shares.
- (c) To sell all or some of their free allocation rights on the market. In this case, shareholders will also monetise their rights but will not receive a guaranteed fixed price, as the consideration for the rights will depend on market conditions in general and the quoted price of the free allocation rights in particular.

Furthermore, shareholders of the Company will be free to elect to combine any of the options described in sections (a) to (c) above.

Shareholders who do not notify their election will receive the number of new shares to which they are entitled under the terms of the Capital Increase.

3.2 Maximum number of new shares to be issued, number of free allocation rights needed to receive one new share and maximum nominal amount of the Capital Increase

The maximum number of new shares of the Company to be issued in execution of the Capital Increase has been set at 12,652,301, so that the maximum nominal amount of the Capital Increase is 12,652,301 euros.

Applying the arithmetic operations specified in the formulas approved by the Ordinary General Meeting, the terms and conditions of the Capital Increase have been determined as follows.

- (i) Maximum number of new shares to be issued

The maximum number of new shares of the Company to be issued in execution of the Capital Increase is 12,652,301, so the maximum nominal amount of the Capital Increase is 12,652,301 euros, calculated by multiplying the maximum number of new shares to be issued by 1 euro, which is the nominal value per share.

However, the number of shares actually issued in the Capital Increase may be lower, as it will depend on the number of shareholders who elect to sell their free allocation rights. The Company will waive its right to the new shares corresponding to any free allocation rights it may acquire under the irrevocable purchase commitment stated in section 3.3 below of this Information Document and so only new shares corresponding to free allocation rights not acquired by the Company in compliance with that commitment will be issued.

In any event, the final number of shares issued in the Capital Increase will be reported in due course through a significant event notice.

The new shares will be represented by book entries and will be governed by the securities market regulations, the share register being kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR) and its participants.

(ii) Number of free allocation rights needed to receive one new share

Under the formula approved by the Ordinary General Meeting, the number of free allocation rights needed in order to receive one new share of the Company will be equal to the result of dividing (i) the number of shares of the Company outstanding at the date of the Capital Increase execution resolution (that is, today, 8 January 2020) by (ii) the number of new shares to be issued in the Capital Increase (rounded, if the result is not a whole number, to the nearest whole number and, if the result is exactly halfway between two whole numbers, rounded up to the larger number).

The number of shares of the Company outstanding at the date of the Capital Increase execution resolution (that is, today, 8 January 2020) is 582,005,888 and the maximum number of new shares to be issued in the Capital Increase, as indicated in section (i) above, is 12,652,301.

Consequently, the number of free allocation rights needed to receive one new share of the Company is 46. Each share of the Company entitles the holder to one free allocation right. In order to ensure that the number of new shares to be issued in the Capital Increase maintain exactly the proportion of one new share for every 46 shares outstanding, the Company waives its right to 42 free allocation rights corresponding to own shares held in treasury.

Shareholders of the Company who have acquired shares of the Company by the date of publication of the announcement of the Capital Increase in the Official Gazette of the Commercial Registry, which is expected to be 13 January 2020, will receive one free allocation right for every share of the Company they hold. Therefore, each such shareholder will be entitled to receive one new share for every 46 old shares held at that date.

The holders of bonds convertible into shares of the Company will not be entitled to receive free allocation rights, although changes may have to be made to the conversion ratio under the terms of each issue.

(iii) Maximum nominal amount of the Capital Increase

The maximum nominal amount of the Capital Increase is 12,652,301 euros.

As already indicated, however, the amount by which the Company's share capital will actually increase will be the result of multiplying the number of shares finally issued by their nominal value, that is, 1 euro.

As indicated above, in order to ensure that the number of free allocation rights needed in order to receive one new share and the number of new shares issued in the Capital Increase are whole numbers, the Company waives its right to 42 free allocation rights corresponding to 42 own shares held in treasury.

3.3 Irrevocable purchase commitment

The fixed price at which the Company irrevocably undertakes to acquire each free allocation right will be 0.056 euros gross per right, the amount yielded by the formula approved by the General Meeting of Shareholders shown below (rounding the result up or down to the nearest thousandth of a euro and, in the event of half a thousandth of a euro, up to the nearest thousandth of a euro):

$$\text{Purchase price} = ((\text{Quoted price} * \text{NSCirc}) / (\text{NSCirc} + \text{NNS})) / \text{FAR}$$

Where:

- **Quoted price:** the arithmetic mean of the weighted average price at which the Company's shares are traded on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges through the Sistema de Interconexión Bursátil (Continuous Market) on the five dealing days preceding the date of the Capital Increase execution resolution (that is, on 31 December 2019 and 2, 3, 6 and 7 January 2020).
- **NSCirc:** the number of shares of the Company outstanding at the date of the Capital Increase execution resolution (that is, today, 8 January 2020), which is 582,005,888.
- **NNS:** the maximum number of new shares to be issued based on the set amount of the Capital Increase (which is 12,652,301, as indicated in section 3.2 above).

- **FAR:** the number of free allocation rights needed in order to receive one new share (which is 46, as indicated in section 3.2 above).

Therefore:

$$\text{Purchase price} = ((2.6214 * 582,005,888) / (582,005,888 + 12,652,301)) / 46 = 0.056 \text{ euros (result rounded to the nearest thousandth of a euro)}$$

Consequently, shareholders who are so entitled and who elect to sell will be able to sell their free allocation rights to the Company at a fixed price of 0.056 euros gross per right.

The purchase commitment extends solely to allocation rights received free of charge by shareholders of the Company and not to free allocation rights purchased or otherwise acquired on the market.

This purchase commitment will be in effect and open to acceptance for a period of ten calendar days, from 14 January 2020 to 23 January 2020, inclusive, in accordance with the estimated timetable for the Capital Increase established in section 4.1 below.

The acquisition of free allocation rights by the Company under the purchase commitment will be carried out entirely against profits or reserves, as stipulated in article 303.1 of the Corporate Enterprises Act.

4. Details of the execution of the Capital Increase

4.1 Tentative timetable

The tentative timetable for execution of the Capital Increase is as follows:

- 8 January 2020 Filing, in a significant event notice, of this information document, which among other things will contain information on the number and nature of the new shares, the number of free allocation rights needed in order to receive one new share and the price of the rights purchase commitment to be assumed by the Company.
- 13 January 2020 Publication of the announcement of execution of the Capital Increase in the Official Gazette of the Commercial Registry (BORME).

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| | | Last day of trading of the shares of the Company that entitle their holders to participate in the Capital Increase (“last trading date”). |
| - | 14 January 2020 | Date from which the shares of the Company are traded without the right to participate in the Capital Increase (“ex date”). |
| | | Start of the period for trading of the free allocation rights and of the period for submission of requests for cash remuneration under the rights purchase commitment assumed by the Company. |
| - | 23 January 2020 | End of period for submission of requests for cash remuneration under the rights purchase commitment assumed by the Company. |
| - | 28 January 2020 | End of the rights trading period. |
| - | 30 January 2020 | Payment in cash to shareholders who elected to receive cash under the rights purchase commitment assumed by the Company. |
| - | 31 January 2020 | Estimated date of execution and delivery of the deed of Capital Increase. |
| - | 19 February 2020 | Estimated date for the start of ordinary trading of the new shares on the Spanish stock exchanges. |

The above timetable is tentative insofar as it is subject to compliance with deadlines and receipt of the necessary authorisations and registrations, which is beyond the Company’s control.

4.2 Allocation of the free allocation rights and procedure for electing whether to receive cash or new shares

The free allocation rights will be allocated to shareholders of the Company who have acquired their shares by the day of publication of the announcement of the Capital Increase in the Official Gazette of the Commercial Registry, which is expected to be 13 January 2020. The allocation will be made in accordance with the applicable rules, systems and procedures for securities clearing and settlement.

The free allocation rights will be transferable on the same terms as the shares from which they derive and may be traded on the market. The rights trading period on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Sistema de Interconexión Bursátil (Continuous Market) will start on the dealing day

following the date of publication of the announcement of the Capital Increase in the Official Gazette of the Commercial Registry (that is, on 14 January 2020) and will continue for fifteen calendar days (that is, from 14 January 2020 to 28 January 2020, all inclusive). No extension of this period will be permitted.

During the rights trading period, holders of free allocation rights will be able to elect to receive new shares of the Company or an amount equivalent to the fixed and guaranteed purchase price to which they are entitled on the terms indicated above, or to acquire free allocation rights in the market in sufficient quantity and in the necessary proportion to be able to subscribe for new shares. However, holders of free allocation rights who wish to accept the irrevocable commitment to purchase those rights assumed by the Company on the terms indicated above and thus receive a cash amount equivalent to the fixed and guaranteed purchase price to which they are entitled must notify the custodian of their shares accordingly. The purchase commitment extends solely to allocation rights received free of charge by shareholders of the Company and not to free allocation rights purchased or otherwise acquired on the market.

In order to exercise their right to choose among the options offered by the Company in the Capital Increase, holders of free allocation rights must notify the custodians of the shares within the applicable deadlines, in accordance with the timetable included in section 4.1 above of this Information Document. If no express notification is given, shareholders will receive, completely free of charge, the number of new shares to which they are entitled in proportion to their existing shareholding¹.

Once the rights trading period has ended, the new shares will be allocated, in the appropriate proportion, to those who, according to the accounting records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR) and its participants, hold free allocation rights.

4.3 Expenses and fees

The Capital Increase will be free of expenses and fees in respect of the allocation of the new shares issued. The Company will bear the costs of issue, subscription, putting into circulation, admission to trading and other costs related to the Capital Increase.

¹ Once the rights trading period has ended, a rights holder may hold a number of rights which, under the calculation formulas described in this Information Document, does not entitle him or her to receive a whole number of shares. In that case, the custodian of the free allocation rights may sell the number of rights that result in a fraction of a new share, so that the holder receives the proceeds of that sale in cash and does not lose the intrinsic value of those rights. However, this possibility is subject to the terms and conditions of the custody and administration agreement with the custodian in question or any instructions the holder of the rights may have given to the custodian.

Nevertheless, the shareholders of the Company should bear in mind that the participants of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR) with which they have deposited their shares may, under applicable law and the terms of any securities deposit and administration agreement that may have been entered into, charge such fees and administrative expenses as they may freely determine for holding the securities in their book-entry registries. Likewise, IBERCLEAR participants may, under applicable law and the terms of any securities deposit and administration agreement that may have been entered into, pass on such fees and expenses as they may freely determine for the processing of orders to buy and sell free allocation rights.

5. Tax matters

5.1 General considerations

The following are the main tax implications of the execution of the Capital Increase, based on the tax laws and regulations in force in the common territory and the interpretations of those laws and regulations provided by the Spanish General Tax Directorate (Dirección General de Tributos) in its responses to various requests for a binding opinion in cases analogous or similar to the one at hand.

It should be noted that the tax regime described below is not intended to refer to the regime applicable to shareholders resident in the foral provinces (including the Autonomous Community of Navarra), who should consult with their tax advisers on any particular rules that may apply in those provinces.

Shareholders not resident in Spain should also seek advice from their tax advisers on the effects of the various options relating to the execution of the Capital Increase, including the applicability of the provisions of any double taxation agreements signed by Spain.

Note that the taxation of the various options relating to the execution of the Capital Increase set out above does not cover all the possible tax consequences nor any possible future changes in laws or regulations that may affect the applicable tax regime.

Shareholders should therefore consult with their tax advisers on the specific tax impact of the proposed scheme.

5.2 Particular considerations

For shareholders without a permanent establishment in Spain who are subject to Spanish personal income tax (*Impuesto sobre la Renta de las Personas Físicas*, “**IRPF**”) or Spanish Non-Resident Income Tax (*Impuesto sobre la Renta de no Residentes*, “**IRNR**”), the delivery of the new shares will be treated, for tax purposes, as a delivery of paid-up shares and so will not be taxed at the time of acquisition. Consequently, the delivery of the new shares will not be subject to deduction of tax at source nor payment of tax on account.

The acquisition value of the new shares and the shares from which they derive will be the result of dividing the total cost by the number of shares, including both the old shares and the corresponding paid-up shares. The holding period of the paid-up shares will be the holding period of the shares from which they derive. Consequently, in the event of a subsequent transfer, the income received will be calculated by reference to this new value.

Shareholders with a permanent establishment in Spain who are subject to Spanish corporate income tax (*Impuesto sobre Sociedades*, “**IS**”) and IRNR will be taxed, at the end of the trading period, in accordance with the results obtained under applicable accounting regulations, taking into account, where applicable, the provisions of the Resolution of the Spanish Accounting and Auditing Institute (Instituto de Contabilidad y Auditoría de Cuentas) of 5 March 2019 (the “**ICAC Resolution**”), which sets out the rules for the presentation of financial instruments and other accounting issues relating to the commercial regulation of capital companies and which will be mandatory for years starting on or after 1 January 2020, as well as any exemptions or special regimes that may apply to shareholders subject to those taxes.

In the specific case of this Capital Increase, if shareholders sell their free allocation rights on the market, the amount obtained in the transfer of those rights to the market will be taxed as follows:

- (i) For shareholders without a permanent establishment in Spain who are IRPF or IRNR taxpayers, the amount obtained from the transfer of the free allocation rights will be treated as a capital gain.

For shareholders who are IRPF taxpayers, the capital gain will be allocated to the tax period in which the transfer occurs and will be subject to deduction of IRPF at source at the rate applicable at that time. This IRPF will be deducted at source by the relevant depositary entity (or else by the financial intermediary or public notary who facilitated the transfer of the rights).

Shareholders without a permanent establishment in Spain who are IRNR taxpayers will need to confirm whether any of the tax benefits provided for in double taxation agreements signed by Spain to which they may be entitled or any of the exemptions specified by the IRNR regulations apply in their case.

- (ii) Shareholders with a permanent establishment in Spain who are IS or IRNR taxpayers will be taxed, at the end of the trading period, in accordance with the results obtained under applicable accounting regulations, taking into account, where applicable, the provisions of the ICAC Resolution, which will be mandatory for years starting on or after 1 January 2020, and any exemptions or special regimes that may apply to shareholders subject to those taxes.

Lastly, where holders of free allocation rights avail themselves of the purchase commitment assumed by the Company in section 3.3 above, the tax regime applicable to income received for the transfer to the Company of any free allocation rights they received by virtue of being shareholders will be equivalent to the regime applicable to a distribution of cash dividends and so any such income will be subject to the appropriate deduction at source and final tax settlement.

6. Number and nature of the new shares to be issued

6.1 Nominal value, representation and issue price of the new shares

The new shares issued in the Capital Increase will be ordinary shares with a nominal value of 1 euro per share, of the same class and series as the shares currently outstanding, represented by book entries in registers kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR) and its participants.

The new shares will be issued at par, without a share premium, which means that their issue price will be their nominal value, and will be allocated to shareholders free of charge on the terms indicated above.

6.2 Rights conferred by the new shares

From the date the Capital Increase is announced to have been subscribed and paid in, the new shares will confer upon their holders the same voting rights as, and will rank *pari passu* with, the ordinary shares of the Company currently outstanding.

6.3 Consideration and balance sheet for the Capital Increase

The Capital Increase does not entail any payment by shareholders of the Company. The payment will be made entirely out of unrestricted reserves held in the voluntary reserves account.

The balance sheet used as the basis for the Capital Increase is that for the year ended 31 December 2018, which was duly audited by the Company's auditors and approved by the Ordinary General Meeting of Shareholders on 13 June 2019 as the first item of business on the agenda.

6.4 Shares in deposit

Once the rights trading period has ended, any new shares which, once issued, have not been allocated for reasons not attributable to the Company will be held in deposit at the disposal of any person who is able to prove legitimate ownership of the necessary free allocation rights.

After three years have elapsed since the end of the abovementioned rights trading period, any shares still unallocated may be sold pursuant to article 117 of the Corporate Enterprises Act, at the expense and risk of the interested parties. Any cash proceeds from such sale will be deposited at the Bank of Spain or the General Deposit Fund (Caja General de Depósitos) at the disposal of the interested parties.

6.5 Application for admission to trading

The Company will make application for the admission to trading of the new shares issued in the Capital Increase on the Bilbao, Madrid, Barcelona and Valencia stock exchanges, through the Sistema de Interconexión Bursátil (Continuous Market), and will take such steps and submit such documents as may be necessary to ensure that the new shares are effectively admitted to trading, expressly acknowledging that the Company remains subject to any existing or possible future rules governing the securities market, especially as regards trading, continued trading and withdrawal from trading.

Madrid, 8 January 2020.

For Sacyr, S.A.

Manuel Manrique Cecilia
Chairman of the Board of Directors