

## **ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.**

Scrip charged to reserves and reduction of capital through redemption of treasury shares

Pursuant to articles 319 and 503 of the Spanish Capital Companies Act (*Ley de Sociedades de Capital*), it is informed that the General Meeting of shareholders of ACS, Actividades de Construcción y Servicios, S.A. ("**ACS**" or the "**Company**") held on 10 May 2019 approved a scrip charged to voluntary reserves for a maximum reference market value of EUR 625 million, through the issuance of ordinary shares for free allotment to the shareholders, to be carried out within the year following the date of said Meeting in one or, at most, two executions (the "**Scrip**"), in addition to approving a reduction of the Company's share capital through redemption of treasury shares in the amount nominal maximum equal to the amount effectively issued as a result of the aforementioned Scrip and to be performed simultaneously (the "**Resolution**").

On 11 June 2019, the Chairman of Board Member and Chief Executive Officer of the Company, in the exercise of the powers which had been delegated to him by the Board of Directors in its meeting held on 14 May 2019, making use of the powers delegated to it by the General Shareholders' Meeting held on 10 May 2019 (with express powers of substitution), resolved to carry out the First execution of the Scrip (the "**First Execution**"), and partially execute the reduction of share capital by redemption of treasury shares for a nominal amount equal to the nominal amount effectively issued as a result of the First Execution.

Below are the terms and conditions relating to the First Execution of the Scrip and Capital Reduction, which were completed by resolutions of Chairman and Managing Director of Board Member of the Company on 19 June 2019, are as follows:

1. **Maximum nominal amount of the First Execution of the Scrip and maximum number of shares to be issued.** The maximum reference market value of the First Execution of the Scrip will be 481 million euros. Consequently, the share capital shall be increased by a maximum nominal amount of 6,293,291.50 euros through the issuance and circulation of a maximum of 12,586,583 ordinary shares of 0.5 euros par value each, of the same class and series as the shares of the Company currently outstanding. The new shares are issued at par, without issuance premium, so that the issue price corresponds to their nominal value.

The new shares shall be represented by book entries, the accounting record of which is held by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, Sociedad Anónima Unipersonal (Iberclear) and its member companies.

2. **Consideration and basis balance sheet.** The First Execution of the Scrip is fully charged to the unrestricted voluntary reserves which as of 31 December 2018 amounted to 1,494,549,760.18 euros.

The balance sheet serving as the basis for the First Execution of the Scrip is the one dated 31 December 2018, a date which is comprised within the six months immediately preceding the Resolution. This balance sheet has been verified by the ACS auditor, Deloitte, S.L., and approved by the Annual General Shareholders' Meeting of the ACS on 10 May 2019.

3. **Voting and dividend rights.** The new shares will give their holders the same voting and dividend rights as the ordinary ACS shares that are currently outstanding as from the date on which this portion of the First Execution is declared as having been subscribed and called up.
4. **Free allotments rights.** The free allotment rights of the new shares will be assigned, in the ratio of one new share for every 25 free allotment rights, to the ACS shareholders who had acquired

their shares until 21 June 2019 (date of publication of this announcement) and whose transactions had been settled until 25 June 2019 to the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U (Iberclear), both inclusive. Each existing share of ACS shall represent one free allotment right.

5. **Negotiation period of the free allotment rights.** The free allotment rights will be transferable under the same conditions as the shares from which they derive and will tradable on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia and the Spanish Stock Exchange Interconnection System (Continuous Market) for a period of 15 calendar days beginning on the trading day following publication of this announcement (the "**Negotiation Period**"). This period shall not be extendable. During the same period the shareholders may request the allotment of shares available to them through the Iberclear member companies and request a signed copy of the subscription forms with the contents required by article 309 of the Capital Companies Act.
6. **Purchasing Commitment.** ACS has assumed an irrevocable commitment to purchase the free allotment rights of the First Execution of the Scrip received by the shareholders (the "**Purchasing Commitment**"), pursuant to which the holders of the free allotment rights may sell them to ACS for the price of 1.450 euros per right. The only shareholders entitled who had acquired their shares until 21 June 2019 (date of publication of this announcement) and whose transactions had been settled until 25 June 2019 in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear), both inclusive. ACS will not buy the rights were acquired in the Secondary market, which are beyond the scope of the Purchasing Commitment. The Purchasing Commitment shall be valid and may be accepted during the first nine calendar days of the Negotiation Period.
7. **Shares in deposit.** At the end of the Negotiation Period, any new shares that have not been allocated for reasons that cannot be attributed to the Company will be kept in deposit at the disposal of those accrediting their legitimate entitlement to the corresponding free allotment rights. Once three years have elapsed following the date when Negotiation Period ended, any shares yet to be allocated may be sold according to the provisions in article 117 of the Capital Companies Act, on behalf and at the risk of the parties concerned. The net amount of said sale will be deposited at the Bank of Spain or at the General Deposit Fund at the disposal of the parties concerned.
8. **Incomplete allotment** The Resolution expressly foresees for possibility of incomplete allotment. Given that ACS plans to waive all the free allotment rights acquired as a result of the Purchasing Commitment, the capital will be increased by the corresponding amount. At the end of the Negotiation Period, the final amount of the First Execution of the Scrip shall be determined.
9. **Disbursement.** As mentioned above, this disbursement will be fully charged to freely available reserves, and shall be deemed effective when, once the Negotiation Period has ended, the book entry is recorded in the balance of the voluntary reserves account for the final amount of the First Execution of the Scrip.
10. **Expenses and fees.** This First Execution will be free of expenses and fees in respect of the allotment of the newly issued shares. ACS shall bear the issuance, subscription, circulation, listing and any other expenses related to the First Execution.

Subject to the foregoing, the shareholders of the Company must bear in mind that institutions that are members of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) at which they have their shares deposited may establish, in accordance with prevailing legislation any administration fees and expenses that they freely determine, arising from maintaining the securities in their book records. Also, the above-mentioned institutions may establish, according to prevailing legislation, any fees or expenses related to the processing of orders to buy and sell free allotment rights which they freely determine.

11. **Admission to trading.** ACS will apply for the admission to trading of the new shares issued as a result of the First Execution of the Scrip on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, through the Spanish Stock Exchange Interconnection System (Continuous Market).
12. **Information document.** In accordance with the provisions of applicable legislation, ACS made available to the public, on 11 June 2019, an information document with information on the number and nature of the shares and the reasons and details of the offer referred to in this First Execution of the Scrip. In turn, this information was supplemented by a First document published on 19 June 2019. Both documents have been reported as relevant facts to the Spanish National Securities Market Commission, and are publicly available on the ACS corporate website ([www.grupoacs.com](http://www.grupoacs.com)) and on the website of the National Securities Market Commission ([www.cnmv.es](http://www.cnmv.es)).
13. **Capital reduction.** Simultaneously with the First Execution of the Scrip, the share capital of the company is reduced by redemption of treasury shares. This capital reduction will be for a nominal amount equal to the amount for which the First Execution of the Scrip is finally executed, simultaneously to that First Execution and charged to profit or unrestricted reserves.

On the occasion of the reduction, a reserve will be set up for redeemed capital in an amount equal to the nominal value of the redeemed shares, which shall only be available with the same requirements as those of the reduction of the share capital, pursuant to the provisions of article 335 c) of the Spanish Capital Companies Act. Consequently, in accordance with that stated in said article, the creditors of the Company shall not have the right of opposition referred to in article 334 of the Capital Companies Act in relation to the reduction in capital agreed.

The reduction does not involve the return of contributions since the Company itself is the owner of the redeemed shares. Therefore, the purpose of the reduction is the redemption of treasury shares.

This announcement is also available on the corporate website ([www.grupoacs.com](http://www.grupoacs.com)).

Madrid, 19 June 2019 - José Luis del Valle Pérez, Board Member - Secretary to the Board of Members of ACS, Actividades de Construcción y Servicios, S.A.