

INFORMATION MEMORANDUM DATED 6 JULY 2023



FCC SERVICIOS MEDIO AMBIENTE HOLDING, S.A.U.

(Incorporated with limited liability in the Kingdom of Spain)

€400,000,000

EURO COMMERCIAL PAPER PROGRAMME

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) for Euro commercial paper notes (the **Notes**) issued during the twelve months after the date of this document under the €400,000,000 Euro commercial paper programme (the **Programme**) of FCC Servicios Medio Ambiente Holding, S.A.U. (the **Issuer** or **FCC Servicios Medio Ambiente**), described in this document to be admitted to the Official List and trading on the regulated market of Euronext Dublin, a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU (as amended, **MiFID II**).

There are certain risks related to any issue of Notes under the Programme, which investors should ensure they fully understand (see "*Risk Factors*" on pages 2 – 21 of this Information Memorandum).

Potential purchasers should note the statements on pages 78 – 88 regarding the tax treatment in Spain of income obtained in respect of the Notes and the disclosure requirements imposed by Law 10/2014, of 26 June (**Law 10/2014**) on the Issuer relating to the Notes. In particular, payments on the Notes may be subject to Spanish withholding tax if certain information is not received by the Issuer in a timely manner.

The Issuer has been assigned a short-term senior unsecured credit rating of F3 by Fitch Ratings Ireland Limited (**Fitch**).

Fitch is established in the European Economic Area (**EEA**) and registered under Regulation (EU) No 1060/2009 on Credit Rating Agencies, as amended (the **CRA Regulation**). As such, Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA regulation. Fitch is not established in the United Kingdom but it is part of a group in respect of which one of its undertakings is (i) established in the United Kingdom, and (ii) is registered in accordance with the CRA Regulation as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**) (the **UK CRA Regulation**). Accordingly the Issuer rating issued by Fitch has been endorsed by Fitch Ratings Limited in accordance with the UK CRA Regulation and has not been withdrawn. As such, the ratings issued by Fitch may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger

BANCA MARCH

Dealers

BANCA MARCH

BRED BANQUE POPULAIRE

NORBOLSA, S.V., S.A.

**SANTANDER CORPORATE & INVESTMENT
BANKING**

SOCIÉTÉ GÉNÉRALE

IMPORTANT NOTICE

This Information Memorandum (together with any documents incorporated by reference, the **Information Memorandum**), as may be supplemented, contains summary information provided by FCC Servicios Medio Ambiente Holding, S.A.U. (the **Issuer**) in connection with a Euro commercial paper programme (the **Programme**) under which the Issuer may issue and have outstanding at any time Euro commercial paper notes (the **Notes**) up to a maximum aggregate amount of €400,000,000 or its equivalent in alternative currencies. Under the Programme, the Issuer may issue Notes outside the United States pursuant to Regulation S (**Regulation S**) of the United States Securities Act of 1933, as amended (the **Securities Act**). Pursuant to the amended and restated programme agreement dated 6 July 2023 (the **Programme Agreement**, as amended, supplemented or restated from time to time), the Issuer has appointed Banca March, S.A. as arranger of the Programme (the **Arranger**) and Banca March, S.A., Banco Santander, S.A., BRED Banque Populaire, Norbolsa, S.V., S.A. and Société Générale as dealers for the Programme and as dealers for the Notes (each a **Dealer** and, together, the **Dealers**, which expression shall include any other dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular issue of Notes) and authorised and requested the Arranger and the Dealers to circulate the Information Memorandum in connection with the Programme on its behalf to purchasers or potential purchasers of the Notes.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR ANY SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S), UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION.

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Information Memorandum or confirmed the accuracy or determined the adequacy of the information contained in this Information Memorandum. Any representation to the contrary is unlawful.

The Issuer accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Notice of the aggregate nominal amount of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each issue of Notes will be set out in final terms (each, the **Final Terms**) which will be attached to the relevant form of Note (see "*Form of Notes*"). Each Final Terms will be supplemental to and must be read in conjunction with the full terms and conditions of the Notes, which are set out in the relevant form of Note. Copies of each Final Terms containing details of each particular issue of Notes will be available from the specified office of the Issuing and Paying Agent (as defined below) set out below.

The Issuer has confirmed to the Arranger and the Dealers that the information contained or incorporated by reference in the Information Memorandum is true and accurate in all material respects and not misleading in any material respect and that there are no other facts in relation to the Issuer or any Notes the omission of which makes the Information Memorandum, as a whole, or any such information contained or incorporated by reference therein, misleading in any material respect. Any statements of intention, opinion, belief or expectation contained in the Information Memorandum are honestly and reasonably made by the Issuer and, in relation to each issue of Notes agreed as contemplated in the Programme Agreement to be issued and subscribed, the Information Memorandum together with the relevant Final Terms contains all the information which is material in the context of the issue of such Notes.

Neither the Issuer, the Arranger, the Dealers, nor any institution subsequently appointed as a dealer pursuant to the Programme Agreement, accept any responsibility, express or implied, for updating the Information Memorandum and neither the delivery of the Information Memorandum nor any offer or sale made on the basis of the information in the Information Memorandum shall under any circumstances create any implication that the Information Memorandum is accurate at any time subsequent to the date thereof with respect to the Issuer or that there has been no change in the business, financial condition or affairs of the Issuer since the date thereof.

This Information Memorandum comprises listing particulars made pursuant to the Listing and Admission to Trading Rules for Short Term paper published by Euronext Dublin. This Information Memorandum should be read and construed with any supplemental Information Memorandum, any Final Terms and with any document incorporated by reference. Any statement contained herein or in a document incorporated by reference or contained in any supplementary information memorandum or in any document which is subsequently incorporated by reference herein shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede earlier statements contained in this Information Memorandum or in a document which is incorporated by reference in this Information Memorandum.

The Information Memorandum comprises listing particulars made pursuant to the Listing and Admission to Trading Rules for Short Term Paper promulgated by Euronext Dublin. This Information Memorandum should be read and construed in conjunction with any supplemental information memorandum, any Final Terms and with any document incorporated by reference.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained or incorporated by reference in this Information Memorandum, in the Programme Agreement (as defined herein), in any other document prepared in connection with the Programme or in any Final Terms or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer, the Arranger or the Dealers.

Neither the Arranger nor any Dealer has independently verified the information contained in the Information Memorandum. Accordingly, no representation or warranty or undertaking (express or implied) is made, and no responsibility or liability is accepted by any of them as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum, any Final Terms or in or from any accompanying or subsequent material or presentation.

The information contained in the Information Memorandum, or any Final Terms is not and should not be construed as a recommendation by the Arranger, the Dealers or the Issuer that any recipient should purchase Notes. Each such recipient must make and shall be deemed to have made its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer and of the Programme as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Information Memorandum or any Final Terms.

Neither the Arranger nor any Dealer undertakes to review the business or financial condition or affairs of the Issuer during the life of the Programme, nor do they undertake to advise any recipient of the Information Memorandum or any Final Terms of any information or change in such information coming to their attention.

Neither the Arranger nor any Dealer accepts any liability in relation to this Information Memorandum or any Final Terms or its or their distribution by any other person. This Information Memorandum does not, and is not intended to, constitute (nor will any Final Terms constitute, or be intended to constitute) an offer or invitation to any person to purchase Notes. The distribution of this Information Memorandum and any Final Terms and the offering for sale of Notes or any interest in such Notes or any rights in respect of such Notes, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum, any Final Terms or any Notes or any interest in such Notes or any rights in respect of such Notes are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Notes and on distribution of this Information Memorandum and other information in relation to the Notes set out under "*Subscription and Sale*" below.

The Bank of New York Mellon SA/NV, Dublin Branch is acting solely in its capacity as listing agent for the Issuer (and not on its own behalf) in connection with the application for admission of the Notes to the Official List of Euronext Dublin and trading on its regulated market.

The Issuer has undertaken, in connection with the admission of the Notes to the Official List and trading on the regulated market of Euronext Dublin, that if there shall occur any adverse change in the business or financial position of the Issuer or any change in the terms and conditions of the Notes, that is material in the context of the issuance of Notes under the Programme, the Issuer will prepare or procure the preparation of an amendment or supplement to this Information Memorandum or, as the case may be, publish a new Information Memorandum, for use in connection with any subsequent issue by the Issuer of Notes to be admitted to the Official List and trading on the regulated market of Euronext Dublin. Any such supplement to this Information Memorandum will be subject to the approval of Euronext Dublin prior to its publication.

This Information Memorandum describes in summary form certain Spanish tax implications and procedures in connection with an investment in the Notes (see "*Risk Factors – Risks in Relation to the Notes – Risks in Relation to Spanish Taxation*" and "*Taxation – Taxation in the Kingdom of Spain*"). Holders of Notes must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Notes.

Certain Dealers and their affiliates (including parent companies) have engaged, and may in the future engage, in lending, investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In particular, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of any of the Issuer or its affiliates. Certain Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purpose of this paragraph the term "affiliates" also includes parent companies.

A communication of an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received in connection with the issue or sale of any Notes will only be made in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes may include a legend entitled "**MiFID II product governance - professional investors and eligible counterparties only target market**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, **MiFID II**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID II Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes may include a legend entitled “**UK MiFIR Product Governance - professional investors and eligible counterparties only target market**” outlining the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

EU BENCHMARK REGULATION

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the **EU Benchmark Regulation**). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (**ESMA**) pursuant to Article 36 (Register of administrators and benchmarks) of the EU Benchmark Regulation. Transitional provisions in the EU Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Final Terms. The registration status of any administrator under the EU Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

Interpretation

In the Information Memorandum, references to **EUR**, **€** and **Euro** are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended; references to **Sterling** and **£** are to the currency of the United Kingdom (the **UK**); references to **U.S. dollars** and **U.S.\$** are to the currency of the United States of America (the **U.S.**); references to **JPY** and **¥** are to the currency of Japan, references to **CHF** are to Swiss Francs and references to **C\$** are to Canadian Dollars.

In this Information Memorandum the words **Issuer** or **FCC Servicios Medio Ambiente** refer to FCC Servicios Medio Ambiente Holding, S.A.U., the word **FCC** refers to Fomento de Construcciones y Contratas, S.A., the words **Group** or **FCC Servicios Medio Ambiente Group** refer to FCC Servicios Medio Ambiente and its subsidiaries, and the word **FCC Group** refers to FCC and its subsidiaries.

Where the Information Memorandum refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

For these purposes, **IFRS-EU** refers to the International Financial Reporting Standards as adopted by the European Union (the **EU**).

The language of the Information Memorandum is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of the Information Memorandum.

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RISK FACTORS

The Issuer believes that the following factors may affect their ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme as at the date of this Information Memorandum, but the inability of the Issuer to pay any amounts due on or in connection with any Notes or the Deed of Covenant, may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the information set out elsewhere in this Information Memorandum and reach their own view prior to making any investment decision.

Investing in Notes issued under the Programme involves certain risks. Prospective investors should consider, among other things, the following:

Risks Relating to Macroeconomic Conditions

The Issuer and its subsidiaries' business could be adversely affected by the deterioration of global or Spanish economic conditions and by the current geopolitical conflict between Russia and Ukraine.

The business performance of the Issuer and its subsidiaries (the **FCC Servicios Medio Ambiente Group** or the **Group**) is closely linked to the economic cycle in the countries, regions and cities in which it operates. Normally, robust economic growth in those areas where it is located results in greater demand for its services, while slow economic growth or economic contraction adversely affects demand for its services. Even in the absence of a market downturn, the FCC Servicios Medio Ambiente Group is exposed to substantial risk stemming from volatility in areas such as consumer spending, business investment, government spending, capital markets conditions and price inflation, which affect the business and economic environment and, consequently, the size and profitability of its business. For example, regarding increased inflation, given the Group operates in labour intensive activities, increased costs arising from salary revisions indexed to the Consumer Price Index (**IPC**) might not be recovered through amounts invoiced to clients. Unfavourable economic conditions could lead to lower revenues, reduced investment in waste management facilities and reduced demand for the services provided by the FCC Servicios Medio Ambiente Group. Furthermore, any financial difficulties suffered by the FCC Servicios Medio Ambiente Group's subcontractors or suppliers could increase its costs or adversely affect its project schedules.

The FCC Servicios Medio Ambiente Group has operations in 11 countries worldwide where over 45% of its revenues are generated in international markets mainly in the UK, Central Europe and the U.S., and is exposed to both the economic and political risks of each of those countries. For instance, the recent turmoil in the banking sector has reinforced a tightening of financial conditions and heightened uncertainty in financial markets globally following the collapse of several U.S. regional banks as well as the forced sale of Credit Suisse to UBS in March 2023. Concerns about the stability of certain banks or the global financial system could lead to a worsening of credit conditions and negatively affect businesses and governments generally, including certain of FCC Servicios Medio Ambiente Group's customers and suppliers. In addition, central banks may be forced to rethink their monetary policy responses to heightened inflation as a result of the adverse effect higher interest rates could have on banks' held-to-maturity assets. This, in turn, could lead to a more sustained inflationary cycle and have a material adverse effect on the Group's business, financial condition, results of operations and prospects. In addition, investor confidence may fall due to uncertainties arising from political events in the different countries in which the Group operates, which may ultimately result in changes in laws, regulations and policies.

Economic growth, globally and in the EU, has recovered since the financial crisis that began in 2008 but the fallout from the Covid-19 pandemic and the geopolitical tensions between the U.S. and China continues to affect

economic growth and global supply chains. In addition, Russia's invasion of Ukraine in February 2022 has resulted in soaring energy and commodity prices, exacerbating inflationary pressures in major economies. Downside risks to the global economy are clear – increase by central banks of interest rates following policies to contain inflationary pressures, inflationary pressures due to, among others, the trade sanctions which the United States and the EU imposed on Russia and Belarus in the context of the invasion and potential knock-on effects in the global economy, including a recession. In addition, political uncertainty and instability risks have been on the rise across many developed economies with inward-looking policies and protectionism possibly leading to increased pressures for policy reversals or failure to implement needed reforms. Furthermore, other factors or events may affect global economic conditions, such as a negative market reaction to interest rate increases by the U.S. Federal Reserve and the European Central Bank (the **ECB**), heightened geopolitical tensions, war, acts of terrorism, natural disasters or other similar events outside the FCC Servicios Medio Ambiente Group's control. Any deterioration of the economies of the countries in which the Issuer operates could have a material adverse effect on the FCC Servicios Medio Ambiente Group's business, financial.

In addition, concerns about independence movements within the EU, such as the continuing Catalan independence movement in Catalonia, could cause significant market dislocations and lead to adverse economic and operational impacts that are inherently difficult to predict or evaluate. Any of these factors could have a material adverse effect on the FCC Servicios Medio Ambiente Group's business, financial condition, results of operations and prospects.

FCC Servicios Medio Ambiente Group's business is subject to risks related to its international operations.

As a result of its process of diversification, almost half of the FCC Servicios Medio Ambiente Group's operating revenue (45% of the revenue as of 31 December 2022) is generated outside of Spain, in countries such as the UK, Czech Republic, Austria, Slovakia, Poland, the U.S. and Hungary. The revenues of, market value of, and dividends payable by, subsidiaries within the FCC Servicios Medio Ambiente Group are exposed to risks inherent to the countries where they operate. The operations in some of the countries where the FCC Servicios Medio Ambiente Group is present are exposed to various risks related to investments and business, such as:

- fluctuations in local economic growth;
- changes in inflation rates;
- devaluation, depreciation or excessive valuation of local currencies;
- foreign exchange controls or restrictions on profit repatriation;
- changing interest rate environment;
- changes in financial, economic and tax policies;
- instances of fraud, bribery or corruption;
- changes in law and regulation;
- social conflicts; and
- political and macroeconomic instability.

The FCC Servicios Medio Ambiente Group is exposed to these risks in all of its foreign operations to some degree, and such exposure could have a material adverse effect on the FCC Servicios Medio Ambiente Group's business, financial condition, results of operations and prospects. As a result of Russia's invasion of Ukraine, the geopolitical tensions between the U.S. and China and the current inflationary pressures coupled with the tightening of the monetary policy by central banks, there is currently significant uncertainty about the economic outlook

globally. The FCC Servicios Medio Ambiente Group cannot assure that it will not be subject to material adverse developments with respect to its international operations or that any insurance coverage it has will be adequate to compensate it for any losses arising from such risks.

Legal and Regulatory Risks

The industries in which the FCC Servicios Medio Ambiente Group operates are subject to extensive regulation that is subject to changes.

In performing its business operations, the FCC Servicios Medio Ambiente Group must comply with various local, provincial, national, and international laws and regulations. Laws and regulations applicable to its business operations vary from jurisdiction to jurisdiction and even between municipalities and may be subject to changes that may be favourable or unfavourable. A change in the legal framework could lead to different or more restrictive regulations that could cause changes in the FCC Servicios Medio Ambiente Group's operating conditions and, in turn, may increase its capital expenditures (for example, requirements to modify the configuration of existing facilities) or its operating expenses (for example, through the implementation of additional inspection and monitoring procedures), affect its income statement and balance sheet, or otherwise hinder its development plans. Among the possible new regulations, such as those applicable to waste collection services, could affect the FCC Servicios Medio Ambiente Group's profits.

An example of such a regulation which has caused the FCC Servicios Medio Ambiente Group to adapt its activities is the Landfill Tax in the UK and other Central and Eastern European countries that impose taxes on the type and volume of waste deposited in landfills in an effort to promote recycling, composting, and recovery of waste. In addition, in Spain, Law 7/2022, of 8 April, on waste and contaminated soils for a circular economy (*Ley 7/2022, de 8 de abril, de residuos y suelos contaminados para una economía circular*) includes a tax imposed on landfill, incineration, and co-incineration of waste, which came into force last 1 January 2023.

The tax on landfill and waste incineration is an indirect tax on any waste generated that is destined for disposal via landfill, incineration or co-incineration. The tax becomes chargeable upon disposal at the landfill or upon incineration or co-incineration at the relevant facilities. The tax applies throughout Spain, is collected by the autonomous regions, and replaces the existing regional taxes.

Another example of a risk to be considered affecting the activity developed by FCC Servicios Medio Ambiente Group is the announcement by the UK government of a new temporary Electricity Generator Levy (EGL) of 45% on the extraordinary revenues of low carbon electricity generators, to be enacted from 1 January 2023 up to 31 March 2028.

The EGL will apply to corporate groups or standalone companies that (a) undertake electricity generation in the UK from nuclear and renewable (including biomass) sources or energy from waste, and (b) who are connected either to the UK national transmission network or to local distribution networks.

The FCC Servicios Medio Ambiente Group is subject to environmental and hygiene regulations.

In the countries where the FCC Servicios Medio Ambiente Group operates, there are local, regional, national and EU bodies which regulate its activities and establish applicable environmental health and safety regulations. The technical requirements imposed by environmental health and safety regulations are gradually becoming more costly, complex and stringent. The FCC Servicios Medio Ambiente Group has incurred, and will continue to incur, significant costs and other expenditures to comply with environmental, health and safety obligations and to manage its hygiene-related risks. In particular, these risks relate to waste processing, soil and ground water contamination, the quality of emissions to air and to water. The FCC Servicios Medio Ambiente Group may be unable to recover this expenditure through higher prices.

Legal requirements, including specific precautionary and preventive measures, may oblige the FCC Servicios Medio Ambiente Group to make investments and incur other expenses to ensure that the installations it operates

are in compliance with applicable regulations. In cases where the FCC Servicios Medio Ambiente Group has no investment obligation, it may be required to notify clients of their obligation to undertake the necessary compliance work themselves. Failure by a client to meet these obligations could be prejudicial to the FCC Servicios Medio Ambiente Group as an operator and could adversely affect its reputation and capacity for growth. Furthermore, regulatory bodies have the power to launch proceedings that could lead to the suspension or cancellation of permits or authorisations that the FCC Servicios Medio Ambiente Group holds, or to injunctions requiring it to suspend or cease certain activities. These measures may be accompanied by fines and civil or criminal sanctions that could have a material adverse effect on the FCC Servicios Medio Ambiente Group's business, financial condition, results of operations and prospects.

In addition, environment or health and safety regulations may impose strict liability in the event of damage to natural resources or threats to public and the workforce safety and health. Strict liability may mean that the FCC Servicios Medio Ambiente Group is held liable for environmental or the workforce damage regardless of whether it has acted negligently, or that it owes fines whether or not effective damage exists or is proven, and the FCC Servicios Medio Ambiente Group could be held jointly and severally liable with other parties.

Moreover, FCC Servicios Medio Ambiente Group may become obligated to pay fines, repair damage or undertake improvement work even when FCC Servicios Medio Ambiente Group has conducted its activities with due care and in full compliance with operating permits. FCC Servicios Medio Ambiente Group could be held jointly and severally liable with other parties. The competent authorities may impose fines or sanctions or may revoke and refuse to grant authorisations and permits based on a breach of current regulations.

Some of FCC Servicios Medio Ambiente Group activities could cause human illness, injury or death, business interruption, or damage to property or the environment. The measures FCC Servicios Medio Ambiente Group undertakes to mitigate these risks, including contractual limitations on liability, prevention and protection measures, and insurance policies covering what it believes to be its key operational risks, may prove to be insufficient, resulting in significant costs. The entry into force of new laws, the discovery of previously unknown sources of pollution or health and safety damages, the imposition of new or more stringent requirements or a stricter application of existing regulations may increase the FCC Servicios Medio Ambiente Group's costs or impose new responsibilities, leading to lower earnings and liquidity available for its activities and could have a material adverse effect on the FCC Servicios Medio Ambiente Group's business, financial condition, results of operations and prospects.

The FCC Servicios Medio Ambiente Group could be held liable for environmental damage resulting from its operations and its insurance for environmental liability may not be sufficient to cover that damage.

Significant liability could be imposed on the FCC Servicios Medio Ambiente Group for damages, clean-up costs or penalties in the event of certain discharges into the environment and/or environmental contamination and damage. The FCC Servicios Medio Ambiente Group's insurance for environmental liability may not be sufficient or may not apply to any particular exposure to which it may be subject resulting from the type of environmental damage in question. Any substantial liability for environmental damage could have a material adverse effect on the FCC Servicios Medio Ambiente Group's business, financial condition, results of operations and prospects.

The FCC Servicios Medio Ambiente Group's operations are subject to anti-bribery and anti-corruption laws and regulations that govern and affect where and how its business may be conducted.

The FCC Servicios Medio Ambiente Group's activities are subject to a number of laws and regulations including the Spanish Criminal Code, which was modified in 2010 and sets out the criminal liability of legal persons, and to other additional anti-corruption laws in other jurisdictions. The FCC Servicios Medio Ambiente Group has established a corporate compliance model to facilitate compliance with applicable laws and regulations and has provided training to its employees to facilitate compliance with such laws and regulations. However, there can be no assurance that the FCC Servicios Medio Ambiente Group's policies and procedures will be followed at all times or that it could effectively detect and prevent all violations of the applicable laws and regulations and every instance of fraud, bribery and corruption in every jurisdiction in which one or more of its employees, consultants,

agents, commercial partners, contractors, sub-contractors or joint venture partners is located. The FCC Servicios Medio Ambiente Group could be subject to penalties and reputational damage if its employees, consultants, agents, suppliers, or partners violate any anti-corruption or anti-bribery laws.

The FCC Servicios Medio Ambiente Group is subject to litigation risks.

The FCC Servicios Medio Ambiente Group is, and may in the future be, a party to judicial, arbitration and regulatory proceedings which arise in the ordinary course of business, including claims relating to defects in services rendered, employment-related claims, environmental claims and tax claims. Unfavourable outcomes in these proceedings could impose significant liabilities on the FCC Servicios Medio Ambiente Group, such as damages, clean-up costs or penalties in the event of spills, discharges or environmental contamination or interference in the conduct of the FCC Servicios Medio Ambiente Group's business. For a summary of certain legal proceedings relating to the FCC Servicios Medio Ambiente Group, see "Description of the Issuer – Legal Proceedings". An unfavourable outcome (including an out-of-court settlement) in one or more of such proceedings could have a material adverse effect on the FCC Servicios Medio Ambiente Group's business, financial condition, results of operations and prospects.

Risks Relating to the FCC Servicios Medio Ambiente Group's Business Activity and Industry

The FCC Servicios Medio Ambiente Group is highly dependent on customers in the public sector. Public authorities may be able to modify or terminate its contracts unilaterally before their completion or change agreed tariff rates.

The FCC Servicios Medio Ambiente Group generates the majority of its revenue from contracts with public authorities. Depending on the jurisdiction and the specific circumstances, a public authority client may be able to unilaterally terminate its contract with the FCC Servicios Medio Ambiente Group activating different compensation mechanisms depending on the local regulation that may result in compensation. Even when compensation is received it may be insufficient to cover profit lost as a result of termination. In Spain, if the public authority that granted a concession to the FCC Servicios Medio Ambiente Group's core business segments terminates or takes over the concession, it typically must include, as part of the compensation payable to the FCC Servicios Medio Ambiente Group, the profits it would forego through the end of the concession's term. On most contracts, however, the FCC Servicios Medio Ambiente Group is typically entitled to recover only costs incurred or committed, settlement expenses and profit on work completed up to the date of termination. In Spain, the FCC Servicios Medio Ambiente Group's ability to recover profits lost depends upon whether the public authority terminated the contract for cause attributable to the FCC Servicios Medio Ambiente Group.

If the FCC Servicios Medio Ambiente Group is unable to replace contracts that have been terminated, it may suffer a decline in revenue. Furthermore, regardless of the nature and amount of compensation the FCC Servicios Medio Ambiente Group may be due under the relevant contract, it may need to resort to legal or arbitration procedures to collect any such compensation, increasing its cost of collections and delaying the receipt of the amounts due.

The FCC Servicios Medio Ambiente Group cannot assure a prospective investor that any measures it may take to redress contractual breaches by a public authority or to negotiate adequate compensation or modification of concession terms to restore the economic viability of the relevant contracts, would be successful. Unilateral terminations or amendments of contracts by public authorities could have a material adverse effect on the FCC Servicios Medio Ambiente Group's business, financial condition, results of operations and prospects.

Challenging economic conditions have led to a reduction in public expenditures in areas such as concessions and infrastructure.

Current economic conditions have led to a sharp reduction in projects for the public sector. According to the Organisation for Economic Co-operation and Development (OECD) in June 2022, gross domestic product growth in Spain decreased to 4.1% in 2022 (from 5.1% in 2021) and is expected to decrease to 2.2% in 2023 due to

heightened uncertainty, high inflation and slower external demand. According to the Spanish National Statistics Institute (INE), Spanish 12-month inflation rose to 10.2% in June 2022 from 8.7% in May 2022, the first time inflation in Spain surpassed 10% since April 1985, against the backdrop of significant increases in prices for energy and food. Economic instability and difficult economic conditions in Spain and elsewhere have also resulted in a decline in tax revenue received by the FCC Servicios Medio Ambiente Group's public administration customers, which has led to a reduction in public expenditures in areas including concessions, infrastructure and construction projects. Increasing costs for social security and certain other programs in some jurisdictions can exacerbate this effect. Spanish Public administration customers represented 85.63% of the FCC Servicios Medio Ambiente Group's revenue in Spain as of 31 December 2021 and 46.45% of the FCC Servicios Medio Ambiente Group's global revenue as of 31 December 2022.

In addition to general budgetary considerations, many of the FCC Servicios Medio Ambiente Group's customers, including public authorities, continually seek to achieve greater cost savings and improved efficiencies. These and other factors could therefore result in the FCC Servicios Medio Ambiente Group's customers reducing their budgets for spending on its products and services or reducing any government subsidies that may be available. A further decrease in the spending on development and execution of public sector projects by governments and local authorities could have a material adverse effect on the FCC Servicios Medio Ambiente Group's business, financial condition, results of operations and prospects.

Certain municipalities could decide to take over services that the FCC Servicios Medio Ambiente Group currently provides.

Urban services are affected by the decisions of current or future local governments. In certain cases, such decisions could result in the municipalisation of those services once the term of the concession contracts has expired or even before the expiration of the term of the contract, depriving it of future business.

The FCC Servicios Medio Ambiente Group's business, results of operations and financial condition may be adversely affected if it fails to obtain or renew, or if there are any material delays in obtaining, requisite government approvals for its projects.

The FCC Servicios Medio Ambiente Group operates in jurisdictions where its activities may be regulated and subject to governmental approvals. In order to develop and complete a project, the developer may need to obtain permits, licenses, certificates and other approvals from the relevant administrative authorities at various stages of the project process. The process for obtaining these approvals is often lengthy and complex. The FCC Servicios Medio Ambiente Group cannot assure that it will be able to obtain necessary governmental approvals or fulfil the conditions required for obtaining such approvals, or adapt to new laws, regulations or policies that may come into effect from time to time. If the FCC Servicios Medio Ambiente Group is unable to obtain the relevant approvals or fulfil the conditions of such approvals for a significant number of its projects, its projects could be delayed, its reputation with customers could suffer and its ability to generate revenue could be compromised.

The FCC Servicios Medio Ambiente Group's design and construction activities expose it to risk.

In the FCC Servicios Medio Ambiente Group's business, it executes turnkey design build contracts remunerated on a fixed price basis. Whether a turnkey contract is revisable can vary by jurisdiction. For example, pricing terms in international turnkey contracts can be difficult to revise. On the other hand, historically, it has generally been possible to revise such terms in Spanish turnkey contracts, although in recent periods, there has been increasing resistance to revisable pricing terms. In many cases, the FCC Servicios Medio Ambiente Group earnings are conditioned on meeting performance objectives and failure to meet these objectives triggers contractual penalties.

Contracts of this nature expose the FCC Servicios Medio Ambiente Group to technical, operational and economic risks. The FCC Servicios Medio Ambiente Group cannot ensure that any contractual measures it may take to mitigate these risks will be effective. The FCC Servicios Medio Ambiente Group may, moreover, encounter difficulties over which it has no control. These difficulties may relate, for example, to the complexity of certain

infrastructure, climate or economic risks or construction contingencies, the purchasing and ordering of equipment and supplies of commodities, or changes in performance schedules.

In some cases, the FCC Servicios Medio Ambiente Group is required to integrate into its project planning existing information or studies provided by the customer. This information may prove inaccurate or inconsistent. The FCC Servicios Medio Ambiente Group may also be required to use existing infrastructure with poorly adapted operating characteristics. These difficulties and hazards may result in non-compliance with contractual performance indicators, additional expense, lost revenue or contractual penalties.

The FCC Servicios Medio Ambiente Group may be required to bear the costs of tendering for new contracts, contract renewals and/or extensions with no control over the selection process nor certainty of winning the tender.

A substantial portion of the FCC Servicios Medio Ambiente Group's work is competitively tendered and it is difficult to predict whether it will be awarded new contracts due to multiple factors such as qualifications, experience, reputation, technology, customer relationships, financial strength, and ability to provide the relevant services in a timely, safe, and cost-efficient manner. Bidding costs associated with tendering for new contracts, extensions in the scope of work, or renewals of existing contracts can be significant and may not necessarily result in the award of a contract. Furthermore, preparation for bids occupies management and operating resources. If the FCC Servicios Medio Ambiente Group fails to win a particular tender, bidding costs are generally not recoverable.

Any failure to meet project deadlines and budgets may have a material adverse effect on the business, financial condition and results of operations of the FCC Servicios Medio Ambiente Group.

There are certain risks that are inherent to large-scale construction projects, such as shortages, and increased costs, of materials, machinery and labour. If any of the FCC Servicios Medio Ambiente Group's contractors and subcontractors fails to meet agreed deadlines and budgets, or if there are any interruptions arising from adverse weather conditions or unexpected technical or environmental difficulties, there may be resulting delays and excess construction costs. Contractor and subcontractor liability clauses, included in most standard construction agreements entered into with contractors and subcontractors, generally cover these situations, although they may not cover the total value of any resulting losses. In the event of construction delays, the FCC Servicios Medio Ambiente Group may receive revenues later than expected and could face penalties and even contractual termination. These eventualities could increase the FCC Servicios Medio Ambiente Group's expenses and reduce its income, particularly if it is unable to recover any such expenses from third parties under its concessions, which could have a material adverse effect on the FCC Servicios Medio Ambiente Group's business, financial condition, results of operations and prospects.

The FCC Servicios Medio Ambiente Group carries out many of its activities under long-term contracts. Long-term contracts can hinder its ability to react rapidly and appropriately to new and financially unfavourable situations.

The initial circumstances or conditions under which the FCC Servicios Medio Ambiente Group may enter into a contract may change over time, with possible adverse economic consequences. These changes vary in nature and may or may not be readily foreseeable. The FCC Servicios Medio Ambiente Group cannot assure prospective investors that any contractual provisions, such as price-indexing clauses, that it may use to address such changes and restore the initial balance of the contract will be effective. Accordingly, the FCC Servicios Medio Ambiente Group may be unable to adapt its compensation to reflect changes in its costs or in demand, regardless of whether this compensation consists of a price paid by the customer or a fee levied on end users based on an agreed scale.

These constraints are exacerbated by the long-term nature of many of the FCC Servicios Medio Ambiente Group's contracts. In all cases, and most particularly with regard to public service management contracts, it is obligated to remain within the scope of the contract and ensure continuity of service. The FCC Servicios Medio Ambiente Group cannot unilaterally and suddenly terminate a business that it believes to be unprofitable, or change its features, except, under certain circumstances, in the event of obvious misconduct by the customer.

Additionally, Law 2/2015, of 30 March, regulating the de-indexation of the Spanish economy (*Ley 2/2015, de 30 de marzo, de desindexación de la economía Española*) (the **Spanish De-Indexing Law**), and Royal Decree 55/2017, of 3 February, which implements the Spanish De-Indexing Law (the **RD 55/2017**), permit the update of prices in new public contracts only under certain contractual circumstances and require the prices to be updated according to a formula approved by the Council of Ministers or, in the latter's absence, by each contracting authority, linking the index to real costs of the specific activity instead of the IPC.

Although a majority of the previous FCC Servicios Medio Ambiente Group's current public contracts already apply price updating systems (different from the Consumer Price Index) linking the price to the real cost of the activity, the Spanish De-Indexing Law and RD 55/2017 has an impact on its recent and future contracts. This legislation limits the cases in which contracts' prices may be updated; in those cases in which an update is admissible, the contracting authority must justify the need for the update and establish the price update formula in the particular public terms for tender of the relevant contract in accordance with the criteria set out in the Spanish De-Indexing Law and RD 55/2017. Where the Council of Ministers has approved a particular update formula for a specific type of contract, only that formula can be used. In both cases, the formula to update the contract price will apply during the whole life of the contract.

A change of circumstances or conditions under which the FCC Servicios Medio Ambiente Group may enter into a contract and an inability by it to adapt its compensation under such contract could have a material adverse effect on the FCC Servicios Medio Ambiente Group's business, financial condition, results of operations and prospects.

Decreases in waste collection would cause a decrease in the fees collected by the FCC Servicios Medio Ambiente Group.

The fees in certain contracts for the FCC Servicios Medio Ambiente Group's waste collection services are calculated based upon the tonnage of waste collected. Accordingly, a reduction in waste collection would cause a decrease in its fees. The reduction of waste produced has been caused by reductions in consumption, particularly of its commercial customers, which are driven largely by general macroeconomic conditions. However, this decrease in volumes of waste collection may appear again in the future, which could have a material adverse effect on the FCC Servicios Medio Ambiente Group's business, financial condition, results of operations and prospects.

The landfill business in the UK has been and continues to be subject to a highly adverse market situation, which could deteriorate even further in the future and therefore negatively affect us.

The main cause of the deterioration of the FCC Servicios Medio Ambiente Group landfill business in the UK has been the application of European legislation aimed at drastically reducing the waste deposited in landfills. The UK Parliament introduced and, subsequently, gradually increased the Landfill Tax. In addition, there is institutional support for alternative disposal methods including recycling, treatment, and disposal (mainly incineration) instead of using landfills. Separately, there has been a reduction in the total volume of waste generated as a result of the economic crisis and the pandemic, but volumes started to pick up from that low point.

If the circumstances which produced the situation described above worsen and produce a new decrease in business, there could be an additional adverse effect on the FCC Servicios Medio Ambiente Group's business, financial condition, results of operations and prospects.

The FCC Servicios Medio Ambiente Group uses significant volumes of energy in its business, exposing it to the risk of energy price fluctuations.

In its business operations, the FCC Servicios Medio Ambiente Group consumes significant volumes of energy resources. The principal elements of the FCC Servicios Medio Ambiente Group's energy costs are electricity expenses, fuel expenses and the purchase of raw materials. Its results are thus significantly affected by movements in energy prices.

In a number of jurisdictions in which the FCC Servicios Medio Ambiente Group operates, energy prices have increased significantly and may vary significantly in the future. Fluctuations in energy prices are largely caused by market forces and other factors beyond its control such as Russia's invasion of Ukraine which resulted in soaring energy and commodity prices.

However, the FCC Servicios Medio Ambiente Group cannot assure you that the measures it adopts to mitigate the risk of energy price inflation, which include diversifying its fuel sources, using alternative fuel, using contractual provisions to pass on cost increases to customers and seeking to lock in favourable prices through long term supply contracts, will prove adequate to protect it from variations in energy costs. High energy prices over protracted periods could substantially increase the FCC Servicios Medio Ambiente Group's costs and decrease its margins to the extent it is unable to adjust its product prices to offset energy price increases.

The FCC Servicios Medio Ambiente Group's ability to make payments on some of its obligations is connected to its clients' ability to pay it.

The FCC Servicios Medio Ambiente Group's liquidity risk is significantly attributable to its trade receivables and hence, correlates with its exposure to customer credit risk. The receivables most relevant to its ability to generate sufficient revenue to make outgoing payments comprise mainly payments from public authorities. The risk related to public authorities is primarily that of late payments, which can strain the FCC Servicios Medio Ambiente Group's liquidity. As of 31 December 2022, the FCC Servicios Medio Ambiente Group had over EUR238.5 million in past due trade receivables from public authorities in Spain. Payment speed from Spanish public authorities has improved since 2013 after suffering a decline following the crisis in 2008 and 2009. In addition, during the recent financial crisis, the Spanish Government established certain stimulus measures to reduce the financial impact of the economic downturn. The FCC Servicios Medio Ambiente Group cannot assure you that, if there is another economic downturn, the public authorities will continue or increase any type of stimulus package that is currently in place. Nor can it assure you that the Spanish Government will not eliminate or reduce any stimulus measures that are currently in place. However, should the Spanish economy enter into a new decline, a lengthening payment cycle from public authorities could be one adverse consequence.

The FCC Servicios Medio Ambiente Group relies on technology to operate its business and maintain its competitiveness. If it fails to adapt to technological developments or industry trends, its business could suffer.

In conducting its business, the FCC Servicios Medio Ambiente Group depends on sophisticated information and other technologies, including, among others, systems for communications, procurement and contract administration. In particular, in certain activities or in connection with specific projects, the FCC Servicios Medio Ambiente Group may rely on customised software or other technologies for which it could be difficult or impossible to identify an alternative supplier. As operations grow in size and scope, the FCC Servicios Medio Ambiente Group will need to continuously improve, upgrade and integrate its businesses, systems and infrastructure. Its future success will depend on its ability to adapt its services and infrastructure to rapidly evolving consumer trends and technological demands. The FCC Servicios Medio Ambiente Group's historical success in developing its technological platforms provides no guarantee that it will continue to be successful. If the FCC Servicios Medio Ambiente Group is unable to continue to develop the technologies it needs to compete for and execute projects, it may lose market share and revenue to existing competitors or new market entrants better able to implement the necessary technologies.

Competition in the FCC Servicios Medio Ambiente Group's industries is intense and the relevant technologies advance at a rapid pace. To succeed, the FCC Servicios Medio Ambiente Group must continuously develop and improve its technological platforms. If it fails to do so, any competitive advantage that its technology had created would likely diminish over the short to medium term, leaving the FCC Servicios Medio Ambiente Group vulnerable to competitors that succeed in advancing and improving their technical platforms. Furthermore, even if the FCC Servicios Medio Ambiente Group develops technologies superior to those of its competitors, it cannot assure you that it will be able to maintain its competitive advantage.

The FCC Servicios Medio Ambiente Group is also at risk that disruptive technologies are developed. It is possible that new technologies will emerge that could dramatically alter its industry. If the FCC Servicios Medio Ambiente Group is unable to adopt such new technologies or adapt its existing technologies to compete against them effectively, it could become difficult or impossible to maintain or improve its position in its markets of operation.

The FCC Servicios Medio Ambiente Group operates in highly competitive industries.

The FCC Servicios Medio Ambiente Group competes against various groups and companies that may have more experience, resources or local awareness than it does. Furthermore, these groups and companies may have greater resources than the FCC Servicios Medio Ambiente Group, whether material, technical or financial, or may demand lower returns on investment and be able to present better technical or economic bids compared to it.

The FCC Servicios Medio Ambiente Group competes in Spanish and international markets in urban municipal waste collection and cleaning services and large construction projects involving complex design. Competition in these markets is based primarily on price, technical expertise, timely delivery of services and local presence. Accordingly, certain risk exists that in the public tenders related to the FCC Servicios Medio Ambiente Group's business segments, its competitors may present prices which are unrealistically low, both technically and economically, such that it is not viable for it to compete in certain circumstances.

Given this high level of competition, the FCC Servicios Medio Ambiente Group may be unable to secure contracts, either directly or through its investee companies, for new projects in the geographical areas in which it operates. If the FCC Servicios Medio Ambiente Group is unable to obtain contracts for new projects in order to sustain a backlog in line with the current one, or if these projects are only awarded under less favourable terms, its business, financial condition, results of operations and prospects could be adversely affected.

Business partnerships that the FCC Servicios Medio Ambiente Group's enter into can expose it to risk.

The FCC Servicios Medio Ambiente Group may be required to conduct some of its business activities through partnerships, joint ventures or consortia or other similar arrangements with public authorities or private companies. Such business partnerships may be required by the terms of the tender. The participants in these partnerships share the operational, economic, and financial risks associated with certain large projects or activities. In some of these business partnerships, the FCC Servicios Medio Ambiente Group must accept a partial loss of control. The FCC Servicios Medio Ambiente Group seeks to manage this reduced control contractually. However, adverse developments in the project or activity, in the underlying economic or political situation, or in partners' economic position, could lead to conflict. These situations can harm the performance of a partnership and, in some cases, lead to its termination. Additionally, if its partner becomes insolvent or its financial capabilities are otherwise significantly strained or limited, then the FCC Servicios Medio Ambiente Group may be liable for payments of the partnership or of its partner under any related obligations or guarantees and be unable to seek appropriate compensation from its partners.

The FCC Servicios Medio Ambiente Group's backlog is subject to adjustments and project cancellations and is, therefore, an uncertain indicator of future earnings.

As of 31 December 2022, the FCC Servicios Medio Ambiente Group total backlog was EUR13,255.5 million.

The FCC Servicios Medio Ambiente Group calculates backlog as of any given date as the aggregate of contractual values, less amounts under those contracts that it has recognised as revenue.

Unforeseen events or circumstances can adversely affect the amount and timing of future revenue generated by the projects for which the FCC Servicios Medio Ambiente Group record backlog. These events and circumstances can include:

- cancellation of projects;

- scaling down or other amendments to the terms of projects;
- increased time requirements to complete work;
- work disruptions; and
- customer termination of a contract if its performance is inadequate.

Moreover, the FCC Servicios Medio Ambiente Group cannot predict the impact of future economic conditions on its backlog. Adverse economic conditions can limit its ability to replace backlog once projects are completed or can result in the termination, modification or suspension of projects currently included in its backlog.

The FCC Servicios Medio Ambiente Group cannot guarantee that its backlog will generate the expected revenues or cash flows or will generate them during the expected financial periods. Accordingly, investors should exercise caution in analysing its backlog, and should not regard backlog as a forecast of future revenue.

The FCC Servicios Medio Ambiente Group's failure to accurately estimate risks, the availability and cost of resources and time when bidding on projects, particularly fixed fee projects, could adversely affect its profitability.

Under fixed fee contracts, the FCC Servicios Medio Ambiente Group realises a profit only if it can successfully estimate its costs and prevent cost overruns on contracts. Cost overruns can result in lower profits or operating losses on projects. Factors such as the availability and cost of materials, equipment and labour, wage inflation, unexpected project modifications, local weather conditions, unanticipated technical or geological problems including issues with regard to design or engineering of projects, changes in local laws or delays in regulatory approvals and the cost of capital maintenance or replacement of assets are highly variable, and the FCC Servicios Medio Ambiente Group's actual costs in remedying or addressing them may deviate substantially from originally estimated amounts and may therefore result in a lower profit or incur in operating losses.

The identification of key risks, the estimation of costs and the establishment of appropriate deadlines in relation to such contracts are an inherent part of the FCC Servicios Medio Ambiente Group's business. However, the FCC Servicios Medio Ambiente Group's estimates can be particularly difficult to make and may turn out to be inaccurate, particularly with respect to long-term and complex projects. If the FCC Servicios Medio Ambiente Group fails to identify key risks or effectively estimate costs for projects where it is exposed to the risk of cost overruns, there may be a material adverse effect on its business, financial condition, results of operations and prospects.

Risks related to information technologies and information system security.

Information systems are indispensable tools for carrying out operational activities and managing the functional departments of the FCC Servicios Medio Ambiente Group. The unavailability of the information systems due to accidents or malicious acts could have negative consequences on the quality and even continuity of services delivered internally and the availability, integrity and confidential nature of the FCC Servicios Medio Ambiente Group's data and, thus, it could have an impact on its counterparties, including its customers. Such situation could have a material adverse effect on the FCC Servicios Medio Ambiente Group's business, financial condition, results of operations and prospects.

Natural disasters, accidents, service interruptions or systems failures, as well as other disruptive events could adversely affect profitability.

The FCC Servicios Medio Ambiente Group controls and operates waste facilities and maintains the associated assets with the objective of providing a continuous service. In exceptional circumstances, electricity, gas or water shortages, or the failure of an asset, an element of a facility or supporting plant and equipment, could result in the interruption of service provision or catastrophic damage resulting in loss of life, environmental damage and

economic and social disruption. Accidents may occur at the FCC Servicios Medio Ambiente Group's plants, which may severely disrupt the operations of the FCC Servicios Medio Ambiente Group and lead to delays in the completion of projects and such delays could result in a loss of income, as well as potential claims for compensation and termination of contracts by clients. Moreover, significant damage or other impediments to the facilities managed could result from (i) natural disasters; (ii) human-errors in operating the facilities and supply systems; and (iii) industrial strikes. Any of these factors could have a material adverse effect on the FCC Servicios Medio Ambiente Group's business, financial condition, results of operations and prospects.

The FCC Servicios Medio Ambiente Group is dependent on the continued availability, effective management and performance of subcontractors and other service providers.

In the ordinary course of the FCC Servicios Medio Ambiente Group's operations, it relies on subcontractors to provide certain services. As a result, the FCC Servicios Medio Ambiente Group's business, results of operations, financial condition and prospects could be adversely affected if it is not able to locate, select, monitor and manage its subcontractors and service providers effectively. Additionally, subcontractors to whom the FCC Servicios Medio Ambiente Group has awarded work may become insolvent, requiring it to select a new subcontractor at the risk of delays and/or at higher cost. If the FCC Servicios Medio Ambiente Group is not able to locate, select, monitor and manage subcontractors and service providers effectively, its ability to complete contracts on schedule and within forecasted costs to the requisite levels of quality could be adversely impacted and there may be a material adverse effect on its business, results of operations, financial condition and prospects.

The loss of key members of the FCC Servicios Medio Ambiente Group's management and technical team could have a material adverse effect on its business, results of operations and financial condition.

The FCC Servicios Medio Ambiente Group relies on certain key personnel. If, in the future, the FCC Servicios Medio Ambiente Group is unable to attract and retain sufficiently qualified management and technical staff, its business development could be limited or delayed. In addition, if the FCC Servicios Medio Ambiente Group were to lose key members of its senior management or technical staff and could not find a suitable replacement in a timely manner, its business, financial condition, results of operations and prospects could be adversely affected.

Risk management policies, procedures and methods may leave the FCC Servicios Medio Ambiente Group exposed to unidentified or unanticipated risks.

The FCC Servicios Medio Ambiente Group has devoted significant resources to developing policies, procedures and assessment methods to manage market, credit, liquidity and operating risk and intends to continue to do so in the future. Nonetheless, the FCC Servicios Medio Ambiente Group's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all market environments or against all types of risks, including risks that the FCC Servicios Medio Ambiente Group fails to identify or anticipate.

Any failure to adequately identify or anticipate risks could have a material adverse effect on the FCC Servicios Medio Ambiente Group's business, financial condition, results of operations and prospects.

The FCC Servicios Medio Ambiente Group's insurance cover may not be adequate or sufficient.

The FCC Servicios Medio Ambiente Group benefits from insurance cover to protect against key insurable risks. The insurance policy may not be adequate to cover lost income, reinstatement costs, increased expenses or other liabilities. Moreover, there can be no assurance that if insurance cover is cancelled or not renewed, replacement cover will be available on commercially reasonable terms or at all.

The FCC Servicios Medio Ambiente Group may not have, or may cease to have, insurance cover if the loss is not covered under, or is excluded from, an insurance policy including by virtue of exhaustion of applicable cover limits or a policy operating as an excess policy or if the relevant insurer successfully avails itself of defences available to it, such as breach of disclosure duties, breach of policy condition or misrepresentation.

If insurance cover is not available or proves more expensive than in the past, the FCC Servicios Medio Ambiente Group's business, financial condition, results of operations and prospects could be materially adversely affected.

Difficulties in obtaining the necessary land rights could delay certain the FCC Servicios Medio Ambiente Group concession projects or lead to increased development costs.

In order to develop the infrastructure assets for the concessions in which the FCC Servicios Medio Ambiente Group has an interest, it must obtain the necessary land rights to carry out such development. The FCC Servicios Medio Ambiente Group may seek to obtain such land rights through market transactions, though it often relies on governmental authority to expropriate the land on which the relevant infrastructure asset is to be constructed. The FCC Servicios Medio Ambiente Group may be adversely affected by changes in laws governing land transfer and land expropriation or be exposed to the risk of compulsory purchase cost overruns. It may also incur delays in connection with the transfer of the necessary land rights or with the land expropriation process. In addition, the FCC Servicios Medio Ambiente Group may in the future be subject to legal claims in connection with carrying out land expropriation orders. Delays or increases in costs for obtaining the necessary land rights could have a material adverse effect on the FCC Servicios Medio Ambiente Group's business, financial condition, results of operations and prospects.

The public may react negatively to waste treatment and industrial waste management facilities.

The FCC Servicios Medio Ambiente Group's business may face adverse public opinion to its waste treatment and industrial waste management facilities near inhabited areas, the expansion of such existing facilities or the construction of new facilities in this business unit. In response to public pressure, governments may restrict the current activities of the FCC Servicios Medio Ambiente Group or its plans for future expansion, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

Financial Risks

The FCC Servicios Medio Ambiente Group is subject to liquidity risk.

The FCC Servicios Medio Ambiente Group conducts its operations in sectors, such as concessions, engineering and construction that require a high level of financing and must be able to secure significant levels of financing to be able to continue its operations. To date, it has been able to secure adequate financing on acceptable terms, although it cannot assure prospective investors that it will be able to continue to secure financing on adequate terms, or at all, in the future especially taking into account consideration the increase in interest rates. Also, in addition to seeking new funding, the FCC Servicios Medio Ambiente Group may seek to refinance a portion of its existing debt through bank loans and debt offerings which may be harder due to the higher interest rates.

The FCC Servicios Medio Ambiente Group's ability to secure financing or refinance depends on several factors, many of which are beyond its control, including general economic conditions, the availability of funds from financial institutions and monetary policy in the markets in which it operates (as well as the current tightening of the central banks' monetary policy to control inflation). Exposure to adverse effects in the debt or capital markets may hinder or prevent the raising of adequate finance for the FCC Servicios Medio Ambiente Group's activities. The FCC Servicios Medio Ambiente Group cannot assure prospective investors that it will be able to secure new financing or renew its credit facilities on economically attractive terms or at all. An inability to secure new financing or renew these facilities on acceptable terms could adversely affect the FCC Servicios Medio Ambiente Group's liquidity and its ability to fund its working capital needs. At the same time the FCC Servicios Medio Ambiente Group cannot assure it will be able to maintain the current working capital structure as a result of modifications on payment and collection average periods due to legal regulation or market conditions.

In the context of the financings obtained by the FCC Servicios Medio Ambiente Group's entities, it has granted security in favour of its creditors. This security includes, among other, and in line with market practice, pledges over shares and certain assets of certain entities of the FCC Servicios Medio Ambiente Group. If the FCC Servicios Medio Ambiente Group were to fail to satisfy any of its debt service obligations or to breach any related financial

or operating covenants, the holders of such debt could foreclose on any assets pledged as collateral, including the shares of entities of the FCC Servicios Medio Ambiente Group. If this were the case, the FCC Servicios Medio Ambiente Group would lose access to the business lines carried out through the foreclosed entities as well as to the assets owned by such entities.

The FCC Servicios Medio Ambiente Group is required to provide customers with performance bonds or similar guarantees.

In the FCC Servicios Medio Ambiente Group's project-related businesses, it is typically required to provide clients with performance bonds or similar instruments intended to guarantee its timely performance of contractual obligations to the defined specifications. If the FCC Servicios Medio Ambiente Group cannot obtain guarantees from financial institutions on reasonable terms that are acceptable to its clients, it could be prevented from bidding for or participating in a project, or it could be required to incur significantly higher financing costs to obtain the needed guarantees. An inability to secure such guarantees could adversely affect the FCC Servicios Medio Ambiente Group's liquidity and its ability to fund its working capital needs.

The FCC Servicios Medio Ambiente Group's business, financial condition, results of operations and prospects could be adversely affected if it does not effectively manage its exposure to interest rate and foreign exchange risks.

Certain of the FCC Servicios Medio Ambiente Group's indebtedness and loans to public entities bears interest at variable rates, generally linked to market benchmarks such as EURIBOR, the Secured Overnight Financing Rate (SOFR), the London Interbank Offered Rate (LIBOR) and the Sterling Overnight Interbank Average Rate (SONIA). Any increase in interest rates would increase its finance costs relating to variable rate indebtedness and increase the costs of refinancing existing indebtedness and of issuing new debt. Any decrease in interest rates would decrease the amount of interest payable to FCC Servicios Medio Ambiente Group on variable rate loans made to public entities and may result in basis risk as such interest is paid to FCC Servicios Medio Ambiente Group through the rates in the concession agreements entered into with such public entities. This interest rate fluctuation risk is particularly important in the financing of waste facilities projects and other projects, which are heavily leveraged in their early stages and the performance of which depends on possible changes in the interest rate. The FCC Servicios Medio Ambiente Group enters into hedging arrangements to cover interest rate fluctuations on a portion of its debt. Any future hedging contracts entered into by the FCC Servicios Medio Ambiente Group may not adequately protect its operating results from the effects of interest rate fluctuations. The FCC Servicios Medio Ambiente Group is subject to the creditworthiness of, and in certain circumstances early termination of the hedging agreements by, hedge counterparties.

The FCC Servicios Medio Ambiente Group is also exposed to exchange rate risks. Although its functional and reporting currency is the euro, the FCC Servicios Medio Ambiente Group also holds some financial assets and liabilities denominated in currencies other than the euro. These currency differences give rise to the risk of losses resulting from fluctuations in the value of non-euro currencies as measured in euro. For example, the FCC Servicios Medio Ambiente Group could risk such losses if it holds debt denominated in foreign currency, invest in international markets outside the Eurozone, or receive payables in a foreign currency.

There can be no assurance that future interest rate or exchange rate fluctuations will not have a material adverse effect on the FCC Servicios Medio Ambiente Group's business, financial condition, results of operations and prospects.

The FCC Servicios Medio Ambiente Group faces certain risks related to deferred tax assets.

In principle, losses that the FCC Group incurs in previous years can be carried forward and used to offset future taxable profits. This deferred tax asset reflects the FCC Group's view of the amount of tax losses that it expects to be able to use, and the deferred tax asset that it expects to recover, in light of its business plan and expected taxable profits in the future. Considering that the FCC Servicios Medio Ambiente Group is part of the consolidated FCC tax group, a change in expectations about the ability to use tax deferred tax assets in the future (whether due to a

change law that eliminates or limits the FCC Group's right to offset deferred tax assets or a change in its business plans or expected future profitability) could require the FCC Group to reassess the value of these assets, with a material negative effect on the FCC Servicios Medio Ambiente Group 's results of operations and balance sheet.

The FCC Servicios Medio Ambiente Group's ability to effectively manage its credit risk exposure may affect its business, results of operations and financial condition.

The FCC Servicios Medio Ambiente Group is exposed to the credit risk implied by default on the part of a counterparty (customer, provider, partner or financial entity), which could have a material adverse effect on the FCC Servicios Medio Ambiente Group's business, financial condition, results of operations and prospects.

In spite of signs of recovery in the global economy, there is a risk of late payment in both the public and private sectors due to the effects on the global economy of, among others, the increase in inflation, the tighter monetary policy, the Covid-19 pandemic, Russia's invasion of Ukraine and the geopolitical tensions between the U.S. and China. In addition, the cost of government financing and financing of other public entities has also increased due to financial stress in Europe and the effects of the Covid-19 pandemic, and this may represent an increased risk for the FCC Servicios Medio Ambiente Group's public sector clients.

Although the FCC Servicios Medio Ambiente Group actively manages this credit risk, its risk management strategies may not be successful in limiting its exposure to credit risk, which could adversely affect its business, results of operations and financial condition.

Risks in Relation to the Notes

There is no active trading market for the Notes.

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is, as at the date of this Information Memorandum, no active trading market. If an active trading market does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. Further, if the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for Notes issued under the Programme to be admitted to the Official List and to trading on the regulated market of Euronext Dublin, there is no assurance that such applications will be accepted, that any particular issue of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular issue of Notes.

The Issue Price may be greater than the market value of the Notes.

The Issue Price specified in the relevant Final Terms may be more than the market value of the Notes as at the Issue Date, and the price, if any, at which a Dealer or any other person is willing to purchase the Notes in secondary market transactions is likely to be lower than the Issue Price. In particular, the Issue Price may take into account amounts with respect to commissions relating to the issue and sale of the Notes as well as amounts relating to the hedging of the Issuer's obligations under the Notes, and secondary market prices are likely to exclude such amounts. In addition, whilst the proprietary pricing models of Dealers are often based on well recognised financial principles, other market participants' pricing models may differ or produce a different result.

Global Notes held in a clearing system.

Because the Global Notes are held by or on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**) investors will have to rely on their respective procedures for transfer, payment and communication with the Issuer.

Notes issued under the Programme may be represented by one or more Global Notes. If the relevant Final Terms specify that the New Global Note form is not applicable, such Global Note will be deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg. If the relevant Final Terms specify that the New Global Note form is applicable, such Global Note will be deposited with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and/or Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under such Notes by making payments to the common depositary (in the case of Global Notes which are not in the New Global Note form) or, as the case may be, the common service provider (in the case of Global Notes in New Global Note form) for Euroclear and/or Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and/or Clearstream, Luxembourg to receive payments under their relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to take enforcement action against the Issuer under the relevant Notes but will have to rely upon their rights under the deed of covenant dated 6 July 2023 (the **Deed of Covenant**).

The Issuer's credit rating may not accurately reflect potential risks.

The Issuer has been assigned a short-term senior unsecured credit rating of F3 by Fitch Ratings Ireland Limited (**Fitch**), as confirmed in Fitch's December 2022 report. The rating may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes.

In general, European regulated investors are restricted from using a rating for regulatory purposes in the EEA if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to Fitch ratings is set out on the cover of this Information Memorandum.

The Issuer may redeem the Notes for tax reasons.

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes if (a) it is not entitled to claim a deduction in computing taxation liabilities in Spain in respect of any interest to be made on the next Interest Payment Date or the value of such deduction to the Issuer is materially reduced, or (b) it has or will become obliged to pay additional amounts pursuant to the terms and conditions of the Notes as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction) which change or amendment becomes effective on or after the issue date of the relevant Notes and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

Potential investors should consider the reinvestment risks in light of other investments available at the time any Notes are so redeemed.

The Notes may be linked to “benchmarks”.

Notes may be issued under the Programme with interest accruing at a floating rate based upon the Euro Interbank Offered Rate (**EURIBOR**). EURIBOR and other reference rates and indices are deemed to be “benchmarks” (each a **Benchmark** and together the **Benchmarks**), which are the subject of ongoing national and international regulatory reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such Benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a Benchmark.

The EU Benchmark Regulation applies, subject to certain transitional provisions, to the provision of Benchmarks, the contribution of input data to a Benchmark and the use of a Benchmark within the EU. Among other things, it (i) requires Benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of Benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of the domestic law of the UK by virtue of the EUWA (the **UK Benchmark Regulation**) among other things, applies to the provision of benchmarks and the use of a Benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed). The EU Benchmark Regulation and/or the UK Benchmark Regulation could have a material impact on any Notes linked to a Benchmark, in particular, if the methodology or other terms of the Benchmark are changed in order to comply with the requirements of the EU Benchmark Regulation and/or the UK Benchmark Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the Benchmark.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of Benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

In addition, the European Money Markets Institute (**EMMI**) as administrator of EURIBOR has launched a forward-looking term rate EFTERM as alternative to and as a new fallback rate for EURIBOR. It is therefore currently not foreseeable whether EURIBOR will continue to exist permanently and beyond 2025.

The EMMI, as administrator of the EURIBOR, has developed a hybrid methodology for the determination of EURIBOR that takes into account current transaction data, historical transaction data and modelled data based on expert opinions and has obtained regulatory authorisation under the EU Benchmark Regulation for the EURIBOR so calculated. However, since reference rates relying on expert opinion and modelled data are widely regarded as potentially less representative than reference rates determined in a fully transaction-based approach and because central banks, supervisory authorities, expert groups and relevant markets tend to prefer the use of risk-free overnight interest rates with a broad and active underlying market as reference rates, there is a risk that the use or provision of EURIBOR may come to an end in the medium or long term.

Such factors may have (without limitation) the following effects on Benchmarks: (a) discouraging market participants from continuing to administer or contribute to such Benchmark; (b) triggering changes in the rules or methodologies used in the Benchmarks and/or (c) leading to the disappearance of the Benchmark. Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to a Benchmark.

Investors should be aware that, if EURIBOR were discontinued or otherwise unavailable, the Rate of Interest on Notes which reference EURIBOR will be determined for the relevant period by the fallback provisions applicable to such Notes. This may in certain circumstances result in the application of a backward-looking, risk-free overnight rate, whereas EURIBOR is expressed on the basis of a forward-looking term and include a risk-element based on inter-bank lending. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Notes which reference EURIBOR.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmark Regulation reforms and/or the UK Benchmark Regulation, as applicable, or any of the international or national reforms in making any investment decision with respect to any Notes linked to or referencing a Benchmark.

Risks in Relation to Spanish Taxation.

Under Spanish Law 10/2014 and Royal Decree 1065/2007, of 27 July, (**RD 1065/2007**) as amended, income payments in respect of the Notes will be made without withholding tax in Spain provided that certain information procedures are observed. The Issuer and the Issuing and Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Notes. The Issuer will withhold Spanish withholding tax from any payment in respect of any outstanding principal amount of the Notes (as applicable) as to which the required information has not been provided at the relevant time and will pay the relevant additional amounts as will result in receipt by the holders of the Notes of such amounts as would have been received by them had no such withholding been required. The amended and restated issuing and paying agency agreement dated 6 July 2023 (the **Issuing and Paying Agency Agreement**, as amended, supplemented or restated from time to time), provides that the Issuing and Paying Agent will, to the extent applicable, comply with the relevant procedures to facilitate the collection of information concerning the Notes. The procedures may be modified, amended or supplemented, to, among other reasons, reflect a change in applicable Spanish law, regulation, ruling or interpretation thereof or to reflect a change in applicable clearing system rules or procedures or to add procedures for one or more new clearing systems. See "*Taxation — Taxation in the Kingdom of Spain*". None of the Dealers assumes any responsibility therefor.

RD 1065/2007, as amended, provides that any payment of interest made under securities originally registered in a non-Spanish clearing and settlement entity recognised by Spanish legislation or by the legislation of another OECD country will be made with no withholding or deduction from Spanish taxes provided that the relevant information about the Notes is received by the Issuer. In the opinion of the Issuer, payments in respect of the

Notes will be made without deduction or withholding of taxes in Spain provided that the relevant information about the Notes is submitted by the Issuing and Paying Agent to it, notwithstanding the information obligations of the Issuer under general provisions of Spanish tax legislation, by virtue of which identification of Spanish investors may be provided to the Spanish tax authorities. If the Issuing and Paying Agent fails to provide the Issuer with such relevant information, the Issuer may be required to withhold tax (as at the date of this Information Memorandum, at a rate of 19%) and will pay such additional amounts as will result in receipt by the holders of the Notes of such amount as would have been received by them had no such withholding been required.

If the Spanish tax authorities maintain a different opinion as to the application by the Issuer of withholding to payments made to Spanish residents (individuals and entities subject to Corporate Income Tax) and deposited with a Spanish resident entity acting as a depositary or custodian, the Issuer will be bound by that opinion and, with immediate effect, will make the appropriate withholding and the Issuer will not, as a result, pay additional amounts.

Risks relating to the Insolvency Law and other restructuring regimes.

The consolidated text of the Spanish Insolvency Law, approved by Royal Legislative Decree 1/2020, of 5 May, (which has been recently amended in order to implement in Spain the EU Directive 2019/1023 on Restructuring and Insolvency) (the **Insolvency Law**) provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (*administradores concursales*) within one month from the publication of the court order declaring the insolvency in the Spanish Official Gazette, (ii) provisions in a bilateral contract granting one party the right to terminate, modify or suspend such agreement by reason only of the other's insolvency may not be enforceable, and (iii) accrual of interest (other than ordinary interest – not default interest and regardless such interest is secured – accruing under secured liabilities, reported to the insolvency administrator as contingent credits, which will accrue up to the lower of the value of the asset subject to the security or the maximum secured liabilities under the relevant security interests) shall be suspended from the date of the declaration of insolvency and any amount of interest accrued up to such date (other than any secured interest accrued under secured liabilities up to an amount equal to the value of the asset subject to the security) shall become subordinated.

The Insolvency Law, in certain instances, also has the effect of modifying or impairing creditors' rights even if the creditor, either secured or unsecured, does not consent to the amendment. Secured and unsecured dissenting creditors may be written down or stayed for up to 10 years, converted into equity of the refinanced or insolvent debtor as well as any other company, converted into profit participating loans (*préstamos participativos*), exchanged for assets or rights of the insolvent or refinanced debtor, ripped off from security interests guaranteeing them and even the applicable law to the relevant claims may be changed not only once the insolvency has been declared by the judge as a result of the approval of a creditors' agreement (*convenio concursal*), but also as a result of a restructuring plan (*plan de reestructuración*) that has been judicially sanctioned (*homologado*) without insolvency proceedings having been previously opened (e.g., restructuring plans which satisfy certain requirements and are validated by the judge), in both scenarios (i) to the extent that certain qualified majorities are achieved and unless (ii) some exceptions in relation to the kind of claim or creditor apply (which would not be the case for the Notes).

Indeed, it must be noted that the Insolvency Law contains now great flexibility in terms of measures that can be imposed as a consequence of the judicial sanction of a restructuring plan since it allows (i) for the cross-class cram-down of creditors (i.e. a restructuring plan that has not been approved by all classes of creditors can eventually bound dissenting creditors provided that certain conditions are met), (ii) to cram-down dissenting equity-holders if certain conditions are met, (iii) multiple restructuring options. Moreover, once a restructuring plan is judicially sanctioned, it may also (i) protect interim financing, new financing and acts carried out in the context of the plan against claw-back actions, (ii) recognise the interim financing or the new financing certain preferences in terms of payment in an eventual insolvency, or (iii) the termination of contracts with reciprocal

pending obligations in the interest of the restructuring (with the relevant termination claim also being subject to the effects of the restructuring).

As previously noted, the Insolvency Law now also provides for cross-class cram-down in the context of the judicial sanction of a restructuring plan, i.e., even if creditors of one class voting on the restructuring plan did not consent to the restructuring plan with the required majority, the restructuring plan might still be adopted and take effect for dissenting creditors. For the purposes of approving a restructuring plan, all creditors affected by the eventual restructuring vote grouped in classes of creditors. The formation of a class of creditors must attend to the existence of a common interests of its members, however, the Insolvency Law provides of certain specific criteria for the class formation such as that (i) there shall be a common interest among a group of creditors when they would receive the same ranking in an eventual insolvency, (ii) secured creditors and public law credits shall constitute separate classes, or (iii) creditors which are considered small and medium-sized enterprises shall constitute a separate class when the restructuring plan implies a sacrifice of more than 50% of their credits. In any case, credits with the same ranking could be split up into separate classes as long as there is a reasonable justification for doing so. For such purposes, a majority of 66.66% by each class of creditors is required for the approval of the restructuring plan. This figure builds up to 75% when the class in question is made up of secured claims. Cross-class cram-down would apply in those cases where, a restructuring plan has not been approved by all classes of creditors, and (i) a simple majority of classes has supported the restructuring agreement provided that a least one of these classes includes claims with general privilege (*créditos con privilegio general*) or secured claims (*créditos con privilegio especial*) in an eventual insolvency, or (ii) at least one class that can reasonably be presumed to have received some payment after a valuation of the debtor as an on-going company (i.e. so-called creditors that are in the money).

In no case shall subordinated creditors be entitled to vote upon a creditors' agreement during the insolvency proceedings, and accordingly, shall be always subject to the measures contained therein, if passed by the relevant majorities. On the other hand, all creditors that would be affected by the effects of a restructuring plan would be allowed to vote it within their respective class.

As such, certain provisions of the Insolvency Law could affect the ranking of the Notes or claims relating to the Notes on an insolvency of the Issuer or in case of approval of a restructuring plan. Additionally, other restructuring regimes which may apply were the Issuer to be in financial difficulties may also impact claims of holders of the Notes against the Issuer.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and form part of, this Information Memorandum. This Information Memorandum should be read and construed in conjunction with the following documents, which have been previously published or are published simultaneously with this Information Memorandum and which have been or are filed with Euronext Dublin:

- (a) the English language translation of the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2022 prepared in accordance with IFRS-EU, together with the auditors' report thereon and the Issuer's management report (the **2022 Issuer Consolidated Financial Statements**) and which are available at:

<https://www.fccma.com/en/informacion-financiera/cuentas-anuales->

- (b) the English language translation of the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2021 prepared in accordance with IFRS-EU, together with the auditors' report thereon and the Issuer's management report (the **2021 Issuer Consolidated Financial Statements**) and which are available at:

<https://www.fccma.com/en/informacion-financiera/cuentas-anuales->

Copies of the documents specified above as containing information incorporated by reference in this Information Memorandum may be inspected, free of charge, at the specified offices (which are set out below) of the Issuer and the Issuing and Paying Agent.

KEY FEATURES OF THE PROGRAMME

Issuer:	FCC Servicios Medio Ambiente Holding, S.A.U.
Arranger:	Banca March, S.A.
Dealers:	Banca March, S.A., Banco Santander, S.A., BRED Banque Populaire, Norbolsa, S.V., S.A. and Société Générale
Issuing and Paying Agent:	The Bank of New York Mellon, London Branch
Listing Agent:	The Bank of New York Mellon SA/NV, Dublin Branch
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under " <i>Risk Factors</i> " above.
Programme Amount:	The aggregate principal amount of Notes outstanding at any time will not exceed €400,000,000 or its equivalent in alternative currencies subject to applicable legal and regulatory requirements. The Programme Amount may be increased from time to time in accordance with the Programme Agreement.
Currencies:	Notes may be issued in U.S. dollars, Euro, Sterling, Japanese Yen and Swiss Francs, and such other currencies as may be agreed between the Issuer and the relevant Dealer(s) from time to time and subject to the necessary regulatory requirements having been satisfied.
Denominations:	<p>Global Notes shall be issued (and interests therein exchanged for Definitive Notes, if applicable) in the following minimum denominations:</p> <ul style="list-style-type: none">(a) for U.S.\$ Notes, U.S.\$500,000 (and integral multiples of U.S.\$1,000 in excess thereof);(b) for Euro Notes, €100,000 (and integral multiples of €1,000 in excess thereof);(c) for Sterling Notes, £100,000 (and integral multiples of £1,000 in excess thereof);(d) for Yen Notes, Yen 100,000,000 (and integral multiples of Yen 1,000,000 in excess thereof); or(e) for Swiss Francs Notes, CHF 500,000, <p>or such other conventionally accepted denominations in those currencies as may be agreed between the Issuer and the Dealer(s) from time to time, subject in the case of each currency (including those listed above) (i) to compliance with all applicable legal and regulatory requirements and (ii) to the minimum denomination being at least equal to the Euro equivalent of €100,000 (except in the case of Notes</p>

to be placed in the UK, in which case the minimum denomination will be the Euro equivalent of £100,000, or higher), and provided, however, that the Notes of each issuance may only be issued in equal denominations.

Notes may, if the proceeds of the issue are accepted in the UK, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “*Subscription and Sale*”

Maturity of the Notes:

Not less than 1 day nor more than 364 days from and including the day of issue, to (but excluding) the maturity date, subject to legal and regulatory requirements.

Tax Redemption:

Early redemption will only be permitted for tax reasons as described in the terms of the Notes.

Redemption:

The Notes may be redeemed at par or as otherwise specified in the Final Terms. The Notes may also be redeemed at the option of the Issuer in whole, but not in part, at the Redemption Amount specified in the Final Terms together with (if the Notes are interest bearing Notes) accrued interest to the Early Redemption Date specified in the Final Terms at any time upon expiry of the notice period specified in the Final Terms if, prior to the date on which the relevant notice of redemption is given, purchases (and corresponding cancellations) and/or redemptions have been effected in respect of 85 per cent. or more in principal amount of the Notes originally issued.

Issue Price:

The issue price of each issue of Notes (if any) will be set out in the relevant Final Terms.

Yield Basis:

The Notes may be issued at a discount or at a premium or may bear fixed or floating rate interest.

Status of the Notes:

The payment obligations of the Issuer pursuant to the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon the insolvency (*concurso*) of the Issuer (and unless they qualify as subordinated claims under Article 281 of the Insolvency Law (as defined below) or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) rank *pari passu* and without any preference among themselves and *pari passu* with all other unsecured and unsubordinated insolvency claims (*créditos concursales*), present and future, of the Issuer.

Taxation:

All payments under the Notes will be made without deduction or withholding for or on account of any present or future Spanish withholding taxes, except as stated in the terms of the Notes and as stated under the heading “*Taxation — Taxation in the Kingdom of Spain*”.

Information requirements under Spanish Tax Law: Under Spanish Law 10/2014 and RD 1065/2007 as amended, the Issuer and the Issuing and Paying Agent are required to comply with certain information procedures.

If the Issuing and Paying Agent fails to provide the Issuer with the required information described under "*Taxation – Taxation in the Kingdom of Spain*" in respect of the Notes, the Issuer will withhold tax (as at the date of this Information Memorandum, at the rate of 19 per cent.) and will pay such additional amounts as will result in receipt by the holders of the Notes of such amount as would have been received by them had no such withholding been required.

Neither the Arranger, the Dealers, Euroclear nor Clearstream, Luxembourg assumes any responsibility therefor.

Form of the Notes: The Notes will be in bearer form. Each issue of Notes will initially be represented by one or more global notes (each a **Global Note**, together the **Global Notes**). Each Global Note which is not intended to be issued in new global note form (a **Classic Global Note** or **CGN**), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date (as specified in the Final Terms) with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Global Note which is intended to be issued in new global note form (a **New Global Note** or **NGN**), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Global Notes will be exchangeable for definitive notes (the **Definitive Notes**) in whole, but not in part, in the limited circumstances set out in the Global Notes (see "*Certain Information in Respect of the Notes – Form of Notes*")

Listing and Trading: Each issue of Notes may be admitted to the Official List and to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) and/or listed, traded and/or quoted on any other listing authority, stock exchange and/or quotation system as may be agreed between the Issuer and the Dealers. No Notes may be issued on an unlisted basis.

Delivery: The Notes will be available in London for delivery to Euroclear or Clearstream, Luxembourg or to any other recognised clearing system in which the Notes may from time to time be held.

Account holders will, in respect of Global Notes, have the benefit of a Deed of Covenant dated 6 July 2023.

Selling Restrictions: The offering and sale of the Notes is subject to all applicable selling restrictions including, without limitation, those of the U.S., the UK, Japan, Kingdom of Spain and the Republic of France (see "*Subscription and Sale*").

Governing Law: The status of the Notes, the capacity of the Issuer and the relevant corporate resolutions shall be governed by Spanish law. Any non-contractual obligations arising out of or in connection with the Notes,

the terms and conditions of the Notes (except as indicated above) and all related contractual documentation will be governed by, and construed in accordance with, English law.

Use of Proceeds:

The net proceeds of the issue of the Notes will be used for the general funding purposes of the Group (as defined herein).

Rating:

The Programme is not rated.

DESCRIPTION OF THE ISSUER

General Information

The Issuer is a limited liability company (*sociedad anónima unipersonal*) incorporated on 8 July 2008 under the laws of the Kingdom of Spain, with registration number A85484905. Its current registered office is located at Calle Federico Salmón, 13, 28016, Madrid, Spain.

The Issuer is a wholly-owned subsidiary of FCC, one of the leading services and infrastructure companies in Europe. FCC is publicly traded on the stock exchanges of Madrid, Barcelona, Bilbao and Valencia. On 1 June 2023, FCC entered into an agreement with CPP Investments (**CPPI**) to sell 24.99% of the share capital of FCC Servicios Medio Ambiente. The transaction is subject to the usual conditions precedent. For more information see section “*Recent Developments*”.

FCC is controlled by Control Empresarial de Capitales S.A. de C.V. (**CEC**), which, as of the date of this Information Memorandum, currently holds more than 50% of the share capital and the voting rights of FCC. The rights of FCC as a shareholder in the Issuer are contained in the articles of association of the Issuer and the Issuer will be managed in accordance with those articles and with the applicable provisions of Spanish law.

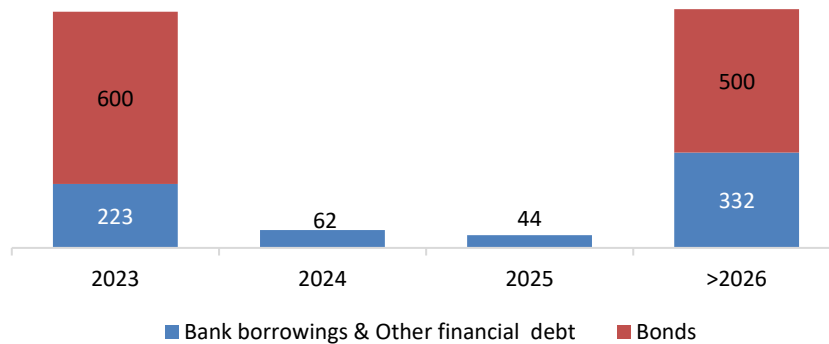
CEC is wholly-owned, directly or indirectly, by the Trust F/125 (the **Trust**) set up with Banco Inbursa, S.A., Institución de Banca Múltiple (an entity that belongs to the Grupo Financiero Inbursa, a company that is listed on the Mexican Stock Exchange). Certain members of the Carlos Slim family are involved in the Trust, which was set up on 6 March 1997 with Banco Inbursa, S.A. acting as a trustee institution. As to the date none of the family members or any other person or entity has control individually greater than 25% and no single member controls the Trust.

FCC Servicios Medio Ambiente Group Overview

The FCC Servicios Medio Ambiente Group is a global environmental services group with more than 110 years of experience and since 1911 has been providing a wide range of services: collection, treatment, recycling, energy recovery and disposal of urban solid waste, public street cleaning, maintenance and conservation of green areas, treatment and disposal of industrial waste and the recovery of contaminated soils. It provides essential public services to almost 66 million people in approximately 5,200 municipalities. It can provide municipalities with integrated services along the entire value chain, collecting, treating, recycling and disposing of waste and using its waste management activities to generate non-fossil energy and secondary raw materials.

The FCC Servicios Medio Ambiente Group has a leading position in its core market with a 32% market share in waste collection in Spain, being among the seven largest environmental services providers globally and fifth in the EU (based on the Issuer's own analysis). As of 31 December 2022, the FCC Servicios Medio Ambiente Group had presence in 11 countries mainly in United Kingdom, Central and Eastern Europe, and America, with 43,842 employees globally. As of 31 December 2022, the FCC Servicios Medio Ambiente Group's revenue was EUR3,615.7 million and its EBITDA was EUR593.6 million.

As of 31 December 2022, the FCC Servicios Medio Ambiente Group's consolidated financial debt was EUR1,599.7 million. As of 31 December 2022, the estimated repayment calendar of the FCC Servicios Medio Ambiente Group's consolidated financial liabilities (including the EUR500,000,000 1.661 per cent. Senior Notes due 4 December 2026 of the Issuer and the EUR600,000,000 0.815 per cent. Senior Notes due 4 December 2023 of the Issuer (together, the **Bonds**) is as follows:



The FCC Servicios Medio Ambiente Group carries out its activities in four main geographic markets: (i) Iberia (Spain and Portugal), (ii) UK, (iii) Central and Eastern Europe and (iv) USA.

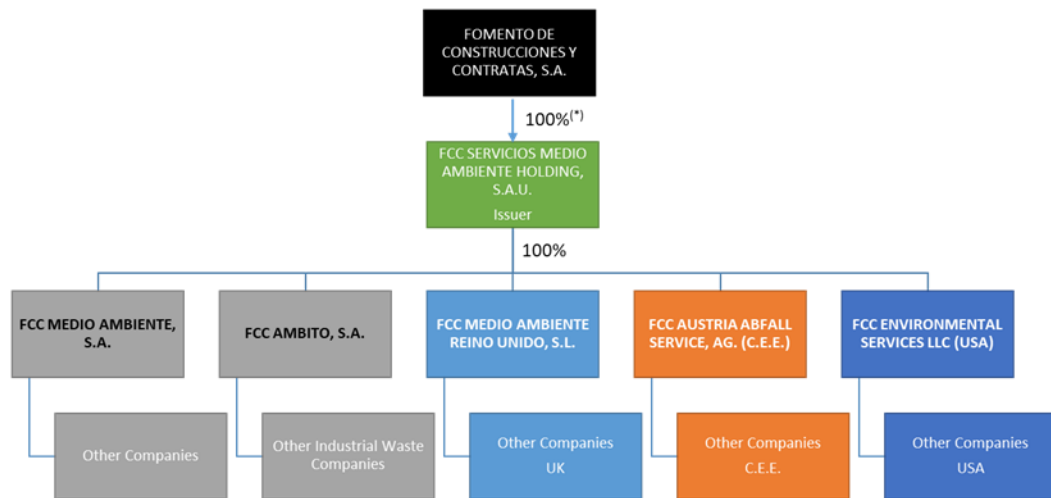
The FCC Servicios Medio Ambiente Group manages (collection and treatment) 24.6 million tonnes of waste annually and produces more than 6.35 million tonnes of recyclables and refuse-derived fuel (RDF). It has more than 800 waste management facilities in operation, of which over 200 are environmental complex facilities used for treating and recycling waste, including 13 waste to energy projects with an annual capacity of 3.7 million tonnes and 435 MW of non-fossil electricity.

The FCC Servicios Medio Ambiente Group's activities have a direct impact in the promotion of sustainable development and the health and well-being of citizens. The FCC Servicios Medio Ambiente Group is committed to using clean and advanced technologies in the provision of quality services that are sustainable over the medium and long-term and adapted to customers' needs.

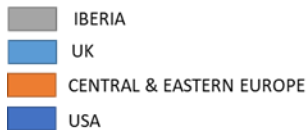
Group Structure

As of 31 December 2022, the Issuer was comprised of 459 entities; 195 subsidiary companies and 264 joint ventures and similar entities.

The chart below shows the structure of the FCC Servicios Medio Ambiente Group as of the date of this Information Memorandum.



(*) On 1 June 2023, Fomento de Construcciones y Contratas, S.A. has entered into an agreement with CPP Investments to sell 24.99% of the share capital of FCC Servicios Medio Ambiente. The transaction is subject to the usual conditions precedent. For more information see section "Recent Developments".



Note: the colours indicated in the chart refer to the business structure.

FCC Servicios Medio Ambiente Group's Business Activities

The FCC Servicios Medio Ambiente Group's business comprises the following activities:

Waste collection and street cleaning

This activity involves the collection of waste generated at households, businesses, offices and services and the maintaining and cleaning of public streets. This activity also includes the collection of all waste that is not classified as hazardous and that is similar to the waste collected at households, businesses, offices and services due to its nature or composition.

Based on the needs of each city in which the FCC Servicios Medio Ambiente Group operates, it uses different collection systems. Each system has vehicles and containers chosen to maximise efficiency and minimise the environmental footprint in terms of noise and emissions. It uses advanced technology to improve its response capacity to deal with the challenge represented by the thousands of tons of solid waste collected on a daily basis.

In 2022, the FCC Servicios Medio Ambiente Group collected approximately 10.5 million tons of waste. Nearly 27 million people (calculated based upon the population of the municipalities in which it operates) in approximately 3,400 municipalities are served by the waste collection service provided by FCC Servicios Medio Ambiente Group.

In terms of street cleaning, the FCC Servicios Medio Ambiente Group has more than 100 years of experience working in urban areas. It invests in the development of real-world solutions such as clean-energy vehicles that can move through city centres with minimum noise and emissions.

As of 31 December 2022, this activity generated EUR1,608.9 million in revenue and EUR211.4 million EBITDA.

Waste treatment & Recycling

This activity involves the treatment of waste as a resource, reusing and recycling the waste collected and making use of the energy value of the remaining fraction when feasible. Waste is treated through thermal, composting, biomethanisation, recycling or incineration processes, and the use of sanitary landfills. The FCC Servicios Medio Ambiente Group operates with a wide variety of treatment facilities including mechanical sorting, composting, anaerobic digestion and energy-from-waste plants. In many locations multiple technologies are combined to ensure the most complete waste recovery possible. The FCC Servicios Medio Ambiente Group has more than 800 waste management facilities in operation, of which in excess of 200 are environmental complex facilities used for treating and recycling waste (including 13 waste-to-energy projects with an annual capacity of 3.7 million tonnes and 435 MW of non-fossil electricity). Nearly 90 operational sanitary landfills receive the fraction of waste left after recycling and energy recovery. Biogas is captured from the landfills to produce energy and wind turbines and photovoltaic panels are being installed at landfill sites to further increase renewable energy production.

As of 31 December 2022, this activity generated EUR1,340.5 million in revenue and EUR287.7 million EBITDA.

Industrial waste

This activity, carried out through FCC Ambito, S.A. (**FCC Ambito**) in Spain and Portugal, and FCC Services Austria Abfall AG (**CEE**) in Central and Eastern Europe and FCC Medio Ambiente Reino Unido, S.L.U in the United Kingdom, consists of integrally managing all types of industrial waste, including hazardous, non-hazardous, recyclable, ordinary, soil and passive environmental. Waste is treated through chemical treatment, disposal, recycling processes such as RDF (refuse derived fuel) manufacture or WEEE (waste electrical and electronic equipment) recycling and recovery of by-products. As of 31 December 2022, the FCC Servicios Medio Ambiente Group had nearly 90 industrial waste facilities handling about 6.5 million tons of commercial and industrial waste per year for over 81,000 clients. The FCC Servicios Medio Ambiente Group has 39 facilities located in Spain and Portugal.

As of 31 December 2022, this activity generated EUR301.5 million in revenue and EUR63.6 million EBITDA.

Other activities

Other activities comprise, among others, maintenance of green areas, beach and coast cleaning and sewage network maintenance. The ground maintenance activity is focused on creating, conserving and restoring green spaces and historic gardens. The FCC Servicios Medio Ambiente Group maintains more than 6,500 hectares of parks, gardens and other green areas. It is also present in 109 Spanish municipalities with more than 1,500 kilometres of coastline and beaches served.

As of 31 December 2022, this activity generated EUR364.7 million in revenue and EUR30.9 million EBITDA.

The following table sets forth a breakdown by business activity of the FCC Servicios Medio Ambiente Group's revenues and EBITDA for the years ended 31 December 2021 and 2022:

	For the year ended 31 December			
	Revenues	EBITDA⁽¹⁾	Revenues	EBITDA⁽¹⁾
	2021	2021	2022	2022
	<i>(millions of euros)</i>			
Waste collection and street cleaning	1,454.6	199.8	1,608.9	211.4
Waste treatment & Recycling	1,171.1	243.0	1,340.5	287.7
Industrial waste	286.8	64.2	301.5	63.6

	For the year ended 31 December			
	Revenues	EBITDA⁽¹⁾	Revenues	EBITDA⁽¹⁾
	2021	2021	2022	2022
	<i>(millions of euros)</i>			
Other activities	332.4	27.1	364.7	30.9
Total.....	3,244.9	534.1	3,615.7	593.6

Notes:

- (1) "EBITDA" is net operating income, before depreciation and amortization, impairment losses and asset disposals.

The following table sets forth a reconciliation of the FCC Servicios Medio Ambiente Group's consolidated EBITDA to the consolidated profit from operations for the years ended 31 December 2021 and 2022:

	2021	2022
PROFIT FROM OPERATIONS	284.5	305.3
Depreciation and amortization	(234.9)	(267.9)
Impairment and profit and loss from asset disposals.....	(12.5)	(10.0)
Recognition of non-financial grants and others.....	0.8	0.7
Other profit/loss.....	(3.1)	(11.1)
EBITDA	534.1	593.6

The FCC Servicios Medio Ambiente Group's Geographic Footprint

The FCC Servicios Medio Ambiente Group's business is carried out both within Spain as well as in markets outside of Spain, with projects throughout the UK, Central and Eastern Europe and the U.S.. The FCC Servicios Medio Ambiente Group organises its business through the following four geographical divisions:

Iberia – Spain and Portugal

Iberia is the core market of the FCC Servicios Medio Ambiente Group. The FCC Servicios Medio Ambiente Group provides environmental services in nearly 3,700 municipalities throughout Iberia, serving a population of more than 32 million inhabitants. The activities carried out in Iberia (through FCC Medio Ambiente, S.A.U. (**FCC Medio Ambiente**) and FCC Ambito) include waste collection (with an estimated market share of 32%) and street and beach cleaning, waste treatment, maintenance of green areas and industrial waste management. Measured by revenue, the FCC Servicios Medio Ambiente Group is the market leader in Iberia in waste collection, city sanitation services (which include, among others, street cleaning and maintenance of green areas) and industrial waste management.

As of 31 December 2022, the FCC Servicios Medio Ambiente Group generated EUR2,006.8 million in revenue, EUR305.8 million EBITDA and had a backlog of EUR8,258.3 million in this area. As of 31 December 2022, the Iberia market accounted for 55.5 % of the FCC Servicios Medio Ambiente Group's revenue.

United Kingdom

The UK is the second largest market of the FCC Servicios Medio Ambiente Group in terms of revenue. The FCC Servicios Medio Ambiente Group provides environmental services to close to 19 million inhabitants. Throughout the UK the FCC Servicios Medio Ambiente Group (through FCC Medio Ambiente Reino Unido, S.L.U.) is mainly involved in municipal waste treatment and disposal, where it is one of the five largest companies (based on the Issuer's own analysis). In particular, it is engaged in landfill services (including the treatment of residual and

contaminated waste), obtaining energy from waste and recycling (with an estimated market share above 10%). The FCC Servicios Medio Ambiente Group is one of the five largest waste management companies in the UK.

As of 31 December 2022, the FCC Servicios Medio Ambiente Group generated EUR794.9 million in revenue in the UK, EUR152.6 million EBITDA and had a backlog of EUR2,378.7 million. As of 31 December 2022, the UK market accounted for 22% of the FCC Servicios Medio Ambiente Group's revenue.

Central and Eastern Europe

The Central and Eastern Europe area is the third largest market of the FCC Servicios Medio Ambiente Group in terms of revenue. The FCC Servicios Medio Ambiente Group provides environmental services in over 1,400 municipalities throughout the Central and Eastern Europe area, serving a population of nearly 4.4 million inhabitants. In the Central and Eastern Europe area, primarily in Austria and in the Czech Republic, the FCC Servicios Medio Ambiente Group (through FCC Austria Abfall Services AG) is mainly engaged in end-to-end municipal waste management activities, including collection, processing and disposal and environmental services and supports. The FCC Servicios Medio Ambiente Group is the largest waste management company in the Central and Eastern Europe area. It is one of the three leading waste management companies in the Czech Republic serving over 1.17 million inhabitants and more than 25,000 industrial customers, one of the four main players in Austria serving over 1.15 million inhabitants and more than 7,400 industrial customers and is among the top private waste management entities in Poland, Slovakia, Hungary, Romania and Serbia (based on the Issuer's own analysis).

As of 31 December 2022, the FCC Servicios Medio Ambiente Group generated EUR592.2 million in revenue, EUR101.8 million EBITDA and had a backlog of EUR523.7 million in Central and Eastern Europe. As of 31 December 2022, the Central and Eastern Europe area market accounted for 16.4% of the FCC Servicios Medio Ambiente Group's revenue.

United States

The U.S. area is the fourth largest market of the FCC Servicios Medio Ambiente Group in terms of revenue and amongst the twenty largest end-to-end recycling and solid waste management companies in the U.S.. The FCC Servicios Medio Ambiente Group carries out its activities in the U.S. through its subsidiary FCC Environmental Services LLC (USA).

In December 2021, FCC Environmental Services LLC (USA) made its first acquisition in the U.S. with the purchase of Premier Waste Services in Dallas (Texas), a company specialising in tertiary waste collection in that area, for U.S. dollars 34 million. This operation enhanced the service offering and increases operational efficiency in the existing collection and treatment activities in the state of Texas.

Moreover, in December 2022, FCC Environment Services LLC (USA) made a new acquisition in the North American market following the buy-out of Houston Waste Solutions (**HWS**), one of the largest commercial Municipal Solid Waste (**MSW**) companies in the Houston metropolitan area. HWS also owns and operates a construction and demolition waste transfer centre in the city. The company serves more than 3,000 customers, with a fleet of 40 lorries, employing 70 people.

The FCC Servicios Medio Ambiente Group provides environmental services to more than 10 million inhabitants in this market. The FCC Servicios Medio Ambiente Group revenue generated in the U.S. relates to the collection and treatment of urban and solid waste. As of 31 December 2022, the FCC Servicios Medio Ambiente Group generated EUR221.8 million in revenue, EUR33.4 million EBITDA and had a backlog of EUR2,094.8 million in this area. As of 31 December 2022, the U.S. area market accounted for 6.1% of the FCC Servicios Medio Ambiente Group's revenue.

The following table sets forth a breakdown by geographical divisions of the FCC Servicios Medio Ambiente Group's revenues and EBITDA for the years ended 31 December 2021 and 2022:

	For the year ended 31 December			
	Revenues	EBITDA⁽¹⁾	Revenues	EBITDA⁽¹⁾
	2021	2021	2022	2022
	<i>(millions of euros)</i>			
Iberia	1,874.0	284.8	2,006.8	305.8
United Kingdom	708.3	134.9	794.9	152.6
Central and Eastern Europe	550.7	95.4	592.2	101.8
United States	111.8	18.9	221.8	33.4
Total⁽²⁾	3,244.9	534.1	3,615.7	593.6

Notes:

(1) "EBITDA" is net operating income, before depreciation and amortization, impairment losses and asset disposals.

(2) The total is not presented as the exact sum of the above items due to the effects of rounding.

Business Characteristics, Strategy and Market Trends

The FCC Servicios Medio Ambiente Group business benefits from long-term contracts and high entry barriers. It has specialised personnel and management, differential know-how and proprietary technological development, which together with its diversified selection of services encompassing a full range of environmental services, support its competitive position. The FCC Servicios Medio Ambiente Group believes that this breadth of offering mitigates market swings in particular service offerings. In addition, its business benefits from a limited client concentration, with its top five clients accounting for less than 14% and its top ten clients accounting for 19% of its revenues.

The environmental services business is characterised by long term contracts. These contracts typically have terms of 8 to 10 years for waste collection and of 15 to 25 years for waste treatment. The average term of industrial waste contracts is between 3 and 12 months. The FCC Servicios Medio Ambiente Group has an established track record in obtaining renewals of these contracts at the end of their terms. Overall, the estimated average renewal rate for contracts is between 75% and 90%. In particular, the renewal rate of its contracts in each of its geographical divisions is of 90% in Iberia, 90% in United Kingdom, 75% in Central and Eastern Europe and 100% in the U.S. The main contracts in Iberia have terms of over 30 years, with Barcelona being the longest at over 100 years. This enables the business to generate recurrent cash flows with high future visibility.

The inclusion of new technology enables the FCC Servicios Medio Ambiente Group to strengthen its key position in the recycling and waste recovery markets in Europe and emerge as a key player in the circular economy. The circular economy is a new production and consumption model that ensures sustainable growth over time. The aim is to drive the optimization of resources, reduce the consumption of raw materials, and recover waste by recycling or giving it a second life as a new product. The FCC Servicios Medio Ambiente Group has changed its business model in the Czech Republic, Slovakia and Poland (Austria is a mature and developed market) towards further treatment and development of energy recovery technology using waste (incineration and fuel generation) given that the legal developments (prohibition of landfills or taxes on landfills) have been defined. This transition is essential for maintaining its market share and to remain competitive. Another essential strategic objective is to increase the quality and quantity of reusable raw materials to meet the EU's ambitious targets (part of its efforts towards the circular economy model) by investing in selective collection and automatic sorting facilities. In the U.S., the FCC Servicios Medio Ambiente Group will continue to consolidate its presence in the coming years by growing more residential contracts and boosting commercial collection activity.

Strategically, in Spain, as has been the case for years, FCC Servicios Medio Ambiente Group will focus on remaining competitive and maintaining its leading position through combining know-how and the development of innovative technologies, offering respectful, inclusive and sustainable services (combating climate change and reducing the carbon footprint). Efforts shall also be made to harness potential opportunities that have emerged due to stricter regulations and new services (smart cities). The ultimate objective is to replace the straight-line

production model with a circular model that re-includes residual materials into the production process. The FCC Servicios Medio Ambiente Group has a high level of technical knowledge and, either as leaders or collaborators, continue to participate in a large number of research, development and innovation projects in order to develop new machinery and innovative processes.

FCC Servicios Medio Ambiente Group is broadly committed to fighting against climate change, for example in the issuance of green bonds to finance the operation and acquisition of assets developed with the activity.

Moderate growth is expected in Spain based on the new contracts already awarded to FCC Servicios Medio Ambiente Group. The contract renewal rate, which currently stands at over 90%, is expected to be maintained. No significant changes are expected in the structure of the domestic market, the aim being focused on gradually replacing the linear production model with circular models.

In Portugal, highlights included business opportunities related to soil decontamination activities and, to a lesser extent, new urban sanitation contracts. Consideration shall be given to any growth opportunities (including inorganic growth), especially if such opportunities can add value to the FCC Servicios Medio Ambiente Group.

In the United Kingdom, despite leaving the EU, the UK shares the EU's circular economy objectives, recycling targets and aims to be more ambitious in terms of implementation of household waste recycling rates and reducing the amount waste at landfills. Since the launch of the Resource and Waste Strategy in 2018, the new "Environmental Law" was passed in 2021, which covers key aspects in environmental policy such as Extended Producer Responsibility (**EPR**), which will see producers cover 100% of the cost of the disposal of these products, starting with plastic packaging, the "Deposit Return Scheme" (**DRS**): payment for reusable packaging (single-use beverage containers), new fees for single-use plastics and the principle of consistency in collection systems. Taking the nature of the sector into consideration, strongly conditioned by environmental legislation, the FCC Servicios Medio Ambiente Group will continue to pay close attention to legislative developments and its performance in these aspects, which will affect the future strategy in the field of waste recycling and the treatment thereof. The division in the United Kingdom also continues to pursue its energy production strategy through waste treatment and disposal.

In Central Europe, greater emphasis will be placed on increasing energy efficiency as part of treatment processes, cost reduction and rate adjustments with customers. As a protection measure against rising energy prices, the EU has also set a ceiling on the sale price of electricity and gas, which will limit the margins generated at the Zistersdorf incinerator (Austria). The reduction in recycling prices (in particular, paper and metals) seen towards the end of 2022 is expected to continue into 2023 until they return to the levels seen before the pandemic. Furthermore, an increase in rates is expected in practically all commercial activities on account of contractual flexibility (short duration for industrial clients) or the price clauses included in municipal contracts.

Internationally, growth in the U.S. stands out, where sales growth in 2022 compared to the previous year was 121%. FCC Servicios Medio Ambiente Group now ranks among the top 15 companies in their industry in the U.S., and are expecting to be in the top 10 in the next two years. FCC Environmental Services LLC (USA) which serves more than 10 million Americans, is the largest recycling company in Texas, and has a key presence in Florida in cities such as Orlando, Tampa, Palm Beach, Daytona Beach, Lakeland and Wellington as well as in the Middle West and West coast. Growth continues to be exponential and the company currently employs more than 1,800 people. Four new contracts have kicked off throughout 2022 in Florida and California adding over 1,000 million euro to the existing backlog.

In the U.S., the FCC Servicios Medio Ambiente Group has begun to promote mechanical biological treatment plants, in line with new regulations that are beginning to make it mandatory in some states to minimise waste sent for landfill disposal. The Group's significant experience at a European level will continue to advance the FCC Servicios Medio Ambiente Group in the U.S., as it is clear that its experience in such technology has differentiated it from its usual competitors in the U.S.. During 2022, the first contract of this type was launched in Placer County (California), renovating and operating facilities where 650,000 tonnes of waste will be treated per year, pursuant to the new and more restrictive environmental regulations in force in California.

In December 2022, the Group's second acquisition in the US market was completed with the purchase of Houston Waste Solutions in Houston (Texas). HWS is one of the main commercial waste collection operators in the Houston metropolitan area, further enhancing the Group's significant growth in the commercial collection market, which already accounted for 17% of US revenue in 2022, in addition to providing significant synergies to the Group's recycling plant in the Texan city. Sales are expected to continue to experience significant growth in 2023.

The key global macro trends show a growth in 2050 of population living in urban areas to 6.7 billion people¹, which would represent a 68% of global population, as compared to the current 55% of global population. Since the 1970s, the rate of plastic production has grown faster than that of any other material. If historic growth trends continue, global production of primary plastic is forecasted to reach 1,100 million tonnes by 2050. Approximately 36% of all plastics produced are used in packaging, including single-use plastic products for food and beverage containers, approximately 85% of which ends up in landfills or as unregulated waste. Additionally, some 98% of single-use plastic products are produced from fossil fuel, or “virgin” feedstock. The level of greenhouse gas emissions associated with the production, use and disposal of conventional fossil fuel-based plastics is forecast to grow to 19% of the global carbon budget by 2040². Additionally, the greenhouse gas emissions must be reduced by 55% in 2030 as an intermediate step towards the 2050³ goal to meet the commitment of <2°C⁴ and the disruptive technologies and big data will play a relevant role in the development of smart and sustainable cities.

Regarding the waste management sector evolution, the trend will be the increase of municipal waste generation per capita in around one-third of all European Union member states⁵. Although municipal solid waste currently represents only 10.8% of total waste generated in Europe and it is one of the most polluting categories of waste, it is the category with the highest potential for environmental improvement through better management⁶. Even though 32.2% of municipal waste generated in 2020 in the EU was sent to landfills, EU member states still have an average landfill rate of 60%⁷. The key global macro trends also show that the waste management sector will play a key role on waste prevention and turning waste into a resource. Selective recollection will also play a critical role as an enabler to increase recycling rates and maximise the value of resources.

Material Contracts

All material contracts concluded by the FCC Servicios Medio Ambiente Group have been entered into in the ordinary course of business.

The balance of financial debts with FCC Servicios Medio Ambiente Group companies mainly includes two subordinated loans granted by FCC (as lender) due to the corporate reorganisation of the services business: (i) a first loan with a principal of EUR275,376,282 maturing in 15 years (11 November 2034), without partial repayments and at a fixed interest rate of 2.5% per year, which will be capitalised; any claims, whether interest or principal, relating to this loan shall be contractually subordinated to the claims under the Notes and, as such, no amount of principal or interest may be paid under the loan until all payment obligations arising under the Notes have been met or cancelled in full; and (ii) a second loan with a principal of EUR69,826,989 for transactions with FCC Environmental Services LLC (USA); it also matures on 11 November 2034, has no partial repayments and it has a fixed interest rate of 2.5% a year, which will be capitalised.

Legal Proceedings

The FCC Servicios Medio Ambiente Group is involved in disciplinary proceedings filed by the National Commission for Markets and Competition (Comisión Nacional de los Mercados y la Competencia) (formerly, Comisión Nacional de Competencia) (CNMC) relating to the alleged breach of Article 1 of Law 15/2007, of 3 July, on the Protection of Competition (Ley 15/2007, de 3 de julio, de Defensa de la Competencia) (Law 15/2007),

¹ World Population Prospects 2022 United Nations Department of Economic and Social Affairs.

² United Nations environment programme “Beat plastic pollution”.

³ European Council: Climate Change: what the EU is doing.

⁴ European Council: 2030 Climate and Energy Policy Framework.

⁵ Eurostat, Waste generation, excluding major mineral wastes, 2010 and 2020 (kg per inhabitant).

⁶ Eurostat, Waste generation by economic activities and households, EU, 2020.

⁷ Eurostat, Waste treatment by type of recovery and disposal, 2020 (% of total treatment).

in relation to industrial waste and urban sanitation activities in Spain, prohibiting cartels and collusive behaviours. Fifty-four entities and three corporate associations were initially involved in the disciplinary proceedings, including the following FCC Servicios Medio Ambiente Group entities: FCC, FCC Medio Ambiente, FCC Ambito and Manipulación y Recuperación S.A., Tratamientos y Recuperaciones Industriales, S.A., Recuperacio de Pedreres, S.L., Gestión y Valoración Industrial del Centro, S.L. and Betarte, S.A. The sanctions proceedings with reference number S/0429/12 were commenced by the CNMC on 4 July 2013. Between the end of April 2014 and the beginning of May, the entities received the Facts Establishment Sheet (*Pliego de Concreción de Hechos*) that was duly answered. On 11 and 12 August 2014, the CNMC notified the affected entities of its Resolution Proposal (*Propuesta de Resolución*) dated 7 August 2014. The companies filed their objections before the CNMC on 5 September 2014. On 8 January 2015, the CNMC issued a resolution, by which a fine amounting to EUR16.8 million was imposed on FCC, FCC Medio Ambiente, FCC Ambito, Manipulación y Recuperación S.A. and Recuperacio de Pedreres, S.L due to a single and continued infringement of Article 1 of Law 15/2007, and Article 101 of the Treaty on the Functioning of the EU. This resolution was appealed at the National High Court (*Audiencia Nacional*), requesting preventive measures in order to suspend the execution of such resolution and therefore the payment of the referred fine. The National High Court (*Audiencia Nacional*) agreed on 29 April 2015, to suspend the execution without having to provide any guarantee. On 27 February 2018, the National High Court (*Audiencia Nacional*) upheld the appeal brought by the FCC Servicios Medio Ambiente Group entities against the CNMC's resolution. The judgment decided to cancel the fine amounting to EUR16.8 million. After this, the CNMC notified a new sanction proceeding in April 2018 against the same entities as the first disciplinary proceeding (S/DC/0628/18) for the same collusive behaviours. The rationale for this new proceeding was that the National High Court's judgment had not declared null and void the CNMC's resolution but declared the inexistence of a single and continuous infringement. If this had been declared null and void, the statute of limitations had been applied. The statute of limitations is not suspended if the infringement is only declared void. In June 2019, a new Facts Concretion Sheet (*Pliego de Concreción de Hechos*) was received. After this the CNMC notified in July 2019 the Resolution Proposal (*Propuesta de Resolución*) to the different FCC entities. All the FCC group companies filed their objections against the Resolution Proposal on 22 August 2019 before the CNMC. On 23 September 2019, the CNMC resolved to suspend the proceedings until the appeals submitted by other entities involved in the case are resolved by the National High Court in which it was requested to declare the disciplinary proceeding void for violating the “*non bis in idem*” principle. For other entities, namely Tratamientos y Recuperaciones Industriales, S.A., Gestión y Valoración Industrial del Centro, S.L. and Betarte, S.A., it was agreed not to file the proceedings, given that their participation in the facts had not been proven.

The National High Court has resolved that the disciplinary proceeding against the other entities violates the “*non bis in idem*” principle and declared the proceeding void. Therefore, on 22 March 2023 the CNMC closed out the first disciplinary proceeding (S/DC/0628/18) brought up against FCC, FCC Ambito, FCC Medio Ambiente S.A, Manipulación y Recuperación, S.A., Recuperacion de Pedreres, S.L., among others.

Environmental Matters and Sustainability

The FCC Servicios Medio Ambiente Group's activities are subject to environmental regulation. This requires, among other requirements, that the FCC Servicios Medio Ambiente Group commissions environmental impact studies for future projects and that it obtains the licences, permits and other authorisations required to construct and operate relevant projects. In recent years there has been a significant increase in environmental regulation in Spain, the EU and other jurisdictions in which the FCC Servicios Medio Ambiente Group operates. These include regulations regarding carbon dioxide emissions and limitations on polluting emissions from large plants and facilities as well as regulations on waste and the circular economy, which set ambitious targets for the use of waste and the reduction of the amount of waste destined for the landfill.

Sustainability Strategy

There has been a very important milestone in terms of sustainability within FCC Servicios Medio Ambiente Group during 2021. FCC Servicios Medio Ambiente Group is a leading organisation in providing sustainable environmental services. FCC Servicios Medio Ambiente Group's commitment to sustainability was formally

established in the 2050 sustainability strategy approved in March 2021, a sustainability roadmap which the entire organisation had participated in creating.

This long-term sustainability strategy has been integrated throughout the organisation and focuses on combining the know-how developed over its 100 years of activity with the development of innovative technologies to offer its customers more efficient services and a more "friendly" service concept, more mindful of its the consumption of resources which will contribute to making all the cities it operates in more sustainable and inclusive.

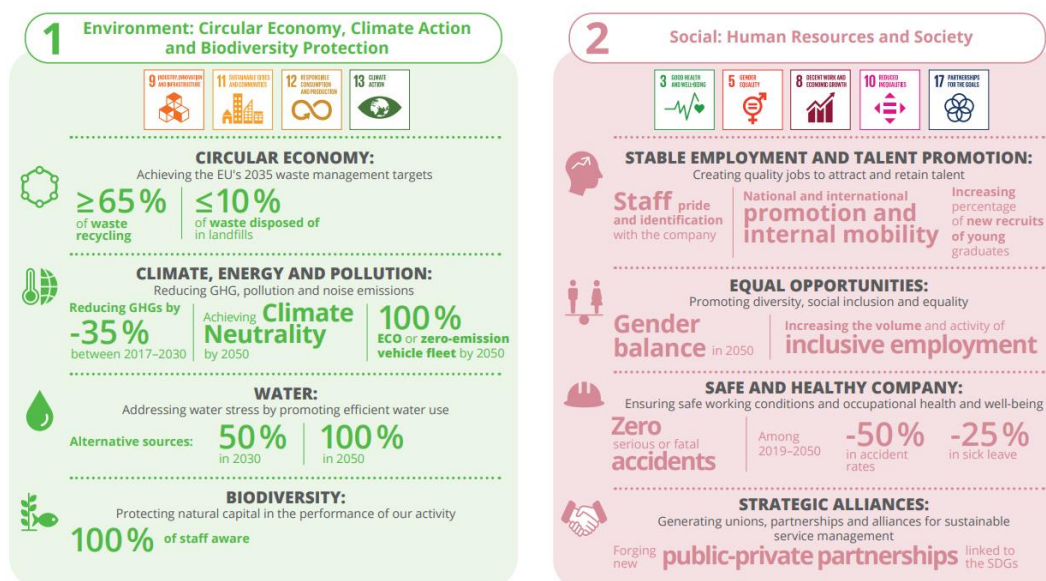
Policies for equality and labour integration of disadvantaged groups are of particular importance to FCC Servicios Medio Ambiente Group, as well as the promotion of all those actions that reinforce the commitment to the circular economy, the fight against climate change and the reduction of the carbon footprint. The use of alternative energies and the efficiency in their use for the provision of urban and environmental services, both in the facilities and in the service vehicles, constitute two strategic pillars in which important steps have been taken, especially in the development of technologies of electric mobility in the vehicle fleet.

The FCC Servicios Medio Ambiente Group has focused its actions on the United Nations sustainable development goals (SDGs) most directly related to its activities in order to maximise the effect on the 17 SDGs as a whole. The organisation contributes to greater environmental, economic, and social prosperity through:

- Green growth and the fight against climate change: efficient consumption of water, energy and other resources, waste prevention; technological innovation, low carbon processes and services and protection of biodiversity.
- People development: generation of talent, diversity and equal opportunities, occupational health and safety and social inclusion.
- A favourable work environment: fight against corruption, peace and social stability, quality and transparency in the value chain.
- Public-private collaboration and opening up to the third sector.

With all this, 4 core areas have been defined that will mark the actions of FCC Servicios Medio Ambiente Group in terms of sustainable management: ENVIRONMENT, SOCIAL, EXCELLENCE and GOVERNANCE, with specific objectives in each field of activity. Some of these commitments are:

Four core areas guiding our efforts



3 Excellence: Smart Management, Innovation and responsible value chain

9 ENERGY EFFICIENCY, 11 ECONOMIC EFFICIENCY, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 17 PARTNERSHIPS

RESPONSIBLE PROCUREMENT AND MANAGEMENT SYSTEMS:
Spearheading the implementation of systems ensuring the quality and transparency of the value chain

Digitising management processes

Implementing a **green, procurement** responsible and innovative model

Certification/accreditation
according to new standards, specifications, protocols and regulations

INNOVATION:
Maintaining our leadership in Research, Development and Innovation

Investing at least 1% of Turnover by 2050

FCC Medio Ambiente **honoree** as the **best Innovative Idea** at Smart City Awards in Barcelona

SMART CITIES:
Contributing to sustainable urban development through ICTs

100% of services under the "Smart Human & Environmental" model

4 Governance: Risk Management, Ethics and Anti-Corruption

11 ECONOMIC EFFICIENCY, 16 SOCIAL JUSTICE

RISK MANAGEMENT:
Organisational resilience

Supporting **contingency plans** for emergency situations

ETHICS AND ANTI-CORRUPTION:
Leading the way in compliance with ethical principles and the fight against corruption

Certification of the **compliance model** under ISO 37301



In order to make these long-term sustainability commitments a reality, the Group established short-term Action Plans, in which the objectives were established, and specific actions defined so that the organisation advances and achieves the commitments by 2050.

In 2022, the 2020 - 2022 Action Plan ended, and the Group is currently close to launching the new 2023-2026 Action Plan, aligned with the commitments of the 2050 Sustainability Strategy, and therefore with the United Nations SDGs.

Management System

One of the fundamental objectives of the FCC Servicios Medio Ambiente Group is continuous improvement through an integrated management system that includes both the management of the quality of processes, products and services as well as that of the environment and task force health and safety. The management system is certified by an accredited entity in accordance with, among others, the international standards ISO 9001, ISO 14001 and ISO 45001.

The FCC Servicios Medio Ambiente Group publishes a report so as to facilitate the verification of the Greenhouse gases (GHG) Inventory enabling reporting on this in a transparent manner to its stakeholders. The main objective pursued with this initiative is to:

- understand and evaluate the organisation's GHG emissions in order to identify opportunities to reduce and/or offset its carbon footprint;
- participate in voluntary GHG programmes;
- have corporate GHG information; and
- improve the position with stakeholders, maintaining a responsible commitment to continuous improvement.

Similarly, and in response to the entry into force on 5 December 2015 of EU Directive 2012/27/EU on energy efficiency, in 2016 the FCC Servicios Medio Ambiente Group was certified ISO-50001. To meet the objectives established, a comprehensive control of energy monitoring is planned, supervising the installed capacity and the evolution of energy consumption. To do so, the FCC Servicios Medio Ambiente Group's actions should be aimed at:

- improving measurement;
- calculating and optimising the energy consumption of vehicles;
- optimizing and improving waste treatment processes, facilities and equipment;
- promoting the use of renewable energy;
- optimizing the purchase of energy; and
- maintaining infrastructure.

Research Development and Innovation

The aim of FCC Servicios Medio Ambiente Group is to maintain its position as a leader in innovation in its sector, especially in the following aspects:

- **Circular economy:** new more effective and efficient treatment processes, improve the use of resources from waste (by-products and energy) and minimise the impacts caused by waste treatment; and
- **Climate change:** development of vehicles and machinery with low or zero emissions for the provision of urban services, adaptation to climate change through the development of disaster prevention models in urban environments.

One of the commitments of our 2050 sustainability strategy is, for 2030, to increase the annual spending on Research Development and Innovation to at least around 0.3% of turnover with a long-term goal of reaching a minimum of 1% of the turnover in 2050.

FCC Medio Ambiente has continued to maintain its research, development and innovation (**R&D&I**) management system certification, in accordance with standard UNE 166002.

FCC Servicios Medio Ambiente Group has already ended some R&D&I projects as SCALIBUR, VALOMASK and RECYGAS and has continued with the development of projects started in previous years, such as:

- LIFE4FILM
- VISION
- BICISENDAS
- INSECTUM
- B-FERTS
- DEEP PURPLE
- PLASMIX
- LANDFILL BIOFUEL
- SEALING OF MINING DEPOSITS

In addition, new projects have been launched during 2022 and 2023. Those in the field of municipal waste treatment activities are summarised below:

- **INFUSION:** Consists of development of an intensive treatment of waste effluents and conversion into useful sustainable outputs: biogas, nutrients and water).
- **RSU4HOM:** Consists of the development of new construction products by recovering slag from the incineration of municipal solid waste. The main aim of the project is to reduce the environmental impact generated by the disposal of slag in landfills from the incineration of MSW to a minimum, through its recovery and integration as: aggregates for the production of concrete, mortar and precast concrete.
- **ECO2D4.0:** Seeks to develop comprehensive, final solutions by using priority waste from the Basque Country and an ecosystem for the operational and environmental monitoring of road infrastructures. The ultimate aim of the project is to research and develop digitized ECO-highways products, analysing the technical and market feasibility of reusing the main waste streams.
- **MINETHIC:** Consists of promoting the recovery and reuse of strategic mineral resources for the ecological transition. The general aim is to investigate new sources of unconventional industrial and urban mining raw materials for the ecological transition, covering the entire value chain: pre-treatments to concentrate materials of interest and eliminate interference, separation, recovery and purification treatments and the validation of the recovered materials in final applications (permanent magnets, cathodes, catalysts, etc.).
- **ECLOSION:** Consists of the development of new materials, technologies and processes for the generation, storage, transport and integration of renewable hydrogen and biomethane from waste. This is an innovative biological (Dual Fermentation 2.0) and thermochemical (supercritical gasification) system for the energy use of the organic fraction of urban solid waste (**FORS**) and agri-food waste, transforming it into hydrogen and biomethane at low cost. The resulting gas mixtures will be purified using innovative polymeric membranes and membrane contactors. Likewise, the technical feasibility of using leachate from the plant to produce hydrogen gas through an electrochemical process (electrolysis) will be investigated.
- **LUCRA:** Seeks to develop comprehensive, final solutions for the sustainable production of succinic acid via electrochemistry using renewable raw materials.
- **ZEROLANDFILLING:** Consist of recovering landfill waste through an innovative and integrated process committed to the circular economy.
- **LIFE ABATE:** Seeks to develop marketable high performance compact technologies for the abatement of volatile organic compounds in EU waste treatment plants, decreasing carbon dioxide emissions and energy consumption.

In the field of specialised machinery for waste collection activities there are some new projects:

- **8 m3 IRRIGATION AND WASHING TANK ON 2-m WIDE PURE ELECTRIC CHASSIS:** consists of the development of a new tank made from aluminium, for the irrigation and washing of streets using jet washers and front-mounted cones, upper pole and double rear reel measuring 2 meters in width (one of a kind on the market), on a pure electric chassis with state-of-the-art European-made ion battery lithium, also two-meters wide and gross vehicle weight of 18 tons (that can be licensed for 19 tons).
- **H2 TRUCK:** development of a new urban solid waste collector truck powered by hydrogen. It is a vehicle that uses a battery and a hydrogen cell as energy sources. This vehicle will have the capacity to carry out any of the urban services that our organisation currently provides, with the same or better benefits and using clean energy.
- **PLAUSU:** Autonomous Platform for Urban Services. It consists of the development of an autonomous sweeper, capable of performing the service without a driver.

And finally, there is another new project in Industrial Waste:

- **PV4INK:** Consists of recovering materials obtained from the treatment of photovoltaic panels (**PV**) by developing nanoparticle-based conductive inks. The aim is to study and develop technologies that allow the different value elements present in PV modules to be harnessed. In this case, the proposal will be structured around the recovery of the silver (**Ag**) contained in the PV modules to obtain solutions with a high content of this metal, as a potential secondary raw material for use in the electronics sector (conductive inks).

Intellectual Property

The FCC Servicios Medio Ambiente Group implements intellectual property protection policies and procedures. The measures taken by the FCC Servicios Medio Ambiente Group to protect its intellectual property include the entry into confidentiality, non-disclosure and/or non-compete agreements by employees, service providers and counterparties, as appropriate, and the dissemination throughout the FCC Servicios Medio Ambiente Group of an internal code of conduct.

In order to prevent third parties from being able to use and benefit from their names or internet domains, the FCC Servicios Medio Ambiente Group's policy is for all affiliates and subsidiaries to: (i) register and protect their names in accordance with local legislation, (ii) register their names as commercial brands in the relevant product areas, and (iii) register their internet domains.

Insurance

Under its risk management policy, the FCC Servicios Medio Ambiente Group maintains insurance which provides cover against various risks, such as third-party damage (environmental and civil liability, in general), construction damages, management's and employees' liability and risks to which its property, plant and equipment are subject. The FCC Servicios Medio Ambiente Group's risk management policy also includes the assessment of tools for risk transfer that are alternative to insurance cover.

Employees

As of 31 December 2022, the FCC Servicios Medio Ambiente Group had 43,842 employees globally.

Management

Board of Directors of the Issuer

The Board of Directors of the Issuer as at the date hereof is composed of the following four Directors:

Name	Position	Principal activities outside the Issuer
Alejandro Aboumrad	Chairman	Vice-Chairman of Fomento de Construcciones y Contratas, S.A., Chairman of FCC Aqualia, S.A., Director of Cementos Portland Valderrivas, S.A on behalf of Inmobiliaria AEG S.A. de CV., Chairman of FCC Medio Ambiente Reino Unido, S.L.U.
Pablo Colio	Vice-Chairman	Group Chief Executive of Fomento de Construcciones y

Name	Position	Principal activities outside the Issuer
		Contratas, S.A, Chairman of FCC Construccion S.A., Chairman of FCC Medio Ambiente S.A.U., Director of FCC Aqualia S.A., Vice-Chairman of FCC Medio Ambiente Reino Unido, S.L.U, Director of FCC Environment (UK) Limited, Director of Carso Infraestructuras y Construcción (CICSA), Director of Cementos Portland Valderrivas, S.A..
Gerardo Kuri Kaufman	Director	Director of Realia Business, S.A., Director of Fomento de Construcciones y Contratas, S.A., Director of Cemento Portland Valderrivas, S.A, Director of FCC Aqualia, S.A., Director of Minera Frisco, S.A.B de C.V., Director of Elementia, S.A.B., de C.V., Director of Inmuebles Carso, S.A. de C.V..
Jorge Payet Pérez	Director	Head of the National Environment Area, Chairman of FCC Ambito S.A.U., Director FCC of Medio Ambiente S.A.U.

The business address of the members of the Board of Directors of the Issuer is Calle Federico Salmón, 13, 28016 Madrid, Spain.

There are no potential conflicts of interest between the private interests or other duties of the members of the Board of Directors listed above and their duties to the Issuer.

Management Structure of the Issuer

The Management Team is comprised of the following members:

Name	Position	Principal activities outside the Issuer
Pablo Colio Abril	CEO	Group Chief Executive of Fomento de Construcciones y Contratas, S.A, Chairman of FCC Construccion S.A., Chairman of FCC Medio Ambiente S.A.U., Director of FCC Aqualia S.A., Vice-Chairman of FCC Medio Ambiente Reino Unido, S.L.U, Director of FCC Environment (UK) Limited, Director of Carso Infraestructuras y Construcción

Name	Position	Principal activities outside the Issuer
		(CICSA), Director of Cementos Portland Valderrivas, S.A.
Óscar Ruiz Rodríguez	CFO	Director of FCC Environmental Services, LLC (USA)
Carlos Afonso Ferrer	Head of Business development & MA	Director of FCC Medioambiente Internacional, S.L.U.
Malén Sánchez de Vivar	Head of the Legal Advice Department	Secretary non Director of Azincourt Investment, S.L.U. and Vice-Secretary non Director of FCC Medio Ambiente Reino Unido, S.L.U.
Luis Suárez Zarcos	Head of Human Resources	
Eva Egido delgado	Head of Compliance, Sustainability and Quality,	
Jorge Payet Pérez	Country Manager Iberia	Head of the Iberian Environment Area, Chairman of FCC Ambito S.A.U., Director of FCC Medio Ambiente S.A.U.
Paul Taylor	Country Manager UK	Group Chief Executive of FCC Environment UK
Björn Mittendorfer	Country Manager Central and Eastern Europe	Group Chief Executive of FCC Austria Abfall Service AG
Iñigo Sanz	Country Manager Americas	Chief Executive of FCC Environmental Services (USA)

The business address of the members of the Management Team of the Issuer is Avenida Camino de Santiago, 40, 28050 Madrid, Spain.

There are no potential conflicts of interest between the private interests or other duties of the members of the Management Team of the Issuer listed above and their duties to the Issuer.

Recent Developments

On 1 June 2023, FCC entered into an agreement with CPPI to sell 24.99% of the share capital of FCC Servicios Medio Ambiente.

The main terms of this agreement are:

- CPPI agreed to pay EUR965 million for 24.99% of FCC Servicios Medio Ambiente.
- The transaction is subject to the usual conditions precedent.
- FCC will retain the majority of FCC Servicios Medio Ambiente with a 75.01% stake.

- The funds will be used primarily to address the strategic opportunities and corporate needs of the FCC Group.

FCC Servicios Medio Ambiente foresees the continuity of its current strategy, continuity of its operations and business relations (public administrations, private customers, suppliers, etc.), strengthened and developed new activities with the active participation and synergies arising from the incorporation of CPPI as new partner and the permanence of the FCC Servicios Medio Ambiente' management team.

CPPI is a global management group serving the 21 million contributors and beneficiaries of the Canadian pension plan. It manages C\$570 billion in assets as at 31 March 2023, of which C\$487 billion are located outside Canada, in a wide range of activity sectors, including real estate, infrastructure, energy, debt, and public and private equity funds.

CERTAIN INFORMATION IN RESPECT OF THE NOTES

Key Information

The persons involved in the Programme and the capacities in which they act are specified at the end of this Information Memorandum.

The net proceeds of the issue of each issue of Notes will be used for the general funding purposes of the Group.

Information concerning the securities to be admitted to trading

Total amount of Notes admitted to trading

The aggregate amount of each issue of Notes will be set out in the applicable Final Terms.

The maximum aggregate principal amount of Notes which may be outstanding at any one time is €400,000,000 (or its equivalent in other currencies). Such amount may be increase from time to time in accordance with the Programme Agreement.

Type and class of Notes

Notes will be issued in tranches. Global Notes shall be issued (and interests therein exchanged for Definitive Notes, if applicable) in the following minimum denominations:

- (a) for U.S.\$ Notes, U.S.\$500,000 (and integral multiples of U.S.\$1,000 in excess thereof);
- (b) for Euro Notes, €100,000 (and integral multiples of €1,000 in excess thereof);
- (c) for Sterling Notes, £100,000 (and integral multiples of £1,000 in excess thereof);
- (d) for Yen Notes, Yen 100,000,000 (and integral multiples of Yen 1,000,000 in excess thereof); or
- (e) for Swiss Francs Notes, CHF 500,000;

or such other conventionally accepted denominations in those currencies as may be agreed between the Issuer and the relevant Dealer from time to time, subject in the case of each currency (including those listed above) (i) to compliance with all applicable legal and regulatory requirements and (ii) to the minimum denomination being at least equal to the Euro equivalent of €100,000 (except in the case of Notes to be placed in the UK, in which case the minimum denomination will be the Euro equivalent of £100,000, or higher), and provided, however, that the Notes of each issuance may only be issued in equal denominations.

Notes may, if the proceeds of the issue are accepted in the UK, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".

The international security identification number of each issue of Notes will be specified in the relevant Final Terms.

Legislation under which the Notes, the related contractual documentation have been created

The status of the Notes, the capacity of the Issuer and the relevant corporate resolutions shall be governed by Spanish law. Any non-contractual obligations arising out of or in connection with the Notes, the terms and conditions of the Notes (save as provided above) and all related contractual documentation will be governed by, and construed in accordance with, English law.

Form of the Notes

The Notes will be in bearer form. Each issue of Notes will initially be represented by a Global Note which will be deposited with a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Classic Global Note, as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each New Global Note, as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Global Note may, if so specified in the relevant Final Terms, be exchangeable for Notes in definitive bearer form in the limited circumstances specified in the relevant Global Note.

On 13 June 2006, the ECB announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the **Eurosystem**), *provided that* certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

Currency of the Notes

Notes may be issued in U.S. dollars, Euro, Sterling, Japanese Yen, and Swiss Francs and such other currencies as may be agreed between the Issuer and the Dealer(s) from time to time and subject to the necessary regulatory requirements having been satisfied.

Status of the Notes

The payment obligations of the Issuer pursuant to the Notes constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon the insolvency (*concurso*) of the Issuer (and unless they qualify as subordinated claims under Article 281 of the Insolvency Law or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) rank *pari passu* and without any preference among themselves and *pari passu* with all other unsecured and unsubordinated insolvency claims (*créditos concursales*), present and future, of the Issuer.

In the event of insolvency (concurso) of the Issuer, under the Insolvency Law, claims relating to Notes (unless they qualify as subordinated claims under Article 281 of the Insolvency Law) will be ordinary credits (créditos ordinarios) as defined in the Insolvency Law. Claims that qualify as subordinated credits under Article 281 of the Insolvency Law include, but are not limited to, any accrued and unpaid unsecured interests (including, for Notes sold at a discount, the amortisation of the original issue discount from (and including) the date of issue to (but excluding) the date upon which the insolvency proceeding (concurso) of the Issuer commenced). Ordinary claims rank below claims against the insolvency state (créditos contra la masa) and claims with special privilege (créditos con privilegio especial) and general privilege (créditos con privilegio general). Ordinary claims rank above subordinated credits and the rights of shareholders. Pursuant to Article 152 of the Insolvency Law, accrual of interest shall be suspended from the date of declaration of insolvency of the Issuer (other than any ordinary interest accruing under secured liabilities up to an amount equal to the lower of the value of the asset subject to the security and the maximum secured liabilities under the relevant security and provided that a contingent claim was reported to the insolvency administrator in due course in respect of ordinary interest that may accrue after the declaration of insolvency).

Rights attaching to the Notes

Each issue of Notes will be the subject of Final Terms which, for the purposes of that issue only, supplements the terms and conditions set out in the relevant Global Note or, as the case may be, definitive Notes and must be read in conjunction with the relevant Notes. See "*Form of Notes*" and "*Form of Final Terms*".

Maturity of the Notes

The maturity date applicable to each issue of Notes will be specified in the relevant Final Terms (the **Maturity Date**). The Maturity Date of an issue of Notes may not be less than 1 day nor more than 364 days from and including the day of issue, to (but excluding) the maturity date, subject to applicable legal and regulatory requirements.

Optional Redemption for Tax Reasons

The Issuer may redeem Notes (in whole but not in part) if (a) it is not entitled to claim a deduction in computing taxation liabilities in Spain in respect of any interest to be made on the next Interest Payment Date or the value of such deduction to the Issuer is materially reduced, or (b) it has or will become obliged to pay additional amounts pursuant to the terms and conditions of the Notes as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction) which change or amendment becomes effective on or after the issue date of the relevant Notes and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

Redemption at the Option of the Issuer

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at the Redemption Amount specified in the Final Terms together with (if this Note is an interest bearing Note) accrued interest to the Early Redemption Date specified in the Final Terms at any time upon expiry of the notice period specified in the Final Terms if, prior to the date on which the relevant notice of redemption is given, purchases (and corresponding cancellations) and/or redemptions have been effected in respect of 85 per cent. or more in principal amount of the Notes originally issued.

Prescription

Claims for payment of principal and interest in respect of the Notes shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date in each case as specified in the relevant Final Terms.

Yield Basis

The Notes may be issued at a discount or at a premium (in which case they will not bear interest) or may bear fixed or floating rate interest. The yield basis in respect of Notes bearing interest at a fixed rate will be set out in the relevant Final Terms.

Authorisations and approvals

The update of the Programme and the issuance of Notes pursuant thereto was authorised by a resolution of the Board of Directors of the Issuer adopted at a meeting passed on 14 June 2023. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Admission to Trading and Dealing Arrangements

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of twelve months after the date of this Information Memorandum to be admitted to the Official List and to trading on the regulated market of Euronext Dublin. Notes may be listed, traded and/or quoted on any other listing authority, stock exchange and/or quotations system, as may be agreed between the Issuer and the Dealers. No Notes may be issued on an unlisted basis.

The Bank of New York Mellon, London Branch is the Issuing and Paying Agent in respect of the Notes.

The Bank of New York Mellon SA/NV, Dublin Branch is the Listing Agent in respect of the Notes.

Expense of the Admission to Trading

The expense in relation to the admission to trading of each issue of Notes will be specified in the relevant Final Terms.

Additional Information

The legal advisers and capacity in which they act are specified at the end of this Information Memorandum.

The Notes to be issued under the Programme have not been rated.

FORM OF NOTES

PART I

FORM OF MULTICURRENCY GLOBAL NOTE

THE SECURITIES COVERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT) OR ANY SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THIS SECURITY FORMS PART.

FCC SERVICIOS MEDIO AMBIENTE HOLDING, S.A.U.
(Incorporated with limited liability in the Kingdom of Spain)

€400,000,000

EURO-COMMERCIAL PAPER PROGRAMME

1. For value received, FCC Servicios Medio Ambiente Holding, S.A.U. (the **Issuer**) promises to pay to the bearer of this Global Note on the Maturity Date set out in the Final Terms or on such earlier date as the same may become payable in accordance with paragraph 4 below (the **Relevant Date**), the Nominal Amount or, as the case may be, Redemption Amount set out in the Final Terms, together with interest thereon, if this is an interest bearing Global Note, at the rate and at the times (if any) specified herein and in the Final Terms. Terms defined in the Final Terms attached hereto but not otherwise defined in this Global Note shall have the same meaning in this Global Note.

All such payments shall be made in accordance with the amended and restated issuing and paying agency agreement (the **Issuing and Paying Agency Agreement**) dated 6 July 2023 (as amended and restated or supplemented from time to time) between the Issuer and The Bank of New York Mellon, London Branch as issue agent and as principal paying agent (the **Issuing and Paying Agent**, together with their successors in such capacity and any other paying agents appointed by the Issuer on the terms of the Issuing and Paying Agency Agreement, the **Paying Agents**), a copy of which is available for inspection at the offices of the Issuing and Paying Agent at 160 Queen Victoria Street London EC4V 4LA, United Kingdom (or by e-mail, following the holder's prior written request and provision of proof of holding and identity (in a form satisfactory to the Issuing and Paying Agent)), and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made (upon presentation and surrender (as the case may be) of this Global Note) to the bearer through Euroclear Bank SA/NV and Clearstream Banking S.A. or any other relevant clearing system or, if this Global Note has been exchanged for bearer definitive Notes pursuant to paragraph 12, by transfer to an account denominated in the Specified Currency set out in the Final Terms maintained by the bearer in the principal financial centre in the country of that currency or, in the case of a Global Note denominated in Euro, by Euro cheque drawn on, or by transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union. The Issuer undertakes that, so long as the Notes are listed, traded and/or quoted on any listing authority, stock exchange and/or quotation system, there will at all times be a paying agent with a specified office in such place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system.

Notwithstanding the foregoing, presentation and surrender of this Global Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Global Note denominated in U.S. dollars, payments shall be made by transfer to an account denominated in U.S. dollars in the principal financial centre of any country outside of the United States that the Issuer or the Issuing and Paying Agent so chooses.

2. If the Final Terms specify that the New Global Note form is applicable, this Global Note shall be a "**New Global Note**" or "**NGN**" and the principal amount of Notes represented by this Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs (as defined below). The records of the ICSDs (which expression in this Global Note means the records that each ICSD holds for its customers which reflect the amount of such customers' interests in the Notes (but excluding any interest in any Notes of one ICSD shown in the records of another ICSD)) shall be conclusive evidence of the principal amount of Notes represented by this Global Note and, for these purposes, a statement issued by an ICSD (which statement shall be made available to the bearer upon request) stating the principal amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the ICSD at that time.

If the Final Terms specify that the New Global Note form is not applicable, this Global Note shall be a "**Classic Global Note**" or "**CGN**" and the principal amount of Notes represented by this Global Note shall be the amount stated in the Final Terms or, if lower, the principal amount most recently entered by or on behalf of the Issuer in the relevant column in the Schedule hereto.

3. All payments in respect of this Global Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed in the Kingdom of Spain, in or from which such payments are made or any political subdivision or taxing authority of or in any of the foregoing (**Taxes**). If the Issuer is required by law or regulation to make any deduction or withholding for or on account of Taxes imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax in respect of payment of interest, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Global Note is presented for payment:
 - (a) by or on behalf of a holder which is liable to such Taxes by reason of having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Global Note; or
 - (b) to, or to a third party on behalf of, a holder who could have been able to avoid such deduction or withholding by presenting a certificate of tax residence and/or such other document evidencing its tax residence as may be required by the competent tax authorities in order to comply with Spanish tax disclosure obligations according to the procedures that may be eventually implemented to comply with the interpretation of Royal Decree 1065/2007 or any other applicable legislation at that time; or
 - (c) more than fifteen days after the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date or (in either case) the date on which the payment hereof is duly provided for, whichever occurs later, except to the extent that the relevant holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of fifteen days; or

- (d) to, or to a third party on behalf of an individual resident for tax purposes in the Kingdom of Spain if the Spanish tax authorities determine that the Notes do not comply with exemption requirements and require a withholding to be made; or
- (e) to, or to a third party on behalf of, a Spanish-resident corporate entity if the Spanish tax authorities determine that the Notes do not comply with exemption requirements including those specified in the Reply to Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made.

Notwithstanding any other provision of this Global Note, in no event will the Issuer be required to pay any additional amounts in respect of the Notes for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, (the **Code**), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto

- 4. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 14 days' notice to the holders (which notice shall be irrevocable), at the Redemption Amount specified in the Final Terms, together with (if this Note is an interest bearing Note) interest accrued to the date fixed for redemption, if:
 - (a) the Issuer (a) is not entitled to claim a deduction in computing taxation liabilities in Spain in respect of any interest to be made on the next Interest Payment Date or the value of such deduction to the Issuer is materially reduced, or (b) has or will become obliged to pay additional amounts as provided or referred to in paragraph 3 above as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision thereof or any authority or agency thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date as specified in the Final Terms; and
 - (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

provided, however, that no such notice of redemption shall be given earlier than 14 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issuing and Paying Agent:

- (a) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (b) an opinion of independent legal advisers of recognised standing to the effect that the Issuer (i) is not entitled to claim a deduction in computing taxation liabilities in Spain in respect of any interest to be made on the next Interest Payment Date or the value of such deduction to the Issuer is materially reduced, or (ii) has or will become obliged to pay such additional amounts as a result of such change or amendment (as applicable).

Upon the expiry of any such notice as is referred to in this paragraph, the Issuer shall be bound to redeem the Notes in accordance with this paragraph.

5. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at the Redemption Amount specified in the Final Terms together with (if this Note is an interest bearing Note) accrued interest to the Early Redemption Date specified in the Final Terms at any time upon expiry of the notice period specified in the Final Terms if, prior to the date on which the relevant notice of redemption is given, purchases (and corresponding cancellations) and/or redemptions have been effected in respect of 85 per cent. or more in principal amount of the Notes originally issued.
6. The Issuer or any subsidiary of the Issuer may at any time purchase Notes in the open market or otherwise and at any price.
7. All Notes so purchased by the Issuer or otherwise than in the ordinary course of business of dealings in securities or as a nominee shall be cancelled and shall not be reissued or resold. All Notes so purchased by any subsidiary of the Issuer may be cancelled, held by such subsidiary or resold.
8. On each occasion on which:
 - (a) *Definitive Notes*: Notes in definitive form are delivered; or
 - (b) *Cancellation*: Notes represented by this Global Note are to be cancelled in accordance with paragraph 7 above,

the Issuer shall procure that:

- (a) if the Final Terms specify that the New Global Note form is not applicable, (i) the aggregate principal amount of such Notes; and (ii) the remaining principal amount of Notes represented by this Global Note (which shall be the previous principal amount hereof less the aggregate of the amounts referred to in (i) above) are entered in the Schedule hereto, whereupon the principal amount of Notes represented by this Global Note shall for all purposes be as most recently so entered; and
 - (b) if the Final Terms specify that the New Global Note form is applicable, details of the exchange or cancellation shall be entered pro rata in the records of the ICSDs and the Nominal Amount of the Notes entered in the records of the ICSDs and represented by the Global Note shall be reduced by the principal amount so exchanged or cancelled.
9. The payment obligations of the Issuer represented by this Global Note constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon insolvency (*concurso*) of the Issuer (and unless they qualify as subordinated claims under Article 281 of Royal Legislative Decree 1/2020, of 5 May, approving the consolidated and restated text of the Insolvency Law, as amended from time to time, including by Law 16/2022, of 5 September, implementing the Directive (EU) 2019/1023 of the European Parliament and the Council of 20 June, 2019, on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (the **Insolvency Law**) or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) rank *pari passu* and without any preference among themselves and *pari passu* with all other unsecured and unsubordinated insolvency claims (*créditos concursales*), present and future, of the Issuer.
10. If the Maturity Date (or, as the case may be, the Relevant Date or, if applicable, the relevant Interest Payment Date), is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and the bearer of this Global Note shall not be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global Note:

Payment Business Day means any day other than a Saturday or Sunday which is either (i) if the Specified Currency set out in the Final Terms is any currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the Specified Currency set out in the Final Terms (which, if the Specified Currency is Australian dollars, shall be Sydney) or (ii) if the Specified Currency set out in the Final Terms is Euro, a day which is a TARGET Business Day;

T2 means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 20 March 2023 or any successor or replacement for that system; and

TARGET Business Day means any day on which T2 is open for the settlement of payments in euro.

11. This Global Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).
12. This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated bearer Notes in definitive form (whether before, on or, subject as provided below, after the Maturity Date):
 - (a) if Euroclear Bank SA/NV (**Euroclear**) or Clearstream Banking S.A. (**Clearstream, Luxembourg**, together with Euroclear, the international central securities depositaries or **ICSDs**) or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (b) if default is made in the payment of any amount payable in respect of this Global Note; or
 - (c) if the Notes are required to be removed from Euroclear, Clearstream, Luxembourg or any other clearing system and no suitable (in the determination of the Issuer) alternative clearing system is available.

Upon presentation and surrender of this Global Note during normal business hours to the Issuer at the offices of the Issuing and Paying Agent (or to any other person or at any other office outside the United States as may be designated in writing by the Issuer to the bearer), the Issuing and Paying Agent shall authenticate and deliver, in exchange for this Global Note, bearer definitive notes denominated in the Specified Currency set out in the Final Terms in an aggregate nominal amount equal to the Nominal Amount of this Global Note.

13. If, upon any such event and following such surrender, definitive Notes are not issued in full exchange for this Global Note before 5:00 p.m. (London time) on the 30th day after surrender, this Global Note (including the obligation hereunder to issue definitive notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated 6 July 2023, entered into by the Issuer).
14. If this is an interest bearing Global Note, then:
 - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Global Note falling due for payment prior to the Maturity Date remains unpaid on the 15th

day after falling so due, the amount referred to in paragraph 1 above shall be payable on such 15th day;

- (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Global Note, the Issuer shall procure that:
 - (i) if the Final Terms specify that the New Global Note form is not applicable, the Schedule hereto shall be duly completed by the Issuing and Paying Agent to reflect such payment; and
 - (ii) if the Final Terms specify that the New Global Note form is applicable, details of such payment shall be entered *pro rata* in the records of the ICSDs.

15. If this is a fixed rate interest bearing Global Note, interest shall be calculated on the Calculation Amount specified in the Final Terms as follows:

- (a) interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days at the Rate of Interest specified in the Final Terms with the resulting figure being rounded to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards); and
- (b) the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is an **Interest Period** for the purposes of this paragraph.

16. If this is a floating rate interest bearing Global Note, interest shall be calculated on the Calculation Amount specified in the Final Terms as follows:

- (a) the Rate of Interest will be the aggregate of EURIBOR and the Margin specified in the Final Terms (if any) above or below EURIBOR. Interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Global Note (and unless otherwise specified in the Final Terms), **EURIBOR** shall be equal to EUR-EURIBOR-Reuters (as defined in the 2006 ISDA Definitions) or EUR-EURIBOR (as defined in the 2021 ISDA Definitions) as at 11:00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a **EURIBOR Interest Determination Date**), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified in the Final Terms in relation to the Reference Rate.

As used in this Global Note:

2006 ISDA Definitions means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date;

2021 ISDA Definitions means the 2021 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date; and

ISDA Definitions means the 2006 ISDA Definitions or the 2021 ISDA Definitions, as specified in the Final Terms;

- (b) the Calculation Agent specified in the Final Terms will, as soon as practicable after 11:00 a.m. (Brussels time) on each EURIBOR Interest Determination Date determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**) for the relevant Interest Period. "**Rate of Interest**" means the rate which is determined in accordance with the provisions of paragraph (a) above. The Amount of Interest payable per Note shall be calculated by applying the Rate of Interest to the Calculation Amount (as specified in the Final Terms), multiplying such product by the Day Count Convention specified in the Final Terms or, if none is specified, by the actual number of days in the Interest Period concerned divided by 360 and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties;
 - (c) the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an **Interest Period** for the purposes of this paragraph; and
 - (d) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the clearing system(s) in which this Global Note is held at the relevant time or, if this Global Note has been exchanged for bearer definitive Notes pursuant to paragraph 12 above, will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).
17. If the proceeds of this Global Note are accepted in the United Kingdom, the Nominal Amount shall be not less than £100,000 (or the equivalent in any other currency).
18. Upon any payment being made in respect of the Notes represented by this Global Note, the Issuer shall procure that:
- (a) *CGN*: if the Final Terms specify that the New Global Note form is not applicable, details of such payment shall be entered in the Schedule hereto and, in the case of any payment of principal, the principal amount of the Notes represented by this Global Note shall be reduced by the principal amount so paid; and
 - (b) *NGN*: if the Final Terms specify that the New Global Note form is applicable, details of such payment shall be entered *pro rata* in the records of the ICSDs and, in the case of any payment of principal, the principal amount of the Notes entered in the records of the ICSDs and represented by this Global Note shall be reduced by the principal amount so paid.
19. This Global Note shall not be validly issued unless manually or electronically authenticated by The Bank of New York Mellon, London Branch as Issuing and Paying Agent.

20. If the Final Terms specify that the New Global Note form is applicable, this Global Note shall not be valid for any purpose until it has been effectuated for and on behalf of the entity appointed as common safekeeper by the ICSDs.
21. This Global Note (other than paragraph 9 above) and all non-contractual obligations arising out of or in connection with this Global Note are governed by, and construed in accordance with, English law. Paragraph 9 above is governed by, and shall be construed in accordance with, Spanish law.
- (a) **English courts**
- The courts of England have exclusive jurisdiction to settle any dispute arising from or connected with this Global Note (including a dispute relating to the existence, validity or termination of this Global Note or any non-contractual obligation arising out of or in connection with this Global Note) or the consequences of its nullity (a **Dispute**).
- (b) **Appropriate forum**
- The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (c) **Rights of the bearer to take proceedings outside England**
- Paragraph 21(a) above is for the benefit of the bearer only. As a result, nothing in this paragraph 21 prevents the bearer from taking proceedings relating to a Dispute (**Proceedings**) in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.
- (d) **Process agent**
- The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to FCC Environment Services (UK) Ltd. at 3 Sidings Court, White Rose Way, Doncaster, South Yorkshire DN4 5NU (UK), or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the bearer addressed to the Issuer and delivered to the Issuer or to the offices of the Issuing and Paying Agent, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the offices of the Issuing and Paying Agent. Nothing in this paragraph shall affect the right of the bearer to serve process in any other manner permitted by law. This Clause applies to Proceedings in England and to Proceedings elsewhere.
22. If this Global Note has been admitted to listing on the Official List of Euronext Dublin and to trading on the regulated market of Euronext Dublin (and/or has been admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system), all notices required to be published concerning this Global Note shall be published in accordance with the requirements of Euronext Dublin (and/or of the relevant listing authority, stock exchange and/or quotation system). So long as the Notes are represented by this Global Note, and this Global Note has been deposited with a depositary or common depositary for the ICSDs or any other relevant clearing system or a Common Safekeeper (which expression has the meaning given in the Issuing and Paying Agency Agreement), the Issuer may, in lieu of such publication and if so permitted by the rules of Euronext Dublin (and/or of the relevant listing authority, stock exchange and/or quotation system), deliver the relevant notice to the clearing system(s) in which this Global Note is held.

23. Claims for payment of principal and interest in respect of this Global Note shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date.
24. No person shall have any right to enforce any provision of this Global Note under the Contracts (Rights of Third Parties) Act 1999.

**AUTHENTICATED by THE BANK OF
NEW YORK MELLON, LONDON
BRANCH**

without recourse, warranty or liability and for
authentication purposes only

**SIGNED for and on behalf of
FCC SERVICIOS MEDIO AMBIENTE
HOLDING, S.A.U.**

By its lawfully appointed attorney:

By:
(*Authorised Signatory*)

.....

EFFECTUATED for and on behalf of

.....
as common safekeeper without
recourse, warranty or liability

By:
.....
[*manual signature*] (*duly authorised*)

SCHEDULE⁸

PAYMENTS OF INTEREST, DELIVERY OF DEFINITIVE NOTES AND CANCELLATION OF NOTES

<u>Date of payment, delivery or cancellation</u>	<u>Amount of interest then paid</u>	<u>Amount of principal then paid</u>	<u>Aggregate principal amount of Definitive Notes then delivered</u>	<u>Aggregate principal amount of Notes then cancelled</u>	<u>New principal amount of this Global Note</u>	<u>Authorised Signature</u>
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⁸ The Schedule should only be completed where the Final Terms specify that the New Global Note form is not applicable

FINAL TERMS

[Completed Final Terms to be attached]

PART II
FORM OF MULTICURRENCY DEFINITIVE NOTE

THE SECURITIES COVERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT) OR ANY SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THIS SECURITY FORMS PART.

FCC SERVICIOS MEDIO AMBIENTE HOLDING, S.A.U.
(Incorporated with limited liability in the Kingdom of Spain)

€400,000,000

EURO-COMMERCIAL PAPER PROGRAMME

Nominal Amount of this Note:

1. For value received, FCC Servicios Medio Ambiente Holding, S.A.U. (the **Issuer**) promises to pay to the bearer of this Note on the Maturity Date set out in the Final Terms, or on such earlier date as the same may become payable in accordance with paragraph 3 below (the **Relevant Date**), the above-mentioned Nominal Amount or, as the case may be, the Redemption Amount set out in the Final Terms, at the rate and at the times (if any) specified herein and in the Final Terms. Terms defined in the Final Terms attached hereto but not otherwise defined in this Note shall have the same meaning in this Note.

All such payments shall be made in accordance with the amended and restated issuing and paying agency agreement (the **Issuing and Paying Agency Agreement**) dated 6 July 2023 (as amended and restated or supplemented from time to time) between the Issuer and The Bank of New York Mellon, London Branch as issue agent and as principal paying agent (the **Issuing and Paying Agent**, together with their successors in such capacity and any other paying agents appointed by the Issuer on the terms of the Issuing and Paying Agency Agreement, the **Paying Agents**), a copy of which is available for inspection at the offices of the Issuing and Paying Agent at 160 Queen Victoria Street London EC4V 4LA, United Kingdom (or by e-mail, following the holder's prior written request and provision of proof of holding and identity (in a form satisfactory to the Issuing and Paying Agent)), and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made (upon presentation and surrender (as the case may be) of this Note) to the bearer through Euroclear Bank SA/NV and Clearstream Banking S.A. or any other relevant clearing system by transfer to an account denominated in the Specified Currency set out in the Final Terms maintained by the bearer in the principal financial centre in the country of that currency or, if this Note is denominated in Euro, by Euro cheque drawn on, or by transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union. The Issuer undertakes that, so long as the Notes are listed, traded and/or quoted on any listing authority, stock exchange and/or quotation system, there will at all times be a paying agent with a specified office in such place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system.

2. All payments in respect of this Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions, and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or

hereafter imposed, levied, collected, withheld or assessed in the Kingdom of Spain, in or from which such payments are made or any political subdivision or taxing authority of or in any of the foregoing (**Taxes**). If the Issuer is required by law or regulation to make any deduction or withholding for or on account of Taxes imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax in respect of payment of interest, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Note is presented for payment:

- (a) by or on behalf of a holder which is liable to such Taxes by reason of having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Note; or
- (b) to, or to a third party on behalf of, a holder who could have been able to avoid such deduction or withholding by presenting a certificate of tax residence and/or such other document evidencing its tax residence as may be required by the competent tax authorities in order to comply with Spanish tax disclosure obligations according to the procedures that may be eventually implemented to comply with the interpretation of Royal Decree 1065/2007 or any other applicable legislation at that time; or
- (c) more than fifteen days after the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date or (in either case) the date on which the payment hereof is duly provided for, whichever occurs later, except to the extent that the relevant holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of fifteen days; or
- (d) to, or to a third party on behalf of an individual resident for tax purposes in the Kingdom of Spain if the Spanish tax authorities determine that the Notes do not comply with exemption requirements and require a withholding to be made; or
- (e) to, or to a third party on behalf of, a Spanish-resident corporate entity if the Spanish tax authorities determine that the Notes do not comply with exemption requirements including those specified in the Reply to Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made.

Notwithstanding any other provision of this Global Note, in no event will the Issuer be required to pay any additional amounts in respect of the Notes for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, (the **Code**), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto

- 3. This Note may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 14 days' notice to the holders (which notice shall be irrevocable), at the Redemption Amount specified in the Final Terms, together with (if this Note is an interest bearing Note) interest accrued to the date fixed for redemption, if:
 - (a) the Issuer (a) is not entitled to claim a deduction in computing taxation liabilities in Spain in respect of any interest to be made on the next Interest Payment Date or the value of such deduction to the Issuer is materially reduced, or (b) has or will become obliged to pay additional amounts as provided or referred to in paragraph 2 above as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision thereof or any authority or agency thereof or therein having power to tax, or any change in the

application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date specified in the Final Terms; and

- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than 14 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issuing and Paying Agent:

- (a) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (b) an opinion of independent legal advisers of recognised standing to the effect that the Issuer (i) is not entitled to claim a deduction in computing taxation liabilities in Spain in respect of any interest to be made on the next Interest Payment Date or the value of such deduction to the Issuer is materially reduced, or (ii) has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this paragraph, the Issuer shall be bound to redeem the Notes in accordance with this paragraph.

4. This Note may be redeemed at the option of the Issuer in whole, but not in part, at the Redemption Amount specified in the Final Terms together with (if this Note is an interest bearing Note) accrued interest to the Early Redemption Date specified in the Final Terms at any time upon expiry of the notice period specified in the Final Terms if, prior to the date on which the relevant notice of redemption is given, purchases (and corresponding cancellations) and/or redemptions have been effected in respect of 85 per cent. or more in principal amount of the Notes originally issued.
5. The Issuer or any subsidiary of the Issuer may at any time purchase Notes in the open market or otherwise and at any price.
6. All Notes so purchased by the Issuer otherwise than in the ordinary course of business of dealings in securities or as a nominee shall be cancelled and shall not be reissued or resold. All Notes so purchased by any subsidiary of the Issuer may be cancelled, held by such subsidiary or resold.
7. The payment obligations of the Issuer represented by this Note constitute and at all times shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and upon insolvency (*concurso*) of the Issuer (and unless they qualify as subordinated claims under Article 281 of Royal Legislative Decree 1/2020, of 5 May, approving the consolidated and restated text of the Insolvency Law, as amended from time to time, including by Law 16/2022, of 5 September, implementing the Directive (EU) 2019/1023 of the European Parliament and the Council of 20 June, 2019, on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (the **Insolvency Law**) or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions) rank *pari passu* and without any preference among other Notes of the same Series (as specified in the Final Terms) and *pari passu* with all other unsecured and unsubordinated insolvency claims (*créditos concursales*), present and future, of the Issuer.

8. If the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date, is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and the bearer of this Note shall not be entitled to any interest or other sums in respect of such postponed payment.

As used herein:

Payment Business Day, shall mean any day, other than a Saturday or a Sunday, which is both (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation, and (b) either (i) if the Specified Currency set out in the Final Terms is any currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the Specified Currency set out in the Final Terms (which, if the Specified Currency is Australian dollars, shall be Sydney) or (ii) if the Specified Currency set out in the Final Terms is Euro, a day which is a TARGET Business Day;

T2 means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 20 March 2023 or any successor or replacement for that system; and

TARGET Business Day means any day on which T2 is open for the settlement of payments in euro.

9. This Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).
10. If this is an interest bearing Note, then:
- (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the Maturity Date remains unpaid on the 15th day after falling so due, the amount referred to in paragraph 1 above shall be payable on such 15th day; and
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Issuing and Paying Agent to reflect such payment.
11. If this is a fixed rate interest bearing Note, interest shall be calculated on the Calculation Amount specified in the Final Terms as follows:
- (a) interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Note is denominated in Sterling, 365 days, at the Rate of Interest specified in the Final Terms with the resulting figure being rounded to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards); and

- (b) the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is an **Interest Period** for the purposes of this paragraph.

12. If this is a floating rate interest bearing Note, interest shall be calculated on the Calculation Amount specified in the Final Terms as follows:

- (a) the Rate of Interest will be the aggregate of EURIBOR and the Margin specified in the Final Terms (if any) above or below EURIBOR. Interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Final Terms or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Note (and unless otherwise specified in the Final Terms), **EURIBOR** shall be equal to EUR-EURIBOR-Reuters (as defined in the 2006 ISDA Definitions) or EUR-EURIBOR (as defined in the 2021 ISDA Definitions) as at 11:00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a **EURIBOR Interest Determination Date**), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified in the Final Terms in relation to the Reference Rate.

As used in this Global Note:

2006 ISDA Definitions means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date;

2021 ISDA Definitions means the 2021 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date; and

ISDA Definitions means the 2006 ISDA Definitions or the 2021 ISDA Definitions, as specified in the Final Terms;

- (b) the Calculation Agent specified in the Final Terms will, as soon as practicable after 11:00 a.m. (Brussels time) on each EURIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**). "**Rate of Interest**" means the rate which is determined in accordance with the provisions of paragraph (a) above. The Amount of Interest shall be calculated by applying the Rate of Interest to the Calculation Amount (as specified in the Final Terms), multiplying such product by the Day Count Convention specified in the Final Terms or, if none is specified, by the actual number of days in the Interest Period concerned divided by 360 and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the Euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties;
- (c) the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an **Interest Period** for the purposes of this paragraph; and

- (d) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the bearer of this Note or, if that is not practicable, will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).
13. If the proceeds of this Note are accepted in the United Kingdom, the Nominal Amount shall be not less than £100,000 (or the equivalent in any other currency).
14. This Note shall not be validly issued unless manually or electronically authenticated by The Bank of New York Mellon, London Branch as Issuing and Paying Agent.
15. This Note (other than paragraph 7 above) and all non-contractual obligations arising out of or in connection with this Note are governed by, and construed in accordance with, English law. Paragraph 7 above is governed by, and shall be construed in accordance with, Spanish law.
- (a) **English courts**
- The courts of England have exclusive jurisdiction to settle any dispute arising from or connected with this Note (including a dispute relating to the existence, validity or termination of this Note or any non-contractual obligation arising out of or in connection with this Note) or the consequences of its nullity (a **Dispute**).
- (b) **Appropriate forum**
- The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (c) **Rights of the bearer to take proceedings outside England**
- Paragraph 15 (a) above is for the benefit of the bearer only. As a result, nothing in this paragraph 15 above prevents the bearer from taking proceedings relating to a Dispute (**Proceedings**) in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.
- (d) **Process agent**
- The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to FCC Environment Services (UK) Ltd. at 3 Sidings Court, White Rose Way, Doncaster, South Yorkshire DN4 5NU (UK), or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the bearer addressed to the Issuer and delivered to the Issuer or to the offices of the Issuing and Paying Agent, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the offices of the Issuing and Paying Agent. Nothing in this paragraph shall affect the right of the bearer to serve process in any other manner permitted by law. This Clause applies to Proceedings in England and to Proceedings elsewhere.
16. If this Note has been admitted to listing on the Official List of Euronext Dublin and to trading on the regulated market of Euronext Dublin (and/or has been admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system), all notices required to be published

concerning this Note shall be published in accordance with the requirements of Euronext Dublin (and/or of the relevant listing authority, stock exchange and/or quotation system).

17. Claims for payment of principal and interest in respect of this Note shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date.
18. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999.

**AUTHENTICATED by THE BANK OF NEW
YORK MELLON, LONDON BRANCH**

without recourse, warranty or liability and for
authentication purposes only

By:

.....
(*Authorised Signatory*)

**SIGNED for and on behalf of
FCC SERVICIOS MEDIO AMBIENTE
HOLDING, S.A.U.**

By its lawfully appointed attorney:

.....

SCHEDULE

PAYMENTS OF INTEREST

The following payments of interest in respect of this Note have been made:

<u>Date made</u>	<u>Payment From</u>	<u>Payment To</u>	<u>Amount Paid</u>	<u>Notation on behalf of the Issuing and Paying Agent</u>
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FINAL TERMS

[Completed Final Terms to be attached]

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed in respect of each issue of Notes issued under the Programme and will be attached to the relevant Global or Definitive Notes on issue.

MIFID II product governance - professional investors and eligible counterparties only target market

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

[UK MiFIR product governance - professional investors and eligible counterparties only target market

Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom (**UK**) by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

Final Terms dated [●]

FCC SERVICIOS MEDIO AMBIENTE HOLDING, S.A.U.
(Incorporated with limited liability in the Kingdom of Spain)

€400,000,000
EURO-COMMERCIAL PAPER PROGRAMME
ISSUE OF [AGGREGATE PRINCIPAL AMOUNT OF NOTES] [TITLE OF NOTES]

PART A

CONTRACTUAL TERMS

This document constitutes the Final Terms (as referred to in the Information Memorandum dated 6 July 2023 (as amended, updated or supplemented from time to time, the **Information Memorandum**) in relation to the Programme) in relation to the issue of Notes referred to above (the **Notes**). Terms defined in the Information Memorandum, unless indicated to the contrary, have the same meanings where used in these Final Terms. Reference is made to the Information Memorandum for a description of the Issuer, the Programme and certain other matters. These Final Terms are supplemental to and must be read in conjunction with the full terms and conditions of the Notes. These Final Terms are also a summary of the terms and conditions of the Notes for the purpose of listing.

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Information Memorandum [as so supplemented]. The Information Memorandum [and the supplemental Information Memorandum dated [●]] [is][are] available for viewing during normal business hours at the registered office of the Issuer at Calle Federico Salmón, 13, 28016, Madrid, Spain, and at the offices of the Issuing and Paying Agent at 160 Queen Victoria Street London EC4V 4LA, United Kingdom.

The particulars to be specified in relation to the issue of the Notes are as follows:

[Include whichever of the following apply or specify as "Not applicable" (N/A). Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub- paragraphs. Italics denote guidance for completing the Final Terms.]

- | | | |
|-----|---------------------------|---|
| 1. | Issuer: | FCC Servicios Medio Ambiente Holding, S.A.U. |
| 2. | Type of Note: | Euro-commercial paper |
| 3. | Series No: | [●] |
| 4. | Dealer(s): | [●] |
| 5. | Specified Currency: | [●] |
| 6. | Nominal Amount: | [●] |
| 7. | Trade Date: | [●] |
| 8. | Issue Date: | [●] |
| 9. | Maturity Date: | <i>[●] [May not be less than 1 day nor more than 364 days after the Issue Date]</i> |
| 10. | Issue Price: | [●] |
| 11. | Denomination: | [●] |
| 12. | Calculation Amount: | [●] |
| 13. | Redemption Amount: | [Redemption at par][●] per Note of [●] Denomination][Nominal amount specified on the face of each Note in definitive form][<i>other</i>] |
| 14. | Early Redemption Date: | [●] |
| 15. | Redemption Notice Period: | [Not less than 30 days and not more than 60 days prior to the Early Redemption Date/ <i>other</i>] |
| 16. | Delivery: | [Free of/against] payment |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|-----|-----------------------------|---|
| 17. | Fixed Rate Note Provisions: | [Applicable/Not applicable]

<i>(If not applicable, delete the remaining sub- paragraphs of this paragraph)</i> |
|-----|-----------------------------|---|

- (a) Rate[(s)] of Interest: [●] per cent. per annum payable [annually/semi-annually/quarterly/monthly/other (specify)] in arrear
- (b) Interest Payment Date(s): [●]
- (c) Day Count Convention (if different from that specified in the terms and conditions of the Notes): [Not applicable/other]
[The above-mentioned Day Count Convention shall have the meaning given to it in the ISDA Definitions (as defined below)]⁹
- (d) Other terms relating to the method of calculating interest for Fixed Rate Notes (if different from those specified in the terms and conditions of the Notes): [Not applicable/give details]
- (e) ISDA Definitions: [2006 ISDA Definitions] / [2021 ISDA Definitions] published by the International Swap and Derivatives Association, Inc. as amended, updated or replaced as at the Issue Date
18. Floating Rate Note Provisions: [Applicable/Not applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Interest Payment Dates: [●]
- (b) Calculation Agent (party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Issuing and Paying Agent)): [[Name] shall be the Calculation Agent]
- (c) Reference Rate: [●] months [EURIBOR]
- (d) Margin(s): [+/-][●] per cent. per annum
- (e) Day Count Convention (if different from that specified in the terms and conditions of the Notes): [Not applicable/other]
[The above-mentioned Day Count Convention shall have the meaning given to it in the ISDA Definitions]¹⁰

⁹ Delete text in square brackets unless a Day Count Convention which is different from that specified in the terms and conditions of the Notes is used.

¹⁰ Delete text in square brackets unless a Day Count Convention which is different from that specified in the terms and conditions of the Notes is used.

- (f) Other terms relating to the method of calculating interest for Floating Rate Notes (if terms are different from those specified in the terms and conditions of the Notes): [Not Applicable][*give details*]
 [To be calculated by the Calculation Agent as follows:
 [Calculation time and date: [●]]
 [*Insert particulars of calculation*]]
- (g) ISDA Definitions: [2006 ISDA Definitions] / [2021 ISDA Definitions] published by the International Swap and Derivatives Association, Inc. as amended, updated or replaced as at the Issue Date

GENERAL PROVISIONS APPLICABLE TO THE NOTES

19. Listing and admission to trading: [Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of Euronext Dublin with effect from [●].][*other*]
20. Rating: The Notes have [not] been rated
21. Clearing System(s): Euroclear, Clearstream, Luxembourg
22. Issuing and Paying Agent: The Bank of New York Mellon, London Branch
23. Listing Agent: The Bank of New York Mellon SA/NV, Dublin Branch
24. ISIN: [●]
25. Common code: [●]
26. CFI: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the CFI / Not Applicable / Not Available]
27. FSIN: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the FISN / Not Applicable / Not Available]
 [*If the CFI and/or FISN is not required or requested, it/they should be specified to be "Not Applicable"*]
28. Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking, S.A. and the relevant identification number(s): [Not applicable/give name(s) and number(s)]

29. New Global Note: [Yes][No]
30. Intended to be held in a manner which would allow Eurosystem eligibility: [Yes.][No.][Not applicable.]

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.][*include this text if "yes" selected in which case the Notes must be issued in NGN form*]

[Whilst the designation is specified as "No" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.].] [*Include this text if "No" selected in which case the Notes must be issued in CGN form*]

31. Relevant Benchmark[s]: [[*Specify benchmark*] is provided by [*administrator legal name*]. As at the date hereof, [[*administrator legal name*][appears]/[does not appear]] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the EU Benchmark Regulation]/[Not Applicable]]

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the €400,000,000 Euro-Commercial Paper Programme of FCC Servicios Medio Ambiente Holding, S.A.U.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

SIGNED on behalf of
FCC SERVICIOS MEDIO AMBIENTE HOLDING, S.A.U.

By:
(*duly authorised*)

Dated: [●] [●] [●]

PART B

OTHER INFORMATION

1. **INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

["Save as discussed in "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]

2. **ESTIMATED TOTAL EXPENSES RELATED TO THE ADMISSION TO TRADING**

Estimated total expenses: [●]

3. [Fixed Rate Notes only – **YIELD**

Indication of yield: [●]

4. [Floating Rate Notes only – **HISTORIC INTEREST RATES**

Details of historic [EURIBOR /other] rates can be obtained from [Reuters]].

TAXATION

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of whom (such as dealers in securities) may be subject to special rules. Prospective investors who are in any doubt as to their position should consult with their own professional advisers. Tax legislation, including in the country where the investor is domiciled or tax resident and in the Issuer's country of incorporation, may have an impact on the income that an investor receives from the Notes.

The proposed financial transactions tax (the EU FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's proposal**) for a Directive for a common EU FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including 'secondary' market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, EU FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

In the ECOFIN meeting of 17 June 2016, the EU FTT was discussed between the EU Member States. It has been reiterated in this meeting that participating Member States envisage introducing an FTT by the so-called enhanced cooperation process.

The proposed Directive defines how the EU FTT would be implemented in participating Member States. It involves a minimum 0.1% tax rate for transactions in all types of financial instruments, except for derivatives that would be subject to a minimum 0.01% tax rate.

On 3 December 2018, the finance ministers of France and Germany outlined a joint proposal for a limited FTT based on a system already in place in France. Under the new proposal, the tax obligation would apply only to transactions involving shares issued by domestic companies with a market capitalisation of over €1 billion.

However, the Commission's proposal remains subject to negotiation between participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate, and participating Members States may withdraw.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the EU FTT.

The proposed Spanish financial transactions tax (Spanish FTT)

On 16 January 2021, the Law 15/2020, of 15 October, on FTT (the **FTT Law**) entered into force.

The Spanish FTT should not affect transactions involving bonds or debt or analogous instruments. It taxes the acquisition of listed shares (including the transfer or conversion) of Spanish companies with a market

capitalisation of more than €1 billion, at a tax rate of 0.2 per cent., regardless of the jurisdiction of residence of the parties involved in the transaction.

Therefore, an indirect tax at a rate of 0.2 per cent., will apply on acquisitions of shares of Spanish listed companies, regardless of the residence of the agents that intervene in the transactions, provided the market value of the capitalisation thereof is greater than €1 billion. The taxpayer will be the financial traders that transfer or execute the purchase order and must submit an annual tax return.

The list of Spanish companies with a market capitalisation exceeding €1 billion at 1 December of each year will be published on the Spanish tax authorities' website before 31 December each year. For the purposes of transactions closed during 2022, the Spanish tax authorities issued a list of entities whose market capitalisation exceeded €1 billion as of 1 December 2021, that will fall within the scope of the Spanish FTT.

Notwithstanding, Notes should not be subject to this new tax in accordance with the FTT Law since, in addition to the above, the Issuer is not a listed company. Prospective holders of the Notes are advised to seek their own professional advice in relation to the Spanish FTT.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("*foreign passthru payments*") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Spain) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. Moreover, any Notes with a final maturity of 183 days or less generally will not be subject to FATCA withholding. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

Taxation in the Kingdom of Spain

The following is a general description of certain Spanish tax considerations. The information provided below does not purport to be a complete summary of tax law and practice applicable in the Kingdom of Spain as at the date of this Information Memorandum and is subject to any changes in law and the interpretation and application thereof, which could be made with retroactive effect.

Introduction

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this Information Memorandum:

- (a) of general application, Additional Provision One of Law 10/2014, and RD 1065/2007, as amended;
- (b) for individuals with tax residency in Spain who are personal income tax (**Personal Income Tax**) tax payers, Law 35/2006, of 28 November on Personal Income Tax and on the partial amendment of the Corporate Income Tax Law, Non Residents Income Tax Law and Wealth Tax Law, as amended, (the

Personal Income Tax Law), and Royal Decree 439/2007, of 30 March, promulgating the Personal Income Tax Regulations, as amended, along with Law 19/1991, of 6 June on Wealth Tax, as amended, and Law 29/1987, of 18 December on Inheritance and Gift Tax, as amended, and Law 38/2022, for the establishment of temporary levies on energy and on financial credit institutions and introducing a temporary solidarity tax on large fortunes;

- (c) for legal entities resident for tax purposes in Spain which are corporate income tax (**Corporate Income Tax**) taxpayers, Law 27/2014, of 27 November, of the Corporate Income Tax Law, as amended, and Royal Decree 634/2015, of 10 July promulgating the Corporate Income Tax Regulations (the **Corporate Income Tax Regulations**); and
- (d) for individuals and legal entities who are not resident for tax purposes in Spain and are non-resident income tax (**Non-Resident Income Tax**) taxpayers, Royal Legislative Decree 5/2004, of 5 March promulgating the Consolidated Text of the Non-Resident Income Tax Law, as amended, and Royal Decree 1776/2004, of 30 July, promulgating the Non-Resident Income Tax Regulations, as amended, (**Non-Resident Income Tax Regulations**), along with Law 19/1991, of 6 June on Wealth Tax, as amended and Law 29/1987, of 18 December, on Inheritance and Gift Tax, as amended, and Law 38/2022, for the establishment of temporary levies on energy and on financial credit institutions and introducing a temporary solidarity tax on large fortunes.

Whatever the nature and residence of the holder of a beneficial interest in the Notes (each, a **Beneficial Owner**), the acquisition and transfer of the Notes will be exempt from indirect taxes in Spain, for example exempt from transfer tax and stamp duty, in accordance with the consolidated text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September, and exempt from value added tax, in accordance with Law 37/1992, of 28 December regulating such tax.

1. INDIVIDUALS WITH TAX RESIDENCY IN SPAIN

1.1 *Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas)*

Personal Income Tax is levied on an annual basis on the worldwide income obtained by Spanish resident individuals, whatever its source and wherever the relevant payer is established. Accordingly, income obtained from the Notes will be taxed in Spain when obtained by individuals that are considered resident in Spain for tax purposes. The fact that a Spanish company pays interest under a Note will not lead an individual being considered tax-resident in Spain.

Both interest periodically received and income deriving from the transfer, redemption or repayment of the Notes obtained by individuals who are resident in Spain would constitute a return on investment obtained from the transfer of own capital to third parties in accordance with the provisions of Section 25.2 of the Personal Income Tax Law, and should be included in each investor's taxable savings and taxed at the tax rate applicable from time to time, currently at the rate of 19 per cent. for taxable income up to €6,000, 21 per cent. for taxable income between €6,000.01 to €50,000, 23 per cent. for taxable income between €50,000.01 and €200,000, 27 per cent. for taxable income between €200,000.01 and €300,000 and 28 per cent. for taxable income exceeding €300,000.00.

As a general rule, both types of income are subject to a withholding tax on account at the rate of 19 per cent. According to Section 44.5 of RD 1065/2007, the Issuer will make interest payments to individual holders who are resident for tax purposes in Spain without withholding **provided that** the relevant simplified reporting obligations imposed by Spanish tax legislation from time to time (currently under the regulations established by Royal Decree 1065/2007, of 27 July, as amended by Royal Decree 1145/2011, of 29 July), were complied with. If the Issuing and Paying Agent fails or for any reason is unable to deliver the required information in the manner indicated, the Issuer will withhold at the general rate applicable from time to time (currently 19 per cent.), and the Issuer will pay the relevant additional

amounts as will result in receipt by the holders of the Notes of such amounts as would have been received by them had no such withholding or deduction been required.

Notwithstanding the above, withholding tax at the applicable rate of 19 per cent. may have to be deducted by other entities (such as depositaries, institutions or financial entities) provided that such entities are resident for tax purposes in Spain or have a permanent establishment in Spanish territory.

In any event, individual holders may credit the withholding against their Personal Income Tax liability for the relevant fiscal year.

Reporting Obligations

The Issuer will comply with the reporting obligations set forth in the Spanish tax laws with respect to beneficial owners of the Notes that are individuals resident in Spain for tax purposes.

1.2 *Wealth Tax (Impuesto sobre el Patrimonio) and Solidarity Tax (Impuesto Temporal de Solidaridad de las Grandes Fortunas)*

Individuals with tax residency in Spain are subject to Wealth Tax to the extent that their net worth exceeds €700,000 (subject to any exceptions provided under relevant legislation in an autonomous region (*Comunidad Autónoma*)). Therefore, they should take into account the value of the Notes which they hold as at 31 December in each year, the applicable rates ranging between 0.2 per cent. and 3.5 per cent. Although the final tax rates may vary depending on any applicable regional tax laws, and some reductions may apply.

In addition to the above, the so-called “Solidarity Tax” was approved in December 2022, which is a two year direct wealth tax that, in general terms, applies, under certain conditions, to those residents in an autonomous region where the Wealth Tax is partial or fully exempt (as Madrid and Andalusia). As regards the Basque Country and Navarre, its application is excluded, although it is foreseen that its application will be agreed in the Mixed Commission of the Economic Agreement with the Basque Country and the Commission of the Economic Agreement with Navarre.

The rates of the “Solidarity Tax” are (i) 1.7% on a net worth between €3,000,000 and €5,000,000, (ii) 2.1% on a net worth between €5,000,000.01 and €10,000,000, and (iii) 3.5% on a net worth of more than €10,000,000. Note that the regulation lays down a minimum exempt amount of €700,000 which means that its effective impact, in general, will occur when the net wealth, not tax exempt, is greater than €3,700,000.

Prospective investors are advised to seek their own professional advice in this regard.

1.3 *Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)*

Individuals with tax residency in Spain who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to Inheritance and Gift Tax in accordance with the applicable Spanish regional and State rules.

As at the date of this Information Memorandum, the applicable tax rates currently range between 7.65 per cent. and 34 per cent. Relevant factors applied (such as previous net wealth or family relationship among transferor and transferee) determine the final effective tax rate that range, as of the date of this Information Memorandum, between 0 per cent. and 81.6 per cent. although the final tax rate may vary depending on any applicable regional tax laws. Some tax benefits could reduce the effective tax rate.

2. LEGAL ENTITIES WITH TAX RESIDENCY IN SPAIN

2.1 *Corporate Income Tax (Impuesto sobre Sociedades)*

Legal entities with tax residency in Spain are subject to Corporate Income Tax on a worldwide basis.

Payments of income deriving from the transfer, redemption or repayment of the Notes constitute a return on investments for tax purposes obtained from the transfer to third parties of own capital and would have to be included in profit and taxable income of legal entities with tax residency in Spain for Corporate Income Tax purposes in accordance with the rules for Corporate Income Tax and subject to the general rate of 25 per cent. However, this general rate will not be applicable to all Corporate Income Tax taxpayers, and, for instance, it will not apply to banking institutions (which will be taxed at the rate of 30%). Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

In accordance with Section 44.5 of RD 1065/2007, there is no obligation to withhold on interests payable to Spanish Corporate Income Tax taxpayers (which for the sake of clarity, include Spanish tax resident investment funds and Spanish tax resident pension funds). Consequently, the Issuer will not withhold on interest payments to Spanish Corporate Income Tax taxpayers **provided that** the relevant simplified reporting obligations imposed by Spanish tax legislation from time to time (currently under the regulations established by Royal Decree 1065/2007, of 27 July, as amended by Royal Decree 1145/2011, of 29 July), were complied with. If the Issuing and Paying Agent fails or for any reason is unable to deliver the required information in the manner indicated, the Issuer will withhold at the general rate applicable from time to time (currently 19 per cent.), and the Issuer will pay the relevant additional amounts as will result in receipt by the holders of the Notes of such amounts as would have been received by them had no such withholding or deduction been required.

Notwithstanding the above, payments of interest under the Notes may be subject to withholding tax at the applicable rate of 19 per cent by other entities (such as depositaries, institutions or financial entities), as established by article 61 of Royal Decree 634/2015 (Regulation of the Spanish Corporate Income Tax).

Notwithstanding the above, amounts withheld, if any, may be credited by the relevant investors against its final Corporate Income Tax liability.

Reporting Obligations

The Issuer will comply with the reporting obligations set forth in the Spanish tax laws with respect to beneficial owners of the Notes that are legal persons or entities resident in Spain for tax purposes.

2.2 *Wealth Tax (Impuesto sobre el Patrimonio) and Solidarity Tax (Impuesto Temporal de Solidaridad de las Grandes Fortunas)*

Spanish resident legal entities are neither subject to Wealth Tax nor to Solidarity Tax.

2.3 *Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)*

Legal entities tax resident in Spain which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to Inheritance and Gift Tax and must include the market value of the Notes in their taxable income for Spanish Corporate Income Tax purposes.

3. **INDIVIDUALS AND LEGAL ENTITIES WITH NO TAX RESIDENCY IN SPAIN**

3.1 ***Non-Resident Income Tax (Impuesto sobre la Renta de No Residentes)***

(a) *Non-Spanish resident investors acting through a permanent establishment in Spain*

Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are the same as those for Spanish Corporate Income Tax taxpayers.

Reporting Obligations

The Issuer will comply with the reporting obligations set forth under Spanish tax laws with respect to beneficial owners of the Notes that are individuals or legal entities not resident in Spain for tax purposes and that act with respect to the Notes through a permanent establishment in Spain.

(b) *Non-Spanish resident investors not acting through a permanent establishment in Spain*

Payments of income deriving from the transfer, redemption or repayment of the Notes obtained by individuals or entities who have no tax residency in Spain, and which are Non-Resident Income Tax taxpayers with no permanent establishment in Spain, are exempt from such Non-Resident Income Tax on the same terms laid down for income from public debt provided that the relevant simplified reporting obligations imposed by Spanish tax legislation from time to time (currently under the regulations established by Royal Decree 1065/2007, of 27 July, as amended by Royal Decree 1145/2011, of 29 July), were complied with. If the Issuing and Paying Agent fails or for any reason is unable to deliver the required information in the manner indicated, the Issuer will withhold at the general rate applicable from time to time (currently 19 per cent.), and the Issuer will pay the relevant additional amounts as will result in receipt by the holders of the Notes of such amounts as would have been received by them had no such withholding or deduction been required.

Reporting Obligations

The Issuer will comply with the reporting obligations set forth under Spanish tax laws with respect to beneficial owners of the Notes that are individuals or legal entities not resident in Spain for tax purposes and that act with respect to the Notes through a permanent establishment in Spain.

3.2 ***Wealth Tax (Impuesto sobre el Patrimonio and Solidarity Tax (Impuesto Temporal de Solidaridad de las Grandes Fortunas)***

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to the Wealth Tax would generally not be subject to such tax. Otherwise, non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory exceed €700,000 would be subject to Wealth Tax, the applicable rates ranging between 0.2 per cent. and 3.5 per cent.

However, non-Spanish resident individual will be exempt from Wealth Tax in respect of the Notes which income is exempt from Non-Resident Income Tax described above.

Non-Spanish tax resident individuals may apply the rules approved by the autonomous region where the assets and rights with more value (i) are situated, (ii) can be exercised or (iii) must be fulfilled. As such, prospective investors should consult their tax advisers.

In addition to the above, the so-called “Solidarity Tax” was approved in December 2022, which is a two year direct wealth tax that, in general terms, applies, under certain conditions, to those residents in an autonomous region where the Wealth Tax is partial or fully exempt (as Madrid and Andalusia). As regards the Basque Country and Navarre, its application is excluded, although it is foreseen that its application will be agreed in the Mixed Commission of the Economic Agreement with the Basque Country and the Commission of the Economic Agreement with Navarre.

The rates of the “Solidarity Tax” are (i) 1.7% on a net worth between €3,000,000 and €5,000,000, (ii) 2.1% on a net worth between €5,000,000.01 and €10,000,000, and (iii) 3.5% on a net worth of more than €10,000,000. Note that the Non-Spanish tax resident individuals do not have access to the general tax exemption of €700,000 which means that they are taxed when the net wealth located in Spain is greater than €3,000,000.

Prospective investors are advised to seek their own professional advice in this regard.

Non-Spanish resident legal entities are neither subject to Wealth Tax nor to Solidarity Tax.

3.3 ***Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)***

Individuals not tax resident in Spain who acquire ownership or other rights over the Notes by inheritance, gift or legacy, and who reside in a country with which Spain has entered into a double tax treaty in relation to Inheritance and Gift Tax will be subject to the relevant double tax treaty.

If the provisions of the foregoing paragraph do not apply, such individuals will be subject to Inheritance and Gift Tax in accordance with the Spanish legislation applicable in the relevant autonomous region (*Comunidad Autónoma*).

Generally, non-Spanish tax resident individuals are subject to the Spanish Inheritance and Gift Tax according to the rules set forth in the Spanish State level law. However, if the deceased or the donee are not resident in Spain, the applicable rules will be those corresponding to the relevant Spanish autonomous regions. As such, prospective investors should consult their tax advisers.

Non-Spanish resident legal entities which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to Inheritance and Gift Tax. They will be subject to Non-Resident Income Tax. If the legal entity is resident in a country with which Spain has entered into a double tax treaty, the provisions of such treaty will apply. In general, double-tax treaties provide for the taxation of this type of income in the country of residence of the beneficiary.

4. **INFORMATION ABOUT THE NOTES IN CONNECTION WITH PAYMENTS**

The Issuer is currently required by Spanish law to report on certain information relating to the Notes. In accordance with Section 44 of RD 1065/2007, for that purpose, certain information with respect to the Notes must be submitted to the Issuer at the time of each payment.

Such information would be the following:

- (a) identification of the Notes;
- (b) income payment date (or refund if the Notes are issued at a discount or segregated);

- (c) total amount of income (or total amount to be refunded if the Notes are issued at a discount or segregated); and
- (d) total amount of the income corresponding to each clearing system located outside Spain.

In particular, the Issuing and Paying Agent must certify the information above about the Notes by means of a certificate the form of which is attached as **ANNEX I** of this Information Memorandum.

In light of the above, the Issuer and the Issuing and Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Notes. If the procedures set out above are complied with, the Issuing and Paying Agent, on behalf of the Issuer, will pay the relevant amount to (or for the account of) the clearing systems without withholdings or deductions for or on account of Spanish taxes.

If, despite these procedures, the relevant information is not received by the Issuer, the Issuer may be required to withhold at the applicable rate of 19 per cent. from any payment in respect of the relevant Notes as to which the required information has not been provided. In that event the Issuer will pay such additional amounts as will result in receipt by the holders of the Notes of such amount as would have been received by them had no such withholding been required. The Issuing and Paying Agent will pay the relevant amount to (or for the account of) the clearing systems.

The procedures for providing documentation referred to in this section are set out in detail in the issuing and paying agency agreement dated 6 July 2023 (the **Issuing and Paying Agency Agreement**) which may be inspected during normal business hours at the specified office of the Issuing and Paying Agent. In particular, if the Issuing and Paying Agent does not act as common depositary, the procedures described in this section will be modified in the manner described in the Issuing and Paying Agency Agreement.

Regarding the interpretation of Royal Decree 1065/2007 and the new simplified information procedures please refer to "*Risk Factors - Risks in Relation to the Notes - Risks in Relation to Spanish Taxation*".

Set out below is Annex Sections in English have been translated from the original Spanish and such translations constitute direct and accurate translations of the Spanish language text. In the event of any discrepancy between the Spanish language version of the certificate contained in Annex and the corresponding English translation, the Spanish tax authorities will give effect to the Spanish language version of the relevant certificate only.

Any foreign language text included in this Information Memorandum is for convenience purposes only and does not form part of this Information Memorandum

ANNEX I

Anexo al Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos, aprobado por Real Decreto 1065/2007

Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 44 del Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos

Annex to Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Declaration form referred to in paragraphs 3, 4 and 5 of Article 44 of the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Don (nombre), con número de identificación fiscal ()⁽¹⁾, en nombre y representación de (entidad declarante), con número de identificación fiscal ()⁽¹⁾ y domicilio en () en calidad de (marcar la letra que proceda):

Mr. (name), with tax identification number ()⁽¹⁾, in the name and on behalf of (entity), with tax identification number ()⁽¹⁾ and address in () as (function – mark as applicable):

- (a) Entidad Gestora del Mercado de Deuda Pública en Anotaciones.**
 - (a) Management Entity of the Public Debt Market in book entry form.
- (b) Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.**
 - (b) Entity that manages the clearing and settlement system of securities resident in a foreign country.
- (c) Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.**
 - (c) Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.
- (d) Agente de pagos designado por el emisor.**
 - (d) Issuing and Paying Agent appointed by the issuer.

Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:

Makes the following statement, according to its own records:

1. En relación con los apartados 3 y 4 del artículo 44:

1. In relation to paragraphs 3 and 4 of Article 44:

1.1 Identificación de los valores

1.1 Identification of the securities

1.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)

- 1.2 Income payment date (or refund if the securities are issued at discount or are segregated)
- 1.3 Importe total de los rendimientos (o importe total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados)**
- 1.3 Total amount of income (or total amount to be refunded, in any case, if the securities are issued at discount or are segregated)
- 1.4 Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas, excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora**
- 1.4 Amount of income corresponding to Personal Income Tax taxpayers, except segregated coupons and segregated principals for which reimbursement an intermediary entity is involved
- 1.5 Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados).**
- 1.5 Amount of income which according to paragraph 2 of Article 44 must be paid gross (or total amount to be refunded if the securities are issued at discount or are segregated).
- 2. En relación con el apartado 5 del artículo 44.**
2. In relation to paragraph 5 of Article 44.
- 2.1 Identificación de los valores**
- 2.1 Identification of the securities.....
- 2.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**
- 2.2 Income payment date (or refund if the securities are issued at discount or are segregated)
- 2.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados)**
- 2.3 Total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated)
- 2.4 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A.**
- 2.4 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country A.
- 2.5 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B.**
- 2.5 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country B.
- 2.6 Importe correspondiente a la entidad que el sistema de compensación y liquidación de valores con sede en el extranjero C.**

2.6 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country C.

Lo que declaro en.....a ... de.....de ...

I declare the above in on the ... of of ...

⁽¹⁾ **En caso de personas, físicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia.**

⁽¹⁾ In case of non-residents (individuals or corporations) without permanent establishment in Spain it shall be included the number or identification code which corresponds according to their country of residence.

SUBSCRIPTION AND SALE

1. General

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver Notes and it will not directly or indirectly offer, sell, resell, re-offer or deliver Notes or distribute the Information Memorandum, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

2. United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and sold, and will not offer and sell, Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant tranche only in accordance with Rule 903 of Regulation S. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither it, nor its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes, and that it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer has also agreed, and each further Dealer appointed under the Programme will be required to agree, that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling commission, fee or other remuneration that purchases Notes from it a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Securities and except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Terms used in this section have the meanings given to them by Regulation S.

3. The United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree to the Issuer, that:

(a)

- (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

- (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the UK.

4. **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

5. **Kingdom of Spain**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes will not be offered, sold or distributed, nor will any subsequent resale of Notes be carried out in Spain, except in circumstances which do not require the registration of a prospectus in Spain or without complying with all legal and regulatory requirements under Spanish securities laws.

6. **Republic of France**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Information Memorandum, the relevant Final Terms or any other offering material relating to the Notes, except to qualified investors (*investisseurs qualifiés*) as defined in, and in accordance with, Article 2(e) of the Regulation (EU) 2017/1129 and Articles L.411-1 and L.411-2 of the French *Code monétaire et financier*. The Information Memorandum has not been submitted for clearance to the *Autorité des marchés financiers*.

GENERAL INFORMATION

1. **Clearing of the Notes**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and International Securities Identification Number in relation to each issue of Notes and any other clearing system as shall have accepted the relevant Notes for clearance will be specified in the Final Terms relating thereto.

2. **Admission to Listing and Trading**

It is expected that Notes issued under the Programme may be admitted to the Official List and to trading on the regulated market of Euronext Dublin on or after 6 July 2023. The admission of the Notes to trading on the regulated market of Euronext Dublin will be expressed as a percentage of their principal amount. Any Notes intended to be admitted to the Official List and admitted to trading on the regulated market of Euronext Dublin will be so admitted to listing and trading upon submission to Euronext Dublin of the relevant Final Terms and any other information required by Euronext Dublin, subject in each case to the issue of the relevant Notes.

However, Notes may be issued pursuant to the Programme which will be admitted to listing, trading and or quotation by such other listing authority, stock exchange and/or quotation system as the Issuer and the relevant Dealer(s) may agree. No Notes may be issued pursuant to the Programme on an unlisted basis.

3. **Significant Change**

There has been no significant change in the financial or trading position of the Group since 31 December 2022.

4. **Legal and Arbitration Proceedings**

There are no pending or threatened governmental, legal or arbitration proceedings against or affecting the Issuer and/or the Group which may have, or have had during the 12 months prior to the date hereof, individually or in the aggregate, a significant effect on the financial position or profitability of the Issuer or the Group.

5. **Independent Auditors**

The consolidated financial statements of the Issuer for the year ended 31 December 2021 and 31 December 2022 have been audited by Ernst & Young, S.L. , registered in the Official Registry of Auditors (*Registro Oficial de Auditores de Cuentas*) under number S0692. The registered office of Ernst & Young, S.L. is Raimundo Fernández Villaverde, 65 - 28003 Madrid, Spain.

6. **LEI Code**

The Legal Entity Identifier (LEI) Code of the Issuer is 959800JMZW3HYQVLKG81.

7. **Material Contracts**

There are no material contracts which could result in any member of the Group being under an obligation that is material to the Issuer's ability to meet its obligations to holders of Notes.

8. **Documents on Display**

Physical copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the office of the Issuing and Paying Agent for the life of this Information Memorandum:

- (a) the documents listed in the section "*Documents Incorporated by Reference*" above;
- (b) this Information Memorandum, together with any supplements thereto;
- (c) the Issuing and Paying Agency Agreement relating to the Notes;
- (d) the Programme Agreement;
- (e) the Deed of Covenant; and
- (f) the Issuer-ICSDs Agreement (which is entered into between the Issuer and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear and/or Clearstream, Luxembourg of Notes in New Global Note form).

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