

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

**Comisión Nacional del Mercado de Valores
Edison, 4
28006 MADRID**

Madrid, 4 February 2020

Dear Sirs,

For the purpose established in section 228 of Law 4/2015, of 23 October 2015, regulating the Spanish Stock Market, and supplementary provisions, I hereby disclose to you the following Significant Event:

ACS Actividades de Construcción y Servicios, S.A. resolved today to carry out the second execution of the capital increase charged to reserves which was passed by the Ordinary General Shareholders' Meeting on 10 May 2019. The operation aims to implement a flexible remuneration to shareholders ("Scrip Dividend"), with the purpose of allowing shareholders to choose between receiving cash remuneration or new shares in the Company.

Likewise, the Company resolved to execute the capital reduction by means of the retirement of treasury shares that was passed at the same General Meeting, in an amount maximum equal to the effective amount of the share capital increase as a result of the second execution mentioned in the preceding paragraph.

Enclosed is an Information Document for the purposes provided in Article 1.5. (g) of Regulation (EU) 2017/1129 of the European Parliament and of the Council, of June 14, 2017, on the prospectus that should be published in case of public offer or admission to trading of securities in a market regulated and repealing Directive 2003/71/EC, **in section 3.1 which contains the schedule of the operation.**

Sincerely,

José Luis del Valle Pérez
Director - Secretary General

Translation of originally issued in Spanish and prepared in accordance with the regulatory applicable to the Group. In the event of a discrepancy, the Spanish-language version prevails.



INFORMATION DOCUMENT

CAPITAL INCREASE CHARGED TO RESERVES

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

4 February 2020

This Information Document has been prepared pursuant to the provisions in in Article 1.5.(g) of Regulation (UE) 2017/1129 of the European Parliament and of the Council, of June 14, 2017, on the prospectus that should be published in case of public offer or admission to trading of securities in a market regulated and repealing Directive 2003/71/CE.

1 Object

The Annual General Meeting of Shareholders of ACS, Actividades de Construcción y Servicios, S.A. (“ACS” or the “Company”) held on 10 May 2019 resolved to increase the share capital of ACS charged to voluntary reserves in an amount to be determined according to the terms established in the agreement itself (the “Capital Increase”), as well as to simultaneously reduce the share capital of the Company by an maximum amount equal to the amount of the share capital that is actually issued as a consequence of the Capital Increase (the Capital Increase and this reduction are the “Resolution”), delegating the execution of the resolution to the Board of Directors (with express powers of substitution) (the “Resolution” pursuant to article 297.1.a) of the Capital Companies Act, approved by Legislative Royal Decree 1/2010, of 2 July (the “Capital Companies Act”).

According to the terms of the Resolution, the maximum reference fair value of the Capital Increase is 625 million euros and it may be executed within the year following the date of the Resolution on one or two occasions at the very most, and the reference fair value is not to exceed 481 million euros in the First Execution, or 144 million euros in the second execution, in the event it is carried out.

The Board of Directors of the Company, at its meeting held on 12 December 2019, among, and using the powers of delegation in the Resolution, resolved to carry out a Second Execution of the Capital Increase delegate indiscriminately to the Executive Commission, the Chairman of the Board of Directors and the Director and Secretary so that they may carry out any actions they deem appropriate or necessary for the execution of everything contained in the Resolution and they may sign any documents required or considered appropriate for the above-mentioned purposes.

By virtue thereof, on 4 January 2020, resolved to carry out a Second Execution of the Capital Increase (the “Second Execution”) setting the maximum reference value of said Second Execution (Amount of the Executed Option) at 144 million euros. In the event (a mere theoretical possibility) that none of the shareholders were to choose to sell their rights to the Company pursuant to the Purchase Commitment (section 2.2 below) and that the PreCot (quoted price, the reference Price used to determine the number of shares to be issued, see also section 2.2 below) coincides with the closing share price of the day before the date of this document, this Second Execution would determine a capital increase of approximately 1.52%. However, as a consequence of the simultaneous capital reduction by means of the amortisation of shares that is mentioned in section 2.1 below, in any event following the increase and the reduction, the current share capital amount will remain unchanged.

Pursuant to the provisions in Article 1.5. (g) of Regulation (EU) 2017/1129 of the European Parliament and of the Council, of June 14, 2017, on the prospectus that should be published in case of public offer or admission to trading of securities in a market regulated and repealing Directive 2003/71/EC, it is not necessary to prepare and publish a prospectus in respect of the issuance and Listing of the shares issued as a consequence of the Second Execution insofar as the existence of this information document means that a document is available with information on the number and nature of the shares and the reasons for and details of the offer.

The purpose of this information document is to furnish the information among that mentioned above which is available as of the present date. Once the First Execution is executed and the remaining information is available, it will be disclosed as a supplement to this information document. The disclosure of the Second Execution of the Capital Increase and of the particulars thereof that are yet to be concretised by means of a supplement to this information document is scheduled to take place on 12 February 2020.

2 Purpose and functioning of the Capital Increase

2.1 Purpose

The purpose of the transaction forming the object of this Informative Document is to offer the shareholders of the Company, in lieu of what would be an interim cash dividend, fully paid-up shares

with the possibility of immediately monetising the free allotment rights corresponding to said shares through their sale to the Company at a pre-defined price.

The transaction is in line with similar transactions carried out by ACS, since 2012, and with the practices of other important listed companies in recent years. It involves remunerating the shareholder in accordance with a flexible "optional dividend" which enables to receive and retain the shares or the receipt of money in conditions which are equivalent to those of an actual dividend.

Likewise, at the time of the Second Execution, has resolved to partially execute the capital reduction by means of the amortisation of treasury shares established in the Resolution in a nominal amount maximum equal to the actual nominal amount of the Second Execution, simultaneously thereto. With this reduction, the shareholders who decide to transfer their free allocation rights as a consequence of the Second Execution will not be subject to a dilution of their ownership interest in the Company.

2.2 Functioning

The shareholders of the Company will receive a free allocation right for each ACS share in their possession. These shall be negotiable rights, and therefore they may be transferred on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges during a term of 15 calendar days, after which the rights will automatically become newly issued shares of ACS, and they will be attributed to those who at the time are holders of free allocation rights.

Therefore, at the time of the Second Execution, the shareholders of ACS will be free to choose between:

- (a) Not transferring their free allocation rights. In such event, at the end of each trading period the shareholder will receive the fully liberated new shares to which he is entitled.
- (b) Transferring the entirety or part of their free allocation rights to ACS by virtue of the Purchase Commitment assumed by ACS at a guaranteed fixed price for the Second Execution (the "**Purchase Commitment**"). In this way, a shareholder would choose to monetise his rights, receiving the Executed Option in cash rather than receiving shares. Rights that were acquired on the secondary market cannot be transferred. The free allocation rights may only be transferred to the Company by virtue of the Purchase Commitment by the shareholders who had acquired their shares until 17 February 2020 (on the date of publication of the announcement of the Second Execution in the Mercantile Registry Official Gazette, BORME) and whose transactions had been settled until 19 February 2020 to the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U (Iberclear), both inclusive.
- (c) Transferring the entirety or part of his free allocation rights on the market. In this case a shareholder would also choose to monetise his rights, but he would not receive a guaranteed fixed price, because the consideration for the rights would depend on the market conditions in general and on the quoted Price of those rights in particular.

Also, shareholders may combine the above options (that is, they may choose one or more of them in respect of the entirety or part of the rights and shares to which they are entitled in the Second Execution of the Capital Increase), depending on what they freely decide.

Shareholders who do not communicate a specific decision will receive the number of new shares to which they are entitled.

As stated above, shareholders will receive a free allocation right for each share of ACS of which they are holders. The number of rights required to receive a new share and the guaranteed price at which ACS shall undertake to buy the rights from those choosing to receive cash by virtue of the Purchase Commitment will depend on the quoted price of the ACS share on the days prior to the Second

Execution of the Capital Increase and on the number of shares outstanding at the time¹. The number of rights and the final price of the Purchase Commitment are scheduled to be disclosed on 12 February 2020, by means of a supplement to this information document, and said data will be calculated by applying the formulas established in the Resolution approved by the Meeting (available at the ACS website (www.grupoacs.com) and at the CNMV website (www.cnmv.es), said formulas being laid out below.

In any event, the number of shares to be issued shall be such that the fair value of those shares calculated according to the quoted Price of the ACS share on the days before the Second Execution of the Capital Increase shall be 144 million euros². Said amount has been established pursuant to the provisions in the Resolution of the Annual General Meeting of Shareholders.

In this way, the approximate value of each free allocation right is 0.444 euros³. This shall also be the approximate price of the ACS Purchase Commitment.

Specifically, the number of rights required in order to receive a new share and the price of the Purchase Commitment in respect of those rights shall be calculated as follows:

No. of rights = NTAcc / (144,000,000 / PreCot), (rounded to the next highest whole number).

Where,

“**No. of rights**” shall be the number of rights required in order to receive a new share of ACS in the Second Execution.

“**NTAcc**” shall be the number of shares outstanding on the date of the Second Execution of the Capital Increase (as of the date of this document, 314.664.594 shares). For the purpose herein, the date of the Second Execution shall be that on which the Executive Commission, the Chairman of the Board of Directors or the Director-Secretary General, by virtue of the delegation of powers executed by the Board of Directors at its meeting of 12 December 2019, carries out the arithmetical operations resulting from the application of the formulas mentioned herein, in order to calculate the provisional number of shares to be issued, the number of free allocation rights required for the allocation of a share, the “PreCot” (quoted price) and the maximum nominal amount of the Capital Increase as a result of the Second Execution, which is scheduled to take place on 12 February 2020;

“**PreCot**” shall be the (simple) arithmetic mean of the weighted average quoted prices of the Company share on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges in the 5 stock exchange sessions of 5, 6, 7, 10 and 11 February 2020, rounded to the nearest thousandth of euro and, if there is a half thousandth euro, it will be rounded to immediately higher thousandth of euro

If necessary, ACS (Or an entity of its group, if any, holds shares of ACS) shall waive the number of free allocation rights required to guarantee that the number of shares to be issued in the Second Execution and the number of rights required to receive a share is a whole number rather than a fraction.

“**Fixed price of the Purchase Commitment**” = PreCot / (No. of rights + 1) rounded to the nearest thousandth of euro and, if there is a half thousandth euro, it will be rounded to immediately higher thousandth of euro.

Where “PreCot” and “No. of rights” have the meanings stated above.

3 Details of the Offer

3.1 Calendar of the Second Execution

¹ The number of ACS shares currently in circulation is 314,664,594

² This amount may be slightly lower as a result of the rounding provided in the Agreement.

³ This approximate value is simply indicative and does not have to coincide with the definitive one. It has been calculated based on the closing price of the Company's stock as of the date of this informative document.

The calendar scheduled for the Second Execution is the following:

12 February 2020: Publication, by means of a supplement to the information document, of the number of free allocation rights required to receive a share and the final price of the Purchase Commitment.

17 February 2020: Publication of the announcement of the Second Execution in the BORME. Last day in which ACS shares are traded with the right to participate in the second execution of capital increase (last trading day).

18 February 2020: Commencement of the trading period of the free allocation rights and of the term for requesting the cash remuneration (sale of rights to ACS) by virtue of the Purchase Commitment. Date from which ACS shares are traded without the right to participate in the second execution of capital increase (ex-date)

19 February 2020: Determination date by Iberclear of the positions for the allocation of free allocation rights (record date).

26 February 2020: End of the term for requesting the cash remuneration (sale of rights to ACS) by virtue of the Purchase Commitment.

3 March 2020: End of the trading period for the free allocation rights. Acquisition by ACS of the free allocation rights from the shareholders who have chosen to receive cash by virtue of the Purchase Commitment.

4 March 2020: ACS waives any free allocation rights which holds the end of the trading period. End of the Second Execution.

5 March 2020: Cash payment to the shareholders who requested their remuneration in cash by virtue of the Purchase Commitment.

16 March 2020: Last day for depository entities to transfer to ACS, on behalf of the corresponding shareholders, a cash amount equal to the income on account that ACS will make with respect to the shareholders subject to the resolution of March 5, 2019 of the Institute of Accounting and Audit of Accounts, excluding those subject to said resolution in respect of which it is not appropriate to make an account deposit in accordance with the applicable regulations.

5 March – 20 March 2020: Formalities for the registration of the Second Execution and the Listing of the new shares on the Spanish Stock Exchanges⁴.

25 February 2019: Date scheduled for the new shares to begin trading on the Spanish Stock Exchanges⁵.

3.2 Allocation of rights and procedure for choosing between cash or new shares

The free allocation rights shall be allocated to the shareholders of ACS who had acquired their shares until 17 February 2020 (date of publication of the announcement of the Second Execution in the Mercantile Registry Official Gazette, BORME) and whose transactions had been settled until 19 February 2019 in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear), both inclusive. The period for trading these rights on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges via the Stock Exchange Interconnection System (Continuous Market) shall commence on the next business day after the publication of the announcement of the execution of the Capital Increase in the Mercantile Registry Official Gazette, BORME, (that is 18 February 2020) and it will last fifteen calendar days (from 18 February to 3 March 2020, both inclusive).

During the trading period for the free allocation rights, shareholders may choose between cash or new shares under the terms stated above, and they may acquire on the market sufficient free allocation

⁴ Subject to the registration deadlines of the Commercial Registry.

⁵ Subject to obtaining the appropriate authorizations.

rights in the proportion required to be able to subscribe new shares. However, shareholders wishing to accept the ACS Purchase Commitment in respect of rights and to receive cash at the guaranteed fixed price must notify their decision no later than 26 February 2020. The Purchase Commitment applies only to the rights received free of charge by shareholders, whereas any rights bought on the market are excluded.

To decide between the options provided by ACS in connection with the Second Execution of the Capital Increase, shareholders must contact the institutions where they have deposited their shares and the corresponding free allocation rights by virtue of the Purchase Commitment within the terms indicated in the preceding paragraph. In the absence of an express communication, a shareholder shall receive the number of new shares in proportion to what he is entitled, being fully liberated shares⁶.

3.3 Expenses and fees

This Second Execution will be free of expenses and fees in respect of the allocation of the newly issued shares. ACS shall bear the issuance, subscription, circulation, listing and any other expenses related to the Second Execution of the Capital Increase.

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 the law in force any administration-related 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 the law in force, any fees or expenses related to the processing of orders to buy and sell free allocation rights which they freely determine.

4 Number and nature of the shares to be issued

4.1 Number of shares to be issued

The number of shares to be issued as a consequence of the Second Execution of the Capital Increase (“NAN”) shall be that resulting from the formula approved by the Resolution, by the Annual General Meeting of Shareholders of ACS indicated below, rounded to the immediately lower whole number:

$$\text{NAN} = \text{NTAcc} / \text{No. of rights}$$

Where NTAcc and No. of rights have the meaning indicated above.

The number of shares to be issued in the Second Execution is scheduled to be disclosed on 12 February 2020, by means of a supplement to this information document.

Subject to the foregoing, the number of shares actually issued in the Second Execution will depend on the number of shareholders asking to receive their remuneration in cash at the fixed price of the Purchase Commitment. ACS shall waive the free allocation rights acquired by virtue of the Purchase Commitment from shareholders who ask to be paid in cash, therefore only the shares corresponding

⁶ It is possible that, once the negotiation period of the free allocation rights is over, the number of rights held by a particular holder is such a number that, taking into account the calculation formulas referred to in this document, Do not give the right to receive a whole number of shares. In that case, the entity in which the holder of the free allocation rights has them deposited may sell the number of rights that result in a fraction of a new share, so that the holder receives the proceeds of the sale in cash and do not lose the intrinsic value of those rights. Notwithstanding the foregoing, this possibility is subject to the terms and conditions of the securities deposit and administration contract that has been signed with the depositary entity in question or to the instructions given by the rights holder.

to the free allocation rights not acquired by ACS under the above-mentioned Purchase Commitment shall be issued⁷.

4.2 Nominal value, issuance rate and representation of the shares

The new shares issued in the Second Execution of the Capital Increase shall be ordinary shares, each with a nominal value of 0.5 euros per share, of the same class and series as those currently outstanding, represented by means of book entries, the accounting of which is entrusted to Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and its member entities.

4.3 Reserve to which the issuance of the shares is charged and balance sheet used as a basis for the operation

The Second Execution of the Capital Increase is liberated and, as such, it does not entail any disbursement whatsoever for the shareholders of ACS. As mentioned above, this disbursement will be fully charged to freely available reserves in the voluntary reserves account, the amount of which as of 31 December 2018 was 1,494,549,760.18 euros.

The balance sheet serving as the basis for the Second Execution of the Capital Increase is the one corresponding to the year ended 31 December 2018, audited by Deloitte, S.L., which is submitted for approval to the Annual General Meeting of Shareholders on 10 May 2019 under item one of the Agenda.

4.4 Shares in deposit

At the end of the trading period of the free allocation rights, 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 allocation rights. Once three years have elapsed following the date when the trading period for the free allocation rights 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.

4.5 Rights of the new shares

The new shares shall give their holders the same voting and dividend rights as the ordinary shares of ACS that are currently outstanding following the date on which the Second Execution of the Capital Increase is declared to be subscribed and called up.

4.6 Listing

ACS will apply for the listing of the new shares issued as a consequence of the First Execution on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, via the Stock Exchange Interconnection System (Continuous Market) and will carry out the formalities and actions necessary for the Listing of the newly issued shares.

⁷ Also, in the event that the number of outstanding ACS shares - deducting the shares corresponding to the free allocation rights acquired by ACS under the Purchase Commitment (to which ACS will resign in accordance with the Agreement) will result in a fractional number, ACS (or an entity of your group that, if applicable, owns ACS shares) will also waive the number of free allocation rights of its ownership that are necessary for the number of new shares to finally be issued on the occasion of the Second Execution be an integer and not a fraction.

Finally, ACS plans to waive the remaining free allocation rights that it owns at the end of their negotiation period.

5 Tax scheme

Below is a brief description of the tax scheme in Spain under prevailing Spanish legislation that is applicable to the various options available to shareholders. The description should not be construed as tax advice and does not take into account tax considerations that may be relevant to a shareholder owing to their personal circumstances. In particular, it does not include any potential consequences in the countries of residence of shareholders who are not tax resident in Spain. Therefore, we recommend that shareholders consult their tax advisers about the specific impact of the "optional dividend" on their tax situation, taking into account the personal circumstances of each shareholder or holder of free allotment rights. We also recommend that they keep abreast of any changes that may occur to prevailing legislation as of the date of this document and to their interpretation criteria.

It should be noted that the Institute of Accounting and Audit of Accounts ("ICAC") has issued a resolution of March 5, 2019, which is mandatory for the years beginning on 1 January 2020, which are developed the criteria for presenting financial instruments and other accounting aspects, related to the commercial regulation of capital companies (the "ICAC Resolution"). ICAC Resolution modifies the applicable accounting criteria for this type of flexible remuneration programs with respect to the taxpayers of the Corporate Income Tax ("IS") and the Non-Resident Income Tax ("IRNR") that act through a permanent establishment in Spanish territory, to which the ICAC Resolution is applicable. In order to clarify the modifications introduced by the ICAC Resolution, the Company has made a binding consultation with the General Directorate of Taxes ("DGT"), which is pending evacuation as of this date. Notwithstanding the foregoing, the ICAC Resolution establishes that the recipients of the free allocation rights must register a collection right, the counterpart being a financial income, regardless of which of the options described below finally choose the shareholder. This will imply that the income obtained will be subject to the corresponding withholding or payment on account (which, in any case, the shareholder must bear) and corresponding taxation, in accordance with the applicable regulations.

5.1 Receive new shares fully released

Shareholders opting to receive new shares resulting from the Capital Increase will not be subject to personal income tax (*Renta de las Personas Físicas* - "IRPF"), or non-residents' income tax (*Impuesto sobre la Renta de no Residentes* - "IRNR"); provided that they do not act through permanent establishment in Spain, and, therefore, no withholding or interim payment will apply at all.

For these shareholders, the purchase value of new shares received as a result of the Capital Increase and of the original shares will be the result of distributing the purchase cost across the number of old and released shares. The age of these released shares for these shareholders will be those corresponding to the original shares.

Those contributory shareholders of the IS and the IRNR that act through a permanent establishment located in Spanish territory, will be taxed according to what results from the accounting regulations and, therefore, in case the ICAC Resolution is applicable, they must register a financial income as a counterpart to the corresponding collection right. If

necessary, the Company will practice the withholding or deposit on account, except in cases where tax regulations exempt the obligation to practice withholding.

5.2 Transfer of your free allocation rights in the market

In the event that the shareholders sell their free allotment rights in the market, the proceeds of such market sale will be subject to the tax scheme indicated below:

- (i) With respect to IRPF, and IRNR for non-residents with no permanent establishment in Spain, the proceeds from the market sale of the free allotment rights are subject to the same scheme established by tax law for pre-emptive rights. Consequently, the proceeds of the sale will be considered as a capital gain for sellers who are subject to IRPF and IRNR for non-residents with no permanent establishment in Spain, and this gain will be posted in the tax period in which the sale takes place. The foregoing is without prejudice to the potential application of international conventions to taxpayers of IRNR with no permanent establishment in Spain, including agreements to avoid double taxation and prevent income tax evasion signed in Spain, to which they may be entitled, and without prejudice to exemptions set out in IRNR regulations.

Furthermore, for IRPF taxpayers selling free allotment rights, the proceeds thereof will be subject to the corresponding interim withholding for this tax (currently 19%).

The withholding will be made by the corresponding deposit entity (and, in absence thereof, by the financial broker or attesting official witnessing the sale). ACS will not intervene in this withholding and will not provide its shareholders with tax information in this respect. Accordingly, shareholders are advised to contact their depositary entity in this respect.

- (ii) For IS and IRNR for non-residents with permanent establishment in Spain, tax will be payable pursuant to applicable accounting regulations and, therefore, if the ICAC Resolution is applicable to them, they must register a financial income as a counterpart to the corresponding collection right. If necessary, the Company will practice the withholding or deposit on account, except in cases where tax regulations exempt the obligation to practice withholding. This is without prejudice to the rules applicable for determining taxable income for the above-indicated taxes.

5.3 Receive a cash compensation through the exercise of the Purchase Commitment

Should the owners of free allotment rights decide to resort to the Purchasing Commitment, the tax scheme applicable to the proceeds of the sale of their free allotment rights to ACS will be equivalent to the scheme applicable to dividends

distributed directly in cash and, therefore, will be subject to the corresponding withholding and taxation.

6 Supplement to this information document and information available to the public

As stated in prior sections of this document, certain information in respect of the Second Execution of the Capital Increase I not available as of the present date. Specifically, the number of shares to be issued in this Second Execution, the number of rights required to receive a share and the final price of the Purchase Commitment are scheduled to be published on 12 February 2020 by means of a supplement to this information document.

This document and the supplement to be disclosed on 12 February 2020 will be available on the website of ACS (www.grupoacs.com) and of the CNMV (www.cnmv.es) as from the date of publication thereof.

Madrid, 4 February 2019

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

José Luis del Valle Pérez

Director - Secretary General