



Ordinary General Shareholders Meeting

7 May 2021

Chairman's Statement

Mr. Florentino Pérez

Introduction

Good morning, shareholders, and welcome to the 2021 General Shareholders Meeting which, given the circumstances, we are once again forced to hold virtually.

We have endured this situation—unprecedented for most of the world’s population—for more than one year. The COVID-19 pandemic has had an extraordinary impact on families, businesses, and economies the world over: 3 million fatalities to date, millions of jobs lost, and an estimated drop in global GDP of more 2.5 billion euros in 2020, equal to 2x the GDP of Spain.

The diversity of our activities and services, coupled with our geographic diversification, have prompted our active effort to contain the pandemic and mitigate its effects in many countries, from Canada to Australia.

- Several Group companies selflessly pitched in to adapt Madrid’s IFEMA facilities into a field hospital during the most challenging time of the pandemic.
- Dragados also participated in the construction (in record time) of the specialised Isabel Zendal hospital in Madrid.
- In the United States, our subsidiary, Turner, actively contributed to the design and construction of several temporary hospitals, as well as the expansion of health clinics nationwide, providing support to more than 50 healthcare facilities.
- In Brazil, we collaborated with other companies in the country to purchase personal protective equipment for healthcare personnel and patients, covering the demand of more than 1,000 hospitals across Brazil for two months.
- The various Group companies have made multiple financial contributions, including ACS itself, which joined the Spanish business solidarity fund with an endowment of 3.5 million euros for the purchase of medical equipment and PPE, including protective coveralls, essential for personnel who treat infected patients and which were in very short supply during the height of the pandemic. Frontline healthcare workers were very grateful for these items, which, without a doubt, helped alleviate the effects of the pandemic.
- Several Group companies worldwide also promoted joint donation campaigns among their employees to support different charitable efforts, such as school aid, food delivery, help for the underprivileged, and a long list of social initiatives of which we are very proud.

- I want to make special mention of our subsidiary, Clece, which has dedicated multiple resources and means to healthcare services: critical services that it has continued to provide throughout the pandemic, including maximum safety and prevention measures in 183 hospitals, in addition to four field hospitals in Spain. We also reinforced and guaranteed our cleaning activity at hospitals, police stations, and other infrastructures, investing in the most efficient technology to ensure safe spaces for users and workers.

Our group has also directly felt the impact of the pandemic. ACS has not been immune to the loss of employees and their family members, among them, our vice-chairman José María Loizaga Viguri, who dedicated much of his life to developing the ACS Group—a great professional and friend, whose contribution over the years was vital to securing the Group's success and its position at the forefront of the global infrastructure sector. His strategic vision helped the ACS Group grow by promoting and facilitating the successive mergers and acquisitions that have marked our corporate trajectory.

I want to remember those directly affected by this pandemic, who have suffered the terrible impact of the virus on family and friends. To all of them, our deepest condolences.

Despite the difficult circumstances, ACS performed well in terms of operations in 2020:

- Overall, industrial services and construction, considered essential in most countries during the confinement, reduced their activity by 5-10%, as we will see below.
- By contrast, Abertis suffered a considerable decline in revenue, over 24%. Mobility restrictions caused a sharp decrease in daily traffic from mid-March 2020. Consequently, Abertis' contribution to the Group's net profit fell by 280 million euros relative to 2019.
- Our Services area, provided by Clece, maintained its overall level of activity. I want to point out that we are especially proud of its social endeavours and its commitment to the health and wellbeing of hundreds of thousands of people.

I must highlight the very important work of the 180,000 ACS Group employees worldwide, who have worked so effectively during these trying times. Each of them deserves our deepest gratitude and sincere appreciation for their dedication and commitment. Thanks to them, we have been able to continue our efforts to:

- Guarantee the quality and excellence of the service we provide clients;

- Ensure a safe working environment for employees and users by increasing occupational safety measures to combat COVID-19; and
- Support our suppliers with operational and financial measures that safeguard the future of the industry.

In light of this, we have managed to:

- Reinforce the financial strength of the Group;
- Maintain shareholder remuneration; and
- Continue investing in the future of ACS, with a strong commitment to sustainable investment and the infrastructure market, which provides more stable results and more predictable cash generation.

On behalf of all the members of the ACS Board of Directors, I would like to convey my sincere gratitude to each and every one of the people who are part of our Group and who work for its future.

Corporate Strategy

Throughout our history, we have been able to evolve and transform as a Group, adapting to the vicissitudes of a changing sector in a global economic environment, in an effort to continue creating value for our shareholders and for society overall.

Maintaining leadership in a sector requires adapting constantly to market demands and anticipating shifting trends with a dynamic corporate strategy and a flexible organisational structure.

For the eighth year in a row, the ACS Group leads the *Engineering News Record* (ENR) global ranking in the category of international contractors. This position is the result of our trajectory which, as you know, includes the expansion of our businesses and the acquisition of leading companies in the sector, both nationally and internationally.

The positioning of these market leaders and their extensive experience in the infrastructure sector has enriched our range of products and services, enhanced our competitive advantages, and helped us gain a foothold in the most developed countries in the world, mainly in North America, Europe, and Australia.

There is no doubt that the 2018 acquisition of Abertis also represented an important strategic step. Its reincorporation into the ACS Group allowed us to increase our operational diversification and competitiveness in the sector on a global scale. In these three years, excluding the impact of the pandemic, Abertis has evolved positively, improving its operational efficiency and expanding its asset base.

Part of this includes the recent acquisition of new concessions: 51% of the Red de Carreteras de Occidente (Western Highway Network) in Mexico, one of the country's largest highway operators; and 55% of the consortium that manages the Elizabeth River Crossings tunnel network in Virginia (United States).

The inclusion of these assets strengthens Abertis' growth platform in North America and facilitates the analysis of future opportunities. Moreover, Abertis continues to explore new investment opportunities in "brownfield" projects to diversify its concessions portfolio and sources of revenue.

Operating and financial evolution in 2020

Allow me now to summarise our Group's operating and financial evolution in 2020, an exceptionally challenging year given the economic, social, and political upheaval of the pandemic, affecting all sectors of activity.

1. *Operating results*

Net profit reached 574 million euros. This figure reflects the impact of extraordinary non-operating income in Australia amounting to 28 million euros.

Thus, ordinary net profit—excluding the aforementioned impact—totalled 602 million euros, 360 million less than the previous year. The decline is mainly attributable to the evolution of Abertis, whose traffic—as I mentioned—was heavily affected by COVID-19 lockdown measures, reducing its contribution by 280 million euros relative to 2019. Net profit from the Group's other activities fell by 80 million euros, or 11.2%.

The breakdown of net profit by activity is as follows:

Based on these results, today we ask for your approval to distribute a total dividend of 1.85 euros per share. As has become the custom in recent years, this is a flexible dividend payable in

your choice of cash or ACS shares.

- Infrastructure obtained an ordinary net profit of 321 million euros, 3% less than in 2019, excluding the impact of Abertis;
- Industrial Services earned 312 million euros, up 5% (adjusted for exchange rate effects), confirming the strength of industrial activity;
- Clece Service's net profit fell to 18 million euros on expenses related to COVID-19 safety and hygiene measures.

Abertis' contribution to the ACS Group's net profit was negative 35 million euros in 2020, relative to a positive 245 million euros the previous year, a decline of 280 million euros, representing 29% of ACS' total net profit in 2019.

Regarding operating profitability, gross operating profit or EBITDA totalled 2.444 billion euros. Excluding the contribution of Abertis, EBITDA declined 8% from the previous year.

Net operating profit or EBIT reached 1.48 billion euros. Excluding Abertis, this drop represents a decline of 7.6%.

2. *International diversification*

As you know, in recent years our business strategy has focused on strengthening our leadership in the main regions where we operate and maintaining a balanced geographical distribution of activity. Allow me to summarise our evolution in key regions for the ACS Group.

In 2020, ACS Group sales reached 34.937 billion euros, representing a decline of 10.5%, as a result of the coronavirus-related health measures implemented in mid-March in most countries, with the highest incidence in Asia Pacific and Europe.

Sales in North America account for 52% of the total, Europe 21%, Australia 15%, South America 6%, Asia 5%, and Africa the remaining 1%.

It is noteworthy that the top five countries contributed 82% of the Group's total sales in 2020, these being: the United States, accounting for 45% of the total, Australia 15%, Spain 14%, Canada 5%, and Germany 3%.

In North America we maintain a leadership position and have good growth prospects. The Group's total sales in the United States reached USD 18.061 billion in 2020, down 4.7% from

the previous year; while in Canada, turnover totalled CAD 2.535 billion, up 5.2% annually.

Australia, meanwhile, was affected by the adjustment of the Gorgon project. Excluding its impact, sales fell 13.8% to AUD 8.928 billion, in one of the regions most affected by preventative measures against the virus.

ACS sales in Europe declined 5.2%, primarily in Spain where they dropped 8.8%; in Germany sales rose 27.2%.

As of December 2020, the portfolio totalled 69.226 billion euros, which, in like-for-like terms (excluding changes in scope, mainly the sale of 50% of Thiess, and exchange rate effects), represents a decline of 3.7% relative to the previous year.

By market, the US portfolio increased 3% in local currency to USD 32.764 billion, as a result of major tenders over the course of the year, including:

- Construction of a new terminal at San Diego International Airport in California;
- Expansion of the Wexner Medical Center in Columbus, Ohio;
- Construction of the new Massachusetts Department of Transportation in Cambridge;
- Expansion of Highway 50 between Watt Avenue and Interstate 5 in Sacramento, California;
- Construction of the access tunnel to the Cedar Creek wastewater treatment plant in New York;
- Renovation of terminals A, B and C of Denver International Airport in Colorado;
- Design and construction to adapt an alternative care facility for COVID patients in New York; and
- Renovation of Austin State Hospital in Texas.

Contracting in Australia was heavily affected by stringent nationwide restrictions during the pandemic, prompting delays in the awarding of new projects. The portfolio closed the year at AUD 28.175 billion, with major tenders, including:

- The 5-year extension of mining services in Lake Vermont, Queensland;
- Development of training facilities for the Australian government's Department of Defence in North Queensland;

- Various maintenance services contracts for clients in the oil and gas industry in western Australia and Victoria; and
- Expansion and improvement of two highways in Victoria and Queensland.

Finally, the portfolio in Europe evolved admirably, buoyed by the increase of contracts in Spain and Germany.

In Spain the portfolio grew 7.1% on the recent award of renewable energy projects; it totalled 7.995 billion euros at year-end. Other outstanding projects include:

- Construction of a new Amazon logistics centre in Murcia, as well as mechanical installations, HVAC, and other works in two warehouses, also for Amazon, in Huesca and Zaragoza;
- A maintenance contract for the conventional railway network in Spain for ADIF;
- A contract with Vodafone to rollout the 5G internet network in Spain; and
- Installation of power and auxiliary systems for high-speed railway and conventional railway lines in Nudo de la Encina.

In Germany, the portfolio reached 3.493 billion euros at year-end, growing 16.1% with respect to the previous year. The main awards in this market include:

- Construction of a 2.2-kilometre tunnel on the A7 motorway in Hamburg;
- Development of the BorWin 5 offshore wind converter platform in the North Sea;
- A new bridge over the Rhine in Duisburg.

3. Cash flows

The favourable evolution of operating activity translated into strong cash generation in 2020. Operating cash flows, before changes in working capital and operating investment, totalled 1.886 billion euros.

Changes in operating working capital represented a cash outflow of 220 million euros, while operating leases and investments totalled 865 million euros, mainly in mining activities that are more capital intensive.

The policy of rotating concession and energy assets generated funds worth 444 million euros in 2020, corresponding largely to the partial sale of renewable assets and transport concessions in Spain.

As a result, free cash flow reached 1.245 billion euros.

A portion of these funds was used to pay a dividend of 1.99 euros per share, approved at the last General Meeting, for a total amount of 626 million euros.

We also continue to remunerate our minority partners, primarily at Hochtief, who received a total of 234 million euros in dividends throughout 2020.

The Group continues to invest in energy and concessions project, including:

- 561 million euros in energy (mainly renewable) assets in the Kinkardine floating wind farm in Scotland, onshore wind farms in Latin America, various solar projects in Spain and America, high voltage lines in Brazil, and a water treatment plant in Chile;
- 72 million in Iridium and HOCHTIEF transport concessions; and
- 275 million in joint ventures in the United States to develop new infrastructure projects.

We also allocated 798 million euros to financial investments, consisting of an increased stake in Hochtief and Cimic amounting to 443 million euros, and an increase of ACS treasury stock amounting to 355 million euros, which will be earmarked to pay future dividends through the scrip dividend or flexible dividend system.

Overall, net financial investments and project investments totalled 1.706 billion euros in 2020.

4. *Non-recurring impact of non-operating activities*

In 2020, the ACS Group took major strides to improve the competitive and financial position of its Australian subsidiary, Cimic. The impact on profit was minimal, supported by the sale of 50% of the mining services company, Thiess.

Regarding the impact on cash flow, it is worth noting that payments to exit the Middle Eastern market, amounting to 844 million euros, were offset by resources totalling 1.265 billion euros obtained from the sale of 50% of the mining services company, Thiess.

Additionally, CIMIC decided to gradually reduce the use of factoring; in fact, the factoring balance of the Group as a whole declined by 493 million euros in 2020, mainly in the last quarter of the year.

Consequently, impact on the debt of non-recurring activities amounted to 156 million euros, while the depreciation effects of the main international currencies vis-à-vis the euro had an impact of 278 million euros.

5. Net debt

At the 2020 close, the ACS Group posted net debt of 1.820 billion euros, equal to 0.7x the Group's EBITDA. This represents an increase of 1.766 billion euros compared to the previous year, and is due primarily to the strong investment efforts I have just detailed in renewable energy, infrastructure concessions, and increasing our stake in Group companies.

Value creation and stock market evolution

Since its inception, the creation of value has been a firm, resolute commitment for ACS. The Group has always known how to adapt and transform in order to offer shareholders an attractive, sustainable return and to share this value creation with various stakeholders and society at large.

We have built a strong, competitive Group based on the integration of several companies under an operationally decentralised model that is united by a common corporate culture which focuses on operating efficiency, dedication to the client, rigorous risk management, and sustainable, profitable growth.

One of the main indicators of value creation is the long-term appreciation of the ACS share, to which we are firmly committed, as our track record demonstrates.

Let us take the concrete example of a shareholder investing in ACS 20 years ago. Today, this shareholder's investment would have appreciated 526%, including dividends equal to 9.6% of the average annual return, compared to 4% for IBEX35 during the same period of time.

Meanwhile, evolution of the Group's net profit reflects the economic value created in the past two decades. If we analyse the period from 2001 to 2020 (both inclusive), the cumulative net benefit totals 14.669 billion euros, roughly 8.2 billion of which has been distributed to shareholders through dividends or share buyback programmes.

However, in 2020 stock markets experienced strong price volatility due to the global pandemic. Consequently, ACS' share price closed the year with an 18.2% depreciation, adjusted for dividends.

We are confident that the share price will soon reflect its fundamental value, underpinned by the economic and financial fundamentals of our Group, the transformation process underway, and the growth prospects of our businesses.

Sustainability

We know that value creation does not apply exclusively to financial aspects. In fact, various stakeholders, investors, shareholders, financial institutions, and other market players are increasingly interested in our non-financial evolution, specifically with regard to three elements: the environmental impact of our activity, our social activity and its influence on Group actions, and governance, particularly in matters of integrity and regulatory compliance.

In this respect, the ACS Group continued its positive trajectory in 2020, with important advances in environmental, social, and corporate governance matters that have been widely recognised by key organisations and specialised media outlets. For example, both the ACS Group and its listed subsidiaries, Hochtief and Cimic, have been included in the prestigious Dow Jones Sustainability World Index.

If I may, I would like to summarise the evolution of the Group's main sustainability indicators in 2020:

1. With regard to the environment, we managed to reduce our total direct and indirect emissions by almost 20%, reaffirming our overall targets in energy efficiency and the fight against climate change.
2. In the social arena, we continued to strengthen our health and safety policies, with training and prevention plans that are crucial to our activity. In 2020 we increased the average occupational health and safety expenditure per employee by 53.8% to 1,197 euros. This is reflected in a reduction in accident rates across all areas of activity.

We also continued to expand the gender diversity policy, advocating the incorporation of women to various posts and functions. At present, women account for more than 40% of the total workforce.

I must mention one statistic that gives me tremendous pride: the 10,050 people who belong to vulnerable groups, meaning 5.6% of our employees. These are people from disadvantaged groups, for example, people with disabilities, people at risk of social exclusion, victims of gender violence, victims of terrorism, and even the long-term unemployed.

3. Lastly, we strengthened our governance model in 2020, adapting to the latest content of the Good Governance Code of Listed Companies, the regulations of the Board of Directors, the General Risk Management and Control Policy, the Sustainability Policy, and the Stakeholder Involvement and Communication Policy.

Through these efforts we aim to comply with the best national and international governance standards, while highlighting the importance of corporate, non-financial reporting, which reflects our commitment to transparency.

In short, on the issue of sustainability, we have achieved most of the objectives we established in the 20:20 Plan launched five years ago, as described in the Integrated Report, which is available to you. We now begin the next stage, preparing the 2021-25 Sustainability Strategic Plan and aligning our objectives with the UN Global Compact's Sustainable Development Goals, with special emphasis on the fight against climate change and the creation of shared value.

Furthermore, as I mentioned at the outset, throughout 2020 the various Group companies and their employees demonstrated their commitment, contributing selflessly and altruistically to efforts to combat the pandemic.

Macroeconomic environment

Now I want to discuss the evolution of the macroeconomic environment. We are on the path to economic recovery; the advance of the vaccine rollout in the most heavily affected countries foreshadow a second semester of global growth, once mobility and socialisation restrictions are relaxed. We expect a reactivation of the developed economies hardest hit by the pandemic, with an estimated GDP in 2020 of 4.7%. Specifically, the IMF forecasts GDP growth of 5.1% for 2021 and 3.6% for 2022.

The European Union was one of the regions most affected by the outbreak, particularly those countries in the west. The IMF anticipates a rebound of 4.4% for the region in 2021, with the

highest growth expected for Spain, at 6.4%, after experiencing the region's steepest decline in 2020, with an 11% drop in GDP.

North America shows strong GDP recovery—5% in Canada and 6.4% in the US—while estimates for Australia stand at 4.5% growth for 2021.

The various policies designed to drive recovery overlap in many respects. All major countries are announcing important recovery plans in an effort to emerge from the economic slowdown precipitated by the pandemic and the subsequent measures to control it. These extraordinary programmes aim to i) generate activity, largely through investment in infrastructure, ii) bailout companies in affected sectors, to the extent possible, and iii) distribute financing to prevent the dismantling of the business fabric due to a working capital drought.

In this environment, we must assess our Group's particular situation.

The ACS Group now has a more flexible structure, having diversified business risk and adapted to the global trends of the infrastructure market; we will continue to invest heavily in the years to come, with the aim of ensuring recurring cash flows and reducing the cyclical aspect of construction activity, mitigated in part by our geographic diversification.

Sale of industrial services

The corporate operations underway are framed in this manner.

As you know, on 31 March we reached an agreement with the French infrastructure multinational, Vinci, for the sale of a large portion of our industrial business, which includes—in addition to engineering activity and ACS' Industrial Services works—eight (primarily energy) PPP projects and the development platform for new renewable energy projects.

For the portion sold, the ACS Group will receive:

1. A cash payment of up to 4.982 billion euros at the close of the operation, scheduled for the end of this year, once the necessary authorisations are obtained, particularly those pertaining to competition.
2. An additional payment of 40 million euros for each GW developed in the next 8 ½ years, up to a maximum of 600 million euros. It is foreseeable that this limit will be reached in a few years, given both the quality of the Industrial Services portfolio and its history of executing projects of this type.

3. A 49% stake in the company that will acquire all the renewable energy assets developed by Industrial Services until 2029, with a portfolio of potential projects totalling nearly 25,000 MW, mainly in photovoltaic plants and wind farms worldwide. These assets will be added, at market price, as they are completed and connected to the network.

This joint venture, 51% of which is owned by Vinci and 49% by ACS, can and should generate considerable value in the years to come. According to the estimates of several national and international financial analysts, its value could exceed one billion euros, at current prices.

Our stake in the company will allow us to capitalise on our extensive experience in a sector with great growth potential, like renewables. Moreover, we will reinforce our commitment to sustainability by supporting the decarbonisation of the economy and the fight against climate change.

At the same time, ACS will retain possession of the energy concessions business, which includes the Zero-E renewable energy assets in Spain and Latin America, and 15 other concessions with an estimated current value of 1.4 billion euros. As a company, Zero-E integrates renewable energy assets, chiefly photovoltaic. It originated in 2017 when Cobra was the main recipient of the Ministry of Industry and Energy's tender for photovoltaic park projects in Spain with 1,550 MW.

The sale of ACS Industrial will allow us to materialise the value created over the years and focus our Group on a sustainable construction and concession platform with the capacity to generate recurring profit and consolidated leadership in the most developed markets.

Future prospects

Looking to the future, we maintain that our capacity to create value must target those sectors and activities where our extensive experience and resources can be most efficient.

The funds obtained from the aforementioned transaction will be used primarily to expand our exposure to the concessions business, capitalising on investment opportunities in transport infrastructure, mainly toll roads.

We have expressed our interest in participating—with other potential partners and with support from the Italian government—in the acquisition of Autostrade per l'Italia (ASPI). Its

combination with Abertis, 50% of which is held by Atlantia, would enable the creation of a global infrastructure concessions group that could undertake—with better guarantees—the new investment plans prepared by the various Western governments, which are critical to post-COVID economic and social recovery.

However, ACS is also studying the acquisition of other highway concessions, alternatives to ASPI. The market is highly dynamic with countless opportunities.

Likewise, the ACS Group has identified a set of potential “greenfield” infrastructure concession projects, with a total planned investment volume of roughly 250 billion euros for development in the coming years in the United States, Canada, Australia, and Europe.

As I mentioned earlier, these countries are already announcing the acceleration of projects to re-stimulate their economies after the pandemic.

We will continue to invest in the future of ACS, committing firmly to sustainable investments and the infrastructure market. It is what we know how to do and what we will continue to do. We are confident that our ability to create value must target infrastructure development in a concession model, such as highways, and renewable energy assets, like wind farms and photovoltaic plants, in this instance, through our association with Vinci: sectors and activities where our extensive experience and resources can be used most efficiently.

Naturally, we remain a global standard-bearer in construction, especially in North America. With annual turnover exceeding 20 billion dollars, our American companies, led by Turner and Dragados USA, maintain an enviable leadership position in the US, with a presence in nearly every state and activity segment, giving us the competitiveness needed to undertake the infrastructure expansion and development plans that the federal government aims to promote.

Our construction activity in Australia is also noteworthy. Cimic continues to maintain an important position with good growth prospects.

Likewise in Europe, the various Group companies are seeing demand grow with new projects, especially in Spain, Germany, United Kingdom, and Poland.

Given the current scenario, we are optimistic and trust that the economic activity of countries will return to pre-pandemic levels.

The recovery must be clearly reflected at Abertis. After a year of practically global mobility restrictions, in 2021 we are seeing an uptick in traffic on highways and, once the trend is

confirmed, we expect an increase in their profitability. This favourable evolution suggests potential 2021 net profit growth for the ACS Group around 30%

In short, we are in the process of transforming our Group, concentrating our activities in the areas of construction and concessions. We maintain the profitability and efficiency targets that guarantee you, our shareholders, an adequate return on your investment and that allow us to continue advancing on the path of sustainable growth that creates value for society as a whole.

Before I close, I want to reiterate my gratitude for the more than 180,000 people, engineers, architects, university graduates, technicians, managers, operators, and a long list of professionals with diverse specialties and backgrounds in 40+ countries who are committed to our project.

Every day our professionals work with enthusiasm, dedication, and the excellence of our Group's corporate culture. Today, more than ever, I want to thank them for their hard work and dedication, even in the most adverse circumstances, as well as for their ability to adapt and provide support when the moment demands.

The future is unwritten, but I believe that flexibility and adaptability will be essential factors in constructing the infrastructures necessary to move forward in that future. With these characteristics, our Group will be prepared to continue building large-scale projects, developing new infrastructures, and offering quality services in the countries where we operate.

In light of these new opportunities, we will act with the same commitment and professionalism that we have always had, attributes that have positioned us where we are today: a global benchmark in the infrastructure sector.

I trust that the next General Shareholders Meeting will be held in the conventional manner and that we will have the opportunity to meet in person.

Thank you very much.