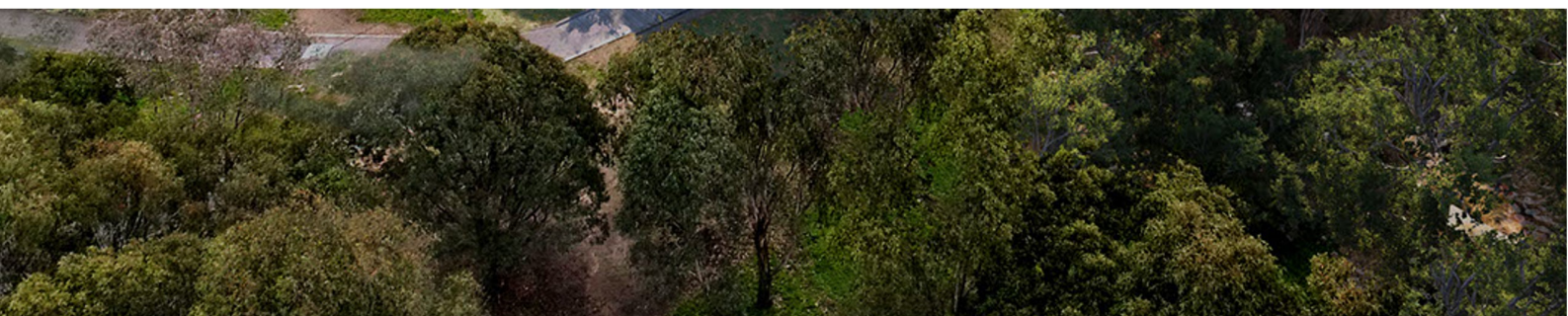




ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries
Condensed Consolidated Half-yearly Financial Statements for the six-month period ended
June 30, 2022





Limited Review Report on ACS, Actividades de Construcción y Servicios, S.A. and subsidiaries

(Together with the condensed consolidated interim financial statements and consolidated interim directors' report of ACS, Actividades de Construcción y Servicios, S.A. and subsidiaries for the period ended 30 June 2022)

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)



KPMG Auditores, S.L.
Paseo de la Castellana, 259 C
28046 Madrid

Report on Limited Review of Condensed Consolidated Interim Financial Statements

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of ACS, Actividades de Construcción y Servicios, S.A. commissioned by the Board of Directors

REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Introduction

We have carried out a limited review of the accompanying condensed consolidated half-yearly financial statements (the "interim financial statements") of ACS, Actividades de Construcción y Servicios, S.A. (the "Company") and subsidiaries (together the "Group"), which comprise the statement of financial position at 30 June 2022, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and explanatory notes (all condensed and consolidated). The Directors of the Company are responsible for the preparation of these interim financial statements in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted by the European Union, pursuant to article 12 of Royal Decree 1362/2007 as regards the preparation of condensed interim financial information. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Conclusion

Based on our limited review, which can under no circumstances be considered an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2022 have not been prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted by the European Union, pursuant to article 12 of Royal Decree 1362/2007 as regards the preparation of condensed interim financial statements.

Emphasis of Matter

We draw your attention to the accompanying note 1.1, which states that these interim financial statements do not include all the information that would be required in a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The accompanying interim financial statements should therefore be read in conjunction with the Group's consolidated annual accounts for the year ended 31 December 2021. This matter does not modify our conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The accompanying consolidated interim directors' report for the six-month period ended 30 June 2022 contains such explanations as the Directors of the Company consider relevant with respect to the significant events that have taken place in this period and their effect on the interim financial statements, as well as the disclosures required by article 15 of Royal Decree 1362/2007. The consolidated interim directors' report is not an integral part of the interim financial statements. We have verified that the accounting information contained therein is consistent with that disclosed in the interim financial statements for the six-month period ended 30 June 2022. Our work is limited to the verification of the consolidated interim directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of ACS, Actividades de Construcción y Servicios, S.A. and subsidiaries.

Other Matter

This report has been prepared at the request of the board of directors of ACS, Actividades de Construcción y Servicios, S.A. in relation to the publication of the six-monthly financial report required by article 119 of the Revised Securities Market Law, approved by Royal Legislative Decree 4/2015 of 23 October 2015 and enacted by Royal Decree 1362/2007 of 19 October 2007.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Manuel Martín Barbón
28 July 2022

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ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2022**

ASSETS	Note	Thousands of Euros	
		30/06/2022	31/12/2021
		(*)	
NON-CURRENT ASSETS		11,827,555	11,010,031
Intangible assets	02	3,313,682	3,279,412
Goodwill		2,710,872	2,672,253
Other intangible assets		602,810	607,159
Tangible assets - property, plant and equipment	03	1,560,062	1,464,868
Non-current assets in projects	04	62,202	72,853
Investment property		54,810	41,003
Investments accounted for using the equity method	05	4,586,412	4,524,229
Non-current financial assets	06	1,368,225	765,707
Long term deposits	06	412	987
Derivative financial instruments	11	67,857	11,577
Deferred tax assets	12	813,893	849,395
CURRENT ASSETS		25,663,240	24,654,314
Inventories	07	808,132	742,092
Trade and other receivables		9,639,768	8,380,356
Trade receivables for sales and services	06	8,138,141	6,686,487
Other receivable	06	1,250,458	1,400,815
Current tax assets		251,169	293,054
Other current financial assets	06 and 10.02	4,752,411	1,280,079
Derivative financial instruments	11	210,345	200,875
Other current assets		211,846	202,839
Cash and cash equivalents	06	7,558,103	11,253,419
Non-current assets held for sale and discontinued operations	01.04	2,482,635	2,594,654
TOTAL ASSETS		37,490,795	35,664,345

(*) Unaudited.

The accompanying notes 01 to 21 and Appendix I are an integral part of the consolidated statement of financial position at 30 June 2022.

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2022

EQUITY AND LIABILITIES	Note	Thousands of Euros	
		30/06/2022	31/12/2021
		(*)	
EQUITY	08	6,378,613	7,028,203
SHAREHOLDERS' EQUITY		5,516,786	6,505,222
Share capital		144,332	152,332
Share premium		366,379	366,379
Reserves		5,314,755	3,633,014
(Treasury shares and equity interests)		(638,816)	(691,916)
Profit for the period of the parent		330,136	3,045,413
ADJUSTMENTS FOR CHANGES IN VALUE		378,204	(170,918)
Financial assets with changes in other comprehensive income		(14,498)	(6,847)
Hedging instruments		159,904	(73,150)
Translation differences		232,798	(90,921)
EQUITY ATTRIBUTED TO THE PARENT		5,894,990	6,334,304
NON-CONTROLLING INTERESTS		483,623	693,899
NON-CURRENT LIABILITIES		11,365,645	11,444,846
Grants		2,009	2,099
Non-current provisions	09	1,693,557	1,835,267
Non-current financial liabilities	10	8,678,757	8,717,354
Bank borrowings, debt instruments and other marketable securities		8,542,891	8,570,163
Project finance with limited recourse		39,443	51,069
Other financial liabilities		96,423	96,122
Long term lease liabilities	03	488,918	401,430
Derivative financial instruments	11	24,117	33,050
Deferred tax liabilities	12	255,659	227,112
Other non-current liabilities		222,628	228,534
CURRENT LIABILITIES		19,746,537	17,191,296
Current provisions		945,015	996,564
Current financial liabilities	10	2,588,053	1,808,491
Bank borrowings, debt instruments and other marketable securities		2,437,039	1,751,296
Project finance with limited recourse		17,182	18,472
Other financial liabilities		133,832	38,723
Short term lease liabilities	03	152,948	150,765
Derivative financial instruments	11	195,282	172,791
Trade and other payables		13,209,250	11,738,435
Suppliers		7,327,689	5,940,236
Other payables		5,707,121	5,637,192
Current tax liabilities		174,440	161,007
Other current liabilities		786,224	266,700
Liabilities relating to non-current assets held for sale and discontinued operations	01.04	1,869,765	2,057,550
TOTAL EQUITY AND LIABILITIES		37,490,795	35,664,345

(*) Unaudited.

The accompanying notes 01 to 21 and Appendix I are an integral part of the consolidated statement of financial position at 30 June 2022.

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES**CONSOLIDATED INCOME STATEMENT
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

	Note	Thousands of Euros	
		30/06/2022	30/06/2021
		(*)	
REVENUE	13	15,414,930	13,329,678
Changes in inventories of finished goods and work in progress		18,770	16,432
Capitalised expenses of in-house work on assets		234	94
Procurements		(10,730,646)	(9,043,461)
Other operating income		104,665	57,952
Personnel expenses		(3,468,919)	(3,087,504)
Other operating expenses		(1,061,572)	(704,600)
Depreciation and amortisation		(238,985)	(245,930)
Allocation of grants relating to non-financial assets and others		142	179
Impairment and gains or losses on the disposal of non-current assets	16	389,871	48,406
Other results		(8,485)	8,201
Ordinary results of companies accounted for using the equity method	05	174,119	136,730
Financial income		86,805	69,843
Financial costs	14	(222,020)	(185,424)
Changes in the fair value of financial instruments	17	31,558	(129,443)
Exchange differences		21,234	1,791
Impairment and gains or losses on the disposal of financial instruments	16	(4,621)	12,521
Non-ordinary results of companies accounted for using the equity method	05	2,029	2,061
PROFIT BEFORE TAX	13	509,109	287,526
Income tax	12	(125,922)	(21,425)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		383,187	266,101
Profit after tax from discontinued operations	01.04.02	65,333	224,285
PROFIT FOR THE PERIOD		448,520	490,386
(Profit) / loss attributed to non-controlling interests		(118,384)	(130,350)
(Profit) / loss from discontinued operations attributable to non-controlling interests		—	(8,918)
PROFIT ATTRIBUTABLE TO THE PARENT		330,136	351,118

EARNINGS PER SHARE	Note	Euros per share	
		30/06/2022	30/06/2021
Basic earnings per share	01.11	1.22	1.23
Diluted earnings per share	01.11	1.22	1.23
Basic earnings per share from discontinued operations	01.11	0.24	0.76
Basic earnings per share from continuing operations	01.11	0.98	0.48
Diluted earnings per share from discontinued operations	01.11	0.24	0.76
Diluted earnings per share from continuing operations	01.11	0.98	0.48

(*) Unaudited.

The accompanying notes 01 to 21 and Appendix I are an integral part of the consolidated income statement for the six-month period ended 30 June 2022.

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

	Thousands of Euros	
	30/06/2022 (*)	30/06/2021
(A) CONSOLIDATED RESULTS FOR THE PERIOD	448,520	490,386
(B) OTHER COMPREHENSIVE INCOME - ITEMS THAT ARE NOT RECLASSIFIED TO PROFIT OR LOSS FOR THE PERIOD:	142,394	35,085
For actuarial gains and losses	155,945	51,577
Tax effect	(13,551)	(16,492)
(C) OTHER COMPREHENSIVE INCOME - ITEMS THAT MAY BE RECLASSIFIED AFTER THE INCOME FOR THE PERIOD:	651,754	298,661
1. Hedging transactions:	91,686	(35,288)
Valuation gains/(losses)	78,676	(42,025)
Amounts transferred to the profit and loss account	13,010	6,737
2. Conversion differences:	210,643	144,472
Valuation gains/(losses)	230,600	144,860
Amounts transferred to the profit and loss account	(19,957)	(388)
3. Share in other comprehensive income recognized for investments in joint ventures and associates:	385,958	157,193
Valuation gains/(losses)	385,958	157,193
4. Debt instruments at fair value with changes in other comprehensive income	—	—
5. Other income and expenses that may be reclassified after the result of the period:	5,894	39,013
Valuation gains/(losses)	5,894	39,013
Amounts transferred to the profit and loss account	—	—
6. Tax effect	(42,427)	(6,729)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (A + B + C)	1,242,668	824,132
Attributed to the controlling entity	960,869	551,950
Attributed to non-controlling interests	281,799	272,182

(*) Unaudited.

The accompanying notes 01 to 21 and Appendix I are an integral part of the consolidated statement of comprehensive income for the six-month period ended 30 June 2022.

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

	Thousands of Euros							
	Share capital	Share premium	Retained earnings and other reserves	Treasury shares	Valuation adjustments	Profit/(Loss) attributed to the Parent	Non-controlling interests	TOTAL
Balance at 01 January 2021	155,332	495,226	3,608,699	(636,011)	(668,772)	574,005	747,428	4,275,907
Income/(expenses) recognised in equity	—	—	18,468	—	182,364	351,118	272,182	824,132
Capital increases (Note 01.10 and 08)	1,284	—	(1,284)	—	—	—	—	—
Stock options	—	—	2,236	—	—	—	—	2,236
Distribution of profit from the prior year								
To reserves	—	—	574,005	—	—	(574,005)	—	—
Acquisition of free allocation rights against 2020 (Note 01.10)	—	—	(128,847)	—	—	—	—	(128,847)
Remaining of free allocation rights against 2020 (Note 01.10)	—	—	73,131	—	—	—	—	73,131
Remaining of complementary allocation rights against 2020 (Note 01.10)	—	—	(359,064)	—	—	—	—	(359,064)
To dividends	—	—	—	—	—	—	(157,226)	(157,226)
Treasury shares (Note 08.02)	(1,284)	(128,847)	66,282	(90,669)	—	—	—	(154,518)
Treasury shares through investees	—	—	197	—	—	—	180	377
Change in the consolidation perimeter and other effects of a lesser amount	—	—	(18,250)	—	—	—	(43,242)	(61,492)
Balance at 30 June 2021	155,332	366,379	3,835,573	(726,680)	(486,408)	351,118	819,322	4,314,636

	Thousands of Euros (*)							
	Share capital	Share premium	Retained earnings and other reserves	Treasury shares	Valuation adjustments	Profit/(Loss) attributed to the Parent	Non-controlling interests	TOTAL
Balance at 31 December 2021	152,332	366,379	3,633,014	(691,916)	(170,918)	3,045,413	693,899	7,028,203
Income/(expenses) recognised in equity	—	—	81,611	—	549,122	330,136	281,799	1,242,668
Capital increases (Note 01.10 and 08)	1,524	—	(1,524)	—	—	—	—	—
Capital reductions (Note 01.10 and 08)	(8,000)	—	8,000	—	—	—	—	—
Stock options	—	—	2,236	—	—	—	—	2,236
Distribution of profit from the prior year								
To reserves	—	—	3,045,413	—	—	(3,045,413)	—	—
Acquisition of complementary allocation rights against 2021 (Note 01.10)	—	—	(128,736)	—	—	—	—	(128,736)
Remaining of allocation rights against 2021 (Note 01.10)	—	—	71,310	—	—	—	—	71,310
Remaining of complementary allocation rights against 2021	—	—	(388,861)	—	—	—	—	(388,861)
To dividends	—	—	—	—	—	—	(73,521)	(73,521)
Treasury shares (Note 08.02)	(1,524)	—	(453,653)	53,100	—	—	—	(402,077)
Treasury shares through investees	—	—	121	—	—	—	98	219
Changes in the ownership interest in controlled entities	—	—	(552,684)	—	—	—	(371,374)	(924,058)
Change in the consolidation perimeter and other effects of a lesser amount	—	—	(1,492)	—	—	—	(47,278)	(48,770)
Balance at 30 June 2022	144,332	366,379	5,314,755	(638,816)	378,204	330,136	483,623	6,378,613

(*) Unaudited.

The accompanying notes 01 to 21 and Appendix I are an integral part of the consolidated statement of changes in equity for the six-month period ended 30 June 2022.

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

		Note	Thousands of Euros	
			30/06/2022	30/06/2021
			(*)	
A)	CASH FLOWS FROM OPERATING ACTIVITIES		255,262	(134,039)
1	Profit before tax		509,109	287,526
2	Adjustments for:		105,629	479,158
	Depreciation and amortisation		238,985	245,930
	Other adjustments to profit (net)	01.07	(133,356)	233,228
3	Changes in working capital		(639,903)	(1,119,404)
4	Other cash flows from operating activities:		280,427	218,681
	Interest paid	10	(212,289)	(207,272)
	Dividends received		439,627	401,628
	Interest received	01.07	64,289	72,865
	Income tax (paid) / received	12	(11,200)	(48,540)
B)	CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES	02 and 03	280,243	(279,240)
1	Investment paid:		(238,497)	(376,977)
	Group companies, associates and business units		(109,748)	(112,642)
	Property, plant and equipment, intangible assets, projects and property investments		(108,265)	(223,143)
	Other financial assets		(20,375)	(37,660)
	Other assets		(109)	(3,532)
2	Divestment:	02 and 03	518,740	97,737
	Group companies, associates and business units		491,746	34,829
	Property, plant and equipment, intangible assets, projects and investment property		16,874	20,155
	Other financial assets		10,120	35,306
	Other assets		—	7,447
C)	CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		(4,560,337)	(1,458,835)
1	Equity instrument proceeds / (and payment):	01.07 and 08	(1,324,705)	(146,574)
	Issue		60,932	—
	Acquisition		(1,385,901)	(152,960)
	Disposal		264	6,386
2	Liability instrument proceeds / (and payment):	10	(2,952,416)	189,365
	Issue		(1,631,839)	2,905,385
	Refund and repayment		(1,320,577)	(2,716,020)
3	Dividends paid and remuneration relating to other equity instruments:	01.10	(68,954)	(59,394)
4	Other cash flows from financing activities:		(214,262)	(1,442,232)
	Payment of operating lease principal		(100,535)	(145,420)
	Other financing activity proceeds and payables		(113,727)	(1,296,812)
D)	EFFECT OF CHANGES IN EXCHANGE RATES		329,516	159,409
E)	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(3,695,316)	(1,712,705)
F)	CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		11,253,419	8,080,808
G)	CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		7,558,103	6,368,103
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD				
	Cash and banks		6,563,072	5,303,287
	Other financial assets		995,031	1,064,816
	TOTAL CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		7,558,103	6,368,103

(*) Unaudited.

The accompanying notes 01 to 21 and Appendix I are an integral part of the consolidated statement of cash flows for the six-month period ended 30 June 2022.

ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries

Notes to the Half-Yearly Condensed Consolidated Financial Statements for the six-month period ended June 30, 2022

01. Introduction and basis of presentation for the Condensed Consolidated Half-Yearly Financial Statements

ACS, Actividades de Construcción y Servicios, S.A., the Parent Company, is a public company incorporated in Spain in accordance with the Spanish Corporate Enterprises Act [Ley de Sociedades Anónimas], having its registered office at Avenida de Pío XII, 102, 28036 Madrid.

In addition to the transactions it carries out directly, ACS, Actividades de Construcción y Servicios, S.A. is the parent company for a group of companies with diverse activities, including construction (both civil construction and building), concessions, and services (for individuals and buildings, cities and suburbs), which collectively make up the ACS Group. The Company is therefore required to prepare, in addition to its own separate financial statements, the consolidated financial statements for the ACS Group, which include the subsidiaries, interests in joint ventures and associates.

01.01. Basis of presentation and consolidation principles

01.01.01. Basis of presentation

The condensed consolidated financial statements of ACS, Actividades de Construcción y Servicios, S.A. and subsidiaries (the ACS Group) for the six-month period ended June 30, 2022 were approved by the Directors of the parent company at a board meeting held on July 28, 2022 and were prepared using the accounting records kept by the Parent Company and the other companies within the ACS Group.

The Directors have approved the Condensed Consolidated Financial Statements under the assumption that any reader of these statements will also have access to the Consolidated Financial Statements for the financial year ended December 31, 2021, prepared in accordance with the International Financial Reporting Standards taken by the European Union (IFRS-EU) that were drawn up on March 24, 2022 and approved by the Annual General Meeting held on May 6, 2022. Consequently, and given that they have been prepared using the same accounting principles and standards used in preparing the consolidated financial statements, it was not necessary to repeat or update the notes that are included in these condensed consolidated financial statements. Instead, the accompanying explanatory notes include an explanation of events and transactions that are significant to an understanding of the changes in the consolidated financial position and consolidated income statement of the ACS Group since the date of the above consolidated financial statements. Therefore, the interim financial information does not include all the information required by the International Financial Reporting Standards adopted by the European Union for a set of complete consolidated financial statements.

This consolidated interim financial information was prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, taking into account International Accounting Standard 34 (IAS 34), on Interim Financial Reporting, and all the mandatory accounting principles and rules and measurement bases and, accordingly, they provide a fair presentation of ACS Group's consolidated equity and financial position at June 30, 2022, and the results of its operations, the changes in consolidated equity and consolidated cash flows in the interim period then ended. All of the above is pursuant to section 12 of Spanish Royal Decree 1362/2007.

In preparing this consolidated financial information for the ACS group for the six-month period ended June 30, 2022, estimates have occasionally been used that were made by Executives in the Group and the consolidating companies to quantify certain assets, liabilities, income, expenses and obligations that are recorded in it. These estimates essentially refer to the same aspects detailed in the Consolidated Financial Statements for the financial year ended December 31, 2021:

- The assessment to determine whether there are impairment losses on certain assets and, in particular, the assumptions and hypotheses considered in the analysis of the recoverability of the investment in Abertis.
- The fair value of the assets acquired and of the liabilities assumed in business combinations and the assignment of the Purchase Price Allocation in acquisitions.
- Measurement of goodwill.
- Recognition of earnings in construction contracts.
- The amount for certain provisions.
- The assumptions used in calculating liabilities and obligations towards employees.
- The market value of derivatives (such as equity swaps, interest rate swaps, forward purchase contracts, put option granted to Elliott on the interest in Thies, etc.) discussed in Note 11.
- The useful life of the intangible assets and property, plant and equipment.
- The recoverability of deferred tax assets.
- The loss of significant influence in Ventia.
- The determination of the fair value of financial assets (earn out) and its treatment as a discontinued operation.

In addition to the aspects detailed in the Consolidated Financial Statements for the year ended December 31, 2021, the income tax expense is worthy of note, which, in accordance with IAS 34, is recognized in interim periods based on the best estimate of the weighted average tax rate that the group expects for the annual period.

Although these estimates were made on the basis of the best information available at the date of preparing these Condensed Consolidated Half-Yearly Financial Statements on the events analyzed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in future financial years, which would be applied prospectively, recognizing the effects of the change in estimates in the related future Consolidated Financial Statements.

Changes in accounting estimates and policies and correction of fundamental errors

- [Changes in accounting estimates](#)

The effect of any change in accounting estimates is recognized in the same income statement line item as that in which the expense or income measured using the previous estimate had been previously recognized.

- [Changes in accounting policies and correction of fundamental errors](#)

In accordance with IAS 8, the effect of any change in accounting policies and of any correction of fundamental errors is recognized as follows: the cumulative effect at the beginning of the year is adjusted in reserves, whereas the effect on the current year is adjusted in profit or loss. Also, in these cases, the financial data for the comparative year presented together with those for the current year are restated.

No corrections have been made to the Condensed Consolidated Half-Yearly Financial Statements for the six-month period ended June 30, 2022. There were also no significant changes in accounting policies.

01.01.02. Principles for consolidation

The consolidation principles used in the first half of 2022 are consistent with those employed in the consolidated financial statements for the 2021 financial year.

01.01.03. Effect of Ukraine - Russia conflict

The Russian army's invasion of Ukraine began on February 24, 2022. In addition, several countries imposed sanctions and carried out actions on the Russian economy in order to isolate and weaken it. As a result,

although the impact on the ACS Group's business has not been significant at the date of these half-yearly consolidated financial statements, we are experiencing the effects of inflationary tensions and problems in supply chains, and in general we see significant effects on the global economy, increasing economic uncertainty and volatility in the value of assets. The ACS Group continues to monitor the impact that the conflict could have on the operating and financial performance of the activities in the ACS Group's various divisions. In this regard, although the current situation caused by the conflict creates uncertainty in terms of the performance and development of the markets and the construction industry, the Group has high diversification due to its activities and location in regions developed with stable political frameworks.

01.02. Effective date for new accounting standards

Changes in accounting policies

In 2022, the following interpretations of standards already adopted by the European Union entered into force and subject to mandatory application in 2022, and, if applicable, were used by the Group in preparing the Condensed Consolidated Half-Yearly Financial Statements:

(1) New standards, amendments and interpretations whose application is mandatory in the financial year beginning January 1, 2022:

Approved for use in the European Union		Mandatory application in the financial years beginning on or after:
Amendments to IFRS 3 Reference to the Conceptual Framework (published in May 2020)	IFRS 3 is updated to align the definitions of assets and liabilities in a business combination with those contained in the conceptual framework. In addition, certain clarifications are introduced regarding the recognition of contingent liabilities and assets.	January 1, 2022
Amendments to IAS 16 Proceeds before intended use (published in May 2020)	The amendment prohibits a company from deducting from the cost of property, plant and equipment any proceeds received from selling items produced while the company is preparing the asset for its intended use. Proceeds from selling such items, together with production costs, must be recognized in profit or loss.	
Amendments to IAS 37 Onerous contracts - Cost of fulfilling a contract (published in May 2020)	The amendment specifies that the direct cost of fulfilling a contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling the contract.	
Improvements to IFRSs, 2018-2020 cycle (published in May 2020)	Minor amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41.	

The other rules have been applied without any significant impact on the figures, or on the presentation and disclosure of the information, either because they did not entail any material changes or because they refer to economic events that do not affect the ACS Group.

(2) New standards, amendments and interpretations whose application is mandatory subsequent to the calendar year beginning January 1, 2022 (applicable from 2023 onwards):

At the date of approval of these condensed consolidated financial statements, the following standards and interpretations had been published by the IASB but had not yet entered into force, either because their effective date is subsequent to the date of the half-yearly condensed consolidated financial statements or because they had not yet been adopted by the European Union:

Approved for use in the European Union		Mandatory application in the financial years beginning on or after:
Amendments to IAS 1 Disclosure of accounting policies (published in February 2021)	Amendments that require companies to correctly identify the material accounting policy information that must be disclosed in the financial statements.	January 1, 2023
Amendments to IAS 8 Definition of accounting estimate (published in February 2021)	Amendments and clarifications to help entities distinguish changes in accounting estimates.	
IFRS 17 Insurance contracts and their amendments (published in May 2017 and the amendments in June 2020)	It replaces IFRS 4 and establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts to ensure that entities provide relevant and reliable information that gives a basis for users of the financial information to assess the effect that insurance contracts have on the financial statements.	

Not yet approved for use in the European Union		Mandatory application in the financial years beginning on or after:
Amendments to IAS 1 Classification of liabilities as current or non-current (published in January 2020)	Clarifications regarding the presentation of liabilities as current or non-current.	January 1, 2023
Amendments to IAS 12 Deferred tax related to assets and liabilities arising from a single transaction (published in May 2021)	Clarifications on how companies should account for deferred tax on transactions such as leases and decommissioning obligations.	
Amendment to IFRS 17 Insurance Contracts - Initial application of IFRS 17 and IFRS 9. Comparative information (published in December 2021)	Amendments to the transition requirements of IFRS 17 for insurers that simultaneously apply IFRS 17 and IFRS 9 for the first time.	

The Directors do not expect any significant impact from the introduction of this amendment or from those previously published and summarized in the table above but have not yet entered into force, as they are prospective applications, changes in presentation and disclosure and/or concern aspects that are not applicable or not significant to the Group's operations.

01.03. Comparative information

The information contained in these Condensed Consolidated Half-Yearly Financial Statements of the ACS Group corresponding to the first half of 2021 and/or at December 31, 2021, is presented solely and exclusively for comparative purposes with each of the items in the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows and the Notes to the Condensed Consolidated Half-Yearly Financial Statements corresponding to the six-month period ended June 30, 2022, which differ from the explanatory notes corresponding to the information divided by business branches of the figures for the first half of the year 2021 and for the financial year ended at December 31, 2021, due to the modification of the new segment-based classification (see Note 13).

The notes include events or changes that might be significant in explaining changes in the financial position and consolidated results of the ACS Group since the Group's last Consolidated Financial Statements for 2021.

01.04. Non-current assets held for sale, liabilities relating to non-current assets held for sale and discontinued operations

01.04.01. Non-current assets held for sale and liabilities relating to non-current assets held for sale

June 30, 2022

At June 30, 2022, non-current assets held for sale related mainly to those belonging to the Industrial business segment, which have not been included in the public deed of sale for most of the Industrial Services Division signed with Vinci (see Note 01.04.02) effective as of December 31, 2021.

In all the above cases a formal decision was made by the Group to sell these assets, and a plan for their sale was initiated. These assets are currently available for sale and the sale is expected to be completed within a period of 12 months from the date of their classification as assets held for sale. It should be noted that the assets, which were classified as held for sale at June 30, 2022, were held in this category for a period of more than twelve months, but they were not sold due to certain circumstances, which at the time of their classification were not foreseeable. Paragraph B1 (c) of appendix B of IFRS 5 exempts a company from using a one-year period as the maximum period for classifying an asset as held for sale if, during said period, circumstances arise that were previously considered unlikely, the assets were actively sold at a reasonable price, they fulfil the obligations undertaken by Management and there is a high probability that the sale will occur within one year from the balance sheet date.

In the first half of 2022 the total value of the non-current assets held for sale decreased to EUR 112,019 thousand and the liabilities related to these assets decreased to EUR 187,785 thousand. This decrease is mainly due to the sale in June 2022 of the wind farms, Vientos del Pastoreale, S.A. and Parque Eólico Kiyú, S.A. in Uruguay as well as the Hidromanta hydroelectric plant in Peru, owned by Spinning Assets, S.L.U. for an equivalent amount in euros of EUR 108.0 million.

The breakdown of the assets held for sale and liabilities related to these assets at June 30, 2022 is as follows:

	Thousands of Euros		
	30/06/2022		
	Renewable energy	Other	Total
Tangible assets - property, plant and equipment	18,816	3,927	22,743
Intangible assets	3,716	3,829	7,545
Non-current assets in projects	1,326,471	51,452	1,377,923
Financial Assets	27,220	561,047	588,267
Deferred tax assets	92,336	5	92,341
Other non-current assets	—	60,649	60,649
Current assets	128,127	205,040	333,167
Assets held for sale	1,596,686	885,949	2,482,635
Non-current liabilities	446,655	646,880	1,093,535
Current liabilities	665,619	110,611	776,230
Liabilities relating to assets held for sale	1,112,274	757,491	1,869,765
Non-controlling interests held for sale	18,921	3,959	22,880

"Other" includes assets mainly related to desalination plants, gas compression plants and wastewater treatment plants related to the Industrial Services business and the assets held for sale from Cimic.

The ACS Group is currently studying and analyzing various options to sell them or is in the process of selling them provided that the relevant authorizations are obtained and, therefore, has classified these assets under "Non-current assets held for sale" and "Liabilities relating to non-current assets held for sale".

The amount relating to net debt included under assets held for sale and liabilities related to these assets at June 30, 2022 totaled EUR 1,305,760 thousand (EUR 1,592,943 thousand at December 31, 2021), of which EUR 911,214 thousand (EUR 1,141,290 thousand at December 31, 2021) and relates to renewable energies and EUR 394,546 thousand (EUR 451,653 thousand at December 31, 2021). The total amount of this net debt includes EUR 321,034 thousand (EUR 522,255 thousand at December 31, 2021) corresponding to limited recourse project financing. Net debt is calculated using the arithmetic sum of the current and non-current financial liabilities, less long-term deposits, other current financial assets and cash and cash equivalents.

2021 financial year

At December 31, 2021, non-current assets held for sale related mainly to those belonging to the Industrial business segment, which have not been included in the public deed of sale for most of the Industrial Services Division signed with Vinci (see Note 01.04.02) effective as of December 31, 2021.

The breakdown of the assets held for sale and liabilities related to these assets at December 31, 2021 was as follows:

	Thousands of Euros		
	31/12/2021		
	Renewable energy	Other	Total
Tangible assets - property, plant and equipment	18,742	8,461	27,203
Intangible assets	1	3,875	3,876
Non-current assets in projects	1,550,508	37,559	1,588,067
Financial Assets	20,747	524,742	545,489
Deferred tax assets	92,264	560	92,824
Other non-current assets	—	64,164	64,164
Current assets	125,417	147,614	273,031
Assets held for sale	1,807,679	786,975	2,594,654
Non-current liabilities	1,105,853	619,341	1,725,194
Current liabilities	250,044	82,312	332,356
Liabilities relating to assets held for sale	1,355,897	701,653	2,057,550
Non-controlling interests held for sale	9,597	2,996	12,593

"Other" includes assets related to desalination plants, transmission lines, gas compression plants and wastewater treatment plants related to the Industrial Services business and the assets held for sale from Cimic.

Furthermore, a 5% interest in Servicios Compresión de Gas CA-KU-A1, S.A.P.I. de C.V. was acquired in 2021, thereby obtaining control over the company, which is now fully consolidated instead of recognized using the equity method. Therefore, all assets and liabilities were restated at the fair value of the purchase and income was recognized under "Impairment and gains or losses on the disposal of non-current assets" in the income statement (see Note 16). They also highlighted the 50% sale held on the following transmission lines: Transmissora José María de Macedo de Electricidade, S.A., Giovanni Sanguinetti Transmissora de Energia, S.A., Veredas Transmissora de Electricidades, S.A., Sete Lagoas Transmissora de Energia, Ltda., Brilhante Transmissora de Energias, S.A. and Brilhante Transmissora de Energias 2 S.A. in Brazil, as well as all photovoltaic plants of Bonete Fotovoltaica 1, S.L.U. and Central Solar Termoeléctrica de Cáceres, S.A.U., and of the Parque Eólico Las Tadeas, S.L.

The income and expenses recognized under "Adjustments for changes in value" in the consolidated statement of changes in equity, which relate to operations considered to be held for sale at June 30, 2022 and December 31, 2021, are as follows:

	Thousands of Euros		
	30/06/2022		
	Renewable energy	Other	Total
Exchanges differences	111,234	22,843	134,077
Cash flow hedges	10,055	—	10,055
Adjustments for changes in value	121,289	22,843	144,132

	Thousands of Euros		
	31/12/2021		
	Renewable energy	Other	Total
Exchanges differences	2,481	(18,004)	(15,523)
Cash flow hedges	(1,828)	—	(1,828)
Adjustments for changes in value	653	(18,004)	(17,351)

Non-current assets or groups of assets are classified as held for sale if their carrying amounts will be recovered principally through sale rather than through continuing use. For this to be the case, the assets or groups of assets must be available for immediate sale in their present condition, and their sale must be highly probable.

01.04.02. Discontinued operations

BICC

The ACS Group has a 45% indirect interest held through Cimic in BIC Contracting LLC (BICC), a company based in Dubai (United Arab Emirates), the carrying amount of which at June 30, 2022 and December 31, 2021 was zero.

On February 15, 2021, Cimic announced that it had signed a sale agreement with a third party outside the Group (SALD Investment LLC) for the sale of Cimic's investment in the Middle East. SALD, a private sector investment firm based in the UAE, will purchase Cimic's 45% interest in BICC. The remaining 55% of BICC not held by Cimic will also be acquired by SALD. The sale encompasses all of Cimic's investments in the Middle East. Upon completion of the transaction, SALD will own all of BICC's businesses in the UAE, Qatar, Oman and Saudi Arabia.

The process of completing the transaction is still ongoing. It is subject to compliance with certain conditions precedent, which includes obtaining all approvals for the transfer. As part of the process of completing this sale, the directors representing Cimic were replaced by representatives of SALD on May 17, 2021 and SALD was also granted the power to manage the company. The sale of the Qatar-based business was completed in 2021.

Although Cimic agreed with the buyer to provide a certain amount of funds to BICC, the transaction does not increase Cimic's financial exposure in the Middle East, since the risks associated with BICC were already recognized in previous financial years. In the first half of 2022, a total of EUR 13 million (AUD 19.7 million) has been paid in relation to Cimic's financial guarantees and other payments under the sale agreement (see Note 01.17). These amounts were met with the financial liability recognized in the year ended December 31, 2019. The parties are continuing to work together to obtain the necessary permits and authorizations to close the sale.

It is in this context that the ACS Group assessed the probability of the sale of the shareholding, concluding that the requirements of IFRS 5 had been met at the first half of 2022 and in 2021 to consider this shareholding as a non-current asset held for sale.

Also, since BICC represents a specific geographical area of operations for the ACS Group (with no other permanent establishments in this area) and is a component that represents a specific geographical area of operations with significant figures, since the 2020 financial year the ACS Group has considered BICC's operations to be a discontinued operation.

As a result of the sale transaction, BICC was no longer fully consolidated by global integration in the consolidated financial statements as of 2021, as all risks and rewards were transferred to the buyer and, from the date on which the agreement was signed, it therefore no longer had the power to direct the relevant activities of the company and no longer had the capacity or exposure to variable returns.

The profit after tax on discontinued transactions was EUR zero in the first half of 2022 (EUR zero in the first half of 2021), since the risks associated with the investment had already been recognized in previous years.

Industrial services

On March 31, 2021, the ACS Group and Vinci signed a binding agreement for the sale and purchase of most of the ACS Group's Industrial Services Division. The scope of the transaction includes, in addition to the engineering and construction activities, investments in eight concessions, or PPPs, mainly for energy projects and the development platform for new projects in the renewable energy sector. ACS will retain certain concessions, whereby the carve-out process has been underway prior to execution of the sale and purchase.

As is customary in these types of transactions, its execution included a condition precedent indicating that all the necessary authorizations had to be obtained, particularly with regard to competition. Likewise, as a result of signing the sale and purchase agreement, in addition to establishing the price of the transaction and the form of payment of the consideration, the range of companies to be included in the scope of the sale was concluded, and an assessment was carried out regarding any pending authorizations, which concluded that it was highly probable that these authorizations would be obtained, and they were classified as non-substantive conditions for accounting purposes, which is why the Group began to classify the assets and liabilities related to Industrial Services as non-current assets held for sale and liabilities related to non-current assets held for sale and its operations as discontinued operations.

In accordance with IFRS 5, considering that the "carrying amount will be recovered principally through a sale transaction rather than through continuing use" since, upon signing the binding agreement, there is a commitment for both parties once an agreement has been reached on the most relevant aspects, such as financial terms, and it is not a mere non-binding offer as was the case up until the agreement was signed, which is why the assets and liabilities related to most of the Industrial Services Division were classified as non-current assets held for sale and liabilities relating to non-current assets held for sale, prior to the actual sale. Given the size of the Industrial Services business being sold, which essentially represents all of ACS' operations and cash flows in this business and which can be separated from the rest of the Group's operations, the decision was made to recognize the Industrial Services business being sold to Vinci as a discontinued operation as at June 30, 2021 under "Profit after tax from discontinued operations" in the ACS Group's income statement.

Finally, the ACS Group and the Vinci Group signed, effective December 31, 2021, the public deed of sale for the majority of the ACS Group's Industrial Services Division, with the carve-out process yet to be concluded for certain predetermined assets that the ACS Group will retain, which will be executed mainly in the coming months.

As consideration, the ACS Group received approximately EUR 4,902 million in cash (see Note 06.08). In addition, as a result of the maximum variable payment of EUR 600 million in cash at a rate of EUR 20 million for each half GW generated by the Industrial Services Division (up to "Ready to build" status) between March 31, 2021 and up to 7 years following the execution of the sale and purchase, which may be extended for an additional 18 months if the Industrial Services Division sold fails to generate 6 GW in the first 42

months, when determining the capital gain, the ACS Group considered an earn-out with a fair value of EUR 223 million, which had yet to be received as at December 31, 2021 and is recognized under "Non-current financial assets" in the consolidated statement of financial position as it is considered to have a maturity of greater than twelve months. At June 30, 2022, following the valuation update carried out by the ACS Group based on the best information available, the fair value of the 'earn out' amounted to EUR 329 million (see Note 06.03). In accordance with IFRS 5.35, the impacts related to the disposal of discontinued transactions in a previous period will be classified separately in the information corresponding to these discontinued transactions, which is why the change in value was recognized under 'Profit after tax on discontinued activities'.

In addition, taking into account that the portion of the Industrial Services Division sold generated most of the tax benefits of the Tax Group in Spain, the ACS Group, in accordance with IAS 12, derecognized for accounting purposes certain unused tax assets and tax credits (see Note 12) and, therefore, obtained, in the second half-year of 2021, a net gain of EUR 2,909 million from the above impacts.

Finally, both parties reached an agreement regarding the specific terms for the creation and operation of a joint venture to which they will contribute all the renewable assets developed by the Industrial Services Division — once they are completed, connected to the grid and ready to produce — subject to the agreement at least eight and a half years after the execution of the sale. Vinci holds 51% of the voting and dividend rights and ACS holds the remaining 49%.

Upon completion of the sale and purchase transaction at year-end December 31, 2021, there were no assets or liabilities related to this discontinued operation.

01.05. Materiality

In accordance with IAS 34, in deciding the information to be disclosed on the various items in the financial statements or other matters in the notes to the financial statements, the Group took into account their materiality in relation to the Condensed Consolidated Financial Statements.

01.06. Events after the reporting period

On June 20, 2022, ACS, Actividades de Construcción y Servicios, S.A. agreed to carry out the second capital increase with a charge to reserves approved by the shareholders at the Annual General Meeting held on May 6, 2022. The capital increase serves to implement a flexible formula for shareholder remuneration ("optional dividend"), so that shareholders may choose to continue to receive cash remuneration or to receive new shares in the Company.

Furthermore, the Company agreed to carry out the second capital reduction through the retirement of treasury shares, which was approved at the same General Meeting, for a maximum amount equal to the amount by which the share capital was actually increased as a result of the second capital increase referred to in the previous paragraph.

The maximum number of new shares to be issued in the first execution of the capital increase charged to reserves agreed upon at the Annual General Meeting held on May 6, 2022 (through which an optional dividend in shares or cash is structured) was set at 19,244,306 on June 28, 2022.

ACS, Actividades de Construcción y Servicios, S.A. agreed to purchase from its shareholders the bonus issue rights corresponding to this second capital increase at a price that was set at a fixed gross amount of EUR 1.484 for each right.

After the negotiation period for the bonus issue rights corresponding to the second bonus issue, the irrevocable commitment to purchase rights assumed by ACS was accepted by the holders of 43.32% of the bonus issue rights. After the decision-making period granted to the shareholders had elapsed, in July 2022 the following events took place:

- The dividend was determined to be a total gross amount of EUR 185,566,615.28 (EUR 1.484 per share) and was paid on July 18, 2022.

- The number of final shares subject to the capital increase was 9,132,720 for a nominal amount of EUR 4,566,360, which were redeemed simultaneously for the same amount. (see Note 08.02).

In the meeting held on July 28, 2022, the Board passed an interim dividend of EUR 0.05 per share that must be paid on August 4, 2022.

On July 26, 2022, Thiess, a joint venture considered material by ACS, announced that has entered into an offer performance agreement with MACA Limited ("MACA"). Thiess has agreed to make an offer to the shareholders of MACA to acquire all the shares issued through an off-market takeover bid. Thiess offers MACA shareholders a consideration in cash of AUD 1,025 per share.

01.07. Consolidated statement of cash flows

The breakdown of "Other adjustments to profit (net)" in the consolidated statement of cash flows for the six-month period ended June 30, 2022 and June 30, 2021 is as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
Financial income	(86,805)	(69,843)
Financial costs	222,020	185,424
Ordinary results of companies accounted for using the equity method	(174,119)	(136,730)
Non-ordinary results of companies accounted for using the equity method	(2,029)	(2,061)
Impairment and gains or losses on disposal of financial instruments	4,621	(12,521)
Changes in the fair value of financial instruments	(31,558)	129,443
Cash Flows from discontinued operatong	—	267,931
Impairment and gains/losses on disposal of fixed assets and other items	(65,486)	(128,415)
Total	(133,356)	233,228

The breakdown of "Interest received" in the consolidated statement of cash flows for the six-month period ended June 30, 2022 and June 30, 2021 is as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
Operative interest received	46,750	60,108
Interest received from bank accounts	3,072	2,755
Other non-operative	14,467	10,002
Total	64,289	72,865

In preparing the consolidated statement of cash flows for the first half of 2022 and 2021, the acquisitions of ACS treasury shares were included under "Equity instrument proceeds/(and payment)" in the section on cash flows from financing activities (see Note 08.02). In addition, in the first half of 2022, cash inflows obtained from third parties as a result of Hochtief's capital increase by 10% through monetary contribution amounting to EUR 60.9 million were considered to be cash flows from financing activities (see Note 08.04).

Cash outflows from financing activities at June 30, 2022 were also considered to be the cash outflows as a result of the takeover bid to acquire the other shares of Cimic for an amount of USD 22 per share. Therefore, in the first half of 2022 the Hochtief takeover in Cimic increased the share from 78.6% to 100% on June 30, 2022 for an amount of AUD 1,500 million, which at the exchange rate in force at the date of each share acquired is EUR 985 million (EUR 940 EUR considering the average hedging rate) (see Note 08.04).

In relation to the investee BIC Contracting LLC (BICC), 13.0 million were included in the first half of 2022 (EUR 19.8 million in the first half-year of 2021) as cash outflows under "Other financing activity proceeds

and payables" in the statement of cash flows as a result of the obligations assumed in 2019 following the exit of BICC.

In relation to cash flows, in accordance with IFRS 16.50, cash payments for the interest portion of the lease liability are still classified as financing activities by applying the same alternative as permitted by IAS 7.33 Statement of Cash Flows in force for financial interest.

The reconciliation of the carrying amount of the liabilities arising from financing activities, separately disclosing the changes that generate cash flows from those that do not for the first half of 2022 and the first half of 2021, is as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
Initial net cash (debt) (Note 10.03)	2,008,640	(1,819,771)
Cash flows		
Issue of financial assets / (liabilities)	1,631,839	(2,905,385)
Amortization of financial liabilities	1,320,577	2,716,020
Cash and cash equivalents	(4,024,832)	(1,872,114)
No Impact of Flows		
Change in net debt held for sale (Note 01.04)	(287,183)	(396,331)
Exchange difference	184,601	78,281
Reclassifications	(79,161)	189,818
Change in the consolidation perimeter and others	289,635	1,033,510
Final net cash (debt) (Note 10.03)	1,044,116	(2,975,972)

The changes in the consolidation perimeter and others at June 30, 2022 mainly relate to net date from non-current assets held for sale and discontinued activity in the Industrial business.

01.08. Changes in the consolidation perimeter

The main variations in the consolidation perimeter of the ACS Group (consisting of ACS, Actividades de Construcción y Servicios, S.A. and its subsidiaries) in the six-month period ended June 30, 2022 are detailed in Appendix I.

Acquisitions, sales, and other corporate transactions

Acquisitions

On February 23, 2022, Hochtief, the majority shareholder of Cimic with a 78.6% ownership interest, announced its intent to carry out an off-market takeover bid, which would be unconditional and final (unless a counter-offer is submitted by a third party), to acquire the remaining shares of Cimic for AUD 22 per share. Cimic's shareholders that accept the offer will receive payment in cash within five business days of acceptance. On May 6, 2022, Cimic's share price was suspended on the Australian stock exchange after Hochtief reached 96% of its ownership interest, and forced sale of minorities began ("squeeze-out"). Consequently, the shareholding increased to 100% at June 30, 2022, with the purchase of all shares of Cimic held by third parties and their exclusion from listing in the first half of 2022 (see Note 08.04).

On June 8, 2022 Hochtief, A.G. resolved to increase its share capital by a just under 10% through monetary contribution using the authorized capital. The company's share capital was increased through the issuance of 7,064,593 new shares at EUR 57.50 per share, excluding the right to shareholder subscription. The new shares have been issued with the right to a dividend effective January 1, 2022. ACS, Actividades de Construcción y Servicios, S.A. undertook a commitment to participate in the pro rata offer of its current shareholding in Hochtief and to fully support the capital increase in respect of all remaining new shares not placed with other corporate and institutional investors. Consequently, ACS, Actividades de Construcción y

Servicios, S.A., was assigned 85% of the total number of new shares, which resulted in its Hochtief, A.G. increasing from 50.41% to 53.55% of the shares representing the share capital. Cash from the capital increase will be used to amortize part of the financing obtained for the acquisition of Cimic (see Note 08.04).

In April 2022, the 100% purchase of the CSN Care Group in the UK was made by Clece Care Services Ltd. (CCS) for EUR 23,863 thousand.

In 2021 the acquisition of a 5% interest in Servicios Compresión de Gas CA-KU-A1, S.A.P.I. de C.V., which is recognized under "Non-current assets held for sale" (see Note 01.04.01), is worthy of note.

On 24 May 2021, Cimic announced its intention to acquire the shares of the ownership interest in Devine Limited that it did not already own through a takeover bid at a price of AUD 0.24 per share. On July 9, Cimic increased its shareholding in Devine to 90% and exercised its right to the remaining Devine shares through mandatory acquisition. The total consideration for the purchase was AUD 15.6 million (EUR 9.9 million).

Sales and other transactions

In the first six months of 2022, on January 19, 2022, ACS, Actividades de Construcción y Servicios, S.A., through its subsidiary Iridium, S.L., highlighted the execution of the sale agreed on October 4, 2021 to BSIP Spain HoldCo, S.L. (a company managed by Brookfield), 80% of its shareholding of Hospital Toledo and 100% of the hospital operator, for EUR 58 million.

At December 31, 2021, Cimic had recorded its investment in Ventia, accounting for its ownership interest using the equity method, given its significant influence. In the first quarter of 2022, Cimic decided, for an initial period of 18 months, i.e. until September 2023, to withdraw its appointed directors from Ventia's board of directors and waive certain significant shareholder rights under the agreements with Ventia regarding the appointment of directors and other protecting rights. The shareholding continued at 32.8% (see Notes 06 and 16).

As a result, the foregoing, and in accordance with current accounting regulations, Cimic's Management considered that it no longer has a significant influence over Ventia, as it does not have decision-making capacity over the operating financial policies of its investment in Ventia. Additionally, the protecting rights set forth in the agreement correspond to rights that any shareholder of Ventia may exercise. Consequently, Ventia has lost its status as an associate company, and is instead recorded as a financial asset under IFRS 9 at fair value through profit or loss, using the price of Ventia as of March 31, 2022, (level 1 of the hierarchy) as reference for its fair value. Consequently, as of March 31, 2022 Cimic has recorded a pre-tax profit (without effect on cash-flow) of EUR 331.2 million (AUD 502 million) recorded under the heading "Impairment and gains or losses on the disposal of non-current assets" (see Note 16) in the attached consolidated income statement. Cimic has opted for irrevocable election under IFRS 9 to record future changes in the value of financial asset through "Other Comprehensive Income".

During the 2021 financial year, the sale of the majority of the Industrial activity mentioned in Note 04.01.02 is worthy of note. They also highlighted the 50% sale held on the following transmission lines: Transmissora José Maria de Macedo de Electricidade, S.A., Giovanni Sanguinetti Transmissora de Energia, S.A., Veredas Transmissora de Electricidades, S.A., Sete Lagoas Transmissora de Energia, Ltda., Brilhante Transmissora de Energias, S.A. and Brilhante Transmissora de Energias 2, S.A. in Brazil, as well as all photovoltaic plants of Bonete Fotovoltaica 1, S.L.U. and Central Solar Termoeléctrica de Cáceres, S.A.U., and of the Parque Eólico Las Tadeas, S.L. (see Note 16), which are considered to be assets held for sale.

Previously, on June 30, 2021, ACS, Actividades de Construcción y Servicios, S.A., through its subsidiary Vías y Construcciones, S.A., sold the shares representing the entire share capital of Continental Rail, S.A.U. to the French CMA CGM Group for a company value of EUR 19.9 million and with capital gains of EUR 14.8 million (see Note 16).

On November 19, 2021, Ventia Services Group Limited, a joint venture between Cimic and funds managed by Apollo Global Management, LLC, completed an initial public offering on the Australian Stock Exchange. As a result, 30% of Ventia's share capital was admitted to trading, of which 26% came from the issue of new shares to finance an improvement in the debt structure and 4% from the sale of shares by Ventia's main

shareholders (Cimic and Apollo). Cimic therefore retains a 32.8% interest in Ventia at December 31, 2022 and, as the ACS Group no longer jointly controls Ventia, the investment has been reclassified from a joint arrangement to an associate. The partial disposal resulted in a profit before tax of AUD 60.3 million (EUR 38.2 million).

01.09. Currency

The euro is the currency in which the Condensed Consolidated Financial Statements are presented. Details of sales in the main countries in which the Group operates are set out in Note 13.

01.10. Dividends paid by the parent company

On January 3, 2022, ACS, Actividades de Construcción y Servicios, S.A. agreed to carry out the second capital increase with a charge to reserves approved by the shareholders at the Annual General Meeting held on May 7, 2021. The capital increase serves to implement a flexible formula for shareholder remuneration ("optional dividend"), so that shareholders may choose to continue to receive cash remuneration or to receive new shares in the Company.

Furthermore, the Company agreed to carry out the second capital reduction through the retirement of treasury shares, which was approved at the same General Meeting, for a maximum amount equal to the amount by which the share capital was actually increased as a result of the second capital increase referred to in the previous paragraph.

The maximum number of new shares to be issued in the second execution of the capital increase charged to reserves agreed upon at the Annual General Meeting held on May 7, 2021 (through which an optional dividend in shares or cash is structured) was set at 6,093,291 on January 11, 2022.

ACS, Actividades de Construcción y Servicios, S.A. agreed to purchase from its shareholders the bonus issue rights corresponding to this second capital increase at a price that was set at a fixed gross amount of EUR 0.468 for each right.

After the negotiation period for the bonus issue rights corresponding to the second bonus issue, the irrevocable commitment to purchase rights assumed by ACS was accepted by the holders of 40.28% of the bonus issue rights. After the decision-making period granted to the shareholders had elapsed, in January 2022 the following events took place:

- The dividend was determined to be a total gross amount of EUR 57,425,748.12 (EUR 0.468 per share) and was paid on February 1, 2022.
- The number of final shares subject to the capital increase was 3,047,466 for a nominal amount of EUR 1,523,733.00, which were redeemed simultaneously for the same amount.

On January 11, 2021, ACS, Actividades de Construcción y Servicios, S.A. agreed to carry out the second capital increase with a charge to issue premium approved by the shareholders at the Annual General Meeting held on May 8, 2020. The capital increase serves to implement a flexible formula for shareholder remuneration ("optional dividend"), so that shareholders may choose to continue to receive cash remuneration or to receive new shares in the Company.

After the negotiation period for the bonus issue rights corresponding to the second bonus issue, the irrevocable commitment to purchase rights assumed by ACS was accepted by the holders of 39.68% of the bonus issue rights. After the decision-making period granted to the shareholders had elapsed, in February 2021 the following events took place:

- The dividend was determined to be a total gross amount of EUR 55,716,280.82 (EUR 0.452 per share) and was paid on February 9, 2021.
- The number of final shares subject to the capital increase was 2,568,165 for a nominal amount of EUR 1,284,082.50, which were redeemed simultaneously for the same amount.

In addition, as a result of the resolution adopted by the Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on May 6, 2022, on June 20, 2022 the Company resolved to carry out the first capital increase, establishing the maximum reference value at EUR 460 million with a charge to reserves of the Company in order for the shareholders to be able to choose whether they wish to be compensated in cash or in the Company's shares. In this regard, the following aspects in relation to the first execution of the aforementioned capital agreement were identified on June 28, 2022:

- The maximum number of new shares to be issued in the first execution would be 19,244,306.
- The number of free allocation rights required to receive a new share is 15.
- The acquisition price of each free allocation right under the purchase commitment assumed by ACS is EUR 1.484.

After the decision period granted to shareholders, the dividend was determined on July 15, 2022 for a total gross amount of EUR 186,566,615.28, which was paid on July 18. The ACS Group recorded under "Other current liabilities" in the accompanying consolidated statement of financial position as of June 30, 2022 the maximum amount of the potential liability on said date for 100% of the fair value of the approved dividend, which amounted to EUR 388.861 thousand, although the final amount was EUR 185,567 thousand (see Note 01.06). Therefore, EUR 203,294 thousand were reversed after June 30, 2022 in the equity of the ACS Group.

01.11. Earnings per share from ordinary and discontinued activities

01.11.01. Basic earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the Group by the weighted average number of ordinary shares outstanding during the year, excluding the average number of treasury shares held in the year.

Accordingly:

	30/06/2022	30/06/2021	Change (%)
Net profit for the period (Thousands of Euros)	330,136	351,118	(5.98)
Weighted average number of shares outstanding	270,536,456	284,998,076	(5.07)
Basic earnings per share (Euros)	1.22	1.23	(0.81)
Diluted earnings per share (Euros)	1.22	1.23	(0.81)
Profit after tax and non-controlling interests from discontinued operations (Thousands of Euros)	65,333	215,367	(69.66)
Basic earnings per share from discontinued operations (Euros)	0.24	0.76	(68.42)
Basic earnings per share from continuing operations (Euros)	0.98	0.48	104.17
Diluted earnings per share from discontinued operations (Euros)	0.24	0.76	(68.42)
Diluted earnings per share from continuing operations (Euros)	0.98	0.48	104.17

	Number of shares	
	30/06/2022	30/06/2021
Common shares outstanding at 01 January	275,787,918	285,059,953
Effect of own shares	2,247,264	(3,528,798)
Effect of shares issued	3,047,466	2,568,165
Effect of redeemed shares	(3,047,466)	(2,568,165)
Common shares outstanding at June 30	278,035,182	281,531,155
Weighted average number of shares outstanding at June 30	270,536,456	284,998,076

01.11.02. Diluted earnings per share

In calculating diluted earnings per share, the amount of profit attributable to ordinary shareholders and the weighted average number of shares outstanding, net of treasury shares, are adjusted to take into account all the dilutive effects inherent to potential ordinary shares (share options, warrants and convertible debt instruments). For these purposes, it is considered that the shares are converted at the beginning of the year or at the date of issue of the potential ordinary shares, if the latter were issued during the current period. The ACS share option plan currently in force (see Note 20.03) does not involve the issuance of new shares in the future and, therefore, does not affect diluted earnings per share. At June 30, 2022, as a result of the simultaneous share capital increase and reduction decided in June 2022 for the same number of shares, basic earnings and diluted earnings per share for continuing operations for the first half of 2022 is the same.

01.12. Seasonality of the Group's transactions

Given the activities in which the Group companies engage and its geographic diversity, its transactions are not of a significantly cyclical or seasonal nature. For this reason no specific itemizations are included in these notes to the condensed consolidated financial statements for the six-month period ended June 30, 2022.

02. Intangible assets

02.01. Goodwill

The breakdown of Goodwill, according to the divisions which produce them is as follows:

	Thousands of Euros	
	Balance at 30/06/2022	Balance at 31/12/2021
Parent	554,420	554,420
Construction	1,990,950	1,968,878
Services	165,502	148,955
Total	2,710,872	2,672,253

In accordance with the table above, the most significant goodwill is the result of the full consolidation of Hochtief, A.G., amounting to EUR 1,144,226 thousand at June 30, 2022 (EUR 1,144,226 thousand at December 31, 2021), and the result of the merger of the Parent Company with Grupo Dragados, S.A., which amounted to EUR 554,420 thousand at June 30, 2022 (EUR 554,420 thousand at December 31, 2021).

There were no significant changes during the first half of 2022.

During the 2021 financial year, the most substantial change corresponded to the reduction in goodwill held by the Parent Company linked to the Industrial activity sold on December 31, 2021, as part of the agreement with Vinci, for an amount of EUR 188,720 thousand (see Note 01.04.02), as well as the goodwill of the Industrial activity itself that was written off as a result of the sale and the balance of which as of December 31, 2020 amounted to EUR 44,181 thousand.

As regards goodwill, as a general rule on September 30 of each year, the ACS Group compares the carrying amount of the company or cash-generating unit (CGU) against its value in use, determined using the discounted cash flow method. Given the substantial improvement in the situation caused by the COVID-19 pandemic, there were no indications of impairment detected during the six months of 2022 and, therefore, the goodwill was discounted at September 30, in accordance with the Company's accounting policy. There have been no significant changes in the assumptions used when testing the Group's goodwill for impairment that could give rise to a significant risk of recognizing an impairment loss in the future. It should be noted that the market value of the ownership interest in Hochtief is higher than its carrying amount.

During the first six months of the 2022 financial year, no impairment losses were recognized on the ACS Group's goodwill. In the 2021 financial year, no impairment losses were recognized on the ACS Group's goodwill.

02.02. Other intangible assets

Additions in the first half of 2022 amounted to EUR 5,226 thousand (EUR 5.866 thousand in the first half of 2021) corresponding mainly to Hochtief for the amount of EUR 4,212 thousand (EUR 4,796 thousand in the first half of 2021) to services amounting to EUR 481 thousand (EUR 807 thousand in the first half of 2021) and Dragados for the amount of EUR 481 thousand (EUR 224 thousand in the first half of 2021). In 2021, the Industrial activity transferred to non-current assets held for sale as a discontinued activity (see Note 01.04.02) prior to the effective sale.

During the first half of the 2022 financial year, impairment losses amounting to EUR 449 thousand were recognized under "Other intangible assets" (EUR 405 thousand in the first half of 2021). No impairment losses were reversed in the consolidated income statements for the first half of 2022 or 2021.

03. Tangible assets - Property, plant and equipment

During the first six months of 2022 and 2021 acquisitions of fixed assets were carried out for EUR 267,246 and EUR 183,918 thousand respectively. In accordance with IFRS 16, this heading includes the rights to use the leased assets.

The most notable change in this heading in 2021 related to the transfer to non-current assets held for sale due to the consideration as a discontinued Industrial activity, which subsequently resulted in a derecognition after the sale to Vinci (see Note 01.04.02).

In the first half of 2022, the most notable acquisitions by divisions correspond mainly to the Construction area for EUR 241,372 thousand, mainly in investments made by Hochtief amounting to EUR 204,301 thousand (mainly tunnel boring machines and machinery for mining) as well as Dragados for EUR 37,070 thousand and the Services area for EUR 25,000 thousand, corresponding mainly to the acquisition of machinery and industrial vehicles.

In the first half of 2021, the most noteworthy acquisitions by division relate mainly to the Infrastructure area for EUR 131,016 thousand primarily in investments made by Hochtief amounting to EUR 89,076 thousand (in particular, tunnelling machines and mining machinery) and by Dragados amounting to EUR 41,940 thousand, and to the Services area for EUR 33,362 thousand, mainly for the acquisition of machinery and industrial vehicles.

Similarly, assets were also sold in the first half of 2022 and in 2021 for a total carrying amount of EUR 5,482 thousand and EUR 9,705 thousand, respectively, which had a residual effect on the Group's income statement. The most significant losses in the first half of 2022 relate mainly to the sale of Hochtief machinery in the amount of EUR 2,407 thousand (EUR 5,655 thousand in the first half of 2021) and in the Services area amounting to EUR 1,256 thousand (EUR 4,204 thousand in the first half of 2021).

At June 30, 2022, the Group had contractual commitments for the future acquisition of property, plant and equipment for a value of EUR 12,556 thousand (EUR 27,652 thousand at December 31, 2021), corresponding mainly to commitments to invest in machinery for Dragados amounting to EUR 7,023 thousand (EUR 12,516 thousand at December 31, 2021) and in technical installations for Hochtief amounting to EUR 40 thousand (EUR 20,544 thousand at December 31, 2021).

The impairment losses recognized in the consolidated income statement for the first half of 2022 amounted to EUR 140 thousand, and were not significant in the first half of 2021. In addition, the impairment losses reversed and recognized in the consolidated income statement for the first half of 2022 amounted to EUR 254 thousand for Hochtief. No impairment losses were reversed or recognized in the consolidated income statement in the first half of 2021.

Leases

In accordance with IFRS 16 “Leases”, at June 30, 2022 EUR 555,983 thousand (EUR 470,896 thousand at December 31, 2021) in net right-of-use assets were recognized under “Property, plant and equipment” in the consolidated statement of financial position. The breakdown of the right-of-use assets at June 30, 2022 and December 31, 2021 is as follows:

	Thousands of Euros	
	Balance at 30/06/2022	Balance at 31/12/2021
Land and buildings	972,048	847,747
Plant and machinery	130,608	122,158
Other intangible assets	179,229	149,249
Total tangible assets - property, plant and equipment	1,281,885	1,119,154
Accumulated depreciation	(725,453)	(647,952)
Impairment losses	(449)	(306)
Total net tangible assets - property, plant and equipment	555,983	470,896

The change in ‘Rights of use assets’ in the first half of 2022 for a gross amount of EUR 162,731 thousand relates mainly to the additions in the Infrastructure area of EUR 152,712 thousand (EUR 129,737 thousand in 2021) should be noted, in particular the investments made by Hochtief amounting to EUR 144,325 thousand (EUR 115,007 thousand in 2021). In relation to the losses, the net change produced in the consolidation perimeter in the first half of 2022 in the amount of EUR 13,164 thousand from Hochtief.

In 2021, the change in “Rights of use assets” related mainly to the transfer to non-current assets held for sale, given that these assets were considered discontinued and subsequently derecognized after the sale to Vinci for a net amount of EUR 85,871 thousand (see Note 01.04.02).

The depreciation and amortization relating to the right to use the assets recognized in accordance with IFRS 16 “Leases” in the first half of 2022 amounted to EUR 87,369 thousand (EUR 91,546 thousand in the first half of 2021), and the recognition of interest on the lease obligation amounted to EUR 10,980 thousand in 2022 (EUR 12,097 thousand in the first half of 2021) included in the consolidated income statement.

“Non-current lease liabilities” and “Current lease liabilities” associated with these “Right-of-use assets” at June 30, 2022 amounted to EUR 488,918 and EUR 152,948 thousand, respectively (EUR 401,430 and EUR 150,765 thousand at December 31, 2021, respectively).

Variable lease payments were not material at June 30, 2022 or December 31, 2021.

Sublease income is not significant since the ACS Group companies operate on a lessee rather than a lessor basis.

There are assets leased under short-term leases or leases of low-value assets that do not apply IFRS 16 “Leases” since, throughout the Group, there are very short-term leases, generally for three to six months, or ongoing monthly agreements or contracts with termination clauses. For each lease, the Group analyses and assesses whether it is reasonably certain that the lease will be extended. These considerations include assessing the requirements of the asset in the project, the scope of the work that is to be carried out with this asset, and other relevant economic aspects to adequately assess the lease term. At June 30, 2022, the expenses accrued in the amount of EUR 129,804 thousand (EUR 107,288 thousand at June 30, 2021) on the above assets were recognized under “Other operating expenses” in the consolidated income statement.

04. Non-current assets in projects

The balance of “Non-current assets in projects” in the consolidated statement of financial position at June 30, 2022 includes the costs incurred by the fully consolidated companies in the construction of transport infrastructure, services and power generation centers, the operation of which constitutes the purpose of their respective concessions. These amounts related to property, plant and equipment associated with projects financed under a project finance arrangement and concessions identified as intangible assets or those that are included as a financial asset according to the criteria discussed in Note 03.04 of the Consolidated Financial Statements at December 31, 2021. To better understand its activities relating to infrastructure projects, the Group considers it more appropriate to present its infrastructure projects in a grouped manner, although they are broken down by type of asset (financial or intangible) in this Note.

There have been no significant changes in this heading in the first half of 2022.

The most significant change in this heading in 2021 relates to the consideration of the Industrial Services Division as a discontinued operation and the subsequent reclassification of its non-current assets in projects and their subsequent derecognition following the sale to Vinci (see Note 01.04.02).

All project investments made by the ACS Group at June 30, 2022 are as follows:

Type of infrastructure	End date of operation	Thousands of Euros		
		Investment	Accumulated depreciation	Carrying amount of non-current assets in projects
Highways / roads	2026	181,914	(121,377)	60,537
Other infrastructures	—	1,986	(321)	1,665
Total		183,900	(121,698)	62,202

The breakdown of this heading by type, in accordance with IFRIC 12, is as follows:

- The concession assets identified as intangible assets, as a result of the Group assuming demand risk at June 30, 2022, are as follows:

Type of infrastructure	End date of operation	Thousands of Euros		
		Investment	Accumulated depreciation	Carrying amount of non-current assets in projects
Highways / roads	2026	181,873	(121,337)	60,536
Other infrastructures	-	1,984	(321)	1,663
Total		183,857	(121,658)	62,199

- There are no concession assets identified as intangible assets, as a result of the Group assuming demand risk at June 30, 2022.
- The breakdown of the financial assets financed under a project finance arrangement that do not meet the requirements for recognition in accordance with IFRIC 12 at June 30, 2022 are as follows:

Type of infrastructure	End date of operation	Thousands of Euros		
		Investment	Accumulated depreciation	Carrying amount of non-current assets in projects
Highways / roads	2026	41	(40)	1
Other infrastructures	-	2	—	2
Total		43	(40)	3

At the same time, there are concession assets that are not financed under a project finance arrangement amounting to EUR 5,586 thousand (EUR 5,672 thousand at December 31, 2021) that are recognized as “Other intangible assets”.

In the first half of 2022 and 2021, no significant investments were made in projects nor were there any significant additions to the consolidation perimeter.

In the first half of 2022 and 2021, no impairment losses were recognized in the consolidated income statement. Similarly, no significant impairment losses were reversed or recognized in the consolidated income statement for the first half of 2022 or 2021.

At June 30, 2022 and December 31, 2021, the Group had no significant contractual commitments for the acquisition of non-current assets in projects.

The financing relating to non-current assets in projects is explained in Note 10. The concession operators are also required to hold restricted cash reserves, known as reserve accounts, included under “Other current financial assets”.

Lastly, it should be noted that the Group has non-current assets in projects classified under “Non-current assets held for sale and discontinued operations” (see Note 01.04).

05. Investments in companies accounted for using the equity method

The breakdown, by division, of the investments in companies accounted for using the equity method at June 30, 2022 and 2021 is as follows:

Line of Business	Thousands of Euros					
	30/06/2022			31/12/2021 (*)		
	Share of net assets	Profit/(Loss) for the year	Total carrying amount	Share of net assets	Profit / (Loss) for the year	Total carrying amount
Construction	1,310,713	91,434	1,402,147	1,316,204	87,113	1,403,317
Concessions	3,104,331	79,831	3,184,162	2,952,169	168,640	3,120,809
Services	103	—	103	103	—	103
Corporate unit and others	—	—	—	1,198	(1,198)	—
Total	4,415,147	171,265	4,586,412	4,269,674	254,555	4,524,229

(*) Restated.

“Ordinary results of companies accounted for using the equity method” and “Non-ordinary results of companies accounted for using the equity method” in the consolidated income statement at June 30, 2022 also include the profit or loss of companies accounted for using the equity method and that have been classified under “Non-current assets held for sale and discontinued operations”, which amounts to EUR 4,883 thousand (EUR 18,870 thousand in 2021).

– Construction

At June 30, 2022, in the Construction area, the holdings in the Hochtief Group accounted for using the equity method stand out, for an amount of EUR 1,396,332 thousand (EUR 1,398,485 thousand as of December 31 2021). In this last case, it should be noted that Thies is accounted for as a joint venture using the equity method for EUR 819 million (EUR 796 million as of December 31, 2021).

In addition, among the change in investments applying the equity method in the first half of 2022 Ventia's ownership interest in Cimic, stands out, changing from being recorded under the equity method to being recorded as a non-current financial asset from March 31, 2022. (see Notes 01.08 and 06.02).

– Concessions

At June 30, 2022, in the Concessions area, the ownership interest in Abertis in the amount of EUR 2,810,094 thousand (EUR 2,782,886 thousand at December 31, 2021), corresponding both to Hochtief's 20.0% holding and 30.0% directly held by ACS itself. The net contribution by Abertis to the ACS Group's consolidated profit in the first half of 2022 amounted to a profit of EUR 52,401 thousand (a profit of EUR 25,473 thousand in the first half of 2021).

Material associates and joint ventures

In accordance with IFRS 12, the associates and joint ventures that are considered to be material at June 30, 2022 are Abertis Holdco, S.A. and its Subsidiaries and Thiess Joint Venture respectively.

Abertis

The ACS Group owns 50% minus one share of Abertis Holdco, S.A, giving the ACS Group a significant influence in Abertis Holdco, S.A. within the meaning of IAS 28 and therefore, Abertis is accounted for as an associate using the equity method in these Consolidated Annual Accounts.

The table below shows the information on the companies considered material under this heading of the consolidated statement of financial position:

Abertis Holdco, S. A. and Subsidiaries	Thousands of Euros	
	30/06/2022	31/12/2021
	100%	100%
Non-current assets	39,833,368	39,147,851
Current assets	5,489,696	6,832,489
Of which: Cash and cash equivalents	3,846,073	4,073,672
Asset held for sale	—	—
Non-current liabilities	31,007,628	32,646,700
Of which: Financial liabilities	25,243,909	26,287,550
Current liabilities	4,100,494	3,380,626
Of which: Financial liabilities	2,353,796	1,539,833
Liabilities associate to assets held for sale	—	—
Net assets	10,214,942	9,953,014
Minority interests	2,889,514	2,684,689
Equity attributable to the parent company	7,325,428	7,268,325
Hybrid bond	(1,957,580)	(1,954,894)
Equity attributable homogenized to owners of the Company	5,367,848	5,313,431
Group's share of net assets (50%)	2,683,924	2,656,716
Capitalized acquisition-related costs	126,170	126,170
Carrying amount of the investment	2,810,094	2,782,886

Abertis Holdco, S. A. and Subsidiaries	Thousands of Euros	
	30/06/2022	30/06/2021
	100%	100%
Turnover	2,427,494	2,260,031
Profit or loss from continuing operations	126,212	52,694
Post-tax profit/(loss) from discontinued operations	—	—
Profit / (loss) for the year	126,212	52,694
Non-controlling interest	(1,734)	(10,288)
Profit/(loss) for the year attributable to owners of the company	127,946	62,982
Other comprehensive income	763,214	253,075
Minority interests other comprehensive income	244,194	115,637
Other comprehensive income attributable to the parent company	519,020	137,438
Total comprehensive income	889,426	305,769
Minority interests total comprehensive income	242,460	105,349
Total comprehensive income attributable to the parent company	646,966	200,420
Group's share in total comprehensive income (50%)	323,483	100,210
in profit or loss	63,973	31,491
in other comprehensive income	259,510	68,719

In the first half of 2022, the ACS Group received dividends from Abertis Holdco, S.A. amounting to EUR 296,845 thousand (EUR 296,845 thousand in the first half 2021).

During the first half of 2022, no signs of impairment were identified in the investment in Abertis, therefore it was not deemed necessary to carry out any impairment test on this investment. However, in accordance with the Group's policies, an impairment test will be carried out at 2022 year-end on the value of the investment in Abertis by comparing the recoverable amount with the carrying amount, and no impairment was detected.

As in the previous year, investments in associates are not subject to any restrictions.

Thiess

On December 31, 2020, the Group finalized an agreement with funds managed by Elliott for the acquisition by Elliott of a 50% interest in the share capital of Thiess. The terms of the sale agreement mean that the ACS Group no longer controls Thiess, but rather controls it jointly with Elliott and, therefore, the ACS Group recognized the 50% interest held jointly with Elliott was again at its fair value based on the sale price.

The table below shows the information on the company considered to be a material joint arrangement under this heading of the consolidated statement of financial position:

Thiess Joint Venture	Thousands of Euros	
	30/06/2022	31/12/2021
	100%	100%
Non-current assets	2,984,323	2,935,703
Current assets	737,139	634,774
Of which: Cash and cash equivalents	113,849	132,309
Non-current liabilities	1,544,418	1,366,315
Of which: Financial liabilities	1,345,860	1,184,246
Current liabilities	534,873	548,319
Of which: financial liabilities	100,007	113,993
Net assets	1,642,171	1,655,843
Minority interests	12,054	13,449
Equity attributable to the parent company	1,630,117	1,642,394
Group's share of net assets (50%)	818,967	796,222

Thiess Joint Venture	Thousands of Euros	
	6 months to June 2022	6 months to June 2021
	100%	100%
Turnover	1,096,045	1,077,695
Other expenses	(762,670)	(752,702)
Depreciation and amortisation	(181,343)	(186,676)
Financial income	264	447
Financial expenses	(38,157)	(16,971)
Profit / (loss) before tax	114,139	121,793
Income tax	(31,291)	(29,667)
Profit / (loss) for the year	82,848	92,126
Profit attributable to minority interests	(462)	(2,807)
Profit/(loss) attributable to parent company	82,387	89,319
Other comprehensive income	27,330	11,356
Minority interests other comprehensive income	13,665	5,678
Other comprehensive income attributable to the parent company	13,665	5,678
Total comprehensive income	110,178	103,482
Minority interests total comprehensive income	13,203	2,871
Total comprehensive income attributable to the parent company	96,975	100,611
Group's share in total comprehensive income (50%)	54,594	50,337
in profit or loss (*)	40,929	44,659
in other comprehensive income	13,665	5,678

(*) The Thiess shareholder agreement establishes a minimum annual distribution to each shareholder of AUD 180 million per year for the first six years, with Elliott receiving a preferential payment. In accordance with accounting standards, preferential payments must first be attributed to the full profit for the year. The reduction in Cimic's profit includes protected rights and is expected to be recovered in future years.

In the first half of 2022, the ACS Group received dividends from Thiess amounting to EUR 59,083 thousand (no dividends were received in the first half of 2021).

06. Financial assets

06.01. Composition and breakdown

A breakdown of the Group's financial assets at June 30, 2022 and December 31, 2021, by nature and category, is as follows:

	Thousands of Euros			
	30/06/2022		31/12/2021	
	Non-Current	Current	Non-Current	Current
Equity instruments	548,271	195,445	87,878	178,026
Loans to associates	187,953	93,775	184,381	64,019
Other loans	364,602	459,647	263,431	178,440
Debt securities	35,599	3,135,503	24,208	483,898
Other financial assets	231,800	868,041	205,809	375,696
Long-term cash collateral deposits	412	—	987	—
Subtotal	1,368,637	4,752,411	766,694	1,280,079
Trade receivables for sales and services	—	8,138,141	—	6,686,487
Other receivables	—	1,250,458	—	1,400,815
Cash and cash equivalents	—	7,558,103	—	11,253,419
Total	1,368,637	21,699,113	766,694	20,620,800

The classification of financial assets in accordance with IFRS 9 at June 30, 2022 and December 31, 2021 is as follows:

	Thousands of Euros			
	Value at 30/06/2022	Fair value with changes in profit or loss	Fair value with changes in other comprehensive income	Amortized cost
Non-current financial assets	1,368,637	916,599	—	452,038
Equity securities at long-term	548,271	548,271	—	—
Loans to group and associates companies at long-term	187,953	—	—	187,953
Loans to third parties at long-term	364,602	328,936	—	35,666
Debt securities at long-term	35,599	35,599	—	—
Long-term cash collateral deposits	412	—	—	412
Other financial assets at long-term	23,195	3,793	—	19,402
Non-current financial assets in operating receivables	208,605	—	—	208,605
Concessional assets identified under the financial asset model (Note 04)	—	—	—	—
Other current financial assets	4,752,411	2,624,816	575,512	1,552,083
Equity securities at short-term	195,445	64,308	131,137	—
Loans to group and associates companies to short-term	93,775	—	—	93,775
Loans to third parties at short-term	459,647	—	—	459,647
Debt securities at short-term	3,135,503	2,540,833	444,375	150,295
Other financial assets to group and associates companies at short-term	330	—	—	330
Other financial assets at short-term	867,711	19,675	—	848,036
Trade receivables for sales and services	8,138,141	—	—	8,138,141
Other receivable	1,250,458	—	—	1,250,458
Cash and cash equivalents	7,558,103	—	—	7,558,103

	Thousands of Euros			
	Value at 31/12/2021	Fair value with changes in profit or loss	Fair value with changes in other comprehensive income	Amortized cost
Non-current financial assets	771,011	339,823	14	431,174
Equity securities at long-term	87,878	87,864	14	—
Loans to group and associates companies at long-term	184,381	—	—	184,381
Loans to third parties at long-term	263,431	223,436	—	39,995
Debt securities at long-term	24,208	24,208	—	—
Long-term cash collateral deposits	987	987	—	—
Other financial assets at long-term	7,849	3,328	—	4,521
Non-current financial assets in operating receivables	197,960	—	—	197,960
Concessional assets identified under the financial asset model	4,317	—	—	4,317
Other current financial assets	1,280,079	196,742	542,763	540,574
Equity securities at short-term	178,026	25,223	152,803	—
Loans to group and associates companies to short-term	64,019	—	—	64,019
Debt securities at short-term	483,898	93,938	389,960	—
Group and associated short-term derivatives	178,440	—	—	178,440
Other financial assets at short-term	375,696	77,581	—	298,115
Trade receivables for sales and services	6,686,487	—	—	6,686,487
Other receivable	1,400,815	—	—	1,400,815
Cash and cash equivalents	11,253,419	—	—	11,253,419

06.02. Equity instruments

Among non-current and current equity instruments, those from Hochtief stand out amounting to EUR 522,071 and 194,461 thousand, respectively, as of June 30, 2022 (EUR 62,431 and 177,024 thousand, respectively, as of December 31, 2021), corresponding mainly to the increase in non-current equity instruments compared to December 31, 2021, which is mainly due to Ventia no longer being consolidated in Cimic, changing being recorded under the equity method to being recorded non-current financial assets as of March 31, 2022 (see Note 01.08). In addition, short-term investments in securities held in special and general investment funds are recorded.

06.03. Loans to Associates and Third-Party Loans

As of June 30, 2022, among the loans with long-term maturities granted in euros, the subordinated loan granted to Road Management (A13) Plc stands out due to its material amount, EUR 47,206 thousand (EUR 46,477 thousand at December 31, 2021), the subordinated loan to Celtic Road Group (Portlaoise) amounting to EUR 23,233 thousand (EUR 23,233 thousand as of December 31, 2021) and the participating loan granted to Gorey to Enniscorthy M11 PPP Limited for an amount of EUR 13,250 thousand (EUR 13,251 thousand as of December 31, 2021). In the first half of 2022, the changes in the loans were mainly due to the increase in the subordinated loan granted by Iridium Concesiones de Infraestructuras, S.A. to Iridium Hermes Road, S.L. in the amount of EUR 2,126 thousand, the purpose of which is to partially finance the investment in the additional works for Eix Diagonal. Furthermore, in 2022, the participatory loan for the Nuevo Hospital de Toledo, S.A. was transferred from Iridium Concesiones de Infraestructuras S.A. to Global Borealis S.L.U. after the sale of 80% of the concession realized in 2021, the current amount of the loan standing at EUR 2,388 thousand.

The Group regularly assesses the recoverability of the loans to associates jointly with investments, making the necessary provisions when required. These loans bear interest at market rates

At June 30, 2022, "Loans to third parties" under "Non-current financial assets" in the consolidated statement of financial position included the earn out corresponding to the sale of most of the Industrial Services

Division, the fair value of which, after the valuation update carried out in the first half of 2022 based on the best information available, amounts to EUR 328,936 thousand euros (EUR 223,436 thousand at December 31, 2021), which are pending collection as a result of the existence of a maximum variable payment of EUR 600 million in cash at a rate of EUR 20 million for each half GW developed by the Industrial activity (up to the "Ready To Build" status) between March 31, 2021 and up to 7 years following the execution of the sale, extendable for an additional 18 months if the industrial activity sold does not reach 6 GW in the first 42 months (see Note 04.01.02).

06.04. Debt securities

At June 30, 2022, this heading included the investments in securities maturing in the short term relating mainly to investments in securities, from Corporation for EUR 2,470,295 thousand (EUR zero thousand at December 31, 2021), this change corresponding mainly to investments made as a result of the cash proceeds of the sale of the majority of the Industrial Division in 2021 and which, after analyzing the requirements of IAS 7 and the SPPI test (only payment of the principal and interest) have been recognized as short-term financial assets. There are no significant changes between the carrying amount and the fair value of these assets.

In addition, from Hochtief there are investments in securities, investment funds and fixed-income securities with a maturity of more than three months, and without any intention of holding them until their maturity in the amount of EUR 448,654 thousand (EUR 394,803 thousand at December 31, 2021). Among the remaining mounts, those held by the Dragados Group are worth mentioned, amounting to EUR 66,554 thousand (EUR 89,095 thousand at December 31, 2021).

The reduction in 2021 occurred as a result of the transfer to non-current assets held for the sale prior to the sale of most of the Industrial activity amounting to EUR 329,785 thousand.

06.05. Other financial assets and Non-current trade receivables

At June 30, 2022, "Other financial assets" highlighted the short-term deposits for EUR 582,986 thousand (EUR 270,386 thousand at December 31, 2021) as a result of the cash available after the sale of the industrial activity.

In addition, at June 30, 2022, the amount mentioned in the previous paragraph includes EUR 152,738 thousand (EUR 194,095 thousand at December 31, 2021) held as collateral to secure the derivatives arranged by the Group (see Note 11), recognized under "Other current financial assets" in the accompanying consolidated statement of financial position.

06.06. Trade and other receivables

The carrying amount of trade and other receivables is reflected in the following breakdown at June 30, 2022 and December 31, 2021:

	Thousands of Euros	
	Balance at 30/06/2022	Balance at 31/12/2021
Trade receivables for sales and services	8,096,094	6,650,251
Receivable from group companies and associates	42,047	36,236
Other receivables	1,250,458	1,400,815
Current tax assets	251,169	293,054
Total	9,639,768	8,380,356

The breakdown of “Trade receivables for sales and services” and net trade receivables balance at June 30, 2022 and December 31 2021 is as follows:

	Thousands of Euros	
	Balance at 30/06/2022	Balance at 31/12/2021
Trade receivables and notes receivable	4,880,144	4,258,716
Completed work pending certification	3,367,654	2,584,359
Allowances for doubtful debts	(151,704)	(192,824)
Total assets from receivables	8,096,094	6,650,251
Advances received on orders	(3,016,828)	(2,846,997)
Total liabilities from receivables	(3,016,828)	(2,846,997)
Total net trade receivables balance	5,079,266	3,803,254

Should the amount of output from inception, measured at the amount to be billed, of each project be greater than the amount billed up to the date of the statement of financial position, the difference between the two amounts relates to contractual assets and is recognized under “Completed work pending certification” under “Trade and other receivables” on the asset side of the consolidated statement of financial position.

Should the amount of output from inception be lower than the amount of the progress billings, the difference relates to contractual liabilities and is recognized under “Customer advances” under “Trade and other payables” on the liability side of the consolidated statement of financial position. Therefore, the balances are presented on the basis of each project/work at both June 30, 2022 and December 31, 2021.

“Total contract liabilities” includes both “Customer advances” and “Pre-certified construction work customers”.

Incremental costs are not significant in relation to the total contract assets with customers.

The Group companies assign trade receivables to financial institutions, without the possibility of recourse against them in the event of non-payment. The reduced balance of receivables amounted to EUR 1,157,021 thousand at June 30, 2022 (EUR 1,012,001 thousand at December 31, 2021).

Substantially all the risks and rewards associated with the receivables, and control over them, were transferred through the sale and assignment of the receivables, since there are no repurchase agreements between the Group companies and the banks that have acquired the assets, and the banks may freely dispose of the acquired assets without the Group companies being able to limit this right in any manner. Consequently, the balances receivable relating to the receivables assigned or sold under the above conditions were derecognized in the consolidated statement of financial position. The Group companies continued to manage collection during the year.

06.07. Impairment losses

There were no significant impairment losses in the first half of 2022 or in the same period in 2021. There are no significant reversals of the financial assets due to impairment in the first six months of 2022 nor in the first half of 2021.

06.08. Cash and cash equivalents.

“Cash and cash equivalents” includes the Group’s cash and short-term bank deposits with an original maturity of three months or less. At December 31, 2021, this heading mainly included EUR 4,902 million corresponding to the proceeds of the sale of most of the Industrial Services Division (see Note 01.04.02). The carrying amount of these assets amounting to EUR 395,494 thousand at June 30, 2022 (EUR 312,392 thousand at December 31, 2021) reflects their fair value and there are no restrictions as to their use.

07. Inventories

The breakdown of “Inventories” at June 30, 2022 and December 31, 2021 is as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Merchandise	168,791	168,813
Raw materials and other supplies	337,706	294,354
Work in progress	223,877	218,396
Finished goods	15,710	16,742
Others	62,048	43,787
Total	808,132	742,092

The balance of inventories at June 30, 2022 relates mainly to the EUR 358,826 thousand (EUR 345,215 thousand at December 31, 2021) contributed by the Hochtief Group, including projects in progress amounting to EUR 171,048 thousand (EUR 174,707 thousand at December 31, 2021), mainly real estate (land and buildings) amounting to EUR 128,654 thousand, owned by Hochtief and its Australian subsidiary Cimic, and that were not subject to restrictions at June 30, 2022 or December 31, 2021 and to real estate assets in the rest of the ACS Group amounting to EUR 226,603 thousand (EUR 217,408 thousand at December 31, 2021). In addition to the above restrictions, inventories have been not pledged and/or mortgaged as security for the repayment of debts either at June 30, 2022 or at December 31, 2021.

Impairment losses on inventories recognized and reversed in the consolidated income statement, relating to the various ACS Group companies, amounted to EUR 36 thousand and EUR 108 thousand, respectively in the six-month period ended June 30, 2022 (EUR 60 thousand and EUR 981 thousand, respectively in 2021), from the different companies of the ACS Group.

08. Equity

08.01. Share capital

As at June 30, 2022, the share capital of the Parent Company amounted to EUR 144,332 thousand and was represented by 288,664,594 fully subscribed and paid shares with a par value of EUR 0.5 each, all with the same voting and dividend rights. As at December 31, 2021, the share capital of the Parent Company amounted to EUR 152,332 thousand and was represented by 304,664,594 fully subscribed and paid shares with a par value of EUR 0.5 each, all with the same voting and dividend rights.

On January 24, 2022, in accordance with the resolution passed at the Annual General Meeting held on May 7, 2021, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. agreed to reduce the share capital, with a charge to profit or unrestricted reserves, through the retirement of the Company's treasury shares for a nominal amount of EUR 5 million through the retirement of 10 million ACS treasury shares, making the corresponding provision with a charge to reserves as indicated in section 335.e) of the Spanish Corporate Enterprises Act.

On May 12, 2022, in accordance with the resolution passed at the Annual General Meeting held on May 6, 2022, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. agreed to reduce the share capital, with a charge to profit or unrestricted reserves, through the retirement of the Company's treasury shares for a nominal amount of EUR 3 million through the retirement of 6 million ACS treasury shares, making the corresponding provision with a charge to reserves as indicated in section 335.e) of the Spanish Corporate Enterprises Act.

On November 11, 2021, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. agreed to reduce capital by EUR 3 million of the nominal value through the retirement of 6 million shares of the Company's treasury stock, subject to authorization by the shareholders at the Annual General Meeting of May 7, 2021.

Subsequent to 2021 year-end, in accordance with the resolution passed at the Annual General Meeting held on May 7, 2021, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. agreed to reduce the share capital, with a charge to profit or unrestricted reserves, through the retirement of the Company's treasury shares for a nominal amount of EUR 5 million through the retirement of 10 million ACS treasury shares, making the corresponding provision with a charge to reserves as indicated in section 335.e) of the Spanish Corporate Enterprises Act. Following this retirement of treasury shares, the share capital amounted to EUR 147,332 thousand and is represented by 294,664,594 fully subscribed and paid shares with a par value of EUR 0.5 each, all with the same voting and dividend rights (see Note 01.06).

Expenses directly attributable to the issue or acquisition of new shares are recognized in equity as a deduction from the amount of equity.

The Annual General Meeting held on May 8, 2020 agreed to delegate to the Board, in accordance with section 297.1(b) of the Consolidated Text of the Spanish Corporate Enterprises Act, the power to increase, on one or more occasions, the share capital of the Company up to a maximum of 50% of the share capital, as of the date of the Meeting, within a maximum period of five years from the date of the above General Meeting.

The share capital increase(s) may be carried out, with or without a share premium, either by increasing the par value of the existing shares with the requirements set forth in the law, or by issuing new shares, ordinary or preferential, with or without voting rights, or redeemable shares, or any other type of shares permitted by law or several types at the same time, consisting of a consideration for the new shares or an increase in the par value of the existing ones, in terms of monetary contributions.

It was also agreed to authorize the Board of Directors so that, in all matters not provided for, it can set the terms of the share capital increases and the characteristics of the shares, and freely offer the new unsubscribed shares within the term(s) for exercising the pre-emption right. The Board may also establish that, if the issue is undersubscribed, the share capital will only be increased by the amount of the shares subscribed, and the wording of the corresponding article of the Articles of Association revised regarding the share capital and number of shares.

The Board is expressly granted the power to exclude, in whole or in part, the pre-emption right up to a maximum nominal amount, collectively, equal to 20% of the share capital at the time of authorization in relation to all or any of the issues agreed upon on the basis of this authorization, in line with section 506 of the Spanish Corporate Enterprises Act, also including the exclusions of the pre-emption rights made in the framework of securities issues in accordance with the agreement approved at the Annual General Meeting of May 10, 2019.

At the Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on May 6, 2022, the shareholders resolved, among other matters, to carry out a share capital increase and reduction. The Company resolved to increase the share capital to a maximum of EUR 600 million with a charge to unrestricted reserves, whereby the first capital increase may not exceed EUR 460 million and the second increase may not exceed EUR 140 million, indistinctly granting the Executive Committee, the Chairman of the Board and the Director Secretary the power to execute the resolution. The capital increase is expected to take place, in the case of the first increase, within the three months following the date of the Annual General Meeting held in 2022 and, in the case of the second increase, within the first quarter of 2023, thereby coinciding with the dates on which the ACS Group has traditionally distributed the final dividend and the interim dividend. As regards the capital reduction, the resolution passed by the Board consists of reducing share capital through the retirement of the Company's treasury shares for a nominal amount equal to the nominal amount for which the above capital increase was effectively carried out. The Board is granted the power to execute these resolutions, on one or two occasions, simultaneously with each of the share capital increases (see Note 08.02).

On June 20, 2022, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the first capital increase with a charge to reserves approved at the Annual General Meeting held on May 6, 2022, so that once the process was concluded in July 2022, the final number of ordinary shares, with a par value of EUR 0.5 each, to be issued was 9,132,720, shares, and the nominal amount of the related capital increase was EUR 4,566,360. On that same date, ACS, Actividades de Construcción y Servicios, S.A. reduced the share capital by EUR 4,566,360, through the retirement of 9,132,720 treasury shares and allocated the same amount to reserves as the nominal value of the retired shares, i.e., EUR 4,566,360, as provided for in section 335.c) of the Spanish Corporate Enterprises Act.

At the Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on May 7, 2021, the shareholders resolved, among other matters, to carry out a share capital increase and reduction. The Company resolved to increase share capital to a maximum of EUR 574 million with a charge to voluntary reserves, whereby the first capital increase may not exceed EUR 426 million and the second increase may not exceed EUR 148 million, indistinctly granting the Executive Committee, the Chairman of the Board and the Director Secretary the power to execute the resolution. The capital increase is expected to take place, in the case of the first increase, within the three months following the date of the Annual General Meeting held in 2021 and, in the case of the second increase, within the first quarter of 2022, thereby coinciding with the dates on which the ACS Group has traditionally distributed the final dividend and the interim dividend. As regards the capital reduction, the resolution passed by the Board consists of reducing share capital through the retirement of the Company's treasury shares for a nominal amount equal to the nominal amount for which the above capital increase was effectively carried out. The Board is granted the power to execute these resolutions, on one or two occasions, simultaneously with each of the share capital increases (see Note 08.02).

On June 9, 2021, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the first capital increase with a charge to reserves approved at the Annual General Meeting held on May 7, 2021, so that once the process was concluded in July 2021, the final number of ordinary shares, with a par value of EUR 0.5 each, to be issued was 8,329,558 shares, and the nominal amount of the related capital increase was EUR 4,164,779. On that same date, ACS, Actividades de Construcción y Servicios, S.A. reduced the share capital by EUR 4,164,779 through the retirement of 8,329,558 treasury shares and allocated the same amount to reserves as the nominal value of the retired shares, i.e., EUR 4,164,779, as provided for in section 335.c) of the Spanish Corporate Enterprises Act.

On January 3, 2022, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the second capital increase with a charge to reserves approved by the shareholders at the Annual General Meeting held on May 7, 2021, and, on this same date, also resolved to carry out the second capital reduction of ACS, Actividades de Construcción y Servicios, S.A. for the same amount as the increase in share capital resulting from the second capital increase (see Note 08.02).

The shares representing the capital of ACS, Actividades de Construcción y Servicios, S.A. are admitted for trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and are listed on the continuous market.

Apart from the Parent Company, the companies included in the consolidation perimeter whose shares are listed on securities markets as at June 30, 2022 are Hochtief, A.G. on the Frankfurt Stock Exchange (Germany) and Dragados y Construcciones Argentina, S.A.I.C.I. on the Buenos Aires Stock Exchange (Argentina).

08.02. Treasury shares

The changes in "Treasury Shares" during the first six months of 2022 and 2021 were as follows:

	First half 2022		First half 2021	
	Number of shares	Thousands of Euros	Number of shares	Thousands of Euros
At beginning of the reporting period	28,876,676	691,916	25,604,641	636,011
Purchases	16,800,202	402,076	6,096,963	154,519
Depreciation and sales	(19,047,466)	(455,176)	(2,568,165)	(63,850)
At end of the reporting period	26,629,412	638,816	29,133,439	726,680

On January 3, 2022, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the second capital increase with a charge to reserves approved by the shareholders at the Annual General Meeting held on May 7, 2021, and also resolved to carry out the second capital reduction of ACS, Actividades de Construcción y Servicios, S.A. for the same amount as the increase in share capital resulting from the second capital increase through the retirement of the necessary treasury shares. The final number of shares, subject to the capital increase, was 3,047,466 shares for a nominal amount of EUR 1,523,733.00, which were retired simultaneously for the same amount (see Note 01.10) and with an allocation to reserves for the same amount as the nominal value of the retired shares, i.e., EUR 1,523,733.00, as provided for in section 335.c) of the Spanish Corporate Enterprises Act.

On June 20, 2022, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the first capital increase with a charge to reserves approved at the Annual General Meeting held on May 6, 2022, so that once the process was concluded in July 2022, the final number of ordinary shares, with a par value of EUR 0.5 each, to be issued was 9,132,720 shares, and the nominal amount of the related capital increase was EUR 4,566,360. On that same date, ACS, Actividades de Construcción y Servicios, S.A. reduced the share capital by EUR 4,566,360 through the retirement of 9,132,720 treasury shares and allocated the same amount to reserves as the nominal value of the retired shares, i.e., EUR 4,566,360, as provided for in section 335.c) of the Spanish Corporate Enterprises Act (see Note 08.01).

On January 11, 2021, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the second capital increase with a charge to the share premium approved by the shareholders at the Annual General Meeting held on May 8, 2020, and also resolved to carry out the second capital reduction of ACS, Actividades de Construcción y Servicios, S.A. for the same amount as the increase in share capital resulting from the second capital increase through the retirement of the necessary treasury shares. The final number of shares, subject to the capital increase, was 2,568,165 shares for a nominal amount of EUR 1,284,082.50, which were retired simultaneously for the same amount, (see Note 01.10) and with an allocation to reserves for the same amount as the nominal value of the retired shares, i.e., EUR 1,284,082.50, as provided for in section 335.c) of the Spanish Corporate Enterprises Act.

On June 9, 2021, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the first capital increase with a charge to reserves approved at the Annual General Meeting held on May 7, 2021, so that once the process was concluded in July 2021, the final number of ordinary shares, with a par value of EUR 0.5 each, to be issued was 8,329,558 shares, and the nominal amount of the related capital increase was EUR 4,164,779. On that same date, ACS, Actividades de Construcción y Servicios, S.A. reduced the share capital by EUR 4,164,779 through the retirement of 8,329,558 treasury shares and allocated the same amount to reserves as the nominal value of the retired shares, i.e., EUR 4,164,779, as provided for in section 335.c) of the Spanish Corporate Enterprises Act (see Note 08.01).

On November 11, 2021, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. agreed to reduce the share capital by EUR 3 million of the nominal value through the retirement of 6 million shares of the Company's treasury stock, subject to authorization by the shareholders at the Annual General Meeting of May 7, 2021 (see Note 08.01).

At June 30, 2022, the Group held 26,629,412 treasury shares of the Parent Company, with a par value of EUR 0.5 each, representing 9.2% of the share capital, with a consolidated net carrying amount of EUR 638,816 thousand which is recognized in equity under "Treasury shares" in the consolidated statement of financial position. At December 31, 2021, the Group held 28,876,676 treasury shares of the Parent Company, with a par value of EUR 0.5 each, representing 9.5% of the share capital, with a consolidated net

carrying amount of EUR 691,916 thousand that was recognized in equity under "Treasury shares" in the consolidated statement of financial position.

In the first half of 2022, ACS notified the CNMV of the changes made to the treasury share buyback programme, which at the end of the period included a maximum of 19,500,000 shares to be acquired and a maximum investment of up to EUR 585 million, with a maximum term of up to July 31, 2023.

The average purchase price of ACS shares in the first six months of 2022 was EUR 23.93 per share (EUR 25.34 per share in the first half of 2021).

08.03. Adjustments for changes in value

The net changes in the balance of this heading in the first half of 2022 and in 2021 were as follows:

	Thousands of Euros	
	First half of 2022	2021 annual reporting period
Beginning balance	(170,918)	(668,772)
Hedging Instruments	233,054	86,233
Available-for-sale financial assets	(7,652)	20,700
Exchange differences	323,720	390,921
Ending balance	378,204	(170,918)

The adjustments for hedging instruments relate to the reserve set up for the effective portion of changes in the fair value of the financial instruments designated and classified as cash flow hedges. They relate mainly to interest rate hedges and, to a lesser extent, foreign exchange rate hedges, tied to asset and liability items in the consolidated statement of financial position, and to future transaction commitments qualifying for hedge accounting.

The changes relating to financial assets through other comprehensive income include the unrealized gains or losses arising from changes in their fair value net of the related tax effect.

08.04 Non-controlling interests

On June 8, 2022 Hochtief, A.G. resolved to increase its share capital by just under 10% through monetary contribution by using the authorized capital. The Company's share capital was increased by the issuance of 7,064,593 new shares to EUR 57.50 per share, excluding the shareholders' right to subscribe. The new shares were issued with the right to dividends as of January 1, 2022. ACS, Actividades de Construcción y Servicios, S.A. agreed to participate in the pro rata offer of its current stake in Hochtief and to support the capital increase in full with regard to all new shares that are not placed among other corporate and institutional investors. Therefore, ACS, Actividades de Construcción y Servicios, S.A. was allocated 85% of the total number of new shares, which means increasing the ownership interest in Hochtief, A.G. from 50.41% to 53.55% of shares representing the share capital. The cash proceeds obtained from the capital increase will be used to pay off a portion of the financing obtained and used to purchase Cimic.

Furthermore, on February 23, 2022, Hochtief, the majority shareholder of Cimic with a 78.6% ownership interest, announced its intent to carry out an off-market takeover bid, which would be unconditional and final (unless a counter-offer is submitted by a third party), to acquire the remaining shares of Cimic for AUD 22 per share. Cimic's shareholders that accept the offer will receive payment in cash within five business days of acceptance. On May 6, 2022, Cimic's share price was suspended on the Australian stock exchange after Hochtief reached 96% of its ownership interest, and forced sale of minorities began ("squeeze-out"), which ended with the purchase of the final shares on June 10, 2022. Therefore, in the first half of 2022 the Hochtief takeover in Cimic increased the share from 78.6% at December 31, 2021 to 100% on June 30, 2022. The amount for the acquisition of all Cimic shares that were not already owned by Hochtief amounted to approximately EUR 1,500 million, which at the exchange rate in force on the date of each share

purchased is equivalent to EUR 985 million (EUR 940 million taking into account the average hedging rate) see Note 01.07).

09. Non-current provisions

The breakdown of this heading at June 30, 2022 and December 31, 2021 is as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Provision for pensions and similar obligations	296,086	441,373
Personnel-related Provisions	171,286	169,885
Provision for third-party liability, taxes and for actions on infrastructure	1,226,185	1,224,009
Total	1,693,557	1,835,267

The decrease in provisions for pensions and similar obligations has mainly been due to the increase by Hochtief of the discount rate used to measure its pension obligations in Germany, the United States and the United Kingdom to 3.39%, 4.65% and 3.85%, respectively, at June 30, 2022 (1.31%, 2.64% and 1.80%, respectively, at December 31, 2021).

Notes 20 and 36.02 to the ACS Group's Consolidated Financial Statements for the year ended December 31, 2021 describes the main disputes, including the main litigation of a tax and legal nature affecting the Group at that date.

The total amount of the payments deriving from lawsuits made by the ACS Group during the first six months of 2022 and 2021 is not significant in relation to the current Condensed Consolidated Half-Yearly Financial Statements.

10. Financial liabilities

The breakdown of the ACS Group's financial liabilities at June 30, 2022 and December 31, 2021 and by type and category for valuation purposes, is as follows:

	Thousands of Euros			
	30/06/2022		31/12/2021	
	Non-Current	Current	Non-Current	Current
Debt instruments and other marketable securities	4,050,044	502,275	4,096,426	640,907
Bank borrowings	4,532,290	1,951,947	4,524,806	1,128,861
- with limited recourse	39,443	17,182	51,069	18,472
- other	4,492,847	1,934,765	4,473,737	1,110,389
Other financial liabilities	96,423	133,832	96,122	38,723
Total	8,678,757	2,588,053	8,717,354	1,808,491

The classification of financial liabilities in accordance with IFRS 9 at June 30, 2022 and December 31, 2021 is as follows:

	Thousands of Euros			
	Value at 30/06/2022	Fair value through profit or loss	Fair value through other comprehensive income (equity)	Amortized cost
Long Term Financial Liabilities	8,678,757	—	—	8,678,757
Debentures and other negotiable securities	4,050,044	—	—	4,050,044
Payables to credit institutions	4,481,835	—	—	4,481,835
Payables on lease of goods	11,012	—	—	11,012
Project financing and debt with limited resources	39,443	—	—	39,443
Other long-term financial payables not in banks	78,803	—	—	78,803
Long-term payables to group and associated companies	17,620	—	—	17,620
Short Term Financial Liabilities	2,588,053	—	—	2,588,053
Debentures and other negotiable securities	502,275	—	—	502,275
Payables to credit institutions	1,929,145	—	—	1,929,145
Payables on lease of goods	5,619	—	—	5,619
Project financing and debt with limited resources	17,182	—	—	17,182
Other short-term financial payables not in banks	132,533	—	—	132,533
Short-term payables to group and associated companies	1,299	—	—	1,299

	Thousands of Euros			
	Value at 31/12/2021	Fair value through profit or loss	Fair value through other comprehensive income (equity)	Amortized cost
Long Term Financial Liabilities	8,717,354	—	—	8,717,354
Debentures and other negotiable securities	4,096,426	—	—	4,096,426
Payables to credit institutions	4,463,725	—	—	4,463,725
Payables on lease of goods	10,012	—	—	10,012
Project financing and debt with limited resources	51,069	—	—	51,069
Other long-term financial payables not in banks	80,404	—	—	80,404
Long-term payables to group and associated companies	15,718	—	—	15,718
Short Term Financial Liabilities	1,808,491	—	—	1,808,491
Debentures and other negotiable securities	640,907	—	—	640,907
Payables to credit institutions	1,104,831	—	—	1,104,831
Payables on lease of goods	5,558	—	—	5,558
Project financing and debt with limited resources	18,472	—	—	18,472
Other short-term financial payables not in banks	35,287	—	—	35,287
Short-term payables to group and associated companies	3,436	—	—	3,436

10.01. Debt instruments and other marketable securities

At June 30, 2022, the ACS Group had debentures and bonds issued amounting to EUR 4,050,044 thousand in non-current issues and EUR 502,275 thousand in current issues (EUR 4,096,426 thousand in non-current issues and EUR 640,907 thousand in current issues, respectively, at December 31, 2021) from Cimic, Hochtief, ACS, Actividades de Construcción y Servicios, S.A. and ACS Servicios Comunicaciones y Energía, S.A.

The most significant variations as at June 30, 2022 are as follows:

- In 2022, ACS, Actividades de Construcción y Servicios, S.A. renewed the Euro Commercial Paper (ECP) programme for a maximum amount of EUR 750 million, which was registered in the Irish Stock Exchange. Through this programme, ACS may issue notes maturing between 1 and 364 days, thus enabling the diversification of financing channels in the capital market. As at June 30, 2022, the issues outstanding under the above programmes amounted to EUR 130,000 thousand (EUR 182,850 thousand at December 31, 2021).
- It also renewed its debt issue programme, called the Euro Medium-Term Note Programme (EMTN Programme), for a maximum amount of EUR 1,500 million, which was approved by the Central Bank of Ireland.
- Furthermore, ACS, Actividades de Construcción y Servicios, S.A. renewed the Negotiable European Commercial Paper (NEU CP) programme in 2022 for EUR 500 million, with a maximum issue term of 365 days, under the regulation of the Bank of France (pursuant to section D.213-2 of the French Monetary and Financial Code) listed on the Luxembourg Stock Exchange. As at June 30, 2022, the issues outstanding under the above programmes amounted to EUR 107,000 thousand (EUR 254,000 thousand at December 31, 2021).

The breakdown of the ACS Group's main bonds at June 30, 2022 and December 31, 2021 is as follows:

Bonds	Carrying amount 30/06/2022	Carrying amount 31/12/2021	Price 30/06/2022	Price 31/12/2021	Principal (Millions of Euros)	Coupon (%)	Initial term (in years)	Maturity
ACS 750	746,989	751,619	93.24%	101.24%	750	1.375%	5	April 2025
ACS 50	50,004	50,002	n.a.	n.a.	50	0.785%	4.11	June 2023
ACS SC&E	752,369	757,598	93.91%	105.15%	750	1.875%	8	April 2026
HOCHTIEF 500	507,093	502,485	95.37%	104.92%	500	1.750%	7	July 2025
HOCHTIEF 50 CHF	50,147	48,524	n.a.	n.a.	50	0.769%	6	June 2025
HOCHTIEF 50	50,061	50,635	n.a.	n.a.	50	2.300%	15	April 2034
HOCHTIEF 500	498,541	496,960	79.42%	100.51%	500	0.500%	8	September 2027
HOCHTIEF 1000 NOK	98,072	100,745	n.a.	n.a.	98	1.700%	10	July 2029
HOCHTIEF 250	251,046	249,414	68.76%	100.73%	250	1.250%	12	September 2031
HOCHTIEF 500	494,382	495,499	67.30%	97.21%	500	0.625%	8	April 2029
CIMIC FINANCE 500 USD	193,214	176,591	99.69%	102.13%	193	5.950%	10	November 2022
CIMIC 625	623,343	620,271	71.84%	100.06%	625	1.500%	8	May 2029

10.02. Bank borrowings

The ACS Group's most significant bank loans are as follows:

- ACS, Actividades de Construcción y Servicios, S.A. has a syndicated loan in the amount of EUR 2,100,000 thousand divided into two tranches (tranche A of the loan, drawn down in full, in the amount of EUR 950,000 thousand, and tranche B, a liquidity facility, in the amount of EUR 1,150,000 thousand), which matures on October 13, 2025 and was extended at the end of July 2021 for an additional year until October 13, 2026. No amount has been drawn down on the liquidity facility of tranche B as at June 30, 2022 nor at December 31, 2021. There have been no changes as regards the other terms.
- As part of the acquisition of Abertis, ACS, Actividades de Construcción y Servicios, S.A. entered into loan agreements with various entities in the amount of EUR 700 million with differing maturities in 2023 (between June 28 and December 12, 2023), at market interest rates tied to the Euribor at June 30, 2022 and December 31, 2021.

- Cimic also had syndicated financing at June 30, 2022, with the following maturity dates:
 - In May 2022, Cimic obtained a revolving syndicated credit line for an amount of AUD 1,200 million. The credit line has a two-year maturity and replacing the syndicated financing in the amount of AUD 1,300 million maturing in September 2022. At the closing date, AUD 300 million (EUR 198.7 million) of the credit line had been used.
 - AUD 950 million maturing on September 25, 2023.
 - AUD 950 million maturing on September 25, 2024.

The amount drawn down at June 30, 2022 was AUD 670 million (AUD 1,130 million at December 31, 2021).

- In the first quarter of 2021, Cimic signed a three-year syndicated guarantee facility for AUD 1,400 million.
- On June 29, 2017, the Company (Dragados, S.A.) and its investee (Dragados Construction USA, Inc.), as “Borrowers”, signed a syndicated loan agreement with a group of international financial institutions, amounting to USD 270,000 thousand (EUR 259,940 thousand), which was drawn down in full by Dragados Construction USA, Inc. The principal of said loan accrues interest tied to Libor. On 22 June 2021, an agreement was reached to roll over the above loan agreement, whereby the amount of the loan was simultaneously repaid in part and increased, resulting in a tranche A of USD 232,750 thousand (EUR 224,078 thousand) and a tranche B of USD 62,250 thousand (EUR 59,931 thousand). Dragados Construction USA, Inc. used USD 37,250 thousand (EUR 35,862 thousand) of tranche B to partially repay the initial amount. Both tranches were drawn down in full at the close of the first half of 2022. The total amount of the loan was USD 295,000 thousand (EUR 284,009 thousand). In addition, the maturity date was extended to June 28, 2026, the date on which it will be fully repaid, with the rest of the terms unchanged.
- On December 20, 2018, Dragados, S.A. executed a syndicated transaction for a total of EUR 323.800 thousand, which was divided into a tranche A as a loan amounting to EUR 161,900 thousand, and a tranche B as a credit line for the same amount as tranche A. Subsequently, on December 19, 2019, a novation of this agreement was executed, whereby tranches A and B were increased by EUR 70,000 thousand each, reaching a total of EUR 463,800 thousand. At June 30, 2022, only EUR 231,900 thousand from tranche A and 105,000 of tranche B have been drawn down. The principal of the loan and the credit facility will accrue interest tied to the Euribor, maturing on December 20, 2023.
- To finance the payment obligation of the takeover bid on Cimic (see Note 08.04), Hochtief has entered into a credit line with a consortium of banks for EUR 1,000 million with a period of one year (plus two options for extension of six months each). The investment costs for the acquisition of all Cimic shares that are owned by Hochtief amounted to approximately EUR 1,500 million, which with the currency hedging carried out amounted to approximately EUR 940 million. Some of this financing was paid back as a result of the capital increase carried out by Hochtief (see Note 08.04).

“Project finance with limited recourse” on the liability side of the consolidated statement of financial position mainly includes the amount of the financing related to infrastructure projects.

The breakdown of this heading, by type of financed asset, at June 30, 2022 is as follows:

	Thousands of Euros		
	Current	Non-current	Total
Highways	13,245	32,017	45,262
Other infrastructures	3,937	7,426	11,363
Total	17,182	39,443	56,625

The breakdown of this heading, by type of financial asset, at December 31, 2021 was as follows:

	Thousands of Euros		
	Current	Non-current	Total
Highways	10,583	39,803	50,386
Other infrastructures	7,889	11,266	19,155
Total	18,472	51,069	69,541

In the first half of 2022 and 2021, the ACS Group satisfactorily met its bank borrowing payment obligations on maturity.

Note 21 of the financial statements for 2021 details the main financial risks to which the ACS Group is exposed (interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk of listed shares). The most important changers in the first six months of 2022 impacting the financial risks of ACS described in the Consolidated Financial Statements for 2021 are:

- ACS, Actividades de Construcción y Servicios, S.A. renewed the Euro Commercial Paper (ECP) programme for a maximum amount of EUR 750 million, the Negotiable European Commercial Paper (NEU CP) programme for EUR 500 million, and the debt issuance programme known as Euro Medium-Term Note Programme (EMTN Programme) for a maximum amount of EUR 1,500 million.
- Hochtief increased its share capital by just under 10% through monetary contribution by using the authorized capital. The Company's share capital was increased by the issuance of 7,064,593 new shares to EUR 57.50 per share, excluding the subscription right of the shareholders from which ACS, Actividades de Construcción y Servicios, S.A., was allocated 85% of the total number of new shares. The net revenue from the capital increase were used to strengthen the equity base by reimbursing part of the financing obtained for the complete acquisition of Cimic.
- In March 2021, the credit rating agency Standard and Poor's (S&P) granted ACS, Actividades de Construcción y Servicios, S.A. a long-term corporate credit rating of BBB- and a short-term rating of A-3, with a stable outlook. Hochtief and Cimic also obtained the same credit rating.

At June 30, 2022, "Other current financial assets" in the consolidated statement of financial position (see Note 6) amounts to EUR 4,752,411 thousand (EUR 1,280,079 thousand at December 31, 2021), of which EUR 4,004,754 thousand (EUR 689,171 thousand at December 31, 2021) could be settled in less than three months, if the Group chooses to do so, due to the instrument's own liquid nature or its own term. In addition, the fair value of the forward contracts (settled by differences) relating to ACS shares amounting to EUR 200,056 thousand at June 30, 2022 (EUR 198,842 thousand at December 31, 2021) are considered to be liquid, since they may be disposed of at any time (see Note 11).

The amount corresponding to "Other financial liabilities" in the consolidated statement of financial position mainly includes the financing obtained from public bodies in various countries to carry out certain infrastructure projects.

10.03. Capital management

The ACS Group's objectives in relation to capital management are to maintain an optimum financial and equity structure to reduce the cost of capital and at the same time to safeguard the Group's ability to continue to operate with sufficiently sound debt/equity ratios.

The capital structure is controlled mainly through the debt/equity ratio, calculated as net financial debt divided by equity. Net financial debt is understood as:

- + Net debt with recourse:
 - + Non-current bank borrowings
 - + Current bank borrowings
 - + Issue of bonds and debentures
 - Cash and other current financial assets
- + Debt from project finance and debt with limited recourse.

The Group's directors consider that the gearing ratio at June 30, 2022 and December 31, 2021 is adequate, the breakdown being as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Net recourse debt / (cash)	(1,100,741)	(2,078,181)
Non-current bank borrowings (Note 10.02)	4,492,847	4,473,737
Current bank borrowings (Note 10.02)	1,934,764	1,110,389
Issue of bonds and debentures (Note 10.01)	4,552,319	4,737,333
Other financial liabilities (Note 10.02)	230,255	134,844
Long term deposits, other current financial assets and cash	(12,310,926)	(12,534,484)
Project financing (Note 10.02)	56,625	69,541
Net financial debt (Note 01.07)	(1,044,116)	(2,008,640)
Equity (Note 08)	6,378,613	7,028,203

11. Derivative financial instruments

The breakdown of the financial instruments at June 30, 2022 and December 31, 2021 is as follows:

	Thousands of Euros			
	30/06/2022		31/12/2021	
	Assets	Liabilities	Assets	Liabilities
Hedges	67,766	18,398	11,570	24,433
Non-qualified hedges	91	5,719	7	8,617
Non-current	67,857	24,117	11,577	33,050
Hedges	5,888	5,069	374	1,593
Non-qualified hedges	204,457	190,213	200,501	171,198
Current	210,345	195,282	200,875	172,791
Total	278,202	219,399	212,452	205,841

The assets and liabilities designated as hedging instruments includes the amount corresponding to the effective part of the changes in fair value of these instruments designated and classified as cash flow hedges. They relate mainly to interest rate hedges (interest rate swaps) and foreign exchange rate hedges, tied to asset and liability items in the consolidated statement of financial position, and to future transaction commitments qualifying for hedge accounting.

The assets and liabilities relating to derivative financial instruments not qualified as hedges include the fair value of the derivatives that do not meet hedging conditions.

In the second half of 2018, a new ACS share option plan was established that, like the previous ones, is outsourced to two financial institutions. The financial institution holds these shares to be delivered to executives who are beneficiaries of the plan in accordance with the conditions included in the plan and at

the exercise price of the option (EUR 37.17 per share). These derivatives do not meet the accounting requirements to qualify for hedge accounting, therefore their measurement is recorded by means of changes in the consolidated income statement. The change in fair value of these instruments is included under "Changes in the fair value of financial instruments" in the accompanying consolidated income statement (see Note 17). Pursuant to the contracts with the financial institutions, the latter do not assume any risk arising from the drop in the share price below the exercise price. The negative fair value of the derivatives related to ACS shares amounted to EUR 176,111 thousand at June 30, 2022 (negative EUR 170,954 thousand at December 31, 2021), recognized under "Current derivative financial instruments" on the liability side of the accompanying consolidated statement of financial position.

ACS, Actividades de Construcción y Servicios, S.A. has had the following derivative since November 1, 2020, renewed in 2021, with the following current conditions: a forward derivative contract, settled by differences, on its own shares with a financial institution for a maximum total of 12,000,000 shares with a strike price of EUR 10.91 per share, adjustable on the basis of future dividends and 104 maturities between October 10, 2022 and March 3, 2023 at a rate of 115,385 shares per session.

Since December 21, 2020, ACS, Actividades de Construcción y Servicios, S.A. has had a forward contract on ACS shares, settled by differences, for a total of 11,970,088 treasury shares, at the date of authorization for issue of these financial statements to be settled exclusively in cash by differences between March 7, 2023 and August 2, 2023, which was renewed subsequent to 2021 year-end, for a forward contract on 11,970,088 treasury shares, to be settled exclusively in cash by differences, to be settled between March 7, 2023 and August 2, 2023 at a rate of 115,095 shares per session.

The positive fair value of the forward contracts (settled by differences) related to ACS shares amounted to EUR 200,056 thousand at June 30, 2022 (EUR 198,842 thousand at December 31, 2021), recognized under "Current derivative financial instruments" on the asset side of the accompanying consolidated statement of financial position. The effect on the income statement in the first half of 2022 has resulted in a gain of EUR 1,214 thousand recognized under "Changes in the fair value of financial instruments" in the accompanying consolidated income statement (see Note 17).

The amounts provided as security (see Note 06.05) relating to the above derivatives arranged by the Group amounted to EUR 152,738 thousand at June 30, 2022 (EUR 194,095 at December 31, 2021).

As part of the divestment of Thiess, the transaction agreement includes a put option for Elliott to sell all or part of its 50% interest in Thiess to Cimic after the third year, i.e., four to six years after the sale on December 31, 2020. The exercise price will be the lower of the cost price or a price tied to changes in the S&P/ASX 200 Total Return Index plus the cumulative value of any shortfall in the minimum agreed distributions. This option has no current impact on the control of the company.

The put option is accounted for as a derivative financial instrument in accordance with IFRS 9 and is therefore recognized at fair value through profit or loss in the ACS Group's consolidated financial statements. External independent advisers have been used to determine the fair value of the put option.

The fair value of the put option cannot be assessed using the market price. A probability-weighted expected return methodology is used to obtain the value of the income from the put option based on future potential payments if the option is exercised, adjusted for minimum annual distributions as per the shareholders' agreement, and compared to the estimated exercise price to determine a fair value. At June 30, 2022, the fair value of the put option was determined to be AUD 8 million, equivalent to EUR 5.3 million (AUD 13 million, equivalent to EUR 8.3 million at December 31, 2021).

The Group has recognized both its own credit risk and that of the counterparty based on each derivative for all derivative instruments measured at fair value through profit or loss, in accordance with IFRS 13.

In relation to assets and liabilities measured at fair value, the ACS Group followed the hierarchy defined in IFRS 7:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data..

	Thousands of Euros			
	Value at 30/06/2022	Level 1	Level 2	Level 3
Assets	4,521,956	1,107,668	3,009,471	404,817
Equity instruments	743,716	658,623	9,212	75,881
Loans to third parties	328,936	—	—	328,936
Debt securities	3,171,102	448,601	2,722,501	—
Derivative financial instruments				
Non-current	67,857	91	67,766	—
Current	210,345	353	209,992	—
Liabilities	219,399	949	213,152	5,298
Derivative financial instruments				
Non-current	24,117	420	18,399	5,298
Current	195,282	529	194,753	—

	Thousands of Euros			
	Value at 31/12/2021	Level 1	Level 2	Level 3
Assets	1,209,898	575,259	335,844	298,795
Equity instruments	265,904	180,441	10,104	75,359
Loans to third parties	223,436	—	—	223,436
Debt securities	508,106	394,754	113,352	—
Derivative financial instruments				
Non-current	11,577	7	11,570	—
Current	200,875	57	200,818	—
Liabilities	205,841	526	196,990	8,325
Derivative financial instruments				
Non-current	33,050	292	24,433	8,325
Current	172,791	234	172,557	—

The changes in financial instruments included under Level 3 in the six-month period ended June 30, 2022 were as follows:

	Thousands of Euros					
	31/12/2021	Additions	Valuation adjustments	Transfer Level 2	Others	30/06/2022
Assets - Equity instruments and derivative financial instruments	298,795	105,500	(332)	—	854	404,817
Liabilities - Derivative financial instruments	8,325	—	(3,027)	—	—	5,298

The changes in financial instruments included under Level 3 in 2021 were as follows:

	Thousands of Euros					
	01/01/2021	Additions	Valuation adjustments	Transfer Level 2	Others	31/12/2021
Assets - Equity instruments and derivative financial instruments	70,019	223,436	15,287	—	(9,947)	298,795
Liabilities - Derivative financial instruments	8,178	—	147	—	—	8,325

No derivative instruments measured at fair value through profit or loss were transferred between levels 1 and 2 of the fair value hierarchy in the first half of 2022 or in 2021.

The Group has not broken down the fair value of certain financial instruments, such as "Trade receivables for sales and services" and "Payables" since their carrying amount is an approximation to their fair value.

12. Tax matters

12.01. Deferred tax assets and liabilities

The breakdown of the deferred tax assets at June 30, 2022 and 2021 is as follows:

	Thousands of Euros					
	30/06/2022			31/12/2021		
	Tax Group in Spain	Other companies	Total	Tax Group in Spain	Other companies	Total
Credit for tax loss	—	391,881	391,881	—	255,735	255,735
Other temporary differences	255,159	90,189	345,348	257,782	259,214	516,996
Tax credits and tax relief	72,703	3,961	76,664	72,704	3,960	76,664
Total	327,862	486,031	813,893	330,486	518,909	849,395

At the end of 2021, the recoverability of tax receivables was reassessed as a result of the sale of most of the Industrial activity to the Vinci Group, since most of the positive tax bases that justified the recoverability of tax loss loans and tax loss tax deductions from the industrial activity sold. Therefore, the credit for tax losses of the ACS Tax Group in Spain (which came from the negative consolidated tax base for 2012, and which does not have an expiration period) was impaired at the end of 2021 for EUR 459,982 thousand in tax credits. In addition, for the same reason EUR 90,735 thousand of tax credits were impaired. However, the Spanish Tax Group retains its rights from a tax point of view, so that they may be recognized in the future if the conditions for doing so are considered to have been met.

The deferred tax assets were recognized in the consolidated statement of financial position because the Group's directors considered that, based on their best estimate of the Group's future earnings, it is probable that these assets will be recovered.

At June 30, 2022, deferred tax assets and liabilities arising from temporary differences totaling EUR 563,630 thousand (EUR 445,343 thousand at December 31, 2021) have been offset. The offsetting was at the level of the same company or tax group and most of the offsetting arises in the Hochtief Group.

	Thousands of Euros	
	30/06/2022	31/12/2021
Deferred tax assets	1,377,523	1,294,738
Compensations of deferred tax assets/liabilities	(563,630)	(445,343)
Total deferred tax assets	813,893	849,395
Deferred tax liabilities	819,289	672,455
Compensations of deferred tax assets/liabilities	(563,630)	(445,343)
Total deferred tax liabilities	255,659	227,112

The deferred tax liabilities, which amount to EUR 255,659 thousand (EUR 227,112 thousand at December 31, 2021), have not substantially changed with respect to December 31, 2021.

With respect to Hochtief' takeover bid for Cimic, from the date of finalizing its purchase, i.e. June 20, 2022, Cimic Group Limited and its wholly-owned investees became part of the Hochtief Australia Holding Limited tax consolidation group. With Hochtief Australia Holding Limited as parent company of the group. Within the framework of the new tax group, the parent company and its investees continue to recognize their own current and deferred tax balances. These tax amounts are valued as if each entity in the tax consolidation group remained a separate taxpayer. The parent company recognizes current tax liabilities or assets and deferred tax liabilities or assets arising from unused tax losses and unused tax credits (including so-called franking credits) assumed by the entities that make up the tax consolidation group. Becoming part of the Hochtief Australia Holding Limited tax consolidation group, the "Income Tax Assessment Act 1997" requires that the tax values of the assets of the Cimic Group be re-assessed in proportion to the consideration paid on the market value of the assets acquired. Given the complexity of the group and time constraints, the best provisional estimate of the probable tax values has been used in the Condensed Consolidated Half-Yearly Financial Statements, in accordance with expert advice. The provisional impact of the change in tax group has given rise to a zero net tax expense in the income statement as at June 30, 2022. The adjustments in the tax values are expected to be finalized before December 31, 2022.

12.02. Change in income tax expense

The main areas which affect the quantification of tax expenditure at 30 June 2022 and 2021 are the following:

	Thousands of Euros	
	30/06/2022	30/06/2021
Consolidated profit/(loss) before tax	509,109	287,526
Profit or loss of companies accounted for using the equity method	(176,148)	(138,791)
	332,961	148,735
Tax charge at 25%	83,240	37,184
Net impact of permanent differences, tax credits, national tax rate spreads and adjustments	42,682	(15,759)
Income tax expense / (income)	125,922	21,425

The effect of the spread between national tax rates against the reference tax rate of 25% is due to the fact that the nominal Spanish rate used to calculate this table is lower than the average of nominal rates in the relevant countries in which the Group operates.

As regards the tax audit that began in June 2019 in relation to the ACS Group's corporation tax, 2013 to 2016, and VAT and tax withholdings, 2015 and 2016, for certain Group companies, the audit was concluded in the course of 2021 with VAT assessments signed on an uncontested and corporation tax assessments signed on an uncontested and a contested basis, but in both cases for insignificant amounts.

The ACS Group's directors consider that the tax returns have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax law in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the Condensed Consolidated Half-Yearly Financial Statements.

13. Business Segments

In accordance with the ACS Group's internal organizational structure and, consequently, its internal reporting structure, the Group carries on its business activities through lines of business, which are the operating reporting segments as indicated in IFRS 8.

The ACS Group decided in 2022 to present the Construction and Concession activities separately, eliminating the higher Infrastructure segment that included the other two as part of the process of simplifying the Group's structure and business. In addition, the conceptual name 'segment manager' as defined in IFRS 8, paragraph 9, entails the separation of activities as a result of the different segment directors or managements for each of the activities that directly report to the highest level of decision-making and systematically maintain contact with it to discuss operational activities, financial results, forecasts or plans for each segment in question. After the sale of the majority of the Industrial Services Division to Vinci at the end of the previous year (its revenue and income were considered discontinued for accounting purposes), this business line ceased to be significant within the Group, the assets having a very low sales volume (less than 1%), and it was therefore included under the Corporation segment.

The main areas of the Group, after the sale of most of the Industrial Services Division on December 31, 2021, are divided into:

a) Construction

The Construction segment includes Construction activities through the Dragados, Hochtief (including Cimic) companies and is aimed at carrying out all types of Civil Work projects (activities related to the development of infrastructure such as highways, railway, maritime and airport works), Building (residential buildings, social equipment and facilities) as well as infrastructure services (rail, transport, communications and technology, energy, resources, water and defense sectors). The geographical regions with the greatest exposure in this area are North America, Asia Pacific and Europe, mainly operating in developed markets that are safe from a geopolitical, macroeconomic and legal perspective.

b) Concessions

The Concessions segment comprises Iridium's activity and ownership interest in Abertis and is aimed at developing and operating transport concessions. These projects are carried out either through direct construction models for institutional or private clients or through public-private partnership models, where the ACS Group covers the whole concession business value chain from project design through financing, construction and start-up to operation. The geographical regions with the greatest exposure in this area are Europe, Latin America and North America.

c) Services

This area only includes Clece's business activity, which offers comprehensive maintenance services for buildings, public places and organizations, and assistance to people. This area is mainly based in Spain but also shows incipient growth in the European market. Although this segment does not meet the quantitative thresholds established in IFRS 8, the Group considers that it should be reported as a differentiated segment since the nature of the goods and services it provides is wholly differentiated and identifiable, it reports independently to the Group, and this presentation is considered to be more useful to the users of the financial statements.

d) Corporation

It includes the activity of the Parent Group Company, ACS, Construction and Services Activities, S.A., in addition to other activities that cannot be assigned to the other segments that are presented separately, such as the real estate assets developed by Cogesa, as well as the renewable energy and water assets that remain in the Group after the sale of the industrial activity to Vinci, plus the effects of the consolidation.

The breakdown of the assets and liabilities by segment at June 30, 2022 and December 31, 2021 is as follows:

	Thousands of Euros			
	Assets		Liabilities	
	30/06/2022	31/12/2021 (*)	30/06/2022	31/12/2021 (*)
Construction	25,696,241	23,047,302	22,613,587	19,832,155
Concessions	2,422,029	2,325,674	426,877	426,124
Services	1,612,512	1,559,489	816,576	764,412
Corporation, other and adjustments	7,760,013	8,731,880	7,255,142	7,613,451
Total	37,490,795	35,664,345	31,112,182	28,636,142

(*) Restated.

The breakdown of the assets and liabilities by segment at June 30, 2022 and 2021 is as follows:

Business segments	Thousands of Euros	
	30/06/2022	30/06/2021 (*)
Construction	14,358,106	12,362,813
Concessions	45,235	49,643
Services	904,745	817,478
(-) Corporation, others, adjustments and eliminations of ordinary inter-segment income	106,844	99,744
Total	15,414,930	13,329,678

(*) Restated.

Inter-segment sales are made at market prices.

The reconciliation of the profit/(loss), by segment, with consolidated profit/(loss) before taxes at June 30, 2022 and 2021 is as follows:

Business segments	Thousands of Euros	
	30/06/2022	30/06/2021 (*)
Construction	274,147	279,993
Concessions	91,018	47,615
Services	16,008	13,718
Total profit / (loss) of the segments reported upon	381,173	341,326
(+/-) Non-assigned profit	67,347	140,142
(+/-) Income tax and / or profit / (loss) from discontinued operations	60,589	(193,942)
Profit / (Loss) before tax	509,109	287,526

(*) Restated.

Revenue, by geographical area, at June 30, 2022 and 2021 is as follows:

Revenue by Geographical Area	Thousands of Euros	
	30/06/2022	30/06/2021
Domestic market	1,540,659	1,431,919
Foreign market	13,874,271	11,897,759
a) European Union	980,352	855,092
a.1) Euro Zone	476,418	465,177
a.2) Non Euro Zone	503,934	389,915
b) Rest of countries	12,893,919	11,042,667
Total	15,414,930	13,329,678

Revenue amounting to EUR 15,414,930 thousand in the first six months of 2022 (EUR 13,329,678 thousand in the first half of 2021) includes performance obligations recognized mainly through the application of the product method in the construction businesses (civil construction, PPP, etc.), concessions and services (including construction management, and comprehensive maintenance services for buildings, public places and organizations, together with assistance to people).

Revenue by type for the first half of 2022 is as follows:

	Construction/PPP		Construction Management/Services		Others		Total	
	Thousands of Euros	%	Thousands of Euros	%	Thousands of Euros	%	Thousands of Euros	%
Construction	5,853,096	38.0 %	8,356,598	54.2 %	148,412	1.0 %	14,358,106	93.1%
Concesiones	—	0.0 %	27,313	0.2 %	17,922	0.1 %	45,235	0.3%
Services	—	0.0 %	904,749	5.9 %	(5)	0.0 %	904,744	5.9%
Corporate, others and adjustments	—	0.0 %	19,189	0.1 %	87,656	0.6 %	106,845	0.7%
Total	5,853,096	38.0 %	9,307,849	60.4 %	253,985	1.6 %	15,414,930	100.0%

Revenue by type for the first half of 2021 was as follows:

(*)	Construction/PPP		Construction Management/Services		Others		Total	
	Thousands of Euros	%	Thousands of Euros	%	Thousands of Euros	%	Thousands of Euros	%
Construction	5,276,438	39.6 %	6,946,210	52.1 %	140,165	1.1 %	12,362,813	92.7%
Concessions	—	0.0 %	35,652	0.3 %	13,991	0.1 %	49,643	0.4%
Services	—	0.0 %	817,478	6.1 %	—	0.0 %	817,478	6.1%
Corporate, others and adjustments	—	0.0 %	46,848	0.4 %	52,896	0.4 %	99,744	0.7%
Total	5,276,438	39.6 %	7,846,188	58.9 %	207,052	1.6 %	13,329,678	100.0%

(*) Restated.

The distribution of revenue relating to the Group's ordinary operations in the first half of 2022 and in 2021, by the main countries where it operates, is as follows:

Revenue by Countries	Thousands of Euros	
	30/06/2022	30/06/2021
United States	8,441,978	7,107,738
Australia	2,879,901	2,424,261
Spain	1,540,659	1,431,919
Canada	946,101	793,928
Germany	436,366	427,370
Hong Kong	255,194	257,812
United Kingdom	245,794	167,638
Poland	183,351	153,378
New Zealand	100,499	168,935
Other	385,087	396,699
Total	15,414,930	13,329,678

The backlog by line of business at June 30, 2022 and December 31, 2021 is as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Construction	66,666,147	64,378,903
Services	2,730,990	2,882,791
Total	69,397,137	67,261,694

The backlog would be equivalent to approximately 25 months of activity at June 30, 2022 (26 months at December 31, 2021).

14. Financial costs

Ordinary financial loss increases due to recent corporate transactions; on the one hand, the financial cost arising from the cash position after the sale of the Industrial Services area; and, on the other, the expenses arising from the takeover bid (takeover bid) to Cimic. Finance costs include factoring expenses.

15. Average number of employees

The breakdown of the average number of employees, by professional category and gender, in the first half of 2022 and 2021 is as follows:

By professional category	Average number of employees					
	30/06/2022			30/06/2021		
	Men	Women	Total	Men	Women	Total
University graduates	11,345	4,566	15,911	11,022	4,306	15,328
Junior college graduates	1,742	2,128	3,870	1,815	2,211	4,026
Non-graduate line personnel	9,874	7,153	17,027	8,962	6,790	15,752
Clerical personnel	1,787	2,657	4,444	1,780	2,609	4,389
Other employees	27,809	55,203	83,012	28,132	52,503	80,635
Total	52,557	71,707	124,264	51,711	68,419	120,130

16. Impairment and gains or losses on disposal of non-current assets and financial instruments and Other operating expenses

The breakdown of "Impairment and gains or losses on the disposal of non-current assets" in the first half of 2022 and 2021 is as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
Impairment / Reversal of assets	330,268	52,428
Gains or losses on disposal of assets	59,603	(4,022)
Total	389,871	48,406

a) Profit/(loss) from deconsolidation and Other operating expenses

This heading of the consolidated income statement includes the effects of the deconsolidation of Ventia in Cimic in the first quarter of 2022 as a result of the loss of its status as associate, being recognized as a financial asset under IFRS 9 at fair value with changes through profit and loss, taking as reference the market price of Ventia at that date. This has led to it to profit of (without effect on cash-flow) of EUR 331.2 million (AUD 502 million) being recorded under the heading "Impairment and gains or losses on disposal of fixed" in Cimic as of March 31, 2022 of a result and as indicated in Note 01.08.

On April 11, 2022, Cimic entered into a conditional and confidential commercial agreement with its consortium partners and JKC, which resulted in a complete and final agreement on all matters in relation to the CCPP contract. The effects on Cimic's income statement as a result of the agreement related to the CCPP project in the amount of EUR 325 million (AUD 493 million) are recorded under the heading "Other operating expenses" in the accompanying Consolidated Income Statement. As part of this agreement, Cimic has paid EUR 127 million in April 2022 and will pay EUR 198 million in March 2023, which is recorded under the heading "Trade receivables and other accounts payable" in the consolidated statement of financial position at June 30, 2022.

b) Gains or losses on disposal of assets

In the first half of 2022, "Gains or losses from disposals of fixed assets" includes, on the one hand, the result of the agreements reached with the Vinci Group for the modification of certain carve out transactions, such as the 24.99% holding of the company Zero-E Euro Assets, S.A. as well as those related to the photovoltaic energy development projects located in Spain as well as the results of the sale of the Vientos del Pastore,le,

S.A. and Parque Eólico Kiyú, S.A. wind farms in Uruguay and the Hidromanta hydroelectric plant in Peru owned by Spinning Assets, S.L.U (see Note 01.04).

In the first six months of 2021, the profit from the sale of Continental Rail, S.A.U. on June 30, 2021 to the French CMA CGM group of the shares representing all of the Company's share capital amounted to EUR 14.8 million was recognized under "Profit/(loss) on disposal of assets" (see Note 01.08) as was the acquisition of 5% of gas compression services CA-KU-A1, S.A.P.I. of C.V. through which the threshold of control of the Company was reached and is therefore now fully consolidated instead of being accounted for under the equity method (see Note 01.04.01).

c) Impairment and gain or losses on disposal of financial instruments

The breakdown of "Impairment and gains or losses on the disposal of financial instruments" in the first half of 2022 and 2021 is as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
Impairment of financial instruments	(2,470)	10,504
Gains or losses on disposal of financial instruments	(2,151)	2,017
Total	(4,621)	12,521

17. Changes in the fair value of financial instruments

This heading includes the effect on the consolidated income statement of derivative instruments that do not meet the efficiency criteria provided in IAS 39, or that are not hedging instruments. The most significant effect in the first half of 2022 results from derivatives on ACS, Actividades de Construcción y Servicios, S.A. related to share options, which gave rise to a loss of EUR 5,157, thousand (a loss of EUR 57,183 thousand in the first half of 2021), as described in Note 11. Additionally, this heading reflects the positive effect associated with the derivatives on ACS shares (forward contracts settled by differences), which resulted in a profit of EUR 1,214 thousand (a loss of EUR 68,704 thousand in the first half of 2021).

18. Related party balances and transactions

The following information relating to transactions with related parties is disclosed in accordance with the Spanish Ministry of Economy and Finance Order EHA/3050/2004, of September 15, and applied through the Spanish National Securities Market Commission (CNMV).

19. Transactions between individuals, companies or Group entities related to Group shareholders or directors

The following transactions were performed in the first half of 2022:

June 2022 Related transactions Management or collaboration contracts	Directors and executives	Other related parties			Total
		Fidalsar, S.L.	Others	Total	
Thousands of Euros					
Services received	—	49	—	49	49
Expenses	—	49	—	49	49
Services rendered	—	—	71	71	71
Sale of goods	—	—	691	691	691
Income	—	—	762	762	762

June 2022 Related transactions Other transactions	Other related parties		
	Banco Sabadell	Fapin Mobi, S.L.	Total
Thousands of Euros			
Financing agreements: loans and capital contributions (lender)	50,000	—	50,000
Dividends and other profit distributed	—	347	347

The following transactions were performed in the first half of 2021:

June 2021 Related transactions Management or collaboration contracts	Directors and executives	Other related parties			Total
		Fidalsar, S.L.	Others	Total	
Thousands of Euros					
Leases	—	—	—	—	—
Services received	—	28	1	29	29
Expenses	—	28	1	29	29
Services rendered	—	—	103	103	103
Income	—	—	103	103	103

June 2021 Related transactions Other transactions	Other related parties		
	Banco Sabadell	Fapin Mobi, S.L.	Total
Thousands of Euros			
Financing agreements: loans and capital contributions (lender)	415,452	—	415,452
Dividends and other profit distributed	—	313	313

The transactions with other related parties are listed due to the relationship of certain board members of ACS, Actividades de Construcción y Servicios, S.A. with companies in which they are either shareholders or senior executives. As such, the transactions with Fidalsar, S.L. and Fapin Mobi, S.L. are listed due to the relationship of the Board Member Pedro López Jiménez with these companies. The transactions with Banco Sabadell in the first half of 2022 were disclosed due to the relationship between Board Member María José

Sánchez Beato following her appointment on May 6, 2022. The transactions with Banco Sabadell in the first half of 2021 were disclosed due to the relationship of Board Member Javier Echenique until he ceased to hold the position of Vice President at said Bank in July 2021.

All these commercial transactions were carried out on an arm's length basis in the ordinary course of business, and related to ordinary Group company transactions.

Transactions between companies forming part of the consolidated ACS Group were eliminated in the consolidation process and form part of the ordinary business conducted by these companies in terms of their purpose and contractual conditions. Transactions are carried out on an arm's length basis and disclosure is not required to present a true and fair view of the Group's equity, financial situation and results.

20. Board of Directors and Executives

20.01 Remuneration of the Board of Directors

The Board members of ACS, Actividades de Construcción y Servicios, S.A. received the following remuneration either as members of the Board of Directors of the Parent Company or members of the Board or senior executives of Group companies in the half year ended June 30, 2022 and 2021:

	Thousands of Euros	
	30/06/2022	30/06/2021
Remuneration for membership of the Board and / or Commissions	1,825	1,876
Wages	2,192	2,785
Variable cash remuneration	2,779	2,998
Total	6,796	7,659

The amount charged to the consolidated income statement in relation to share options granted in 2018 to members of the Board of Directors with executive duties was EUR 139 thousand (EUR 139 thousand in the first half of 2021). This amount relates to the proportion of the value of the plan at the date on which it was granted.

The amounts paid to Board members relating to mutual funds, pension plans and life insurance at June 30, 2022 and 2021 are as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
Long-term savings systems	1,250	1,634
Other concepts	16	18
Total	1,266	1,652

The ACS Group does not have any balances with and has not granted any advances, loans or guarantees to any of the Board members at June 30, 2022 or 2021.

20.02. Remuneration of Executives

The remuneration of the Group's Executives, who are not executive directors, for the periods ended June 30, 2022 and 2021, is as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
Salary remuneration (fixed and variable)	13,099	15,422
Pension plans	1,042	1,359
Life insurances	20	26

The reduction between periods is mainly due to the sale of most of the Industrial activity at the end of 2021. The amounts recognized in the consolidated income statement in the first half of 2022 as a result of the share options granted to the Group's senior executives in July 2018 amounted to EUR 1,379 thousand (EUR 2,097 thousand in the first half of 2021) and are not included in the above remuneration. Similarly, as indicated in the case of directors, these amounts relate to the proportion of the value of the plan on the date it was granted.

The ACS Group does not have any balances with and has not granted any advances, loans or guarantees to any of the senior executives at June 30, 2022 or 2021.

20.03. Share-based payments

ACS

On July 25, 2018, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A., in application of the authorizations granted by the Company's Annual General Meetings held on April 28, 2015 and May 4, 2017, and after a favorable report of the Remuneration Committee held on that same date, decided to establish an Options Plan on shares of ACS, Actividades de Construcción y Servicios, S.A. (2018 Options Plan), governed by the following terms and conditions:

- a. The number of shares subject to the Options Plan will be a maximum of 12,586,580 shares, of EUR 0.50 par value each.
- b. The beneficiaries are 271 executives with options from 500,000 to 200,000.
- c. The acquisition price will be EUR 37.170 per share. This price will change by the corresponding amount should a dilution take place.
- d. The options may be exercised in two equal parts, cumulative if the beneficiary so wishes, during the fourth and fifth years after July 1, 2018, inclusive. However, in the case of an employee's contract being terminated for reasons without just cause or if it is the beneficiary's own will, the options may be proportionally exercised six months following the event in question in the cases of death, retirement, early retirement or permanent disability, and after 30 days in all other cases.
- e. For the execution by each beneficiary of the options that have been assigned to them, it will be required that the operational, financial and sustainability-related performance of the ACS Group during the period 2018-2020 exceed the average parameters of the main comparable companies on the market and, for this purpose, a selection has been made of the listed companies that compete in the same markets as the ACS Group (Europe, the Americas and Australia), with capitalization greater than EUR 1,000 million and whose international sales exceed 15% of their total revenue. In order for the options to be exercised by the beneficiaries, the following two criteria are established, one of which is financial in nature and the other non-financial, and with different weightings:
 1. Financial criterion with a weighting of 85%: ROE: The objective was to exceed the average profitability of the sector in the period from 2018 to 2020. If the ACS figure exceeds the sector average, 100% of the options foreseen will be allocated. If the ACS figure does not exceed the 25th percentile of the sector sample, 50% of the options will be allocated, with intermediate positions weighted proportionally between 50% and 85%. This criterion has already been met since the ACS's average ROE for the period 2018-2020 was 19.6%

compared to 10.5% of the adjusted average of the sector (without considering companies with losses).

2. Non-financial criterion with a weighting of 15%: Sustainability: The objective set is to exceed for at least two years the 60th percentile in the world ranking table produced annually by RobecoSAM for the Dow Jones Sustainability Index. This criterion has also been met because ACS has been included in the DJSI World Index in the last two years.
3. Tax withholdings and the taxes payable as a result of exercising the share options will be borne exclusively by the beneficiaries.

The stock market price of ACS shares at June 30, 2022 and December 31, 2021 was EUR 23,130 and EUR 23,570 per share, respectively.

HOCHTIEF

Within the Hochtief Group, there are also share-based payment remuneration systems for the Group's management. All of these share option plans form part of the remuneration system for senior executives of Hochtief, and long-term incentive plans. To hedge the risk of exposure to changes in the market price of the Hochtief shares, it has a number of derivatives that are not considered to be accounting hedges.

21. Contingent liabilities

In the course of its activities, the ACS Group is subject to contingent liabilities of various types that arise from litigation or administrative proceedings. It is reasonable to consider that these will not have a material effect on the economic and financial situation or on the solvency of the Group, and provisions have been made insofar as they may be valued as potential.

Both the investment of the ACS Group in Alazor (highways R3 and R5) and the accounts receivable for Alazor, have been fully provided for in the Condensed Consolidated Financial Statements of the ACS Group for 2021 and 2020, as well as at June 30, 2022.

As regards the claim for declaratory judgement filed by the financial institutions and notified to the shareholders in October 2013, it should be noted that, after withdrawing in September 2018 the appeal they had filed against the dismissal of the appeal, the Funds acquiring the loans filed a new claim for declaratory judgement, which was notified to ACS, Actividades de Construcción y Servicios, S.A. and Desarrollo de Concesiones Viarias Uno, S.L. in January 2019, in which they invoke clause two of the Shareholders' Support Agreement to claim payment of EUR 757 million from the shareholders of Alazor and their respective guarantors (EUR 169 million would correspond to the ACS Group). After the corresponding preliminary hearing was held before the Madrid Court of First Instance No. 13 (held on March 8, 2021), and the hearing took place on July 4, 2022, the proceedings now being at the judgement phase.

As regards the claim for enforcement proceedings notified in February 2014, based on clause four (viii) of the Shareholders' Support Agreement, after the enforcement order was rendered null and void and the EUR 278.37 million deposited in the Court's account (of which EUR 87.85 million correspond to the ACS Group) were returned, the Shareholders have claimed compensation for the harm and loss caused. In view of the opposition of the Funds, the Madrid Court of First Instance no. 51, after appointing a court-appointed expert and holding a hearing (held on March 2021), upheld the Shareholders' claims by order dated March 11, 2021, recognizing a total indemnity payment of EUR 26.19 million (EUR 11.3 million corresponding to the ACS Group) and ordering the Funds to pay costs. The Funds filed an appeal against this order, which was dismissed by the Madrid Provincial Appellate Court by court order dated July 7, 2022.

In May 2019, ACS, Actividades de Construcción y Servicios, S.A. and Desarrollo de Concesiones Viarias Uno, S.L. were notified of a second claim based on clause four (viii) of the Support Agreement, although this time it was a claim for declaratory judgement. In this claim Haitong Bank S.A. Branch in Spain, acting as agent of the financial syndicate, claimed payment of EUR 562.5 million. This claim was accepted by Madrid's Court of First Instance no. 26 by a judgement dated November 2, 2021 (notified on the following

November 4.), in which the decision ordered the shareholders of Alazor and their respective guarantors to pay Haitong Bank, for subsequent distribution among the credit institutions: (i) the amount of EUR 450 million (resulting from deducting the EUR 112.5 million corresponding to Bankia from the total claimed, with whom the complainants entered into an out-of-court settlement); (ii) the legal interest accrued since December 21, 2018; (iii) the post-judgement interest from the date of the judgement; and (iv) costs. This judgement distributes the amount claimed among each defendant, ordering the shareholder Desarrollo de Concesiones Viarias Uno, S.L. and its guarantor ACS, Actividades de Construcción y Servicios, S.A. to pay EUR 132,9 million plus interest, and one fourth of costs.

An appeal was filed against this judgement on December 20, 2021, and a ruling will be handed down by the Madrid Provincial Appellate Court. It should be noted that Haitong Bank may now request the provisional enforcement of the judgement and, if it is granted leave to proceed by the Court, it will issue an enforcement order indicating that each of the entities is ordered to deposit or designate assets for an amount equivalent to the portion of the principal corresponding to them and recognize a provision for interest and costs, which is usually calculated at 30% of the principal (in the case of the ACS Group this is approximately EUR 173 million). In this case, the appellant parties will seek to request a stay of the order, failing that they will propose the contribution of a guarantee or another surety instrument as a provisional alternative until a final judgement is obtained.

An analysis is underway on the impact that the following events related to the Public Administration's Liability (PAL) under the concession contract corresponding to the R3 and R5 Highways could have on the risk- associated with the ACS Group's investment in Alazor:

- a. On December 21, 2021, the Ministry of Finance published on its website that the Council of Ministers has authorized the modification of the spending limits charged to future years and the extension of credit corresponding to 2021, to enable the D.G. de Carreteras to meet the financial effects derived from the termination of several concession contracts. This communication stated that, with respect to the R3 and R5 Highways, the D.G. de Carreteras has proposed an amount of EUR 131,773,447.03 for 2021 and EUR 304,004,675.09 for 2022.
- b. On January 15, 2022, the Agreement of the Council of Ministers of December 28, 2021 was published in the Spanish Official State Bulletin (BOE), approving the execution of the first provisional settlement of the contract and the PAL corresponding to the R3 and R5 Highways. This order provides for the advanced payment of EUR 119,150,068.53 plus interest accruing from the date of signing of the order that opened the liquidation phase of the concessionaire's insolvency proceedings until the day of effective payment.
- c. On February 15, 2022, the Bankruptcy Administration for Accesos de Madrid, concessionaire of the R3 and R5 Highways, acknowledges that it has received the amount of EUR 131,773,447.03 as the first advanced payment of the PAL and, after recalling that the financial creditors of Alazor are named in the bankruptcy of Accesos de Madrid as having a real right of pledge on the PAL, request the Judge of the bankruptcy administration to pay the amount received individually to Accesos's and Alazor's Creditors, making the payment in the account held by each of them as indicated by Haitong Bank.
- d. On March 14, 2022, the Presiding Judge of Commercial Court No. 6 of Madrid authorizes that the amounts received by the party to the insolvency proceedings as advanced payment of the PAL be paid individually to each Senior creditor into the current account as provided by each of them.

Additionally, it should be noted that, by ruling dated January 28, 2022, the Third Chamber of the Supreme Court partially upheld the contentious-administrative appeal filed by the shareholders and guarantors of the R3 and R5 Highways against the Agreement of the Council of Ministers on April 26, 2019, which interpreted the highway concession contracts as terminated as result of the insolvency proceedings, with respect to the method used to calculate the PAL. This judgment will require that the granting Administration review the first PAL liquidation decision already handed down, as well as to take into account in the second resolution (to be adopted in June 2022) and in the final resolution (to be issued in December 2022) the corrections introduced by the Supreme Court in the calculation method. All of which is expected to lead to substantial increase in the amounts estimated by the Administration for the payment of the PAL.

In relation to the ACS Group's investment in Irasa (R2 highway) it should be noted that in September 2019 ACS, Actividades de Construcción y Servicios, S.A., and Desarrollo de Concesiones Viarias Uno, S.L. were notified that the creditor funds had filed a declaratory judgement action in which, invoking clause two of the Shareholders' Commitment Agreement, they demanded payment from the shareholders of Irasa and their respective guarantors of a total of EUR 551.50 million (EUR 193 million would correspond to the ACS Group) to cover construction and expropriation costs. This claim has been dismissed by the Madrid Court of First Instance no. 37, absolving the shareholders of all the claims made against them and ordering the claimant to pay legal fees. Presumably the funds will file an appeal against this judgment.

The insolvency proceedings of Hearse, Irasa, Accesos de Madrid and Alazor were all declared to be unforeseen. The Henarsa and Accesos de Madrid trustees in bankruptcy handed over the operation of the R2, R3 and R5 highways to the State in documents dated February 28 and May 9, 2018, respectively, and they are being managed by the Ministry of Transport, Mobility and Urban Agenda through SEITTSA — the state-owned land transport infrastructure company — under an agreement signed in August 2017, which was extended in 2018 until 2022, and it is assumed that it will be extended again.

In relation to the concession agreement for the Lima Metro Line 2 Project in Peru, the concession operator Metro de Lima Línea 2, S.A. (in which Iridium Concesiones de Infraestructuras, S.A. holds a 25% interest) filed the following requests for arbitration:

ICSID Arbitration 1: On January 16, 2017, a request for arbitration against the Republic of Peru (Ministry of Transport and Communications) before the International Centre for Settlement of Investment Disputes between States and Nationals of other States (ICSID) for serious breach by the Republic of Peru of the concession agreement mainly consisting of: (i) the lack of delivery of the Concession Area within the deadlines and conditions established in the concession agreement, and (ii) the lack of approval and late approval of the Detailed Engineering Studies (ICSID 1).

In 2018, several briefs were filed requesting an extension of the term of execution of the Project works and compensation for damages in excess of USD 700 million, which include damages incurred by different participants in the Project (concession operator, construction group, rolling stock supplier, etc.). The Republic of Peru dismissed the claims made and included a counterclaim against the concession operator, claiming an amount in excess of USD 700 million for socio-economic and environmental damage.

Both the claim brought by the concession operator against Peru and the counterclaim by Peru against the concession operator have been consolidated into a single arbitration process with the ICSID. The legal process having followed its normal course, in the first half of May 2019, the evidentiary hearing was held in Washington, where various witnesses gave testimony, two rounds of briefs were presented during June and July 2019 in relation to issues raised during the evidentiary hearing, and final pleadings were presented by both the concession operator and the State of Peru on September 20, 2019.

On July 6, 2021, the Court issued a partial award through the "Decision on Jurisdiction and Liability", which dismissed the counterclaim of the Republic of Peru and upheld virtually all of the claims of the concession operator, with the final award yet to be handed down on the amount of damages and costs of the proceedings. In particular, the Decision declares that (1) the Republic of Peru has breached its obligation to deliver most of the Areas of Stage 1A and all of the Areas of Stages 1B and 2 within the periods agreed, and (2) the Republic of Peru has breached its contractual obligations regarding the procedure for overseeing and approving the Detailed Engineering Studies, and that the Republic of Peru has failed to properly exercise its contractual supervisory role. As regards damages due to delays, the claim for damages due to delays in relation to Stages 2 and 1B is fully upheld and partially upheld for Stage 1. On August 11, 2021, the Court issued Procedural Order No. 8 instructing the experts of the concession operator and of Peru to perform additional calculations based on the findings set forth in the Decision. On October 11, 2021, following the Court's procedural order, based on the delays determined by the Court in the Decision, the concession operator reduced its claim from USD 109.0 million to USD 84.7 million and the other members of the consortium other than the concession operator also made an adjustment to the damages initially claimed. On December 30, 2021, the concession grantor submitted to the Court its answer to the concession operator's adjusted damage calculations, contesting most of these damages claimed and submitting much lower alternative calculations. On January 31, 2022, the Parties submitted a joint WACC

Calculator to the Arbitration Court and, subsequently, each party has submitted its own "instructions" for using the Calculator. The award for damages is expected to be issued in the first quarter of 2022.

ICSID Arbitration 2: On August 2, 2021, the concession operator filed a new request for arbitration against Peru with the ICSID Secretariat, following the expiration of the 6-month period for direct negotiations as required by the concession agreement. As in the case of ICSID 1, this claim is mainly for serious breach by the Republic of Peru of the Concession Agreement for (i) the failure by the Concession Area to make delivery, and (ii) the lack of approval and delayed approval of the Detailed Engineering Studies under the terms and conditions established in Addendum 2 to the Concession Agreement, and the updated cost overruns, and harm and loss incurred after the cut-off dates considered in ICSID 1 ("ICSID 2").

The Concessionaire has finished appointing its experts and on May 16, 2022, the ICSID Secretary General reported that the 3 arbitrators had accepted their corresponding appointments and that, therefore, the Arbitration Court was duly constituted and the procedure initiated. On June 17, 2022, the first session of the Court took place and Procedural Resolution No. 1 was agreed upon, which regulates, among other issues, the procedural calendar, establishing December 16, 2022 as the deadline for the Concessionaire to submit the Statement of Claims.

ICSID Arbitration 3: On November 15, 2021, the concession operator filed a new request for arbitration against Peru with the ICSID Secretariat, following the expiration of the 6-month period for direct negotiations as required by the concession agreement. The claim filed against Peru concerns the dispute over (i) the lack of approval of the Polynomial Formulas for the adjustment to the Work Progress and Provision Progress, (ii) the delay in the certification and payment of the adjustments arising from the application of these Polynomial Formulas, and (iii) the economic and financial loss due to the delay in payment of the adjustments ("ICSID 3").

Appointing of experts who are in the familiarization phase has been carried out and the appointment of the President is pending at which time the Arbitration Court will be finally constituted.

On December 3, 2015, the CNMC handed down a judgement in the proceedings against various companies, including Dragados, S.A., for alleged anti-competitive practices in relation to the modular construction business. The amount of the decision, which totals EUR 8.6 million, was the subject of an appeal filed in 2016. On November 12, 2021, the National Appellate Court handed down a judgement dismissing the appeal and confirming the liquidated damages. On January 17, 2022, it was announced that an appeal against the judgement would be filed with the Supreme Court, which was not admitted for processing on June 15, 2022. The amount of the penalty will be paid in the coming weeks.

On October 1, 2018, an accusation was brought against Dragados and other companies for possible infringements of section 1 of the Spanish Competition Law (Ley de Defensa de la Competencia) and Article 101 of the Treaty on the Functioning of the European Union, consisting of agreements and exchanges of information between these companies in the field of tenders held by the various public authorities in Spain for the construction and refurbishment of infrastructures and buildings. On July 16, 2020, this accusation was declared to have exceeded its validity, although on August 6, 2020 a new accusation was brought in relation to the same facts as the expired accusation. On September 16, 2020, Dragados filed an appeal for judicial review against the ruling that decreed the expiration, which was admitted on October 9, 2020, with the claim being filed on December 16, 2020. On July 16, 2021, the Directorate of Competition of the CNMC issued a new preliminary ruling for the new accusation with proposed liquidated damages of EUR 58 million, indicating that the company could also be banned from entering into contracts with public authorities. The corresponding pleadings have been submitted against this preliminary ruling. On July 15, the CNMC notified a Resolution imposing a fine of EUR 57.1 million on Dragados. This sanction will be appealed before the National Court. In the opinion of Dragados and its external advisers, it is considered that the action that was the subject of the sanction is not unlawful and did not restrict competition, in addition to considering the fine disproportionate and lacking in justification. The Group's Management considers that the final ruling on this matter is unlikely to have a significant effect on the company.

APPENDIX I

CHANGES IN THE CONSOLIDATION PERIMETER

The main companies included in the consolidation perimeter are as follows:

Westend Connectors Developer General Partnership
 DAD Finch West Light Rail Transit Inc.
 Stratus Risk Management Associates Inc.
 Turner Paschen Aviation Partners JV II
 Turner-TWC JV
 Turner Holt a Joint Venture
 Turner - TEC A Joint Venture
 Turner - Mahogany UMMC STC Renewal III Joint Venture
 Turner - Corenic: Suitland and HS Complex Replacment
 Turner - Janey - J&J a Joint Venture
 Turner-d'Escoto-Brown & Momen-Cullen Joint Venture
 Turner - One Way II
 Walsh - Turner JV II
 CSN Care Group Limited
 Teapot Home Care Ltd
 Aspen Hamilton Limited
 Confident Care Limited
 Clyde Healthcare Limited
 Horsham & Crawley Care Limited
 AILSA Care Services Ltd.
 Glenrowan Solar Farm Trust
 Idd Technology Pty Ltd
 Lh Holdings No.2 Pty Ltd
 Logistic Engineering Services Pty Ltd
 Sum Kee Construction Limited
 Westgo Finance Pty Ltd
 Auckland One Rail Limited
 Acciona Construction Australia Pty Ltd & CPB Contractors Pty Ltd
 CPB & United Infrastructure JV
 CPB Contractors & Georgiou Group
 CPB Contractors & Spotless Facilities Services
 Turner-Power & Sons
 Turner ImbuTec
 Turner FS360
 Turner Shook Champion Partners

The main companies no longer included in the consolidation perimeter are as follows:

gGrav-can, Inc.
 Spinning Assets, S.L.U.
 Vientos del Pastoral, S.A.
 Extresol 4, S.A.
 Parque Eólico Kiyú, S.A.
 Hidromanta Invest, S.L.
 Peruana de Inversiones en Energía Renovables, S.A.
 Hochtief (India) Private Limited
 Itco Pty Ltd
 Trafalgar EB Pty Ltd
 Trafalgar EB Unit Trust

Tribune SB Pty Ltd
Tribune SB Unit Trust
Dunsborough Lakes Village Syndicate
Naval Ship Management (Australia) Pty Ltd
Casey Fields Joint Venture
CHT Joint Venture
Gateway WA
Henry Road Edenbrook Joint Venture
Swietelsky CPB Rail Joint Venture
Con-Real - Turner
Turner/CON-REAL
Turner/Ozanne/VAA
Turner-Welty JV
Turner JLN A Joint Venture
Turner/Concrete Structures/Lindahl Triventure
Turner-Rodgers-A Joint Venture
Turner-AECOM Hunt-SG-Bryson Atlanta Joint Venture

Individual financial statements

Basis of presentation of the selected individual financial information

Accounting standards applied

The Individual Abridged Financial Information (hereinafter, the Abridged Financial Information) has been prepared in accordance with commercial legislation in force and the General Accounting Plan approved by Spanish Royal Decree 1514/2007, of November 16 and its subsequent amendments, adapted to the summary models set forth under section 13 of Spanish Royal Decree 1362/2007, and in Circular 5/2015, of October 28, of the National Securities Market Commission (CNMV).

This Abridged Financial Information does not include all the information required by individual complete financial statements prepared according to generally accepted accounting principles and Spanish accounting regulations. Specifically, the attached Abridged Financial Information has been prepared with the necessary content for compliance with the requirements of individual abridged financial information, established in regulation two of the aforementioned Circular 1/2008 for instances in which the issuer is required, in application of the regulations in force, to draw up Condensed Consolidated Financial Statements in the report submitted. Consequently, the abridged financial information shall be read together with the financial statements of the corresponding Company for the year ended December 31, 2021 and together with the Condensed Consolidated Half-Yearly Financial Statements corresponding from January 1, 2022 until June 30, 2022.

In relation to the preparation of the Individual Abridged Financial Information, it was noted that, in accordance with the consultation published by the ICAC in its Official Gazette number 79 September 2009, dividends received and interest accrued from the financing granted to investees are included as part of the net amount of revenue.

The breakdown of the revenue generated is as follows

	Thousands of Euros	
	30/06/2022	30/06/2021
Dividends from Group companies and Associates	326,959	515,946
Services rendered	142	(40)
Total	327,101	515,906

This Individual Abridged Financial Information has been prepared in relation to the publication of the half-yearly financial report required under section 35 of Act 24/1998, of July 28, of the Spanish Securities Market Law (Mercado de Valores), developed for Royal Decree 1362/2007 of October 19.

Declaration of Responsibility

The directors stated that, as far as they are aware, the condensed half-yearly accounts submitted for the six-month period ended June 30, 2022 have been prepared in accordance with the applicable accounting principles, they present fairly the equity, financial position and results of ACS, Actividades de Construcción y Servicios, S.A. and the companies included in the consolidation taken as a whole and the directors' report includes a fair analysis of the information required.

Date of the declaration: July 28, 2022.

Florentino Pérez Rodríguez (Executive Chairman)	Antonio García Ferrer (Vice Chairman)
Juan Santamaría Cases (Managing Director)	Antonio Botella García (Board Member)
Javier Echenique Landiribar (Board Member)	Carmen Fernández Rozado (Board Member)
Emilio García Gallego (Board Member)	María José García Beato (Board Member)
Mariano Hernández Herreros (Board Member)	Pedro José López Jiménez (Board Member)
Catalina Miñarro Brugarolas (Board Member)	María Soledad Pérez Rodríguez (Board Member)
Miguel Roca i Junyent (Board Member)	José Eladio Seco Domínguez (Board Member)
José Luís del Valle Pérez (Director and General Secretary)	

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