



General Shareholders' Meeting

Friday, May 8, 2020

Chairman's Speech

Florentino Pérez

Introduction

Ladies and gentlemen, shareholders. For the first time in the ACS Group's history, we are holding the General Shareholders' Meeting virtually given the distressing and difficult circumstances the whole world and, in particular, Spanish society, is currently living through. An unprecedented situation for almost the entire population of the world that hasn't been seen in the last hundred years, since the wrongly so-called "Spanish Flu" spread across the globe at the end of the First World War with such virulence that it claimed the lives of more than 40 million people.

The current pandemic, caused by the COVID-19 coronavirus, faces a far more advanced and better-prepared society. The pandemic is at its peak and there are many uncertainties, but the global scientific and industrial communities will be able to bring the pandemic fully under control through therapeutics and vaccines.

On behalf of all members of the Board of Directors and the entire ACS Group, I would like to send my sincerest condolences to all the families of those who have died in this health tragedy. Their plight has been exacerbated by the pain of not being able to be with the victims of the virus and say goodbye to them in a dignified manner. The ACS Group, with 190,000 employees worldwide, has also been affected by the loss of employees and family members. My deepest sympathy also goes out to their families.

In particular, I would like to pay special mention to our Vice Chairman, José María Loizaga Viguri, who devoted a significant part of his life to developing the ACS Group. His involvement has been crucial to the Group's growth and standing as a world leader in infrastructure.

At 83, he showed an enviable lust for life and wanted to continue to bring his valuable experience, strategic vision and passion to the Group. He has been an invaluable friend, loyal colleague and partner in this project that began in 1983, with the acquisition of Construcciones Padrós, with José María Loizaga joining six years later in 1989.

José María Loizaga's professional life started at Banco Vizcaya, where he began his management career holding various senior positions. In 1968, he was appointed director of Zardoya, a company he was uniquely linked to for the rest of his life; he was a board member and vice chairman until he passed away. He was promoted in 1972 and oversaw the company's merger with Schneider-Otis to establish the largest elevator manufacturing and maintenance firm in Spain, Zardoya Otis.

He is probably best known, however, for his work in the financial sector. In 1980, he founded Banco Industrial, a subsidiary of Banco Hispano Americano, and was appointed Vice Chairman and CEO of Banco Unión in 1982 — an institution that would later merge with Banco Urquijo, where he served Chief Executive until 1985. Throughout those challenging years, he showed great creativity and untiring energy by steering the turnarounds of failing firms through industrial banks.

In 1985 he founded Mercapital, a venture capital pioneer in Spain. José María was Mercapital's chairman for 23 years until 2008, playing a key role in the financial modernization of Spain, and creating a school to teach the management and administration of this type of funds.

His business and financial career spanned countless companies where he served on the board, such as Banque Privée Edmond de Rothschild, Suez International, Otis International and other national and international companies.

His excellent strategic vision helped grow the ACS Group thanks to the successive mergers and acquisitions that he carried out over the Group's history and that have marked our business trajectory. These include:

- The acquisition of the Cobra Group in 1989
- The merger of OCISA and Padrós Construcciones in 1992 to create OCP Construcciones
- The merger of OCP, Auxini and Ginés Navarro to create ACS, Actividades de Construcción y Servicios in 1997
- The initial acquisition of the Dragados Group in 2002 and subsequent public offerings and merger in 2003
- The initial purchase of 25% of HOCHTIEF in 2007 and subsequent acquisition of a majority stake in 2011
- And lastly, the acquisition of 50% of Abertis in 2018

Thank you, José María. We enjoyed a long career together (over more than 30 years) and your legacy is part of our Group, so it will be impossible to forget you. Your tenacity and commitment to excellence, your loyalty and honesty, and above all your humanity, will

remain with us forever. Your family, to whom we once again express our heartfelt condolences and send our thoughts today, is a living example of your values.

Following this emotional tribute, I would like to firstly highlight the professionalism, dedication and commitment of the 190,000-plus employees of the ACS Group, who, together with our efficient organizational structure and solid financial capacity of our balance sheet, enable us to confidently face the challenges that now lie before us in these new times. We are continuing to create value for society in general and for our shareholders in particular, as demonstrated by the results achieved in 2019 in all facets of the business: operational, financial, social and environmental.

Corporate Strategy

Results that continue to position us a global leader in our sector. For the eighth consecutive year, the ACS Group has topped the Engineering News Record (ENR) global ranking in the International Contractors category. This achievement is fruit of our trajectory, as you already know, through the expansion of our businesses and acquisition of leading companies in our sector, both in Spain and abroad.

The positioning of these market-leading companies and their extensive experience in the infrastructure sector has enriched our offering of products and services, increased our competitive advantages and strengthened us among the world's most developed economies, mainly North America, Europe and Australia.

But, as they often say, it is more difficult to stay on top than to get there. That is why, in 2012, when we reached the top of the global international contractor list, we launched a transformation process to consolidate this leadership through three key vectors:

1. Embedding our corporate culture in the newly acquired companies, and implementing our management systems to drive up operational efficiency and cash generation in operations.
2. Streamlining our product and service offering, adjusting our structure and boosting competitiveness, focusing on the Group's core businesses that will enable us to continue to grow in a sustainable and cost-effective manner.
3. Drastically reducing the ACS Group's debt, which reached an all-time low at the end of 2019.

I would like to emphasize that this transformation took place during the period when the great financial crisis rocked the world. In more recent years, and once the objectives set had been achieved, we turned our attention to making the Group more stable by:

- Achieving better integration across the infrastructure business' entire value chain, from the design and construction of new projects to their subsequent operation and maintenance.
- Introducing new models that shape contractual relations with our customers, allowing greater balance and transparency when managing new projects.
- Focusing on developed markets that provide a stable operational, financial and legal framework.
- Bringing continuity to our highly decentralized, flexible and dynamic organizational model, which allows us to respond to the sector's needs.

The acquisition of Abertis in 2018, in partnership with Atlantia, represents a key milestone on this journey. Its incorporation into the ACS Group has enhanced both operational diversification and our competitiveness in the sector globally. The strategic alliance with Atlantia enables us to join forces and share capabilities to carry out a global project that is mutually beneficial. In these two short years, Abertis has performed well, improving its operational efficiency, increasing its cash-generating capacity and growing its asset base, all of which help to expand its concession portfolio.

The recent acquisition of a controlling stake in Mexico's RCO (*Red de Carreteras de Occidente*) serves a good example. Abertis also continues to explore new opportunities to invest in projects that diversify its portfolio and source of earnings.

Furthermore, our greenfield infrastructure development companies, Iridium, HOCHTIEF PPPs, and Pacific Partnership, are also continuing to analyze new opportunities in strategic markets, such as North America, Europe, and Australia, to be able to bid for the most interesting projects currently being tendered.

Meanwhile, the Group remains committed to developing renewable energy projects, which play a major role in decarbonizing the economy and fight against climate change. The Group has extensive experience in green technologies through its Industrial Services

area led by Cobra, as demonstrated by the more than 180 projects developed, with managed investment exceeding €14.5 billion.

In short, over the past five years we have devoted significant resources to the development of new businesses, investment in new projects, and technological innovation, which will enable us to continue to grow sustainably. Specifically:

- We have invested upwards of €1.5 billion of our own funds in developing concession projects, both in transport infrastructure and energy facilities, primarily renewables.
- We have spent €4.5 billion on acquiring companies that complement our offering and add value to our Group, most notably the acquisition of 50% of Abertis.
- We have channeled around €200 million into innovation and development projects across the Group's various companies, increasing the number of patents and application of new technologies.

In summary, the ACS Group has demonstrated its ability to evolve by adapting to changes in the economic cycle and overcoming new challenges that have arisen along the way. But this evolution never stops; the Group continues to adapt, striving to anticipate the needs of the sector and the circumstances of the macroeconomic environment in which we operate. Always with the aim of defending our global leadership and strengthening the ACS Group's sustainable profitability.

And, like every year, we must remember that our track record is our best endorsement, as our figures prove. Allow me to remind you of those most notable. If we consider the twenty years of this century, from 2000 through 2019 both inclusive, the ACS Group's turnover totals €435.4 billion, with accumulated net profit exceeding €14.2 billion.

Over the same period from 2000 through 2019, the ACS Group has generated funds from its operations of approximately €27 billion, equivalent to over €1.3 billion per annum; and has distributed more than €11 billion to both its shareholders and to the minority shareholders of the Group's companies during the same period.

These figures have been achieved thanks to the trust, demand and commitment of our customers, many of whom have been with us since the beginning; customers who have allowed us to complete upwards of 10,000 major projects over the Group's lifetime, all of

which we have been fortunate enough to work on with partners and suppliers who have shown the same rigor and professionalism as we do ourselves.

Share performance and shareholder return

Our operational and financial performance has been reflected, logically, in market value creation. In particular, a shareholder who bought 1,000 ACS shares at the end of last century—on December 31, 1999—at €7.85 per share, would, 20 years later on December 31, 2019, have €35,650 in their pocket. If we add the dividends received over that period to this figure, which exceed €25 per share, the total return for the shareholder is 7.8 times their investment — equivalent to a 10.8% average annual return, compared to an IBEX 35 index average of 3.1% over the same time period.

As for ACS's performance in the capital market in 2019, its share price rose by 5.4%, which, in addition to the €1.89 per share dividend payout, represents a total shareholder return of 11%. This figure is in line with the return obtained in the last four years, which amounts to 46.4% compared to 13.6% for the IBEX 35.

However, stock markets and companies have suffered massive fluctuations in their share prices over the last two months of 2020 (March and April) caused by the global pandemic. We are now experiencing extreme market volatility.

We believe that ACS's share price, which has not been immune to this upheaval, will regain its intrinsic value as the current uncertainty dissipates, because we trust the validity of our Group's economic foundations.

We can, and must, be optimistic. Our Group has a solid platform on which to continue building our future: our business model, with a very well-defined strategic positioning; a strong portfolio; a sound balance sheet; and the skill and commitment of our 190,000 employees, forming a consolidated culture.

2019 Results

Although Marcelino Fernández Verdes, the Group's CEO, will give you more detail about the operational and financial figures achieved in 2019, I'd like to briefly summarize the main figures.

The ACS Group achieved a net profit of €962 million in 2019, 5.1% higher than the previous year, with all activities demonstrating a positive trend in terms of operational figures.

However, as we explained at the beginning of the year, these results have been marked by our Australian subsidiary CIMIC's decision to cease its construction activities in the Middle East. Deteriorating market conditions in this region made it difficult to a large extent to implement the viability plans of BICC, a company in which CIMIC held a 45% equity stake, without management control. This forced CIMIC to set aside a provision covering all possible risks, which was recognized in the 2019 financial year.

The impact of this provision on ACS's results was €420 million. However, ACS's balance sheet has provisions covering international risks, €170 million of which was allocated to cover this impact. Said provisions, together with the €250 million in profit from renewable energy asset sell-offs in 2019, have fully offset the negative impact of the cessation of operations in the Middle East.

The Group's sales reached €39.049 billion in 2019, up by 6.5% from the previous year. Fifty percent of sales were in North America, 20% in Europe and 19% in Oceania, essentially Australia. Asia accounts for 5% of sales and South America for another 5%, while the remaining 1% of sales were in Africa. By country, the most important markets continue to be the United States, Australia, Spain, Canada and Germany, which together represent 82% of the Group's total sales.

With regard to operating results, gross operating profit (EBITDA) reached €3.148 billion, 7% more than the previous year; and net operating profit (EBIT) totaled €2.126 billion, up by 3.7%.

Significant cash flow generation from our operations totaling €2.379 billion in 2019 before investment, and the Group's continuing robust financial position will put us in a strong position to deal with the current situation. At the end of 2019, net debt stood at just €54 million despite total investment throughout the financial year topping €1 billion, mainly in the development of renewable energy assets.

In this brief summary of our figures, I must emphasize the size of our backlog, which amounted to €77.756 billion at the end of 2019 — equivalent to two years of production and up by 7.7% compared to the previous year. A highly diversified backlog in terms of

geography, business and duration, which brings balance, security and visibility to future revenue generation.

Based on these results, today we are asking you for your approval to distribute a total dividend of €1.99 per share. As has been customary in recent years, this will be payable as a scrip dividend, meaning you can opt to receive cash or ACS shares.

Corporate Social Responsibility

The ACS Group has also achieved good non-financial results in 2019, taking major steps forward on environmental, social and corporate governance matters, which have been recognized by leading organizations and specialist media. Both the ACS Group and its listed subsidiaries, HOCHTIEF and CIMIC, have been included in the prestigious Dow Jones global sustainability index.

On the environmental side, we managed to cut our total direct and indirect emissions by more than 6% in 2019, reaffirming our global objectives on energy efficiency and combating climate change.

In the social area, we continue to strengthen our occupational health and safety policies, whose training and prevention plans are vital to our activity. In this respect, we increased training hours by 58% in 2019 compared to the previous year.

We also continue to expand our gender diversity policy, with a female workforce already exceeding 40% of total employees. In the same vein, the number of women in management positions has risen by 6.9% from the previous year.

I must also happily mention the 10,000 employees, or 5.3% of our workforce, who belong to vulnerable groups. Workers from disadvantaged groups, such as people with disabilities, people at risk of social exclusion, victims of gender-based violence and terrorism and the long-term unemployed. This year alone, we have increased our workforce to include 600 people from these groups on permanent contracts, representing 16% of new hires in the Services area.

Lastly, our governance model has been strengthened over the aforementioned period through an increase in ethics and integrity training, and the number of employees who have attended courses on compliance has risen by 26%.

All Group companies have played their part in the ACS Group's effort in the area of Corporate Social Responsibility. While these companies individually define their own conduct policies, they always do so following the common principles and objectives established in the 20-20 Plan.

This year we intend to renew these objectives with a new plan for this decade; a plan aligned with the ACS Group's contribution to the United Nations Sustainable Development Goals (SDGs), to which we are fully committed.

However, our pledge to society is not only demonstrated by the figures for the financial year; it goes beyond internal policies, annual goals, and outcomes. It is a shared commitment from the people who form the ACS Group to the society to which we both belong and serve throughout the world. In short, it is an essential part of our culture.

Over the past few weeks, this commitment has taken the shape of various activities and initiatives related with the current pandemic that are being run around the world by the men and women at the ACS Group, many of them selflessly and altruistically. I would like to highlight some of the most significant ones:

- We have helped build the IFEMA field hospital in Madrid, where Cobra has installed the entire supply of oxygen and other medical gases for patients as a donation.
- We have assigned more of our resources and staff to the healthcare services provided by our subsidiary Clece; essential services that continue to be provided to the maximum health safety and prevention standards. We have also continued to provide and have increased our cleaning services at hospitals, police stations and other facilities that are currently working at maximum capacity.
- In the United States, our subsidiary Turner is actively involved in the urgent design and construction of several temporary hospitals, as well as the expansion of health centers throughout the country; in a few weeks, the health administrations have been able to create additional capacity of 4,000 beds.
- Various Group companies have made donations, including ACS's €3.5-million contribution to the Spanish Enterprise Solidarity Fund to purchase protective equipment and medical supplies.

Future Outlook

Looking ahead, the world is still mired in a period of uncertainty. The fight against COVID-19 continues, and its impact on countries' economies remains difficult to quantify. As the pandemic is brought under control and restrictions are lifted, the economy will gradually recover. That is when the overall impact can be assessed and the situation and economic and social changes caused by the pandemic can be quantified.

New motorway, road, railway, airport, bridge, canal and dam construction and refurbishment projects will still be needed in the near future; more hospitals, educational centers, sports facilities, offices and housing will be required along with more-energy-efficient facilities, faster and safer communications and transport systems, and a long list of infrastructures that will improve people's quality of life.

Of course, there are numerous and varied forecasts for the post-pandemic economic recovery. In particular, the IMF forecasts that developed economies will suffer a greater short-term impact than emerging economies, with GDP in 2020 falling by 6.1% and 1%, respectively.

Italy and Spain are the most economically affected developed countries, with an estimated fall in GDP in 2020 of 9.1% and 8% respectively, although the Spanish government, the European Union and other bodies estimate that the fall will exceed 9%. In France and Germany, GDP is expected to shrink by 7.2% and 7%, respectively. North America is expected to be slightly less affected, with GDP projected to fall by around 6% in Canada and the US, while estimates for Australasia predict a 6.7% drop in 2020.

Following that immediate impact, the IMF expects a recovery in 2021, with growth of 4.5% for developed economies, which is likely to be achieved by Spain, and 6.6% for emerging economies.

All recovery forecasts take into account several important factors. All the major countries are announcing huge support packages to overcome the economic standstill caused by the response to the pandemic. These extraordinary programs are aimed at generating activity, largely through investment in infrastructure, as well as rescuing companies in devastated sectors where possible, and distributing funding to prevent the destruction of the business fabric due to a lack of cash flow.

In this context, we must consider the particular situation of our Group.

Firstly, the ACS Group boasts a sound financial position and a comfortable liquidity position in all its companies, with more than €12 billion in available cash and various approved credit lines.

Secondly, as I mentioned before, we have a backlog of €78 billion, which is highly diversified by business and located in regions with stable political frameworks.

Moreover, in addition to the current backlog, the Group has identified an array of potential infrastructure, transport, hydraulic and social concession projects, with a total forecast budget of more than €230 billion to be developed in the coming years in the United States, Canada, Europe and Australia.

These countries have already announced that, within their extraordinary plans as an important part of their efforts to revive the economy after the pandemic, these projects will be accelerated. In particular, the United States has unveiled a mega-investment of \$2 trillion—equivalent to 10% of its GDP—for infrastructure projects to offset the slump in expected demand.

In relation to tackling climate change, the ACS Group's perspective on renewable energy development remains steadfast thanks to the Cobra Group, which currently has a renewable asset backlog of 2,700 MW to build over the next few years and more than 6,000 MW at the development stage. These figures position us as one of the most dynamic agents in the sector. We envisage there will even be an increase in investment in green energy projects to drive the process of decarbonizing the economy in the fight against climate change worldwide.

I would also like to emphasize that, due to the nature of our businesses, we are maintaining a relatively stable level of activity in the countries in which we operate. Most of the projects we are involved in are still ongoing, and the more conservative forecasts predict a slight delay in activity for a few months.

Conclusions

Before drawing to a close, I would like to reiterate that we are prepared to face this situation and overcome the present challenge. In addition to our financial strength and strategic positioning, we have a flexible, efficient and coordinated operational structure. But, above all, we have our main asset: our 190,000-plus employees—engineers,

architects, university graduates, technicians, managers, operators and a long list of other professionals—with diverse backgrounds and specialisms, committed to our endeavors.

Day in and day out, our professionals work with enthusiasm, dedication and the same excellence inherent to our Group's culture. Today, more than ever, I would like to thank them for their efforts and commitment, even in the most adverse circumstances, and for the flexibility and solidarity they have shown when required.

The current circumstances will change. The pandemic will end, and despite the magnitude of its direct effects and repercussions, which today remain difficult to quantify, the economy will recover. This will require the business sector and institutions, and society as a whole, to come together.

As for the ACS Group, we will draw upon our strengths. Our geographical spread and the wide range of activities we perform—with a high percentage of revenues coming from countries where there is a high demand for infrastructure or where services are ongoing—are helping us to maintain our turnover and backlog at a stable level.

Lastly, as always, we will continue to show the same enthusiasm and professionalism, doing what we know best: building infrastructures that help to create a better world.

Thank you.