

*Translation for information purposes only.
Spanish version prevails.*

Independent expert's report on the value of the assets and liabilities spun-off and contributed by Fomento de Construcciones y Contratas, S.A. to Inmocemento, S.A.U.

**Fomento de Construcciones y Contratas, S.A.
Inmocemento, S.A.U.**

Madrid, 16 May 2024

INDEPENDENT EXPERT'S REPORT ON THE VALUE OF THE ASSETS AND LIABILITIES SPUN-OFF AND CONTRIBUTED BY FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. TO INMOCEMENTO, S.A.U., PURSUANT TO THE PROVISIONS OF ARTICLES 68.2 AND 71.2 OF ROYAL DECREE-LAW 5/2023 OF 28 JUNE, TRANSPOSING, AMONG OTHERS, EUROPEAN UNION DIRECTIVES ON STRUCTURAL MODIFICATIONS OF COMMERCIAL COMPANIES

- 1. INTRODUCTION**
- 2. GENERAL DESCRIPTION OF THE SPIN-OFF OPERATION**
- 3. VALUATION OF THE SPUN-OFF ASSETS AND LIABILITIES AND CAPITAL INCREASE LINKED**
- 4. SCOPE AND PROCEDURES OF OUR WORK**
- 5. RELEVANT ASPECTS OF OUR WORK**
- 6. CONCLUSION**

ANNEX: JOINT PROJECT FOR THE PARTIAL FINANCIAL SPIN-OFF OF FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. TO INMOCEMENTO, S.A.U.

Dear Sirs,

1. INTRODUCTION

Pursuant to our appointment as an independent expert by Mr José Ignacio Garmendia Rodríguez, Commercial Registrar of Barcelona and its province, with file number 4286/24, in compliance with the provisions of Articles 68.2 and 71.2 of Royal Decree-Law 5/2023 of 28 June, transposing, among others, European Union Directives on structural modifications of commercial companies ("RDLME"), and other applicable regulations, we issue this independent expert's report on the value of the assets and liabilities spun off and contributed by Fomento de Construcciones y Contratas, S. A. ("FCC" or the "Spun-Off Company") to Inmocemento, S.A.U. ("Inmocemento" or the "Beneficiary Company", and jointly with FCC the "Intervening Companies").

2. GENERAL DESCRIPTION OF THE SPIN-OFF OPERATION

2.1. Context and purpose of the spin-off

FCC is a Spanish public limited company that is the head of a business group ("FCC Group") carrying out its activity in the following business areas: Environmental Services, End-to-end Water Management, Construction, Real Estate, Cement and Concessions.

The shares representing FCC's share capital are admitted to official trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges (the "Spanish Stock Exchanges") through the Spanish Stock Exchange Interconnection System ("SIBE").

FCC currently has the following shareholdings:

- 80.03% of the shares of FCyC, S.A. ("FCYC" or the "real estate unit"), the Spanish commercial company heading the FCC Group's real estate activity, which also includes the shareholdings in the listed companies Realia Business S.A. ("Realia") and Metrovacesa S.A. ("Metrovacesa"), among other unlisted companies; belonging the remaining 19.97% to Soinmob Inmobiliaria Española, S.A.U. ("Soinmob"), which in turn is wholly owned by Control Empresarial de Capitales, S.A. de C.V., the majority shareholder of FCC. On 16 May 2024, FCYC's General Shareholders' Meeting approved a share capital increase charged to cash contributions totalling 200,000,000.00 euros (capital and share premium), which is pending registration at the Commercial Register, and will be subscribed by its shareholders in proportion to the shareholdings they currently hold.
- 99.028% of the shares of Cementos Portland Valderrivas, S.A. ("CPV" or the "cement unit"), the Spanish commercial company that heads FCC Group's cement activity, with the remaining shares belonging to minority shareholders.

On the other hand, Inmocemento is a company incorporated by virtue of a public deed executed on 10 April 2024 before the notary of Madrid Valerio Pérez de Madrid Carreras, under number 1077 of his protocol, and which is wholly owned by FCC.

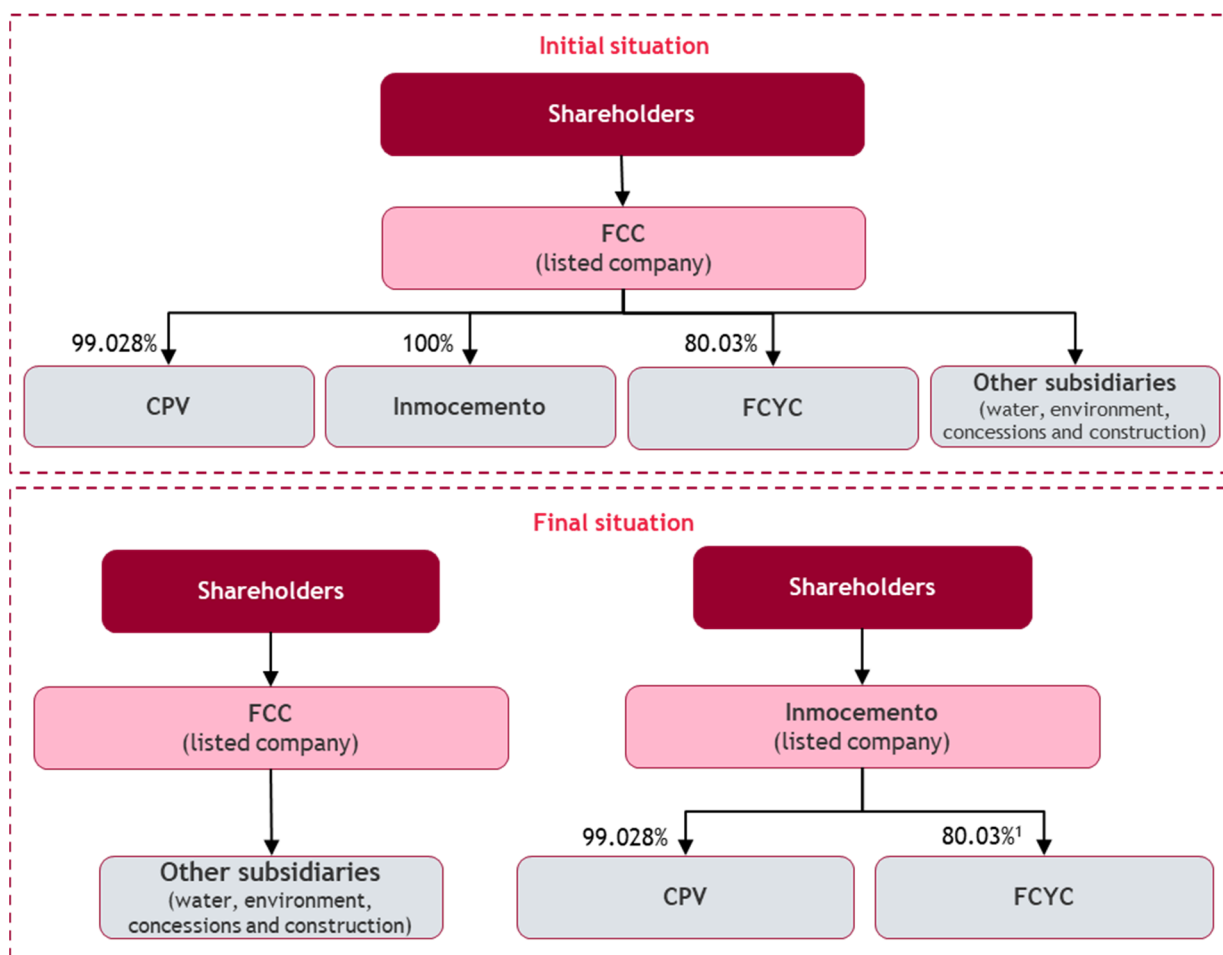
As part of a corporate restructuring, FCC has planned to carry out a structural amendment involving the partial financial spin-off of FCC to Inmocemento (the "Partial Spin-Off"), by virtue of which the Spun-Off Company will transfer *en bloc*, and without being extinguished, to the Beneficiary Company

all the shares of FCYC and CPV owned by FCC, two economic units that the Beneficiary Company will acquire by universal corporate succession. On 16 May 2024, the administrative bodies of the Intervening Companies drafted and signed a joint project for the partial financial spin-off of FCC in favor of Inmocemento (the "Spin-Off Project"), which is included as an Annex to this Report.

By virtue of the Partial Spin-Off, the shareholders of the Spun-Off Company will be allocated, as a unit upon the implementation of the Partial Spin-Off, a number of shares issued by the Beneficiary Company identical to the number of shares they hold in FCC, through the capital increase to be carried out by the Beneficiary Company within the framework of the Partial Spin-Off.

The registration and full effectiveness of the planned Partial Spin-Off is essentially linked to the shares of the Beneficiary Company being admitted, practically simultaneously, to trading on the Spanish Stock Exchanges, which will be processed through the technical listing procedure (i.e. without prior placement of shares) and their integration in the SIBE.

A detailed graphic of the initial and final situation as a result of the Partial Spin-Off is shown below:



According to the Spin-Off Project, the reasons justifying the Partial Spin-Off are:

- Through the Partial Spin-Off, the Beneficiary Company will be the parent company of a group comprising FCYC (real estate unit) and CPV (cement unit) and their respective subsidiaries, with

¹ In the final situation, the capital percentage in FCYC owned by FCC is unaltered after FCYC's capital increase by cash contributions that will be carried out prior to the execution of the Partial Spin-Off, since the respective contributions of FCC and Soimob will be proportional to the shareholding that each currently holds in FCYC's share capital.

the Beneficiary Company being listed separately from FCC. The aim is to differentiate the strategy, management and valuation of the new group with respect to FCC and to facilitate the perception and maximisation of the separate value of both groups by the markets.

- Likewise, FCC shareholders will maintain full liquidity of both their FCC shares and those of the Beneficiary Company, insofar as they will be listed independently, which will provide shareholders with greater flexibility in the management of their investment, while also facilitating the markets in general to be able to invest separately in the two groups resulting from the Partial Spin-Off.

2.2. Identification of the companies involved in the Partial Spin-Off

The identification data of the companies involved in the Partial Spin-Off are:

- Spun-Off Company: "Fomento de Construcciones y Contratas, S.A." is a Spanish public limited company, with tax identification number (NIF) A-28037224 and its registered office at calle Balmes, 36, 08007, Barcelona; which is currently registered in the Commercial Register of Barcelona, in volume 21.728, book 0, folio 70, Section 8, Sheet B-26.947, 03rd inscription; and with legal entity identifier (LEI) 95980020140005178328.

The share capital² of the Spun-Off Company amounts to 436,106,917.00 euros and is divided into 436,106,917 shares, represented in book entries, with a par value of 1.00 euro each, all fully subscribed and paid up and belonging to a single class and series, which are admitted to trading on the Spanish Stock Exchanges.

- Beneficiary Company: "Inmocemento, S.A.U." is a Spanish public limited company, with tax identification number (NIF) A-16367328 and its registered office at calle Balmes, 36, 08007, Barcelona; which is currently registered in the Commercial Register of Barcelona, in volume 49.243, folio 149, Sheet B-613029, 1st inscription; and with legal entity identifier (LEI) 959800FQZ6YAVHJPVE12.

The share capital of the Beneficiary Company amounts to 60,000.00 euros and is divided into 120,000 shares, represented by registered securities, with a par value of 0.50 euro each, all fully subscribed and paid up and belonging to a single class and series. The Beneficiary Company is a single-member company, being FCC the holder of all the shares into which its share capital is divided.

2.3. Description of the splintered assets

The main and ancillary assets of the Spun-Off Company which, as economic units, are transferred to the Beneficiary Company by virtue of the Partial Spin-Off are the shareholding interests held by FCC in the share capital of FCYC and CPV, with all the assets, liabilities, rights, obligations and other items inherent to the real estate unit and the cement unit (jointly, the "Spun-Off Assets and Liabilities"). The Spun-Off Assets and Liabilities, as identified, constitute autonomous economic units within the meaning of Article 60.1 of RDL 5/2023 and branches of activity within the meaning of Article 76.4 of the Corporate Income Tax Law.

Annex IV of the Spin-Off Project identifies the FCYC and CPV shares owned by FCC that are the subject to the Partial Spin-Off. No change to the elements comprising the Spun-Off Assets and Liabilities is

² Excluding the capital increase that, if applicable, could occur within the framework of the scrip dividend distribution that, at its meeting on 16 May 2024, FCC's Board of Directors decided to submit to the General Shareholders' Meeting for approval.

foreseen from the date of the Spin-Off Project until the date on which the Partial Spin-Off becomes effective.

3. VALUATION OF THE SPUN-OFF ASSETS AND LIABILITIES AND CAPITAL INCREASE LINKED

The combined value assigned to the Spun-Off Assets and Liabilities by the administrative bodies of the Intervening Companies amounts to 1,596,560,483.03 euros, which has been established in accordance with the net book values of the shareholding interests held by the Spun-Off Company in the share capital of FCYC and CPV according to FCC's balance sheet at 31 December 2023 and adjusted by the part of the approved capital increase in FCYC that will result as a consequence of FCC's cash contribution. The balance sheet of the Spun-Off Company forms part of the annual accounts for the fiscal year 2023, which were prepared by the board of directors of the Spun-Off Company on 27 February 2024 and duly verified by FCC's auditor and will be submitted to FCC's General Shareholders' Meeting for approval.

According to FCC's balance sheet at 31 December 2023, the book value of the items comprising the Spun-Off Assets and Liabilities is: (i) the cost of the investment in the equity of FCYC amounting to 777,760,732.44 euros; and (ii) the cost of the investment in the equity of CPV amounting to 658,737,144.71 euros. Likewise, based on the resolution adopted by FCYC's General Shareholders' Meeting, the amount of FCC's cash contribution to the shareholders' equity of FCYC totals 160,062,605.88 euros.

As a result of the transfer of the Spun-Off Assets and Liabilities subject to the Partial Spin-Off, the share capital of the Beneficiary Company will be reduced to zero through the redemption of all of its shares and the return of the cash contributions to its sole shareholder (FCC) and, simultaneously, a capital increase in Inmocemento charged to the in-kind contribution of the Spun-Off Assets and Liabilities for a nominal amount of at least 218,053,458.50 euros through the placement of at least 436,106,917 shares³ belonging to a single class and series and which will be represented by book entries, with a par value of 0.50 euros per share, and with a maximum total issue premium of 1,378,507,024.53 euros. The final nominal value of Inmocemento's capital increase will depend on the number of FCC shares at the time the Partial Spin-Off is implemented, which will result from the capital increase of FCC that, if applicable, will take place within the framework of the scrip dividend distribution which, at its meeting of 16 May 2024, the Board of Directors of FCC has decided to submit to the approval of the General Shareholders' Meeting, with the amount of the issue premium being adjusted accordingly.

In any event, the effective amount of the share capital increase (nominal value plus issue premium) will correspond to the value assigned to the Spun-Off Assets and Liabilities. Both nominal value of the shares issued and the corresponding share premium will be fully paid up as a result of the *en bloc* transfer of the Spun-Off Assets and Liabilities to the Beneficiary Company (which constitutes the in-kind contribution by virtue of which the capital increase of the Beneficiary Company described above is subscribed and paid up).

The procedure for allocating the shares resulting from the capital increase of the Beneficiary Company to the shareholders of the Spun-Off Company shall be strictly arithmetical. The number of Beneficiary Company shares to be received by the shareholders of the Spun-Off Company shall be the same number

³ Number of shares into which FCC's share capital is currently divided.

of shares they hold in the Spun-Off Company, i.e. one (1) Inmocemento share with a par value of 0.50 euros each for each FCC share (1) they hold with a par value of 1.00 euro each; without it being necessary, therefore, to offer FCC shareholders cash compensation to adjust the aforementioned allocation of the shares of the Beneficiary Company.

All the new shares issued by the Beneficiary Company resulting from the capital increase will be allocated to FCC's shareholders that appear as such in the accounting records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear).

4. SCOPE AND PROCEDURES OF OUR WORK

Within the context of the Partial Spin-Off described above, the aim of our work consisted of preparing a single report as an Independent Expert, common to the Intervening Companies, pursuant to the requirements of Articles 68.2 and 71.2 of the RDLME, on the value of the Spun-off Assets and Liabilities.

Specifically, our work consisted of issuing an opinion on whether the fair value of the Spun-off Assets and Liabilities is at least equal to the value assigned by the administrative bodies of the Intervening Companies in the corresponding capital increase to be carried out by the Beneficiary Company of the Partial Spin-Off.

Fair value is defined as *"the price that could be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on a given date."*

Given that under the Partial Spin-Off, and pursuant to the provisions of Article 60 of RDL 5/2023, the shares of the Beneficiary Company will be allocated to the shareholders of the Spun-Off Company in proportion to the rights they hold in the capital of it, and given that the Beneficiary Company will not have any pre-existing assets at the date the Partial Spin-Off is executed, we can make no pronouncement on the reasonableness of the projected share exchange ratio.

Our work involved performing the procedures described below.

- Obtaining/accessing the following information:
 - Application document for the appointment of an independent expert filed with the Commercial Register of Barcelona by the Intervening Companies in relation to the Partial Spin-Off.
 - Certifications of the resolutions adopted by the administrative bodies of the Intervening Companies in relation to the Partial Spin-Off.
 - Joint partial spin-off project signed by the administrative bodies of the Intervening Companies (included as an Annex to this report).
 - Reports of FCC's Board of Directors addressed to the shareholders and employees in relation to the legal and economic aspects of the Partial Spin-Off.
 - Certificate of the resolution adopted by FCYC's General Shareholders' Meeting in relation to the capital increase charged to cash contributions.
 - Audited individual and consolidated annual accounts of FCYC and CPV for the last three complete fiscal years.

- Appraisal details of the real estate asset portfolio of FCYC and its subsidiaries at 31 December 2023.
 - Long-term financial projections corresponding to the cement unit's current business plan, as well as details of the main hypotheses and assumptions used in its preparation.
 - Other public information on historical listed prices of Realia and Metrovacesa; purchase prices paid by FCYC in acquisitions of Realia and Metrovacesa shares; calculations of equity metrics prepared by the companies based on the market values determined for their real estate assets; etc.
 - Market information on comparable listed real-estate companies.
 - Market information on comparable listed cement companies, as well as precedent transactions in the sector.
 - Other information of an economic-financial, tax, legal, business, market or other nature that has been considered of interest to carry out our work.
- Review and analysis of the main aspects of the above information in relation to valuing the Spun-Off Assets and Liabilities, considering the context and characteristics of the Partial Spin-Off.
 - Holding meetings with the management of the Intervening Companies to gather other information that we deemed necessary to carry out our work.
 - Analysis and comparison of the possible fair value of the Spun-Off Assets and Liabilities in accordance with the information available and the application of generally accepted market valuation methodologies, and assessment of how it corresponds to the value assigned by the administrative bodies of the Intervening Companies in the capital increase to be carried out by the Beneficiary Company.
 - Obtaining a letter signed by the management of the Intervening Companies in which they confirm that they have provided us with all the information necessary to prepare our report, as well as that no events have occurred since 31 December 2023 that could have a significant effect on the results of our work had they been brought to our attention.
 - Issue of this single independent expert's report, which is common to all Intervening Companies.

5. RELEVANT ASPECTS OF OUR WORK

We should mention that all valuation work involves subjective appraisals and estimates of future events that are uncertain on the valuation date, and it is generally accepted that no valuation method offers fully accurate and indisputable results, but rather ranges within which the value analysed can be reasonably placed.

We should also point out that part of our work has been based on the cement unit's forecasts prepared by FCC management in accordance with its best estimate and judgement of the current and foreseeable future situation. Given the uncertainties inherent in any estimate of future events, some of the assumptions or parameters used in preparing them may not materialise as defined, thereby affecting the conclusions of our work.

Consideration should also be to the fact that different values of a business or company may exist for different buyers and sellers in a market due to the existence of factors such as the bargaining power of the parties concerned, different perceptions of the future prospects of the business or company, the existence of synergies, the state of financial markets, etc.

Our valuation analysis of the Spun-Off Assets and Liabilities has been based on the overall value of the Spun-Off Assets and Liabilities, and in no case refers to the individual value of the elements comprising the Spun-Off Assets and Liabilities.

The scope of our work refers to the Spun-Off Assets and Liabilities described in Section 2.3 of this report. In this respect, we must state that any significant change to this group of assets could affect the conclusions of our work.

The scope of our work has not included an audit of the accounting, financial, tax, legal, real estate, employment, operational or other status of the Spun-Off Assets and Liabilities. Therefore, any risks arising from such situations have not been considered in our work and in reaching our conclusions.

Our work has been based on audited and unaudited information provided by the management of the Intervening Companies, as well as on other information from public sources, with no audit procedures being performed on it.

Finally, it should be noted that our work is independent in nature and therefore implies no recommendation to the administrative bodies and shareholders of the Intervening Companies, or to third parties, in relation to the Partial Spin-Off.

6. CONCLUSION

In accordance with the information used, the procedures applied in our work, and subject to the relevant aspects described in Section 5 above, we consider that the fair value of the Spun-Off Assets and Liabilities is at least equal to the nominal value plus share premium of the capital increase to be carried out by Inmocemento by virtue of the Partial Spin-Off, amounting to 1,596,560,483.03 euros.

This report has been prepared exclusively to comply with the provisions of Articles 68.2 and 71.2 of Royal Decree-Law 5/2023, of 28 June, transposing, inter alia, European Union Directives on structural modifications of commercial companies and other applicable legislation, and therefore it may not be used for any other purpose.

BDO Auditores, S.L.P.

Sergio Martín Díaz
Partner

Barcelona, 16 May 2024

ANNEX: JOINT PROJECT FOR THE PARTIAL FINANCIAL SPIN-OFF OF FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. TO INMOCEMENTO, S.A.U.

FOR MORE INFORMATION

Sergio Martín Díaz

sergio.martin@bdo.es

+34 93 241 89 60

BDO Auditores S.L.P. is a Spanish limited company and member of BDO International Limited, a company limited by guarantee in the United Kingdom and is part of the BDO international network of independent associated firms.

BDO is the trademark used by the entire BDO network and for all its member firms.

Copyright © 2024. All rights reserved. Published in Spain.

bdo.es

bdo.global