



FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

REPORT PREPARED BY THE BOARD OF DIRECTORS OF FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. IN RELATION TO THE PROPOSED RESOLUTION AUTHORIZING THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL PURSUANT TO ARTICLE 297.1. B) OF THE SPANISH COMPANIES ACT, REFERRED TO IN ITEM 5 OF THE AGENDA OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS.b) OF THE LAW ON CAPITAL COMPANIES, REFERRED TO IN ITEM 5 OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING CONVENED TO BE HELD ON JUNE 12, 2025, AT FIRST CALL OR, IF APPLICABLE, ON JUNE 13, 2025, AT SECOND CALL.

1. Purpose of the Report

This Report is prepared by the Board of Directors of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. ("FCC" or the "**Company**") in relation to the proposed resolution regarding the authorization to the Board of Directors of the Company, with powers of substitution, to increase, on one or several occasions, the share capital by means of monetary contributions, pursuant to the provisions of Article 297.1.b) of the revised text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, of July 2, 2010 (the "**Capital Companies Act**"), up to half of the share capital figure, within a maximum period of five (5) years, and with the power, if applicable, to exclude the pre-emptive subscription right in accordance with the provisions of Article 506 of the Capital Companies Act, which is submitted for approval by the Ordinary General **Shareholders' Meeting of the Company**, to exclude the pre-emptive subscription right in accordance with the provisions of Article 506 of the Capital Companies Act, which is submitted for the approval of the Ordinary General Shareholders' Meeting of the Company called to be held on June 12, 2025, at first call or, if applicable, on the following day, June 13, at second call, under item 5 of the Agenda.

This Report is issued in compliance with the provisions of Articles 286, 296.1, 297.1.b) and 506 of the Capital Companies and concordant provisions of Mercantile Registry Regulations approved by Royal Decree 1784/1996, of July 19, 1996.

2. Justification of the proposal to delegate the power to approve capital increases and to exclude the preemptive subscription right.

The Board of Directors of FCC considers it highly appropriate to have an instrument that current legislation authorizes and , at any time and without the need to call and hold a new General Shareholders' Meeting, allows it to agree on the capital increases that, within the limits, terms, deadlines and conditions decided by the Meeting, are deemed convenient for the corporate interests.

The dynamics of all commercial companies and, in particular, of listed companies, requires that their governing and administrative bodies have at all times the most suitable instruments available to provide an adequate response to the needs that the company itself may require in each case in view of market circumstances. These needs may include providing the company with new economic resources.



The Company's capital stock is used to meet these demands, which can be obtained through new capital contributions.

Article 297.1.b) of the Capital Companies Act empowers the General Shareholders' Meeting of FCC so that, within certain limits and complying with a series of requirements, it may grant the Board of Directors the power to resolve, on one or more occasions, to increase the share capital, without prior consultation with the General Shareholders' Meeting. In this way, it is intended to provide the Company's Board of Directors with an adequate response capacity to act quickly in an environment in which, frequently, the successful achievement of a potential raising of additional resources depends on the possibility of undertaking it quickly, without the costs and delays involved in calling and holding a General Meeting, as well as eliminating the uncertainty of whether that market opportunity that the Company could identify at any given time would remain open during a hypothetical period in which the General Meeting is called.

The proposed resolution submitted to the General Shareholders' Meeting of FCC to authorize the Board of Directors to increase, once or several times, the share capital of the Company by a maximum nominal amount of up to 50% of the amount of the share capital at the time of the authorization, includes rendering ineffective, from the time of approval of the proposed resolution, in the unused portion, the authorization granted to the Board of Directors to increase the capital by virtue of the resolution adopted under item 6 of the Agenda of the Ordinary General Shareholders' Meeting of the Company on June 14, 2022.

Likewise, by virtue of the proposed resolution, the Board of Directors may resolve to increase the share capital within a period of no more than 5 years from the date of the resolution of the General Shareholders' Meeting and without the need for a call or subsequent resolution of the Meeting, by issuing new shares, ordinary shares or any other shares permitted by law, with or without a share premium and with or without voting rights, the consideration to be paid in cash, and Board of Directors may establish the terms and conditions of the increase, all in accordance with the provisions of Article 297.1.b) of the Capital Companies Act. The proposal expressly provides for the possibility of incomplete subscription of the increases that are agreed, pursuant to the provisions of article 311.1 of said Law.

The powers to be granted to the Board of Directors include, in addition to those of setting the terms and conditions of each capital increase and the characteristics of the shares, those of freely offering the new shares not subscribed during the period or periods for exercising the pre-emptive subscription right, redrafting the article of the Company's Bylaws relating to capital, to carry out all the necessary formalities before any public and/or private bodies so that the new shares subject to the capital increase are admitted to trading on the Spanish Stock Exchanges or on those markets on which the Company's shares are listed, in accordance with the procedures established in each of these markets, and to request the registration of the new shares in the accounting records of the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) or such other entity as may be appropriate.

Likewise, the Board of Directors is expressly authorized, pursuant to the provisions of Article 249 bis.l) of the Capital Companies , so that the Board of Directors may



subdelegate (with the power of substitution when appropriate) to the Executive Committee, or to the director or directors it deems appropriate, each and every one of the powers conferred by virtue of the resolution that may be delegated, as well as to empower whoever it deems appropriate for the specific acts of execution.

On the other hand, the resolution submitted for approval by the General Shareholders' Meeting would also empower the Board of Directors to exclude the pre-emptive subscription right in the capital increases approved under the authorization, in accordance with the provisions Article 308, in relation to Article 506 of the Capital Companies Act, which provides that, in listed companies, when the General Shareholders' Meeting delegates the power to increase the share capital pursuant to the provisions of Article 297.1.b) of the aforementioned Law, the Board of Directors may also be empowered to exclude the pre-emptive subscription right, with the limit of increasing the capital by a maximum nominal amount, in aggregate, of 20% of the Company's capital at the time of authorization, provided that the Company's interest so requires. For such purposes, such proposal for exclusion must be included in the notice of the General Meeting and a report from the Board justifying the proposal must be made to the shareholders.

In this regard, and in the terms set forth in Article 506 of the Capital Companies Act, in the event that the Board of Directors makes use of the power to suppress the pre-emptive subscription right in relation to a specific capital increase that it may decide to carry out under the authorization submitted for the approval of the General Shareholders' Meeting, the corresponding resolution will be accompanied by the mandatory report of the Board detailing the specific reasons of corporate interest that justify such measure and the type of issue proposed, which will be accompanied, if required, by the corresponding report of the Board of Directors, the corresponding resolution shall be accompanied by the mandatory report of the Board detailing the specific reasons of corporate interest justifying such measure and the type of issue proposed, which shall be accompanied, if mandatory, by the corresponding report of an independent expert other than the Company's auditor. The report of the Board of Directors and, if applicable, that of the aforementioned independent expert, shall be made available to the shareholders and communicated to the first General Meeting held after the resolution to increase capital.

The Board of Directors justifies the proposal to delegate the power to exclude the preemptive subscription right, due to the flexibility and agility with it is sometimes necessary to act in the current financial markets in order take advantage of the moments in which market conditions are more favorable, as well as the relative lowering of the costs associated with the transaction (including, especially, the commissions of the financial entities participating in the issue and the advertising and marketing costs) compared to an issue with recognition of the preemptive subscription right.

In addition, the elimination of the pre-emptive subscription right may allow the Company to optimize the financial terms of the transaction and, in particular, the issue price of the new shares, which usually represents a lower discount with respect to the price, by being able to adapt it more precisely to the expectations of the investors to whom it is usually addressed, reducing the execution risks arising from the exposure of the transaction to market conditions, as well as to adapt the transaction to international markets or to accelerated *bookbuilding* techniques.



In addition, the exclusion of the pre-emptive subscription right would have a less distorting effect on the trading of the Company's shares during the issuance period, which is usually shorter than in an issuance with recognition of the pre-emptive subscription right.

This does not imply that each capital increase carried out under this delegation must necessarily be carried out through the total or partial exclusion of the preemptive subscription right, since this is a power attributed to the Board by the General Shareholders' Meeting and its exercise will depend on the decision of the Board of Directors itself in view of the circumstances existing in each case and in compliance with the legal requirements.

The full text of the proposed resolution submitted for approval by the General Shareholders' Meeting under item 5 of the Agenda is included in the document "Proposed Resolutions" formulated by the Board of Directors, which is available to the shareholders.

Madrid on April 29, 2025