



FCC AQUALIA, S.A.

*(incorporated with limited liability under
the laws of the Kingdom of Spain)*

EUR 500,000,000 3.750 per cent. Senior Notes due 11 June 2032

The issue price of the EUR 500,000,000 3.750 per cent. Senior Notes due 11 June 2032 (the “**Notes**”) of FCC Aqualia, S.A. (the “**Issuer**”) is 99.372 per cent. of their principal amount.

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 11 June 2032. The Notes are subject to early redemption at the option of the Issuer in whole (but not in part) (i) at any time in the event of certain changes affecting taxation in the Kingdom of Spain at their principal amount plus accrued interest, (ii) any time prior to 11 March 2032 at their principal amount, or if higher, an amount calculated by reference to the yield on the Reference Bond plus a margin of 0.25 per cent., plus accrued interest, (iii) at any time on or after 11 March 2032 at their principal amount plus accrued interest, and (iv) at any time at their principal amount plus accrued interest if 75 per cent. or more of the aggregate principal amount of Notes originally issued shall have been redeemed or purchased and cancelled, in each case as more fully described in “*Terms and Conditions of the Notes—Redemption and Purchase—Redemption at the option of the Issuer*”. The Notes must be redeemed in whole (but not in part) at their principal amount in certain circumstance following a change of control of the Issuer (see “*Terms and Conditions of the Notes—Redemption and Purchase—Mandatory Redemption on Change of Control*”).

The Notes will bear interest from (and including) 11 June 2025 at the rate of 3.750 per cent. per annum payable annually in arrear on 11 June in each year commencing on 11 June 2026. Payments on the Notes will be made in Euro without deduction for or on account of taxes imposed or levied by the Kingdom of Spain to the extent described under “*Terms and Conditions of the Notes—Taxation*”.

This Offering Circular does not comprise a Prospectus for the purposes of Article 6 of Regulation (EU) 2017/1129, as amended (the “**Prospectus Regulation**”).

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) for the Notes to be admitted to the official list of Euronext Dublin (the “**Official List**”) and to trading on the Global Exchange Market of the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”). This Offering Circular constitutes listing particulars for the purpose of such application and has been approved by Euronext Dublin.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933 (the “**Securities Act**”) and are subject to United States tax law requirements. The Notes are being offered outside the United States by the Managers (as defined in “*Subscription and Sale*”) in accordance with Regulation S under the Securities Act (“**Regulation S**”), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Notes will be in bearer form and in the denomination of EUR 100,000 each and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. The Notes will initially be in the form of a temporary global note (the “**Temporary Global Note**”), without interest coupons, which will be deposited on or around 11

June 2025 (the “**Issue Date**”) with a common safekeeper for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the “**Permanent Global Note**”, and together with the Temporary Global Note, the “**Global Notes**”), without interest coupons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in the denomination of EUR 100,000 each and with interest coupons attached. See “*Summary of Provisions Relating to the Notes in Global Form*”.

The Issuer and the Notes are expected to be rated BBB- by Fitch Ratings Ireland Limited (“**Fitch**”) and BBB- by S&P Global Ratings Europe Limited (“**S&P**”).

Fitch and S&P are established in the European Economic Area (“**EEA**”) and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the “**EU CRA Regulation**”). As such, Fitch and S&P are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with the EU CRA regulation. The ratings Fitch and S&P have given to the Notes are endorsed by Fitch Ratings Ltd and S&P Global Ratings UK Limited, respectively, each of which is established in the UK and registered under Regulation (EU) No. 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the EU 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 EU CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation.

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

Copies of this Offering Circular and the documents incorporated by reference will be published on the website of the Issuer (<https://www.aqualia.com/en/web/aqualia-en/issuance-documents>).

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.

Investing in the Notes involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are disclosed under “Risk Factors” below.

GLOBAL COORDINATORS AND JOINT BOOKRUNNERS

BBVA	CaixaBank	Société Générale Corporate & Investment Banking
GREEN STRUCTURING AGENTS		
CaixaBank	ING Bank N.V.	Société Générale Corporate & Investment Banking
JOINT BOOKRUNNERS		
Crédit Agricole CIB	HSBC	IMI – Intesa Sanpaolo
ING Bank N.V.		Santander Corporate & Investment Banking (SCIB)

Banco Sabadell
Kutxabank Investment

CO-LEAD MANAGERS

J.P. Morgan
UNICAJA

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Offering Circular and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Circular to the best of its knowledge is in accordance with the facts and contains no omission likely to affect its import.

This Offering Circular is to be read and construed together with any documents incorporated by reference herein (see “*Documents Incorporated by Reference*” below).

Certain information in this Offering Circular has been extracted or derived from independent sources. Where this is the case, the source has been identified. The Issuer does not accept any responsibility for the accuracy of such information, nor has the Issuer independently verified any such information. The Issuer confirms that this information has been accurately reproduced, and so far as the Issuer is aware and is able to ascertain from information available from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. Further, certain information in this Offering Circular, including market, industry or similar data, is based upon estimates by the Issuer's management, using such independent sources where available. While the Issuer believes that such estimates are reasonable and reliable, in certain cases such estimates cannot be verified by information from independent sources.

The Issuer has confirmed to the Managers named under “*Subscription and Sale*” below (the “**Managers**”) that this Offering Circular contains all information regarding the Issuer and the Notes which is (in the context of the issue of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Offering Circular on the part of the Issuer are honestly held or made and are not misleading in any material respect; this Offering Circular does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Offering Circular 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 or the Managers.

Neither the Fiscal Agent nor any of the Managers nor any of their respective affiliates have authorised the whole or any part of this Offering Circular and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Offering Circular. Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change in the prospects of the Issuer, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Offering Circular.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Managers to subscribe for or purchase, any of the Notes. The distribution of this Offering Circular and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Managers and the Fiscal Agent to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Offering Circular and other offering material relating to the Notes, see “*Subscription and Sale*” below.

The Managers have not separately verified the information contained herein. To the fullest extent permitted by law, the Managers accept no responsibility whatsoever for the contents of this Offering Circular or for any other statement, made or purported to be made by a Manager or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

Neither this Offering Circular nor any other information supplied in connection with the Notes or their distribution is intended to provide the basis of any credit or other evaluation or should be considered as a recommendation by the Issuer or the Managers that any recipient of this Offering Circular or any other information supplied in connection with the Notes or their distribution should purchase any of the Notes. Each investor contemplating subscribing or purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer or the Issuer and its subsidiaries.

In particular, the Notes have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to or for the account of or the 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 jurisdictions.

In this Offering Circular, unless otherwise specified, references to a “**Member State**” are references to a Member State of the European Economic Area, references to “**EUR**”, “**euro**” or “**€**” 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 “**USD**” are to the lawful currency of the United States of America and to “**GBP**” or “**£**” are to the lawful currency of the UK.

Certain figures included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Important Considerations

Use of Proceeds / Eligible Green Projects

As described in “*Use of Proceeds*” below, the Issuer intends to apply an amount equal to the net proceeds of the issue of the Notes specifically for investment in Eligible Green Projects (as defined in “*Use of Proceeds*” below). Prospective investors should have regard to the information in “*Use of Proceeds*” regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in the Notes together with any other investigation such investor deems necessary.

Considerations as to the social, environmental and sustainability assessment of the Notes

None of the Issuer, and its subsidiaries from time to time (together with the Issuer, the “**Group**”), the Green Structuring Agents, nor the Managers accepts any responsibility for any social, environmental and sustainability assessment of the Notes or makes any representation or warranty or assurance whether such Notes will meet any investor expectations or requirements regarding such “green”, “sustainable”, “social” or similar labels. The Notes may not satisfy an investor's requirements or any future legal, quasi-legal, industry standards or other standards for investment in assets with sustainability characteristics. Investors should conduct their own assessment of the Notes from a sustainability perspective.

The Notes are green bonds and none of the Green Structuring Agents or the Managers is responsible for any assessment of the Eligible Green Projects (as defined herein) the use of proceeds of the Notes, any Eligible Green Projects nor the impact or monitoring of such use of proceeds. DNV Business Assurance Spain, S.L.U. (the “**Second Party Opinion Provider**”) has issued an independent opinion, dated 21 March 2025 (the “**Second Party Opinion**”), on the Issuer's green finance framework dated March 2025 (the “**Issuer's Green Finance Framework**”). The Second Party Opinion provides an opinion on certain environmental and related considerations and is not intended to address any credit, market or other aspects of an investment in any Notes, including without limitation market price, marketability, investor preference or suitability of any security. Neither the Issuer's Green Finance Framework nor, the Second Party Opinion or any other such opinion or certification forms part of, or is incorporated by reference in, this Offering Circular. The Second Party Opinion is a statement of opinion, not a statement of fact. The Second Party Opinion is not, nor should be deemed to be, a recommendation by the Green Structuring Agents, the Managers or any other person to buy, sell or hold any

Notes. No representation or assurance is given by the Green Structuring Agents or the Managers as to the suitability or reliability of the Second Party Opinion or any opinion or certification of any third party made available in connection with an issue of the Notes, nor is any such opinion or certification a recommendation by any Manager to buy, sell or hold any Notes.

The Second Party Opinion Provider and providers of similar opinions, certifications and validations are not currently subject to any specific regulatory or other regime or oversight. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, any member of the Group, the Green Structuring Agents, the Managers, the Second Party Opinion Provider or any other person to buy, sell or hold the Notes. Noteholders have no recourse against the Issuer, the Green Structuring Agents, any of the Managers or the provider of any such opinion or certification for the contents of any such opinion or certification, which is only current as at the date it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion, certification or validation and/or the information contained therein and/or the provider of such opinion, certification or validation for the purpose of any investment in the Notes. Any withdrawal of any such opinion or certification or any such opinion, certification attesting that the Issuer or any member of the Group is not complying in whole or in part with any matters for which such opinion, certification or validation is opining on or certifying on may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

In the event any such Notes are, or are intended to be, listed, or admitted to trading on a dedicated “green”, “sustainable”, “social” or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Issuer, the Green Structuring Agents or the Managers that such listing or admission will be obtained or maintained for the lifetime of the Notes.

The Notes do not constitute “European Green Bonds” in accordance with Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds published in the Official Journal of the EU on 30 November 2023 (the “**EuGB Regulation**”) and instead comply with the requirements set out in the Issuer's Green Finance Framework.

Prospective investors in the Notes should have regard to the information set out herein and must determine for themselves the relevance of such information for the purpose of any investment in the Notes, together with any other investigation such investor deems necessary.

Suitability of investment in the Notes

Each potential investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments but as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. The Notes may not be a suitable investment for all investors. Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of the relevant financial markets and of any financial variable which might have an impact on the return on the Notes; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Offering Circular.

Each potential investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes. A potential investor may not rely on the Issuer or the Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Words and expressions defined in the “*Terms and Conditions of the Notes*” (the “**Conditions**”) below have the same meanings in this Offering Circular.

In connection with the issue of the Notes, Société Générale (the “Stabilising Manager”) (or persons acting on behalf of the Stabilising Manager) may over allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

UK MIFIR 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 only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients only, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the “**EUWA**”) (“**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 manufacturers' 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 manufacturers' target market assessment) and determining appropriate distribution channels.

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 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.

PRIIPs REGULATION/PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made

available to any retail investor in the UK. For these purposes, a “**retail investor**” means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the UK domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

References to Regulations or Directives include, in relation to the UK, those Regulations or Directives as they form part of UK domestic law by virtue of the EUWA or have been implemented in UK domestic law, as appropriate.

PRIIPs REGULATION/PROHIBITION OF SALES TO EEA RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU (as amended or superseded, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document (KID) required by Regulation (EU) No 1286/2014 on key information documents for packaged and retail and insurance-based investment products (as amended, the “**EU PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

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OVERVIEW

This overview must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of the Offering Circular as a whole, including the documents incorporated by reference.

Words and expressions defined in the Conditions below or elsewhere in this Offering Circular have the same meanings in this overview.

The Issuer:	FCC Aqualia, S.A.
Issuer Legal Entity Identifier (LEI):	959800BYDMFZGPTXHN28
Global Coordinators:	Banco Bilbao Vizcaya Argentaria, S.A., CaixaBank, S.A., and Société Générale
Green Structuring Agents:	CaixaBank, S.A. ING Bank N.V. and Société Générale
Joint Bookrunners:	Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., CaixaBank, S.A., Crédit Agricole Corporate and Investment Bank, HSBC Continental Europe, Intesa Sanpaolo S.p.A., ING Bank N.V., and Société Générale
Co-Lead Managers:	Banco de Sabadell, S.A., J.P. Morgan S.E, Unicaja Banco, S.A. and Kutxabank Investment S.V., S.A.U.
Fiscal Agent and Paying Agent:	The Bank of New York Mellon, SA/NV, Dublin Branch
The Notes:	EUR 500,000,000 3.750 per cent. Senior Notes due 11 June 2032
Issue Price of the Notes:	99.372 per cent. of the principal amount of the Notes.
Issue Date:	Expected to be on or about 11 June 2025.
Use of Proceeds:	<p>An amount equal to the net proceeds from the issue of the Notes will be applied by the Issuer to finance or refinance, in whole or in part, the development, construction, installation or maintenance of new or existing projects, assets or activities that meet eligibility the criteria set out in the Issuer's Green Finance Framework dated March 2025 ("Eligible Green Projects").</p> <p>See "<i>Use of Proceeds</i>".</p>
Interest:	The Notes will bear interest from (and including) 11 June 2025 at a rate of 3.750 per cent. per annum payable annually in arrear on 11 June in each year commencing 11 June 2026.
Status of the Notes:	The Notes will be direct, unconditional and unsubordinated and (subject to the provisions of Condition 3.1 (<i>Negative Pledge</i>)) unsecured obligations (<i>créditos ordinarios</i>) of the Issuer and will rank <i>pari passu</i> , without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations

(*créditos ordinarios*) of the Issuer, present and future, save for such exceptions as may be provided by applicable legislation.

Form and Denomination:

The Notes will be issued in bearer form in the denomination of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000.

The Notes will initially be in the form of the Temporary Global Note, to be deposited on or around 11 June 2025 with a common safekeeper for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A., (“**Clearstream, Luxembourg**”). The Temporary Global Note will be exchangeable for the Permanent Global Note, which is exchangeable in whole, but not in part, for Definitive Notes, in limited circumstances.

The Temporary Global Note and the Permanent Global Note are to be issued in new global note form.

Negative Pledge:

The Notes have the benefit of a negative pledge described in Condition 3.1 (*Negative Pledge*).

Maturity Date of the Notes:

11 June 2032

Redemption at the Option of the Issuer in respect of the Notes:

The Issuer may, having given not less than 15 and not more than 30 days' notice to the Noteholders of the Notes redeem all, but not some only, of the Notes then outstanding on any Optional Redemption Date at the Relevant Early Redemption Price, together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. The Relevant Early Redemption Price means in relation to any date fixed for redemption which falls in the period (i) up to and excluding 11 March 2032, the Make Whole Amount, and (ii) from and including 11 March 2032 to but excluding the Maturity Date, the principal amount of such Note, all as more fully described in Condition 5(d) (*Redemption and Purchase - Redemption at the Option of the Issuer*).

Residual holding redemption by the Issuer:

If at any time 75 per cent. or more of the aggregate principal amount of Notes originally issued shall have been redeemed or purchased and cancelled, the Issuer may, having given not less than 15 and not more than 30 days' notice to the Noteholders, redeem all, but not some only, of Notes then outstanding at their principal amount, together with interest accrued to the date fixed for redemption, all as more fully described in Condition 5(e) (*Redemption and Purchase - Residual holding redemption by the Issuer*).

Tax Redemption:

Early redemption will be permitted for tax reasons as described in Condition 5(b) (*Redemption and Purchase - Redemption for tax reasons*).

Mandatory Redemption on Change of Control:

If a Change of Control occurs and, within the applicable Change of Control Event Period a Rating Downgrade or a Negative Rating Event occurs, then the Issuer will redeem, in whole but not

in part, at 100 per cent. of their outstanding principal amount together, if appropriate, with interest accrued to (but excluding) such date, as described in Condition 5(c) (*Redemption and Purchase – Mandatory Redemption on Change of Control*).

Cross Default:

Customary cross default provisions will apply as described in Condition 8 (*Events of Default*).

Covenants:

The Issuer has covenanted in favour of the Noteholders certain limitations on indebtedness, limitations on distributions, limitations on financings and guarantees to the Controlling Shareholder and its subsidiaries, the delivery of financial statements and limitations on its business, as further set out in Condition 3 (*Covenants*).

Rating:

The Notes are expected to be rated BBB- by Fitch and BBB- by S&P.

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

In general, European regulated investors are restricted from using a rating for regulatory purposes 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.

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

Withholding Tax:

The payment of interest and other amounts in respect of the Notes will be made free of withholding taxes in the Kingdom of Spain, unless such taxes are required by law to be withheld. In such case the Issuer will pay (subject to customary exceptions) additional amounts as may be necessary in order that the net amounts receivable by the Noteholder after such deduction or withholding shall equal the respective amounts which would have been receivable by such Noteholder in the absence of such deduction or withholding.

Governing Law:

The Notes (save for Condition 2 (*Status of the Notes*)), the Fiscal Agency Agreement, the Deed of Covenant, the Subscription Agreement (each as defined below), and any non-contractual obligations arising out of or in connection with the abovementioned will be governed by English law.

Condition 2 (*Status of the Notes*) and any non-contractual obligations arising out of or in connection with it will be governed by Spanish law.

Listing and Trading:

Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on the Global Exchange Market of Euronext Dublin.

Clearing Systems:

Euroclear and Clearstream, Luxembourg.

Selling Restrictions:

See “*Subscription and Sale*“.

Risk Factors:

Investing in the Notes involves risks. See “*Risk Factors*“.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry(ies) in which it operates together with all other information contained in this Offering Circular, including, in particular the risk factors described below. Words and expressions defined in the Conditions below or elsewhere in this Offering Circular have the same meanings in this section.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Offering Circular and their personal circumstances.

RISKS RELATING TO AQUALIA'S BUSINESS AND THE MARKET IN WHICH IT OPERATES

Risks Relating to Macroeconomic Conditions

Aqualia's business could be adversely affected by the deterioration of global or Spanish economic conditions and by the current geopolitical conflicts.

In the past, the business performance of FCC Aqualia, S.A. (the “**Issuer**”) and its subsidiaries from time to time (together with the Issuer, “**Aqualia**” or the “**Group**”) has been linked, to a certain extent, 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.

Aqualia operates in multiple countries, and its operations are subject to risks associated with these regions. Some of these geopolitical and international risks are: (i) health emergencies, which may disrupt global supply chains and affect economic stability; (ii) the ongoing conflict in the Middle East, which may impact energy markets and regional stability; (iii) the current state of trade relations globally with trade disputes leading to the imposition of tariffs and retaliatory measures or reciprocal tariffs, as seen in recent months in various markets (such as the United States, China, and Europe) which may continue to directly (in the case of tariffs) or indirectly (in the case of economic growth generally) have a material adverse effect on markets; (iv) the ongoing conflict between Algeria and Western Sahara, leading to regional instability; (v) economic growth trends and recovery prospects in China, which affect global economic stability; (vi) the ongoing trade dispute between the United States and China, which may influence international trade dynamics and global production levels; (vii) the effectiveness of monetary policies implemented by the European Central Bank and the Federal Reserve System in stabilising economies and combat inflation in the Euro area and the United States; (viii) policies by various countries aimed at competitive devaluation of their currencies, impacting global currency markets; and (ix) concerns regarding the sustainability of sovereign debt in certain countries. These factors highlight the complex geopolitical and economic environment in which Aqualia operates, necessitating strategic adaptability to navigate upcoming challenges.

In particular, the Group's business is sensitive to economic conditions in the Eurozone and the geopolitical uncertainty originated by, among others, Russia's invasion of Ukraine that started on 24 February 2022 and the resulting increased tensions between Russia and members of the North Atlantic Treaty Organisation (NATO), the EU and other states that have led to the imposition of comprehensive trade sanctions targeting Russian individuals, companies and institutions. Such sanctions, as well as the counter-actions imposed by Russia, have resulted in a significant reduction in trading volumes between these economies and Russia, which has led to increased commodity prices on global markets for oil, natural gas and grain, among other products. In addition, if the conflict expands beyond Ukraine to Romania and other neighboring countries it could have a direct material adverse impact on the operations of Aqualia.

The combined effect of the above-mentioned geopolitical tensions and sanctions have resulted in significant adverse macro-economic effects with impact on the Group's business. The lower business and consumer

confidence and activity and an energy-fuelled inflation shock has resulted in lower economic growth in the Eurozone.

Continuing disruptions in the global economy and in the global markets may, therefore, have a material adverse effect on Aqualia's business, results of operations and financial condition. Moreover, even in the absence of a market downturn, Aqualia 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. Unfavourable economic conditions could lead to lower revenues, reduced investment in the engineering, procurement and construction sector and reduced demand for the services provided by Aqualia. Furthermore, any financial difficulties suffered by Aqualia's subcontractors or suppliers could increase its costs or adversely affect its project schedules.

Aqualia's business is highly concentrated in Spain.

The Issuer is a Spanish company with a nationwide footprint, and the substantial majority of Aqualia's gross operating income is derived from Spain, which accounted for 56.4 per cent. and 61.8 per cent. of Aqualia's gross operating income for the years ended 31 December 2024 and 2023, respectively. Given the concentration of Aqualia's business in Spain, Aqualia may be more exposed to the performance of the Spanish economy than some of its peers.

Despite attempts at global economic stabilisation, Spain's economic activity faced significant challenges due to external and internal factors during 2024. The ongoing conflict in Ukraine continues to affect energy and commodity markets, leading to increased operational costs for utility companies like Aqualia. The recent escalation of tensions in the Middle East has contributed to energy supply volatility and could further disrupt critical supply chains. Moreover, the elections in the United States have introduced a level of political uncertainty in international trade relations, potentially influencing fiscal and trade policies that indirectly impact Europe and multinational companies with interests in multiple jurisdictions, such as Aqualia.

Locally, political fluctuations within Spain remain a concern, with a coalition government facing challenges in implementing consistent political and economic reforms, which could bring unexpected regulatory changes affecting the water industry.

Extreme weather events, increasingly frequent due to climate change, have impacted Aqualia's operations. Events like ongoing droughts in certain operational regions and sudden floods in others have tested the resilience of infrastructure and Aqualia's response capacity, potentially threatening the continuous water supply.

Collectively, these factors may have a significant adverse effect on Aqualia's business, operational results, and financial condition throughout 2025 and beyond.

Despite recent challenges, Spanish GDP is projected to 3.0 per cent. in 2024 (*source*: Spanish National Statistics Institute (INE)). However, this projection remains vulnerable to adjustments due to ongoing adverse economic conditions both within Spain and globally. These challenges include persistent supply chain disruptions, geopolitical instability, surging prices in durable goods, and the continuing energy crisis. Additionally, growth prospects are uncertain owing to internal political dynamics in Spain, which may decelerate reform initiatives or lead to alterations in laws, regulations, and policies. This is relevant not only to Spanish regions with distinct political landscapes, such as Catalonia, but also to the central government, which, since 2020, has operated under a coalition structure. Any potential decline in Spain's economic conditions could negatively impact Aqualia's business operations, financial results, and overall financial health.

Aqualia's business is subject to risks related to its international operations.

As a result of its process of diversification, a portion of Aqualia's operating revenue is generated outside of Spain, in countries such as the Czech Republic, France, Italy, Portugal, Georgia, Mexico, Colombia, Romania, Peru, Chile, the United States, Algeria, Egypt, Oman, Qatar, the United Arab Emirates ("UAE") and Saudi Arabia. The revenues of, market value of, and dividends payable by, subsidiaries within Aqualia are exposed to risks inherent to the countries where they operate. The operations in some of the countries where Aqualia 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.

Aqualia is exposed to these risks in all of its foreign operations to some degree, and such exposure could be material to its business, results of operations and financial condition, particularly in emerging markets where the political and legal environment is less stable. As a result of Russia's invasion of Ukraine, the geopolitical tensions between the United States and China, the Middle East conflict and the current inflationary pressures, there is currently significant uncertainty about the economic outlook globally. Aqualia cannot be certain 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 Aqualia for any losses arising from such risks.

Risks Relating to Aqualia's Business Activity and Industry.

Aqualia 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 compensation, if any, due to the Group under such circumstances would likely be insufficient to cover its lost profits and could even be difficult to collect.

Even though the largest portion of Aqualia's revenues comes from individual end users, these revenues are mostly generated through concessional contracts signed with public authorities subject to different applicable public procurement legislation. For example, revenues from concessional contracts with local public authorities amounted to 68.7 per cent. of total revenue in 2024. Depending on the jurisdiction and the specific circumstances, a public authority client may be able to unilaterally terminate its contract with Aqualia activating different compensation mechanisms, depending on the relevant legislation and the contractual documentation, 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 Aqualia's core business areas terminates or takes over the concession, it typically must include, as part of the compensation payable to Aqualia, in the terms of the applicable legislation and the contractual documentation, the profits it would forego through the end of the concession's term or the cost of the unrecovered executed investments, depending on the cause of termination and as long as Aqualia is not in default of any of the terms and conditions governing the relevant concession. In Spain, Aqualia's ability to recover profits lost depends upon whether the public authority terminates the contract for a cause attributable to Aqualia. Generally, if the cause of termination is attributable to the contracting authority, Aqualia would be entitled to be compensated for loss of profits (in addition to unrecovered executed investments) in the terms of the applicable legislation and the contractual documents so long as Aqualia is not in default of any of the terms and conditions governing the relevant concession.

If Aqualia is unable to replace contracts with the public sector that have been terminated, Aqualia may suffer a decline in revenue. Furthermore, regardless of the nature and amount of compensation Aqualia may be due under the relevant contract, Aqualia 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.

In addition, during the life of a concession, the relevant public authority may unilaterally impose restrictions on or modifications to agreed tariff rates charged to individual end users due to unexpected circumstances and for public interest reasons. For example, public authorities responding to public pressure may limit or modify the tariffs Aqualia charges in the terms of the applicable legislation and the contractual documentation, therefore amending the initial terms and conditions of the relevant concession contract under which it was awarded. Aqualia 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 adversely affect the business, results of operations and financial condition of Aqualia.

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

Current economic conditions have led to a reduction in projects for the public sector. Economic instability and difficult economic conditions in Spain and elsewhere have also resulted in a decline in tax revenue received by the Issuer's public administration customers, which has led to a reduction in public expenditures. Increasing costs for social security and certain other programs in some jurisdictions can exacerbate this effect. In addition to general budgetary considerations, many of the Issuer's customers, including public authorities, continually seek to achieve greater cost savings and improved efficiencies.

These and other factors could therefore result in the Issuer'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 Group's business, financial condition, results of operations and prospects.

Certain municipalities could decide to take over services that Aqualia currently provides.

Local public services, such as the supply of water to citizens or other services related to the circulation of water, 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, depriving it of future business. Municipalisation may also be adopted before the end of the relevant contract, this being one of the causes of termination of contracts of the public sector due to causes or breaches attributable to the contractor.

Aqualia'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.

Aqualia is established in jurisdictions where the industries in which it operates may be regulated, such as in the public services industry. In order to develop and complete a project, the developer may need to obtain permits, licences, certificates and other approvals from the relevant administrative authorities at various stages of the project process. There is no assurance that Aqualia will be able to obtain or maintain such governmental approvals or fulfil the conditions required for obtaining the approvals or adapt to new laws, regulations or policies that may come into effect from time to time, without undue delay or at all. If Aqualia is unable to obtain the relevant approvals or fulfil the conditions of such approvals for a significant number of its projects in a timely manner, this could lead to delays and Aqualia's business, results of operations and financial condition may be adversely affected.

Aqualia's design and construction activities expose it to risk.

As part of its Engineering-Procurement-Construction business which Aqualia executes on a turnkey basis, in which the design, quality, deadline and price are fixed in advance. For example, pricing terms in international turnkey contracts can be difficult to revise, but, although in recent periods there has been increasing resistance, historically it has generally been possible to revise such terms in Spanish turnkey contracts. In many cases, Aqualia's earnings are conditioned on meeting performance objectives and failure to meet these objectives may trigger contractual penalties.

Contracts of this nature expose Aqualia to technical, operational and economic risks. The risks are usually associated with the fines that could be imposed by the client for contractual non-compliance with delivery times and the technical quality of the units executed. Aqualia cannot be certain that any contractual measures it may take to mitigate these risks will be effective. Aqualia 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, Aqualia is required to integrate into its project planning existing information or studies provided by the customer. This information may prove inaccurate or inconsistent. Aqualia 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.

Aqualia 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 Aqualia's work is competitively tendered and it is difficult to predict whether Aqualia will be awarded new contracts due to multiple factors such as qualifications, economical solvency, experience, reputation, technology, customer relationships, financial strength, environmental compliance 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 Aqualia fails to win a particular tender, bidding costs are generally not recoverable.

Aqualia may engage in acquisitions and investments and disposals from time to time.

Aqualia may engage in acquisitions, disposals and investments of interests in other companies or business from time to time. There can be no assurance that Aqualia will identify suitable acquisition opportunities, obtain the financing necessary to complete and support such acquisitions or investments, acquire businesses on satisfactory terms, or that any acquired business will prove to be profitable. In addition and as further explained below, acquisitions and investments involve a number of risks, including possible adverse effects on Aqualia's operating income, risks associated with unanticipated events or liabilities relating to the acquired assets or businesses which may not have been disclosed during due diligence investigations, difficulties in the assimilation of the acquired operations, technologies, systems, services and products, and risks arising from contractual conditions that are triggered by a change of control of an acquired company.

Any failure to successfully integrate such acquisitions or investments could have a material adverse effect on Aqualia's business, prospects, financial condition and results of operations.

Aqualia's due diligence may not identify all risks and liabilities in respect of an acquisition.

Prior to entering into agreements for acquisitions, Aqualia generally performs due diligence in respect of a proposed investment, but such inspection by its nature is limited. In the context of an acquisition, material liabilities or defects that were not apparent or perceptible or known to Aqualia, or that were not detected at the time of the due diligence, may arise.

To the extent Aqualia or other third parties underestimated or failed to identify risks and liabilities associated with the relevant acquisition, Aqualia may incur, directly or indirectly, unexpected liabilities, such as additional costs or environmental, structural or operational defects or liabilities requiring remediation.

Failure to identify any such defects, liabilities or risks could result in Aqualia having acquired an entity which is not consistent with its investment strategy, which is difficult to integrate with the rest of Aqualia's business or which fails to perform in accordance with expectations, reputation, which, in turn, could have a material adverse effect on Aqualia's business, financial condition, results of operations and prospects.

Aqualia may be unable to successfully carry out the operational integration of a newly acquired company's water utility business, which may result in costs and difficulties beyond those foreseen.

The operational integration of the water utility business of a newly acquired company into Aqualia may be complex and may entail difficulties that are beyond Aqualia's control, and the costs, benefits and synergies arising from the integration may not be in line with expectations. The diversion of the management team's attention from their other responsibilities as a result of the need to deal with integration issues could also have an adverse effect on Aqualia's business.

If the Issuer is not able to manage the broader organisation efficiently, it could lose key customers and fail to achieve full integration of the assets and resources of such acquisition's water utility business, which could in turn have a material adverse effect on Aqualia's business, financial condition, results of operations and prospects.

Aqualia carries out many of its activities under long-term contracts. Long-term contracts can hinder Aqualia's ability to react rapidly and appropriately to new and financially unfavourable situations.

The initial circumstances or conditions under which Aqualia 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. Aqualia 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, Aqualia 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 Aqualia's contracts. In all cases, and most particularly with regard to public service management contracts, Aqualia is obligated to remain within the scope of the contract and ensure continuity of service, in the terms of the public procurement legislation applicable at the time when the contract was tendered. Aqualia 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, (as amended, the “**RD 55/2017**”), permit the update of prices in new public contracts (those whose award procedure begun after 1 April 2015) only under certain contractual circumstances and establish that the contracting body or competent authority that sets the price of public sector contracts may establish a formula for its periodic and predetermined review. This periodic and predetermined review will not include variations in financial costs, depreciation, overhead expenses, or structural expenses, nor industrial profits. Periodic and predetermined reviews may include, within the limits established in RD 55/2017, labour costs provided they are a significant cost. Consequently, the Spanish De-Indexing Law and RD 55/2017 aim to link the revision formula to real costs of the specific activity instead of to general indices such as the Consumer Price Index (IPC). The Council of Ministers may approve standard formulas for the periodic and predetermined review of prices. Each cost component included in the formula for periodic and predetermined review will be approximated by an individual price or specific price index, which must have the greatest possible disaggregation to accurately reflect the evolution of said component. Contracts tendered before the entering into force of the Spanish De-Indexing Law have different regimes for the update of prices.

Although a majority of Aqualia's current public contracts already apply price updating systems (different from Consumer Price Index) linking the price to the real cost of the activity, the Spanish De-Indexing Law and RD 55/2017 will impact Aqualia's future contracts. The Council of Ministers, or ultimately each contracting authority, may decide to establish a specific formula to update the contract price which will apply during the whole life of the contract (and which may not be linked to the real cost of the activity or may affect the items that are considered costs related to the activity).

Notwithstanding the above, if the contracting authority decides to apply a formula, it should be established in the particular public terms for tender of the relevant contract in accordance with the criteria set out in the Spanish De-Indexing Law, RD 55/2017 and in Law 9/2017, of 8 November, on Public Sector Contracts, transposing into Spanish law the Directives of the European Parliament and of the Council 2014/23/EU and 2014/24/EU, of 26 February 2014 (*Ley 9/2017, de 8 de noviembre, de Contratos del Sector Público, por la que se transponen al ordenamiento jurídico español las Directivas del Parlamento Europeo y del Consejo 2014/23/UE y 2014/24/UE, de 26 de febrero de 2014*) (“**Public Procurement Law**”), among others. Moreover, Aqualia's decision to participate in a tender procedure and enter into a public contract will be subject to an examination of the terms of such tender procedure. Finally, even if the tender terms do not foresee a price updating system, Aqualia may ultimately request such update to maintain the economic balance of the tender as provided by applicable regulations.

A change of circumstances or conditions under which Aqualia may enter into a contract and an inability by Aqualia to adapt its compensation under such contract may adversely impact its business, results of operations and financial condition.

Aqualia's ability to make payments on some of its obligations is connected to its clients' ability to pay it.

Aqualia'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 related to late payments, which can strain Aqualia's liquidity. As of 31 December 2024, Aqualia had EUR 23.6 million in past due trade receivables from public authorities in Spain. Should the Spanish economy enter into a new decline, a lengthening payment cycle from public authorities could adversely impact Aqualia's ability to pay interest on the Notes or to repay the Notes in full at their maturity.

Aqualia 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, Aqualia depends on sophisticated information and other technologies, including, among others, customer managers, systems for communications, procurement and contract administration. In particular, in certain activities or in connection with specific projects, Aqualia 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, Aqualia 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. Aqualia's historical success in developing its technological platforms provides no guarantee that it will continue to be successful. If Aqualia 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 Aqualia's industries is intense and the relevant technologies advance at a rapid pace. To succeed, Aqualia 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 Aqualia vulnerable to competitors that succeed in advancing and improving their technical platforms. Furthermore, even if Aqualia develops technologies superior to those of its competitors, it cannot be certain that it will be able to maintain its competitive advantage.

Aqualia is increasingly dependent on information technology systems that may fail or may be subject to cyber-attacks resulting in the loss of sensitive information.

Aqualia is increasingly dependent on highly sophisticated information technology ("IT") systems. IT systems are relevant for Aqualia as its business depends on its ability to process information efficiently and accurately and on computing services, e-mails, software and network services, on the safe access to the processing, storage and transmission of information (including confidential information) through IT systems, and on the maintenance of precise documentation, record-keeping and archiving.

IT systems are vulnerable to a number of problems, such as software or hardware malfunctions, malicious hacking, physical damage to vital IT centres and computer viruses. IT systems need regular upgrading and Aqualia may not be able to implement necessary upgrades on a timely basis or upgrades may fail to function as planned.

Information systems are indispensable tools for carrying out operational activities and managing the functional departments of Aqualia. 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 Aqualia's data and, thus, it could have an impact on its counterparties, including its customers. Such situation might adversely affect Aqualia's profitability.

Furthermore, failure to protect Aqualia's operations from cyber-attacks could result in the loss of customer or project data or other sensitive information. The threats are increasingly sophisticated and there can be no assurance that Aqualia will be able to protect against all threats. Aqualia may incur significant costs as a result of any failure of Aqualia's IT systems. Aqualia cannot assure investors that the back-up systems Aqualia maintains to provide high level service availability and ensure business continuity will protect it. Should these systems fail or prove to be inadequate, Aqualia could experience significant interruptions of its business and could lose or compromise important data.

Aqualia operates in highly competitive industries.

Aqualia, in the regulated water management market, competes against various groups and companies that may have more experience, resources or local awareness than Aqualia does. Furthermore, these groups and companies may have greater resources than Aqualia, 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.

Given this high level of competition, Aqualia 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 Aqualia is unable to obtain contracts for new projects in order to sustain a back log in line with the current one, or if these projects are only awarded under less favourable terms, Aqualia's business, results of operations and financial condition may be adversely affected.

Aqualia, in its non-regulated activities, including both O&M and EPC (both as defined below) activities, is subject to a very competitive and low entry barrier market and, therefore, such activities may not be a reliable indicator of its future revenue or profits.

Aqualia's joint venture and partnership operations could be adversely affected by its reliance on its partners' financial condition and performance.

Some of Aqualia's activities are conducted through joint ventures and partnerships. The success of Aqualia's joint ventures and partnerships depends on the satisfactory performance by its partners of their obligations. If Aqualia's partners fail to satisfactorily perform their obligations as a result of financial or other difficulties, the joint venture or partnership may be unable to adequately perform contracted services. Under these circumstances, Aqualia may be required to make additional investments to ensure the adequate performance of the contracted services and Aqualia could be jointly and severally liable for both its obligations and those of its partners. In addition, in the normal course of business, Aqualia undertakes to provide guarantees and indemnities in respect of the performance of the contractual obligations of its joint venture entities and partnerships. These guarantees and obligations give rise to a liability to the extent the respective entity fails to perform its contractual obligations. A partner may also fail to comply with applicable laws, rules, or regulations. In some of these business partnerships, Aqualia must accept a partial loss of control. Aqualia 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 Aqualia 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. Any of these factors may adversely impact Aqualia's business, results of operations and financial condition.

Certain interests in Aqualia's foreign subsidiaries are held by third parties.

Aqualia has operations in countries where local law restricts or may restrict: (i) foreign shareholders from holding a majority of the shares in either any locally registered companies or those companies which operate in certain sectors such as construction; or (ii) the ability of foreign-owned companies from participating in certain public tenders.

Consistent with the approach taken by many other foreign-owned companies operating in these jurisdictions, Aqualia, in certain cases, has addressed this foreign ownership restriction by using commonly used structures, whereby the majority of the shares in its local business is held by a locally registered company or national in that country (depending on the requirements of local law) on trust or pursuant to a management agreement or similar arrangement, for and on behalf of Aqualia. The remaining minority share capital is usually held by Aqualia through one of its locally incorporated subsidiaries. However, these arrangements may not be as effective in providing control over these entities as a direct majority ownership.

Moreover, a particular ownership structure could be unilaterally challenged before a court in one or more of these jurisdictions. If a challenge is made against the ownership structure of any of Aqualia's subsidiaries based in any jurisdiction where this foreign ownership restriction applies, Aqualia cannot foresee which approach these courts would take in applying the relevant local laws or policies to the corporate structure in question. The potential consequences of a negative judgment in relation to the corporate structure could lead to Aqualia's legal arrangements and agreements being declared void or unenforceable, or to having to change the corporate ownership structure of these businesses in these jurisdictions that may further lead to the imposition of legal penalties. Any of these factors may adversely impact Aqualia's business, results of operations and financial condition.

Aqualia's backlog is subject to adjustments and project cancellations and is, therefore, an uncertain indicator of future earnings.

As of 31 December 2024, Aqualia total backlog was EUR 22,565 million.

Aqualia calculates backlog as of any given date as the aggregate value of its contracts, less amounts under those contracts that it has recognised as revenue. In those contracts in which Aqualia is the owner of the infrastructure a 50 year term is considered for the backlog contribution.

Unforeseen events or circumstances can adversely affect the amount and timing of future revenue generated by the projects for which Aqualia record backlog. These events and circumstances can include among others:

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

Moreover, Aqualia 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.

Aqualia 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 Aqualia's backlog and should not regard backlog as a forecast of future revenue.

Aqualia'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, Aqualia 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 applicable laws and regulations or delays in regulatory approvals and the cost of capital maintenance or replacement of assets are highly variable, and Aqualia's actual costs in remedying or addressing them may deviate substantially from originally estimated amounts and may therefore result in a lower profit to Aqualia.

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 Aqualia's business. However, Aqualia'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 Aqualia fails to identify key risks or effectively estimate costs for projects where it is exposed to the risk of cost overruns, there may be an adverse effect on its business, results of operations and financial condition.

Aqualia is dependent on the continued availability, effective management and performance of subcontractors and other service providers.

In the ordinary course of Aqualia's operations, it relies on subcontractors to provide certain services. As a result, Aqualia's business, results of operations, financial condition and prospects may be adversely affected if it is not able to locate, select, monitor and manage its subcontractors and service providers effectively. Additionally, subcontractors to whom Aqualia has awarded work may become insolvent, requiring it to select a new subcontractor at the risk of delays and/or at higher cost. If Aqualia 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 Aqualia's management and technical team could have a material adverse effect on its business, results of operations and financial condition.

Aqualia relies on certain key personnel. If, in the future, Aqualia is unable to attract and retain sufficiently qualified management and technical staff, its business development could be limited or delayed. In addition, if Aqualia 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, results of operations and financial condition could be adversely affected.

Risk management policies, procedures and methods may leave Aqualia exposed to unidentified or unanticipated risks.

Aqualia 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, Aqualia'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 Aqualia fails to identify or anticipate.

Any failure to adequately identify or anticipate risk could have an adverse impact on Aqualia's business, results of operations, financial position and cash flows, with a consequent adverse impact on the market value of the Notes and/or on Aqualia's ability to pay interest on the Notes or to repay the Notes in full at their maturity.

Aqualia's insurance cover may not be adequate or sufficient.

Aqualia 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.

Aqualia 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, Aqualia's business, results of operations and financial condition may be materially adversely affected.

Legal and Regulatory Risks

Aqualia operates in highly regulated environments which are subject to changes in regulations.

Aqualia must comply with specific water management and treatment, and construction sector regulations, as well as general laws and regulations in the various jurisdictions where it operates. In addition, Aqualia must comply with data protection regulation in relation to information it receives from the large number of private end-users of its services and breach of such regulations may result in large fines. As in all highly regulated sectors, any regulatory changes in these sectors could adversely affect the business, results of operations and financial condition of Aqualia.

Aqualia is subject to environmental and hygiene regulations.

In the countries where Aqualia operates, there are local, regional, national and EU bodies which regulate its activities and establish applicable environmental health and safety laws and regulations. The technical requirements imposed by environmental health and safety laws and regulations are gradually becoming more costly, complex and stringent. Aqualia has incurred, and will continue to incur, significant costs (including the provision of guarantees to either enter into contracts with public authorities and those that may be required by law, especially in relation to environmental matters) and other expenditures to comply with environmental, health and safety obligations and to manage its hygiene-related risks. In particular, these risks relate to water emissions, drinking water quality, waste processing, soil and ground water contamination, the quality of smoke emissions and gas emissions. Aqualia may be unable to recover this expenditure through higher prices.

Legal requirements, including specific precautionary and preventive measures, may obligate Aqualia to make investments and incur other expenses to ensure that the installations it operates are in compliance with applicable laws and regulations. In cases where Aqualia 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 Aqualia as an operator and could adversely affect its reputation and capacity for growth. Furthermore, public authorities have the power to launch proceedings that could lead to the suspension or cancellation of permits or authorisations that Aqualia holds, or to injunctions requiring it to suspend or cease certain activities. These measures may be accompanied by fines and other administrative, civil or criminal sanctions that could have a significant and negative impact on Aqualia's business and finances.

In addition, environmental laws and regulations may impose strict liability in the event of damage to natural resources or threats to public safety and health. Strict liability may mean that Aqualia is held liable for

environmental damage regardless of whether it has acted negligently, or that it owes fines whether or not effective damage exists or is proven, and Aqualia could be held jointly and severally liable with other parties.

The entry into force of new laws, the discovery of previously unknown sources of pollution, the imposition of new or more stringent requirements or a stricter application of existing regulations may increase Aqualia's costs or impose new responsibilities.

Aqualia 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 Aqualia for damages, clean-up costs or penalties in the event of certain discharges into the environment and/or environmental contamination and damage. Aqualia'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 Aqualia's business, results of operations and financial condition.

Aqualia'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.

Aqualia's activities are subject to a number of laws and regulations including the Organic Act 10/1995, of 23 November, on the Criminal Code (as amended, the "**Spanish Criminal Code**"), which sets out the criminal liability of legal persons, and to other additional anti-corruption laws in other jurisdictions. Aqualia has in force systems and procedures to facilitate compliance with applicable laws and regulations such as the Tender Policy (which sets out the principles actions for tendering processes), provides training to its employees to facilitate compliance with such laws and regulations and launches due diligence activities with third parties on compliance matters, consisting of performing an analysis with the focus on the risk of Aqualia's business parties.

However, there can be no assurance that Aqualia'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. Aqualia could be subject to penalties and reputational damage if its employees, consultants, agents, suppliers, or partners violate any anti-corruption or anti-bribery laws.

Aqualia is subject to litigation risks.

Aqualia 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 construction projects performed or services rendered, employment-related claims, environmental claims and tax claims. Unfavourable outcomes in these proceedings could impose significant liabilities on Aqualia, such as damages, clean-up costs or penalties in the event of spills, discharges or environmental contamination or interference in the conduct of Aqualia's business. For a summary of certain legal proceedings relating to Aqualia, 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 Aqualia's business, results of operations and financial condition.

Financial Risks

Aqualia is subject to liquidity risk.

Aqualia conducts its operations in industry 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. Also, in addition to seeking new funding, Aqualia may seek to refinance a portion of its existing debt through bank loans and debt offerings.

Aqualia'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. Exposure to adverse effects in the debt or capital markets may hinder or prevent the raising of adequate finance for Aqualia's activities. Aqualia 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 Aqualia's liquidity and its ability to fund its working capital needs. At the same time Aqualia 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.

On 18 September 2018 Aqualia and Fomento de Construcciones y Contratas, S.A. ("FCC") entered into a single loan (the "**FCC Upstream Loan**") for an amount of EUR 806,479,011.74. As a consequence of the FCC Upstream Loan, Aqualia will be exposed to credit risk relating to the creditworthiness of FCC. If FCC is unable to meet its payment obligations under the FCC Upstream Loan in a timely manner or at all, it could have an adverse impact on Aqualia's financial condition. See "*Description of Other Material Contracts –Description of Aqualia-FCC Upstream Loan*".

Aqualia is required to provide customers with performance bonds or similar guarantees.

In Aqualia's project-related businesses, it is typically required to provide clients (in particular, public authorities) with performance bonds or similar instruments intended to guarantee its timely performance of contractual obligations to the defined specifications or tender rules governing the awarding of the relevant contract. If Aqualia 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 Aqualia's liquidity and its ability to fund its working capital needs.

Aqualia's business, financial condition and results of operations may be adversely affected if it does not effectively manage its exposure to interest rate and foreign exchange risks.

Certain of Aqualia's indebtedness and loans to public entities bears interest at variable rates (such as EUR 1,100 million Aqualia's syndicated loan), generally linked to market benchmarks such as EURIBOR, the Secured Overnight Financing Rate (SOFR) 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 Aqualia on variable rate loans made to public entities and may result in basis risk as such interest is paid to Aqualia 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 infrastructure 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. Sometimes, Aqualia enters into hedging arrangements to cover interest rate fluctuations on a portion of its debt. Any future hedging contracts entered into by Aqualia may not adequately protect its operating results from the effects of interest rate fluctuations. Aqualia is subject to the creditworthiness of, and in certain circumstances early termination of the hedging agreements by, hedge counterparties.

To a lesser extent, Aqualia is exposed to exchange rate risks. Although its functional and reporting currency is the euro, Aqualia 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, Aqualia 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 Aqualia's business, results of operations and financial condition.

Aqualia faces certain risks related to deferred tax assets.

In principle, losses that Aqualia incurs in previous years can be carried forward and used to offset future taxable profits. This deferred tax asset reflects Aqualia'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. 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 Aqualia's right to offset deferred tax assets or a change in its business plans or expected future profitability) could require Aqualia to reassess the value of these assets, with a material negative effect on Aqualia's results of operations and balance sheet.

Aqualia's ability to effectively manage its credit risk exposure may affect its business, results of operations and financial condition.

Aqualia is exposed to the credit risk implied by default on the part of a counterparty (customer, provider, partner or financial entity), which could impact its business, results of operations and financial condition.

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 other things, increases in inflation rates, tighter monetary policy, Russia's ongoing invasion of Ukraine, the ongoing conflict in the Middle East and geopolitical tensions between the United States and China. In addition, the cost of government financing and the financing of other public entities has also increased due to financial stress in Europe, and this may represent an increased risk for Aqualia's public sector clients.

Although Aqualia 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 Relating to Regulated Activities

Aqualia's Water Management Activities are sensitive to changes in consumption patterns.

A decrease in the consumption of drinking water supply in some developed countries has been observed, notably because of water saving programs established by public authorities and manufacturers and the public perception that water is a resource which needs to be preserved. As of this date, Aqualia has been able to offset the effects of reduced volumes through productivity gains and negotiating contracts and tariffs under which a portion of Aqualia's revenue is independent of volumes. If the volumes decrease further, these efforts may be insufficient to fully offset any such reduction Aqualia may experience and this may adversely impact Aqualia's business, results of operations and financial condition.

Aqualia's Water Management Activities are sensitive to weather conditions.

Aqualia's earnings in the water sector can be affected by significant weather changes. For example, exceptional rainfalls and droughts may have a negative impact on the activity and earnings of Aqualia. As a result, certain measures, including public campaigns among consumers to reduce water usage and the implementation of water optimisation plans for agriculture, among other measures, were put into place.

By supplying drinkable water, Aqualia must ensure that the water is adequate for human consumption.

The most significant risk associated with managing drinkable water facilities is the distribution of water that may cause health problems to end users. For example, if errors in the treatment process or acts of sabotage were to occur that affected the quality of the drinking water Aqualia supplies, Aqualia could suffer a loss of business and revenues and reputational damage. Furthermore, Aqualia can become subject to litigation, liabilities, damages, and clean-up costs and this may adversely impact Aqualia's business, results of operations and financial condition.

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

Aqualia controls and operates utility networks 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 network 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 Aqualia's projects, which may severely disrupt the operations of Aqualia and lead to delays in the completion of projects and such delays could result in a loss of income, due to delayed receipt of proceeds from purchasers, as well as potential claims for compensation and termination of contracts by clients. Moreover, significant damage or other impediments to the waterworks facilities managed could result from (i) natural disasters floods and prolonged droughts; (ii) human-errors in operating the waterworks facilities, including multi-purpose dams and water supply systems; and (iii) industrial strikes. Any of these factors may adversely impact Aqualia's business, results of operations and financial condition.

Any spillage of contaminated water could negatively affect Aqualia.

Aqualia manages wastewater treatment plants through the awarding of the relevant contract – generally concessions – by public authorities. One of the principal risks associated with this business activity is the risk of spillage of contaminated water in surrounding areas. In addition to errors or negligence in managing wastewater treatment plants, spillage of contaminated water could occur as a result of circumstances that are out of Aqualia's control. Water supplies may be subject to interruption or contamination, including contamination from the presence of naturally occurring compounds and pollution from man-made sources or third parties' actions. In this situation, Aqualia could nonetheless be liable for damages and clean-up costs, be fined for breaches of statutory or contractual obligations, as well as suffer reputational damage. Any such occurrence may adversely impact Aqualia's business, results of operations and financial condition.

Aqualia is exposed to risks related to prices of energy.

Aqualia's energy expenses and the prices of electrical energy, which are indispensable for its operations and essential business activities, can be subject to significant fluctuations. The expenditures for purchases of electricity accounted for approximately 6.7 per cent. of Aqualia's total annual operating expenses for the year ended 2024. Although Aqualia has negotiated fixed tariffs and Power Purchase Agreements to mitigate this risk, a sustained increase in supply costs and/or related taxes could undermine its operations.

During their initial years of operation, Aqualia's water management concessions generate little or no cash for distribution to Aqualia.

The development and operation of infrastructure concession assets is a capital-intensive business. Newer assets are typically highly leveraged to optimise the capital structure with the objective of maximising shareholder return. The financing structure for a concession is selected based on cash flow projections that Aqualia models for that concession. A new project may be financed through a project finance structure, which involves the creation of a legally independent project company financed with debt on a non-recourse basis and with equity contributed by Aqualia and, in some cases, other investors. As a result of the high rate of leverage, during the initial years of a concession, the costs of financing consume most of a concession's available cash flows, leaving little or no cash flows available for distribution to Aqualia. In addition, since cash flows constitute the main security for the repayment of project borrowings, credit agreements usually limit the use of funds by shareholders until certain conditions have been met, which is assessed each year. As a result, it is unlikely that cash generated from newer concessions will be available to meet the cash needs of other Group companies, including repayment of amounts due under the Notes. Furthermore, it is possible that Aqualia's cash flow projections for a concession will not be met, and that concession may take longer than expected to generate cash for its shareholders or may never do so, which could decrease the resources available to other Group companies to meet their financial obligations, including those under the Notes. Such a decrease may have a material adverse effect on the business, results of operations and financial condition of Aqualia.

Concessions are granted for a limited period of time through public bidding and are subject to a number of conditions.

A large portion of Aqualia's contracts are concessions granted for a limited period of time and once such contracts, and their potential contractual extensions, in the terms of the applicable legislation, have expired (due to the course of time or early termination), the Issuer may need to take part in public bidding processes in order to renew them. Upon termination of a concession, Aqualia must return the infrastructure to the competent governmental authority or owner, in an adequate state of repair requested by the relevant contract in order to allow the continuation of the provision of the public service, together with any assets and facilities required for operation, and receives no economic compensation whatsoever. In addition, such concessions are subject to a number of conditions and requirements, a breach of which could result in the imposition of penalties, the termination of any such concession and the obligation to indemnify the contracting authority, as the case may be. If Aqualia is unable to extend the duration of its concessions during its lifetime or is unable to secure new concessions to replace any concessions expired, terminated or recovered, this could have a material adverse effect on Aqualia's business, results of operations and financial condition.

Difficulties in obtaining the necessary land rights could delay certain Aqualia concession projects or lead to increased development costs.

In order to develop the infrastructure assets for the concessions in which Aqualia has an interest, it must obtain the necessary land rights to carry out such development. Aqualia 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. Aqualia 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, Aqualia 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 its business, results of operations and financial condition.

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

Aqualia's business may face adverse public opinion to its wastewater activities 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 Aqualia or its plans for future expansion, which could adversely affect its business, results of operations and financial condition.

Risks Relating to Non-Regulated Activities

If investment in public water infrastructure decreases, Aqualia's results of operations may be affected.

Investment in water infrastructure derives from both the public and private sectors and the level of investment is dependent on general economic conditions. In times of economic growth, investment levels generally increase, with levels decreasing during a recession. Aqualia, in relation to its Non-Regulated Activities, is exposed to the economic cycle. If future economic conditions limit the investment capacity of the public sector and/or the private sector, then the business, results of operations and financial condition of Aqualia may be adversely affected.

Difficulties in securing private sector projects may adversely affect Aqualia's results of operations.

Whilst standard practice in the private sector is for the construction company to be paid as the works are executed, Aqualia is exposed to loss of revenue if such works are delayed or cancelled. In addition, private sector companies may decide to delay or abandon studies of potential projects while they await more favourable investment conditions. Reductions in project procurement and delays in the completion of projects by the private sector may adversely affect the business, results of operations and financial condition of Aqualia.

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

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 Aqualia's contractors and sub-contractors 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 sub-contractor liability clauses, included in most standard construction agreements entered into with contractors and sub-contractors, generally cover these situations, although they may not cover the total value of any resulting losses. In the event of construction delays, Aqualia may receive revenues later than expected and could face penalties and even contractual termination. These eventualities could increase Aqualia's expenses and reduce its income, particularly if it is unable to recover any such expenses from third parties under its concessions, in which case the business, results of operations and financial condition of Aqualia may be materially adversely affected.

Aqualia's contracted revenues from its O&M Activities is subject to unexpected adjustments and cancellations and, therefore, may not be reliable indicator of its future revenue or profits.

There can be no assurance Aqualia will realise earned revenue projected in its contracted revenue from its O&M Activities or, if realised, such revenue will result in profits. Project terminations, suspensions, and/or changes in project scope and schedule may occur and Aqualia cannot predict with certainty when, or if, any or all of its contracted revenue will be performed. Material delays, cancellations, or payment defaults could materially and adversely affect Aqualia's cash flows, earned revenue, business, results of operations and financial condition. A deterioration in economic conditions may result in a reduced ability to replace contracted revenue once projects are completed and/or may result in the cancellation, modification, or deferral of projects currently reflected in Aqualia's contracted revenue.

Reduction of outsourcing and potential for insourcing may materially and adversely affect Aqualia's financial and operating performance.

Aqualia's O&M Activities' financial performance depends on its customers continuing to outsource operations, maintenance and facilities management services to it. A decline in outsourcing in the sector in which Aqualia's customers operate may adversely affect Aqualia's revenue and profitability and its growth prospects. A reduction in outsourcing may result from a decreased availability of capital, changing economic conditions or industry trends, or changes in the specific strategies of Aqualia's customers, particularly in a capital constrained environment where customers are experiencing margin and cash cost pressures.

RISKS RELATING TO THE NOTES

The Notes may not be a suitable investment for all investors.

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments but as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Offering Circular and any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including if euro (the currency for principal and interest payments on the Notes) is different from the potential investor's currency;
- (d) understand thoroughly the Conditions of the Notes and the provisions of the other Transaction Documents; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Offering Circular.

Modification may affect the Noteholders.

The Conditions contain provisions for calling meetings of Noteholders of the Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Notes and Conditions may be amended without the consent of the Noteholders provided that such amendment is of a formal, minor or technical nature or is made to correct a manifest error. Any such modification shall be binding on all Noteholders and Couponholders.

There can be no assurance that use of proceeds of the Notes to finance Eligible Green Projects will be suitable for the investment criteria of an investor.

It is the Issuer's intention to apply an amount equal to the net proceeds from the issue of the Notes specifically for Eligible Green Projects (as defined under "Use of Proceeds" below). Prospective investors should have regard to the information set out in this Offering Circular regarding such use of proceeds and must determine for

themselves the relevance of such information for the purpose of any investment in the Notes together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer or any Manager that the use of such proceeds for any Eligible Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects. The Green Structuring Agents and the Managers have not undertaken, nor are responsible for, any assessment of the criteria for Eligible Green Projects, any verification of whether the Eligible Green Projects meet any relevant criteria, or the monitoring of the use of proceeds of the Notes.

Furthermore, it should be noted that there is currently no market consensus as to what constitutes, a “green” or “sustainable” or an equivalently labelled project or as to what precise attributes are required for a particular project to be defined as “green” or “sustainable” or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. In June 2019, the EU Technical Expert Group on Sustainable Finance published a technical report on the classification system for sustainable economic activities later established by Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the “**EU Taxonomy**”) (or classification system) for sustainable activities, which sets out the basis for a future taxonomy in legislation. In addition, the EuGB Regulation was published in the Official Journal of the EU on 30 November 2023 and introduces the “European Green Bond Standard” or (“**EuGBS**”) as a designation which can be used on a voluntary basis by bond issuers using definitions of green economic activities in the EU Taxonomy to define what is considered a green investment. Nevertheless, no assurance can be given that a clear market consensus as to what constitutes a “green” project will be reached. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Eligible Green Projects will meet any or all investor expectations regarding such “green”, “sustainable” or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Green Projects. In addition, no assurance can be given by the Issuer, the Green Structuring Agents, the Managers or any of their respective affiliates or any other person to investors that any Notes will comply with any future standards or requirements for being “green notes”.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes, including the Second Party Opinion (as defined under “*Use of Proceeds*” below), and in particular with any Eligible Green Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification of any third party, including the Second Party Opinion, is not, nor shall be deemed to be, incorporated in and/or form part of this Offering Circular. The Noteholders have no recourse against the Issuer, the Green Structuring Agents, the Managers or any of their respective affiliates or the provider of any such opinion or certification for the contents of any such opinion or certification. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any Manager, or any other person to buy, sell or hold any Notes. Any such opinion or certification is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any Notes are listed or admitted to trading on any dedicated “green”, “environmental”, “sustainable” or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any Manager or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one

stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any Manager or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply an amount equal to the net proceeds of the Notes for Eligible Green Projects in, or substantially in, the manner described under “*Use of Proceeds*“, there can be no assurance that any Eligible Green Projects will, for reasons beyond the control of the issuer, be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Green Projects. Nor can there be any assurance that such Eligible Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Notes nor will it give Noteholders the right to demand early redemption of the Notes.

Investors should note that (i) any failure to provide or publish any reporting, (ii) any failure to obtain any certification or opinion (or the withdrawal of any such certification or opinion (such as the Second Party Opinion)), (iii) any Eligible Green Project ceasing to be classifying as such prior to the maturity of the Notes or (iv) the completion of any Eligible Green Project extending beyond the maturity of the Notes, will neither (a) constitute an Event of Default under the Notes, nor (b) give Noteholders the right to demand early redemption of the Notes. Any such event or failure to apply an amount equal to the net proceeds of the issue of Notes for any Eligible Green Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

The impact on investor demand for the Notes of the European Green Bond Standard is unclear.

The EuGB Regulation was published in the Official Journal of the European Union on 30 November 2023. The EuGB Regulation, which entered into force on 20 December 2023 and became applicable from 21 December 2024, introduces the EuGBS as a designation which may be used on a voluntary basis by bond issuers using definitions of green economic activities in the EU Taxonomy to define what is considered a green investment. The Notes are not aligned with such EuGBS and are intended to comply with the criteria and processes set out in the Issuer’s Green Finance Framework only. It is not clear at this stage the impact which the EuGBS, when implemented, may have on investor demand for, and pricing of, green use of proceeds bonds (such as the Notes) that do not meet such standard. It could reduce demand and liquidity for the Notes and/or negatively affect their price.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (i) the Notes are appropriate legal investments for it; (ii) the Notes can be used as collateral for various types of borrowing; and (iii) whether other restrictions apply to its purchase of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

The value of the Notes may be adversely affected by movements in market interest rates.

Investment in the Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Notes, this will adversely affect the value of the Notes.

The market price of the Notes may be volatile.

The market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results, adverse business developments, changes to regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Notes, prevailing interest rates, the market for similar securities as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations which, if repeated in the future, could adversely affect the market price of the Notes without regard to the Issuer's operating results, financial condition or prospects.

It is possible that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on the Noteholders, regardless of the Issuer's prospects and financial performance. As a result, there may not be an active trading market for the Notes. If no active trading market develops, Noteholders may not be able to resell their Notes at a fair value, if at all.

The Notes' credit rating may not accurately reflect potential risks.

The Notes are expected to be rated BBB- by Fitch and BBB- by S&P. 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, EU-regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended. 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.

The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to Fitch, S&P and the ratings the Notes is set out on the cover of this Offering Circular.

If the status of a rating agency rating the Notes changes, certain regulated investors may no longer be able to use such rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in such regulated investors selling the Notes, which may impact the value of the Notes and any secondary market.

The Notes are subject to exchange rate risks and exchange controls risks.

The Issuer will pay principal and interest on the Notes in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the

Investor's Currency) other than the euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. The Issuer has no control over the factors that generally affect these risks, such as economic, financial and political events and the supply and demand for applicable currencies. In recent years, exchange rates between certain currencies have been highly volatile and volatility between such currencies or with other currencies may be expected in the future. Fluctuations between currencies in the past are not necessarily indicative, however, of fluctuations that may occur in the future. An appreciation in the value of the Investor's Currency relative to the euro would decrease the Investor's Currency-equivalent yield on the Notes, the Investor's Currency-equivalent value of the principal payable on the Notes and the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

A change in applicable law could adversely impact the Notes.

The structure of the transaction and, among other things, the issue of, and Conditions of the Notes, and rating assigned to the Notes are based on law (including tax law) and administrative practice in effect at the date hereof and having due regard to the expected tax treatment of all relevant entities under such law and administrative practice. No assurance can be given as to the impact of any possible judicial decision or change to such law, tax or administrative practice after the date of this Offering Circular and as to whether any such change could materially adversely impact the value of the Notes.

There is no active trading market for the Notes.

There can be no assurance as to the liquidity of any market in the Notes, the ability to sell the Notes, or the prices at which the Notes may be able to be sold. The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for the Notes to be admitted to listing on the Official List of Euronext Dublin and to trading on the General Exchange Market of Euronext Dublin, there is no assurance that such applications will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common safekeeper for Euroclear and 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 Clearstream, Luxembourg to receive payments under the 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 vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Integral multiples of less than EUR 100,000.

The Notes are in denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to EUR 199,000. Therefore, it is possible that the Notes may be traded in amounts in excess of EUR 100,000. In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than EUR 100,000 will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more denominations.

If definitive Notes are issued, investors should be aware that definitive Notes which have a denomination that is not an integral multiple of EUR 100,000 may be illiquid and difficult to trade.

The Notes may be redeemed prior to maturity.

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions. In addition, the Conditions provide that the Issuer will be obliged to redeem the Notes in certain circumstance following a Change of Control and will have the option in certain other circumstances, including at any time when 75 per cent. or more of the aggregate principal amount of the Notes of a series originally issued have been redeemed or purchased and cancelled.

During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to the period in which the Issuer has the right to elect to redeem the Notes or is likely to become obliged to redeem the Notes due to the market's perception that the circumstances that would enable the exercise of such option have arisen or may arise. The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Issuer has currently outstanding secured notes which upon insolvency of the Issuer will rank senior to the Notes in respect of the secured assets.

On 8 June 2017, the Issuer issued the EUR 650,000,000 2.629 per cent. Senior Secured Notes due 8 June 2027 (the “**2027 Notes**”). In order to secure its obligations under the 2027 Notes, the Issuer and certain of its subsidiaries granted security over certain of their assets (the “**Secured Property**”) in favour of the noteholders of the 2027 Notes (the “**Security**”).

Upon an insolvency of the Issuer, the payment obligations of the Issuer in respect of principal under the Notes would rank, in respect of the Secured Property, and subject to any other ranking that may apply as a result of any mandatory provision of law, junior to the amount of the 2027 Notes secured by the Security.

Risks related to the Spanish withholding tax regime.

The Issuer is required to provide certain information relating to the Notes to the Spanish tax authorities. The Issuer will withhold Spanish withholding tax from any payment in respect of any outstanding amount of the Notes as to which the required information has not been provided.

Article 44 of Royal Decree 1065/2007 sets out the reporting obligations applicable to debt instruments issued under Law 10/2014, such as the Notes.

According to the literal wording of Article 44.5 of Royal Decree 1065/2007, income derived from debt instruments to which Law 10/2014 applies originally registered with the entities that manage clearing systems located outside

Spain, and are recognised by Spanish law or by the law of another Organisation for Economic Cooperation and Development (“OECD”) country (such as Euroclear or Clearstream, Luxembourg), will be paid free of Spanish withholding tax **provided that** the Paying Agent appointed by the Issuer submits, in a timely manner, a statement to the Issuer, the form of which is attached as Exhibit 1, with the following information:

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

The Paying Agent should provide the Issuer with the statement reflecting the relevant position at the close of business on the business day immediately prior to each interest payment date. In the event that on such date, an entity obliged to provide the declaration fails to do so, the Issuer or the Paying Agent on its behalf will make a withholding at the applicable rate on the total amount of the return on the relevant debt securities payable to their holders.

In the event that the currently applicable procedures are modified, amended or supplemented by, among other things, any Spanish law, regulation, interpretation or ruling of the Spanish tax authorities, the Issuer will notify the Noteholders of such information procedures and their implications, as the Issuer may be required to apply withholding tax on interest payments in respect of the Notes if the Noteholders do not comply with such information procedures.

Risks related to Spanish Insolvency Law.

Priority in case of insolvency proceedings; subordination risk.

Upon the insolvency declaration of the Issuer, the Issuer’s obligations under the Notes shall rank as ordinary claims (in respect of the outstanding principal amounts) and subordinated claims (in respect of the outstanding interest amounts) and subject to the subordination events / conditions provided under Article 281 of the Spanish Insolvency Law which are referred to below.

With regard to the payment of claims under the Spanish Insolvency Law, the following rules apply:

- (a) Creditors with a special privilege (broadly speaking, the holders of pledges or mortgages), as explained, are paid out of the proceeds obtained on the sale of the charged assets or rights. To the extent their claims remain unpaid, the unpaid claims will be reclassified as appropriate.
- (b) With the proceeds obtained from the sale of the unsecured assets, the insolvency administrators must pay first the claims against the insolvency estate (*créditos contra la masa*).
- (c) Creditors with a general privilege (*créditos con privilegio general*) (certain labour and tax claims, among others) are paid out of assets remaining in the insolvency. They are paid following the order in which they appear under Article 280 of the Spanish Insolvency Law, and *pro rata* within each category.
- (d) Ordinary creditors are paid *pro rata* out of the assets remaining in the insolvency estate after the creditors with a general privilege have been paid.
- (e) Subordinated creditors cannot be paid until all ordinary claims have been paid in full.

In addition, claims against the Issuer under the Notes could be subordinated in an eventual insolvency proceedings of the Issuer to the following extent:

- (a) If they are reported late to the insolvency administrator of the Issuer.

- (b) If they are contractually subordinated to all of the Issuer's creditors.
- (c) If they are related to accrued and unpaid interest, unless and to the extent they are secured by an *in rem* right.
- (d) In the claims relate to monetary penalties or other monetary sanctions.
- (e) If they are held by persons that are specially related (*personas especialmente relacionadas*) (as defined under Article 283 of the Spanish Insolvency Law) to the Issuer.

Finally, the rules on paying subordinated debts state that arrangements of relative subordination will be recognised in the event of insolvency (*concurso*) of the Issuer, provided that such contractual subordination does not prejudice any third parties and the debtor is a party to the relevant subordination agreement.

Suspension on the accrual of interest against the Issuer in an insolvency scenario.

Upon an eventual insolvency declaration of the Issuer, bearing the unsecured nature of the Notes, interest will stop to accrue against the Issuer from the date of the declaration of insolvency. However, in case that in the context of those insolvency proceedings of the Issuer, creditors approve a composition agreement (*convenio*) that does not contemplate a release of claims, the composition agreement (*convenio*) may provide for the payment, in whole or in part, of interest accrued at the lower of (i) the applicable legal interest rate (*interés legal del dinero*), or (ii) the interest rate agreed under the Notes. On a separate note, in an eventual liquidation of the Issuer, if there are any monies left after paying the Issuer's creditors, interest under the notes whose accrual has been suspended as a result of the declaration of insolvency of the Issuer, shall be paid, in whole or in part (accrued at the rate applicable to each claim).

Creditors' arrangements

The Spanish 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, among others, be written down or stayed (for up to 10 years in case of composition proposals), converted into a different financial instrument or equity of the refinanced or insolvent debtor as well as any other company, converted into participating loans (*préstamos participativos*), exchanged for assets or rights of the insolvent or refinanced debtor 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 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 (ii) unless some exceptions in relation to the kind of claims or creditor apply (which would not be the case for the Notes). Any payments of interest in respect of debt securities will be subject to the subordination provisions of Article 281.1 of the Spanish Insolvency Law.

The majorities regime envisaged for a creditors' arrangement depends on (i) the type of the specific measure which is intended to be imposed (e.g., extensions, debt reductions, debt for equity swaps, etc.), and (ii) on the part of claims to be affected (i.e. secured or unsecured, depending on the value of the collateral as calculated pursuant to the rules established in the Spanish Insolvency Law). 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. For these purposes, liabilities held by those creditors considered specially related persons (*personas especialmente relacionadas*) with the insolvent debtor would not be taken into account for the purposes of calculating the majorities required for the approval of a composition agreement.

On the other hand, all creditors that could be affected by a restructuring plan would be entitled to vote it, grouped in classes of creditors and subject to the fact cross-class cram-down is now available under the Spanish Insolvency Law.

As such, certain provisions of the Spanish 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.

Claw-back.

Pursuant to Article 226 of the Spanish Insolvency Law, upon declaration of insolvency, the courts of Spain can set aside any acts (including payments and deliveries/transfers of collateral) that could be deemed as having damaged the insolvent debtor's state, within the two-year period before the date on which the debtor files for insolvency proceedings and to actions carried out between the filing date and the declaration date. Additionally, claw-back may apply to actions carried out in the two years before the date on which notice is served informing of the intention to open negotiations or the existence of negotiations to draw up a restructuring plan, or actions carried out between that date and the date of declaration of insolvency, as long as a restructuring plan has not been approved and, if it has, that it has not been sanctioned by the court and the insolvency has been declared within one year following the term of the notice or its renewal period.

When applying Article 226, the general procedural rule is that the burden of proof that a transaction/act is prejudicial to the insolvent debtor's state must be borne by the party bringing the action. However, there are several "irrebuttable presumptions" expressly set forth by the Spanish Insolvency Act in article 227 (*i.e.*, free disposals and prepayment or cancellation of the company's claims or obligations prior to them being due and where the due dates of the relevant claims or payment obligations fall after the date of declaration of insolvency, except if such obligations were secured by an *in rem* security, in which case such transactions are subject to a rebuttable presumption of "patrimonial damage" as set forth below). In addition to the above, article 228 of the Spanish Insolvency Law sets forth certain actions which are deemed to cause a "patrimonial damage" to the debtor, but which are "rebuttable presumptions", and therefore subject to being contested by the other party such as actions carried out in favour of "specially related parties" (such as companies belonging to the same companies group) are presumed prejudicial unless sufficient evidence to the contrary is provided or the provision of security in respect of previously existing obligations or in respect of new obligations replacing existing ones and the payment or other acts to terminate obligations being secured by an *in rem* security and which mature after the declaration of insolvency. In relation to security (which is also applicable to intra-group guarantees such as the Issuer) granted by a company in order to secure the obligations *vis-a-vis* third parties of another company of the same company group as the security provider, the Spanish Supreme Court has ruled that the mere allegation of "group benefit" is not sufficient to rebut the abovementioned presumption, it being necessary for these purposes to provide evidence of the actual benefit (whether direct or indirect) to be obtained by the grantor.

The above would be without prejudice to the fact that the courts of Spain can set aside and render ineffective any act carried out by a debtor carried out in creditors fraud (*fraude de acreedores*) through the termination actions provided for under the Spanish civil common law (*Acción pauliana*).

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with the following documents which shall be incorporated in, and form part of, this Offering Circular:

- (a) the English translation of the audited consolidated financial statements of the Issuer for the year ended 31 December 2024, which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) (together with the auditor's report) and which can be viewed online at [FCC AQUALIA Consolidated Financial Statements and Director Report \(EN\) \(IN25-1514\).pdf](#): and
- (b) the English translation of the audited consolidated financial statements of the Issuer for the year ended 31 December 2023, which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) (together with the auditor's report) and which can be viewed online at [https://www.aqualia.com/documents/14152670/0/FCC+Aqualia+ +Audit+Report+2023+%28EN%29+.pdf/20eedcb7-9292-8525-c583-77effe32a542?t=1712835632180](#).

In case of any discrepancy between the English language version (incorporated by reference in this Offering Circular) and the Spanish language version of items (a) and (b) above, the original Spanish language version prevails.

The above documents have been previously filed or are filed simultaneously with this Offering Circular with Euronext Dublin. Such documents shall be incorporated in, and form part of, this Offering Circular, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Save for the information that has been expressly incorporated by reference into this Offering Circular above, the information on any website mentioned in this Offering Circular or any website directly or indirectly linked to these websites has not been verified and is not incorporated by reference into this Offering Circular.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Conditions of the Notes which (subject to completion and amendment) will be endorsed on each Note in definitive form:

The EUR 500,000,000 3.750 per cent. Senior Notes due 11 June 2032 (the “**Notes**”), which expression includes any further Notes issued pursuant to Condition 13 (*Further Issues*) of FCC Aqualia, S.A. (the “**Issuer**”). The Notes are subject to, and have the benefit of, a deed of covenant dated 11 June 2025 (as amended or supplemented from time to time, the “**Deed of Covenant**”) delivered by the Issuer and are the subject of a paying agency agreement dated 11 June 2025 (as amended or supplemented from time to time, the “**Fiscal Agency Agreement**”) between the Issuer and The Bank of New York Mellon, SA/NV, Dublin Branch in its capacity as fiscal agent (the “**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).

The Deed of Covenant, the Notes and the Fiscal Agency Agreement are together referred to as the “**Transaction Documents**”.

Terms not defined in these Conditions have the meanings set out in the Transaction Documents.

The Issuer will execute an *escritura pública* (the “**Public Deed**”) before a Spanish notary public in relation to the issue of the Notes on or before the Issue Date. The Public Deed contains, among other information, these Conditions.

Certain statements in these Conditions are summaries of and are subject to the detailed provisions appearing on the face of the Notes (which expression shall include the body thereof) and in the Fiscal Agency Agreement.

The holders of the Notes (the “**Noteholders**”) and the holders of the related interest coupons (the “**Couponholders**” and the “**Coupons**”, respectively) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Fiscal Agency Agreement and the Deed of Covenant. Copies of the Fiscal Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices, upon prior written request and provision of proof of holding and identity in a form satisfactory to the relevant Paying Agent (as defined in the Fiscal Agency Agreement), of each of the Paying Agents, the initial Specified Offices of which are set out below.

1. Form, Denomination and Title

The Notes are serially numbered and in bearer form in the denomination of EUR 100,000, and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000, with Coupons attached at the time of issue. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as ordered by a court of competent jurisdiction or as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

2. Status of the Notes

The Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3.1 (*Negative Pledge*)) unsecured obligations (*créditos ordinarios*) of the Issuer and rank and will rank *pari passu* without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations (*créditos ordinarios*) of the Issuer, present and future, save for such exceptions as may be provided by applicable legislation.

3. Covenants

3.1 *Negative Pledge*

So long as any of the Notes remains outstanding, the Issuer will not, and the Issuer will ensure that none of its Material Subsidiaries will, create or have outstanding any mortgage, charge, lien, pledge or other form of encumbrance or security interest (each a **Security Interest**) upon, or with respect to, the whole or any part of the present or future business, undertaking, property, assets or revenues (including any uncalled capital) of the Issuer and/or any of its Material Subsidiaries to secure any Relevant Indebtedness or any guarantee or indemnity in respect of any Relevant Indebtedness unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (i) all amounts payable by it under the Notes, the Coupons and the Fiscal Agency Agreement are secured by the Security Interest equally and rateably with the Relevant Indebtedness or guarantee or indemnity, as the case may be; or
- (ii) such other Security Interest or guarantee or other arrangement (whether or not including the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of the Noteholders.

The paragraph above does not apply to:

- (A) any Relevant Indebtedness of any entity which has merged with the Issuer or any Material Subsidiary or which has been acquired by the Issuer or any Material Subsidiary, in each case on or after the Issue Date (or any guarantee or indemnity in respect of such Relevant Indebtedness), so long as any Security Interest in respect of that Relevant Indebtedness was outstanding on the date of the merger or the acquisition and was not created in contemplation of the merger or the acquisition;
- (B) any Relevant Indebtedness of any Subsidiary which becomes a Material Subsidiary on or after the Issue Date (or any guarantee or indemnity in respect of such Relevant Indebtedness), so long as any Security Interest in respect of that Relevant Indebtedness was not created in contemplation of such Subsidiary becoming a Material Subsidiary;
- (C) any Security Interest in existence as at the Issue Date to the extent that it secures Relevant Indebtedness of the Issuer or any Material Subsidiary outstanding on such date;
- (D) any Security Interest over the shares of, or any subordinated loan made to, any Non-Recourse Subsidiary as security for Relevant Indebtedness of that Non-Recourse Subsidiary;
- (E) Relevant Indebtedness which is Non-Recourse Indebtedness; and
- (F) any Security Interest securing Relevant Indebtedness created in substitution of any Security Interest permitted under paragraphs (A) to (E) above over the same or substituted assets provided that the principal amount secured by the substitute security does not exceed the principal amount outstanding and secured by the previous Security Interest.

3.2 *Limitation on Indebtedness*

The Issuer will not, and will not cause or permit any Recourse Subsidiaries to, after the Issue Date, incur any additional Indebtedness if on the date of incurrence of such additional Indebtedness and after giving

effect thereto and the application of the proceeds therefrom, the Consolidated Net Leverage Ratio for the most recently ended Testing Period, is greater than 5.0 to 1.0.

Notwithstanding the above, the Issuer or any Recourse Subsidiary may incur the following Indebtedness:

- (i) Indebtedness that constitutes Non-Recourse Indebtedness;
- (ii) Indebtedness outstanding on the Issue Date;
- (iii) Indebtedness incurred pursuant to short-term debt (debt with maturity of less than one year) and working capital facilities in an aggregate principal amount not exceeding EUR 175,000,000 at any time;
- (iv) Indebtedness represented by or in connection with the Notes (other than any further Notes issued pursuant to Condition 13 (*Further Issues*));
- (v) Indebtedness between the Issuer and any of its Recourse Subsidiaries or between any such Recourse Subsidiary and the Issuer or between such Recourse Subsidiaries;
- (vi) Indebtedness of a Recourse Subsidiary incurred and outstanding on the date on which such Recourse Subsidiary was merged with, or directly or indirectly acquired by, the Issuer (or a Subsidiary of the Issuer) after the Issue Date or on the date it otherwise becomes a Recourse Subsidiary **provided that** the Indebtedness was not incurred in contemplation of such merger or acquisition;
- (vii) Indebtedness incurred in respect of worker's compensation claims, self-insurance obligations, contractual insurance, bid, performance, surety and similar bonds and completion and technical guarantees and reimbursement obligations provided in the ordinary course of business;
- (viii) Indebtedness providing for indemnification, adjustment of purchase price or similar obligations in connection with the acquisition or disposition of any business, assets or capital stock after the Issue Date;
- (ix) Indebtedness arising from honouring by a bank or other financial institution of a check ("*cheque*"), draft or similar instrument drawn against insufficient funds or credit lines in the ordinary course of business **provided that** such Indebtedness is reimbursed within seven days of incurrence;
- (x) advance payments received from customers for goods and services purchased and credit periods in the ordinary course of business;
- (xi) Indebtedness constituting reimbursement obligations with respect to letters of credit, bankers' acceptances or similar instruments or obligations issued in the ordinary course of business **provided that** upon the drawing or other funding of such letters of credit or other instruments or obligations, such drawings or fundings are reimbursed within seven days;
- (xii) Indebtedness under cash pooling arrangements and hedging arrangements (with respect to currency risks, interest rate risks, commodity risks and price risks) in the ordinary course of business;
- (xiii) Indebtedness which constitutes Project Subsidiary Support;
- (xiv) Indebtedness under subsidised loans granted by public entities to fund research and development in an aggregate principal amount not exceeding EUR 25,000,000 at any time;

- (xv) the guarantee by the Issuer or any of its Subsidiaries of Indebtedness that is permitted to be incurred pursuant to another provision of this “Limitation on Indebtedness” covenant;
- (xvi) the guarantee by the Issuer or any Recourse Subsidiary of Indebtedness of a Non-Recourse Subsidiary pursuant to an equity bridge loan relating to the financing of an asset or project (each such guaranteed loan being an Equity Bridge Loan) provided that the aggregate principal amount of such guarantees shall not exceed EUR 150,000,000; and
- (xvii) any Indebtedness that refinances any Indebtedness incurred in compliance with this covenant.

3.3 *Limitations on Distributions*

The Issuer will not declare or pay any dividend or make any other payment or distribution on account of, or purchase, redeem or otherwise acquire or retire for value any of, the Issuer’s common equity capital (a “**Distribution**”) (other than a Distribution payable in equity interests of the Issuer) unless, at the time of such Distribution:

- (i) no Event of Default has occurred and is continuing and no Event of Default would occur as a result of such Distribution; and
- (ii) the Consolidated Net Leverage Ratio for any relevant Testing Period is equal to or lower than 5.0 to 1.0 and, after giving pro forma effect thereto as if such Distribution had been made at the beginning of the most recently ended Testing Period, the Issuer would have been permitted to incur at least EUR 1.00 of additional Indebtedness pursuant to the Consolidated Net Leverage Ratio test set forth in Condition 3.2 (*Limitation on Indebtedness*).

The preceding provisions will not prohibit:

- (A) the payment of any Distribution within 60 days after the date of declaration of the Distribution or giving of the applicable notice, as the case may be, if at the date of declaration or notice, the Distribution would have complied with this covenant; or
- (B) the making of any Distribution in exchange for, or out of or with the net cash proceeds of the subsequently concurrent sale or issuance of common equity capital of the Issuer, or from the substantially concurrent contribution of common equity capital to the Issuer.

3.4 *Limitations on Financings and Guarantees to the Controlling Shareholder and its Subsidiaries*

The Issuer will not, and will not cause or permit any of its Subsidiaries to, enter into or make any credit, loan, advance or guarantee for the benefit of the Controlling Shareholder or any of its Subsidiaries or otherwise become liable for any Indebtedness of the Controlling Shareholder or any of its Subsidiaries, in each case other than (i) any such transactions between the Issuer and any of its Subsidiaries or between any such Subsidiary and the Issuer or between such Subsidiaries, and (ii) with respect to any Controlling Shareholder Project Subsidiary Support.

3.5 *Financial Statements*

So long as the Notes are outstanding, the Issuer will publish on its website (www.aqualia.com), as soon as practicable after their date of publication but in any event not more than 180 days after the end of each financial year, a copy in the English language of the Issuer’s audited consolidated financial statements for that financial year.

3.6 *Similar Business*

The Issuer will not, and will not cause or permit any of its Subsidiaries to, engage in any business other than a Similar Business, except to such extent as would not be material to the Issuer and its Subsidiaries, taken as a whole.

3.7 Interpretation: In these Conditions:

“Affiliate” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

“Calculation Date” means the date of the event for which the particular calculation is made.

“Concessional Loans” means any loan granted by the Issuer or its Recourse Subsidiaries to local authorities, municipal associations and public-private partnerships in relation to any of the public concessions managed by the Issuer or its Recourse Subsidiaries.

“Consolidated Net Leverage” means as at any Calculation Date, the sum of the outstanding amount of Recourse Non-subordinated Financial Debt of the Issuer and its Recourse Subsidiaries on a consolidated basis, in each case as of such Calculation Date less any cash freely available to the Issuer and its Recourse Subsidiaries as of such Calculation Date.

“Consolidated Net Leverage Ratio” means as at any Calculation Date, the ratio of (a) the Consolidated Net Leverage as at the end of the most recently ended Testing Period and (b) the Recourse EBITDA for the most recently ended Testing Period.

In addition, for purposes of calculating the Consolidated Net Leverage Ratio as at any Calculation Date:

- (i) in the event that the Issuer or any of its Recourse Subsidiaries, incurs, assumes, guarantees, repays, repurchases, redeems or otherwise discharges any Recourse Non-subordinated Financial Debt subsequent to the commencement of the period for which the Consolidated Net Leverage Ratio is being calculated and on or prior to the Calculation Date, then the Consolidated Net Leverage Ratio will be calculated giving pro forma effect (as determined in good faith by the Issuer) to such incurrence, assumption, guarantee, repayment, repurchase, redemption or other discharge of any Recourse Non-subordinated Financial Debt, and the use of proceeds therefrom, as if the same had occurred at the beginning of the applicable Testing Period;
- (ii) acquisitions that have been made by the Issuer, any of its Recourse Subsidiaries, including through mergers, consolidations or otherwise, or any person or any of its Recourse Subsidiaries acquired by the Issuer or any of its Recourse Subsidiaries and including any related financing transactions and including increases in ownership of Recourse Subsidiaries, subsequent to the commencement of the Testing Period and on or prior to the Calculation Date, will be given pro forma effect (as determined in good faith by the Issuer) as if they had occurred on the first day of such Testing Period;
- (iii) any person that is a Recourse Subsidiary on the Calculation Date will be deemed to have been a Recourse Subsidiary at all times during such Testing Period; and
- (iv) any Person that is not a Recourse Subsidiary on the Calculation Date will be deemed not to have been a Recourse Subsidiary at any time during such Testing Period.

“Controlling Shareholder” means Fomento de Construcciones y Contratas, S.A. (“FCC”), a company incorporated under the laws of Spain, with its registered seat in Barcelona, Spain.

“Controlling Shareholder Project Subsidiary Support” means any Project Subsidiary Support pursuant to which the Controlling Shareholder may become liable to pay any Indebtedness of the Issuer or any Subsidiary of the Issuer.

“Group” means the Issuer and its Subsidiaries from time to time.

“Holding Company” means, in relation to a person, any other person in respect of which it is a Subsidiary.

“IFRS” means International Financial Reporting Standards (formerly International Accounting Standards) endorsed from time to time by the European Union or any variation thereof with which the Issuer or the Issuer’s Subsidiaries are, or may be, required to comply. Except as otherwise specified herein, all ratios and calculations based on IFRS shall be computed in accordance with IFRS as in effect from time to time; provided that at any date after the Issue Date the Issuer may make an irrevocable election to establish that “IFRS” shall mean, except as otherwise specified herein, IFRS as in effect on a date that is on or prior to the date of such election.

“Indebtedness” means any indebtedness, in each case without double counting, which would, except for letters of credit referred to in paragraph (v), be in accordance with IFRS treated as debt recognised on the balance sheet of the relevant person for or in respect of:

- (i) Indebtedness for Borrowed Money;
- (ii) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (iii) any indebtedness arising from any deferred payment agreements arranged primarily as a method of raising finance or financing the acquisition of an asset to the extent it is recorded on the balance sheet of the relevant person according to IFRS;
- (iv) any derivative transaction entered into in connection with protection against fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value will be taken into account) which would, in accordance with IFRS, be treated on the balance sheet of the relevant person;
- (v) the principal component of any reimbursement obligations in respect of letters of credit, bankers’ acceptances or other similar instruments (the amount of such obligations relating to letters of credit being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit plus the aggregate amount of drawings thereunder that have not been reimbursed) issued by a bank or financial institution other than any given in respect of trade credit arising in the ordinary course of business;
- (vi) any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing, to the extent it is recorded on the balance sheet of the relevant person according to IFRS; or
- (vii) any guarantee, indemnity or similar assurance against financial loss of any person issued by the relevant person in respect of any item referred to in paragraphs (i) to (vi) (other than any given in respect of trade credit arising in the ordinary course of business),

provided that, the following shall in no event constitute Indebtedness:

- (A) any leases (or guarantees thereof) which would be considered operating leases in accordance with IFRS as in effect on 1 January 2018;

- (B) other indebtedness in respect of letters of credit, contractual insurance, bid, performance, surety and similar bonds and completion and technical guarantees and reimbursement obligations provided by the Issuer or any Recourse Subsidiary in the ordinary course of business to the extent that such letters or other instruments are not drawn upon or, if and to the extent drawn upon are honoured in accordance with their terms and if, to be reimbursed, are reimbursed no later than the seventh day following receipt by the Issuer or the relevant Recourse Subsidiary of a demand for reimbursement following payment on the letter of credit or other instrument or bond; and
- (C) any amounts recognised as liabilities in the consolidated financial statements of the Issuer arising from put options granted to third parties which are shareholders or partners in companies in which the Issuer has an interest.

“Indebtedness for Borrowed Money” means, with respect to a person, at any time and without duplication:

- (i) moneys borrowed which in accordance with IFRS would be included in determining total liabilities;
- (ii) all liabilities evidenced by bonds, debentures, notes or other similar instruments;
- (iii) all liabilities appearing on its balance sheet in accordance with IFRS in respect of capital leases;
- (iv) its redemption obligations in respect of its mandatorily redeemable preference shares which in accordance with IFRS would be included in determining total liabilities; and
- (v) any guarantee of liabilities of a type described in paragraphs (i) to (iv) above,

provided that, any leases (or guarantees thereof) which would be considered operating leases in accordance with IFRS as in effect on 1 January 2018 shall (in each case) not constitute Indebtedness for Borrowed Money.

“Issue Date” means 11 June 2025.

“Material Subsidiary” means any direct or indirect majority owned or wholly owned Subsidiary of the Issuer (not being a Non-Recourse Subsidiary), the Recourse EBITDA of which (consolidated where that Subsidiary itself has Subsidiaries and determined on the same basis as Recourse EBITDA) accounts for 15 per cent. or more of the Recourse EBITDA.

“Non-Recourse Indebtedness” means any Indebtedness for Borrowed Money in respect of which no loan guarantee, indemnity or contractual insurance or other reimbursement arrangement has been given by another member of the Group that is not a Non-Recourse Subsidiary, other than pursuant to Project Subsidiary Support.

“Non-Recourse Subsidiary” means any present or future Subsidiary of the Issuer or any entity in which the Issuer owns, directly or indirectly, more than 10 per cent.:

- (i) the principal business of which is, or will be, the ownership, acquisition management, development, operation, construction, improvement, installation, design, engineering, completion, maintenance, and/or financing of an asset, project or concession (whether or not an asset, project or concession of the Issuer or any of its Subsidiaries), and/or to hold directly or indirectly the shares of one or more other Non-Recourse Subsidiaries; and

- (ii) the outstanding Indebtedness for Borrowed Money of which consists of Non-Recourse Indebtedness or Equity Bridge Loans.

“Project Subsidiary Support” means any guarantee, indemnity or contractual insurance or other reimbursement arrangement (a) that is related to the commercial role of the Group or a Non-Recourse Subsidiary in connection with any asset, project or concession to which the Issuer or a Subsidiary (including, but not limited to, a Non-Recourse Subsidiary) provides any goods or services, and (b) pursuant to which the Issuer or its Subsidiaries, other than Non-Recourse Subsidiaries, may become liable to pay any Indebtedness of a Non-Recourse Subsidiary in amounts which do not exceed, on a pro-rata basis, the interest (financial or otherwise), participation or ownership of the Group and/or a Non-Recourse Subsidiary in such asset, project or concession pursuant to (A) bid and performance bonds and other technical guarantees (*garantías técnicas*), or related reimbursement or indemnity agreements in favour of the issuers of such bonds or guarantees, that are customary in view of the particular risks or circumstances associated with such asset, project or concession and/or (B) any guarantee, indemnity or contractual insurance or other reimbursement obligation under which payment is contingent upon the failure of the Issuer or a Subsidiary (including, but not limited to, a Non-Recourse Subsidiary) to comply with an Obligation undertaken in connection with the management, development, operation, construction, improvement, installation, design, engineering, completion and/or maintenance of such asset, project or concession, where for the purposes of this definition,

“Obligation” means any obligation (and any guarantee, insurance or undertaking of a similar nature in respect thereof) of a type customarily undertaken, including, but not limited to, the timely completion of construction and payment of related customary expenses and penalties, in connection with the relevant asset, project or concession.

“Recourse EBITDA” means with respect to any Testing Period:

- (i) the income (loss) from operating activities of the Issuer and its Recourse Subsidiaries for such period; plus
- (ii) depreciation and amortisation of the Issuer and its Recourse Subsidiaries for such period;

in each case, on a consolidated basis and determined in accordance with IFRS; *provided that*, for purposes of the definition of Recourse EBITDA:

- (A) the income (loss) of any person that is not a Recourse Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the Issuer or a Recourse Subsidiary of the Issuer;
- (B) any extraordinary, exceptional or non-recurring operating gains or losses or any charges of the Issuer and its Recourse Subsidiaries (in each case as determined in good faith by the Issuer) for such period will be excluded;
- (C) cash interest amounts received by the Issuer or its Recourse Subsidiaries from the Upstream Loan and any Concessional Loans accounted for by equity method will be included; and
- (D) the income (loss) from operating activities, depreciation and amortisation of Non-Recourse Subsidiaries will be excluded but the amount of dividends or distributions paid in cash to the Issuer by its Non-Recourse Subsidiaries will be included.

“Recourse Non-Subordinated Financial Debt” means in relation to the Issuer or any Recourse Subsidiary, (i) non subordinated long-term debt (debt with a maturity of greater than one year) incurred with credit institutions, plus (ii) non subordinated short-term debt (debt with a maturity of less than one year) incurred with credit institutions, plus (iii) non subordinated notes, obligations, promissory notes

and any other such obligations or liabilities the purpose of which is to provide finance and generate a financial cost for the Issuer or its Recourse Subsidiaries, plus (iv) non-subordinated financial obligations relating to guarantees of third party financial obligations (other than intra-group guarantees).

“Recourse Subsidiaries” means any present and future Subsidiary of the Issuer, that is not a Non-Recourse Subsidiary.

“Relevant Indebtedness” means Indebtedness for Borrowed Money, in the form of or evidenced by notes, bonds, debentures, loan stock or other similar debt instruments, whether issued for cash or in whole or in part for a consideration other than cash, and which for the time being are, or are intended to be (with the consent of the Issuer thereof) quoted, listed or ordinarily dealt in or traded on any recognised stock exchange, over-the-counter or other securities market.

“Similar Business” means (a) any businesses, services or activities engaged in by the Issuer or any of its Subsidiaries or Non-Recourse Subsidiaries on or before the Issue Date, and/or (b) any other businesses, services or activities that are the same as, similar to, necessary for, incidental to, connected with, related, ancillary, complementary to or arising out of, any of the foregoing or are an extension or development of any thereof or are operated to permit or facilitate the conduct of such businesses, services or activities from time to time.

“Subsidiary” means, in relation to any person (the **“First Person”**) at any particular time, any other person (the **“Second Person”**):

- (i) whose affairs and policies the First Person controls or has the power to control (directly or indirectly), whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the Second Person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, fully consolidated with those of the First Person.

“Testing Period” means with respect to any Calculation Date, the Issuer’s most recently ended four full consecutive fiscal quarters.

“Upstream Loan” means the loan granted by the Issuer to FCC on 18 September 2018, as amended from time to time, for a principal amount of EUR 806,479,011.74.

4. Interest

The Notes bear interest from (and including) the Issue Date at the rate of 3.750 per cent. per annum, (the **“Rate of Interest”**) payable annually in arrears on 11 June in each year (each, an **“Interest Payment Date”**), subject as provided in Condition 6 (*Payments*).

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case interest shall accrue on the whole or such part of such principal amount payment of which has been so withheld or refused (both before and after any judgment or other order of a court of competent jurisdiction) at the rate aforesaid until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

The amount of interest payable on each Interest Payment Date shall be EUR 3,750 per Calculation Amount. If interest is required to be paid in respect of a Note on any other date, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day

Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the denomination of such Note divided by the Calculation Amount, where:

“**Calculation Amount**” means EUR 1,000;

“**Day Count Fraction**” means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls; and

“**Regular Period**” means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

5. **Redemption and Purchase**

- (a) **Scheduled redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 11 June 2032, subject as provided in Condition 6 (*Payments*).
- (b) **Redemption for tax reasons:** 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 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable) at their principal amount, together with interest accrued to the date fixed for redemption, if, immediately before giving such notice:
 - (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) 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, any international treaty to which the Kingdom of Spain is a party to, 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; and
 - (ii) 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 90 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 Fiscal Agent:

- (A) a certificate signed by two directors or officers 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 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 Condition 5(b) (*Redemption for tax reasons*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(b) (*Redemption for tax reasons*).

- (c) **Mandatory Redemption on Change of Control:** If a Change of Control occurs and, within the applicable Change of Control Event Period a Rating Downgrade or a Negative Rating Event occurs, then the Issuer will on the fifth business day after the last day of the Change of Control Event Period redeem, in whole

but not in part, at 100 per cent. of their outstanding principal amount together, if appropriate, with interest accrued to (but excluding) such date.

Promptly upon the Issuer becoming aware that a Change of Control has occurred, the Issuer shall give notice (a **“Change of Control Notice”**) to the Noteholders in accordance with Condition 14 (*Notices*) specifying the nature of the Change of Control.

In these conditions:

A **“Change of Control”** will occur if at any time one or more individuals or legal entities (other than the Controlling Shareholder and/or any of its Affiliates) acting individually or in concert, acquires control through share ownership, acquisition of more than 50 per cent. of voting rights in the Issuer or the right to appoint more than half of the directors of the Issuer.

“Change of Control Event Period” means the period beginning on and including the date of the relevant Public Announcement and ending on the date falling 45 days after the Change of Control occurs or such longer period in which the Notes are under consideration (such consideration having been announced publicly within the first mentioned 45 day period) for rating review by any Rating Agency, such period not to exceed 45 days after the first public announcement of such consideration by the relevant Rating Agency.

“Investment Grade Rating” means a rating of at least BBB- or Baa3 (or their respective equivalents at each Rating Agency for the time being).

“Negative Rating Event” shall be deemed to have occurred if in circumstances where, as at the first day of the Change of Control Event Period, there is no rating assigned to the Notes by a Rating Agency:

- (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Event Period use all reasonable endeavours to obtain, a credit rating of the Notes, or any other unsecured and unsubordinated debt of the Issuer; or
- (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain a credit rating of at least an Investment Grade Rating by the end of the Change of Control Event Period by at least one Rating Agency (or, if it obtains a credit rating by more than two Rating Agencies by a majority of those Rating Agencies).

“Public Announcement” means the date of the Change of Control Notice or any earlier date on which a public announcement or statement is made by the Issuer or FCC with respect to the Change of Control.

“Rating Agency” means any of (a) Fitch Ratings Ireland Limited, (b) Moody’s Investors Service, Inc., (c) Standard & Poor’s Credit Market Services Europe Limited, and (d) any other rating agency of similar international standing and (in each case) their respective affiliates and successors and Rating Agencies shall be construed accordingly.

“Rating Downgrade” shall be deemed to occur if, as at the first day of the Change of Control Event Period, there is a rating assigned to the Notes by one or more Rating Agencies and such rating is withdrawn or reduced by the Requisite Number of Rating Agencies:

- (i) with respect to an Investment Grade Rating of the Notes, to a rating below Investment Grade Rating and is not, within the Change of Control Event Period, subsequently upgraded (in the case of a downgrade) or reinstated (in the case of a withdrawal) by the relevant Rating Agency; and

- (ii) with respect to a rating of the Notes below an Investment Grade Rating, by one full rating notch (for example, Ba1 to Ba2 by Moody's or BB+ to BB by Standard & Poor's or Fitch) and is not, within the Change of Control Event Period, subsequently upgraded (in the case of a downgrade) to at least the original rating or reinstated (in the case of a withdrawal) by the relevant Rating Agency,

and the relevant Rating Agency/ies has/ve announced or otherwise publicly confirmed (including by means of any letter or notice to the Issuer) that such downgrade or withdrawal pursuant to paragraphs (i) or (ii) above is attributable to the relevant Change of Control.

"Requisite Number of Rating Agencies" means (i) at least two Rating Agencies, if, at the time of the rating downgrade or withdrawal, three or more Rating Agencies have assigned a credit rating to the Notes, or (ii) at least one Rating Agency if, at the time of the rating downgrade or withdrawal, fewer than three Rating Agencies have assigned a credit rating to the Notes.

- (d) **Redemption at the option of the Issuer:** The Issuer may, having given not less than 15 and not more than 30 days' notice to the Noteholders redeem all, but not some only, of the Notes then outstanding on such date (the **"Optional Redemption Date"**) at the Relevant Early Redemption Price, together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Upon the expiry of any such notice as is referred to in this Condition 5(d) (*Redemption at the option of the Issuer*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(d) (*Redemption at the option of the Issuer*).

For the purposes of this Condition 5(d) (*Redemption at the option of the Issuer*), **"Relevant Early Redemption Price"** means, in respect of each Note:

- (i) in relation to any date fixed for redemption which falls in the period up to and excluding 11 March 2032 (the **"Make Whole Amount"**):
 - (1) the principal amount of such Note, or, if higher;
 - (2) the sum of the present values of the principal amount outstanding of such Note to be redeemed and the Remaining Term Interest on such Notes (exclusive of interest accrued to the date of redemption) discounted to the Optional Redemption Date on an annual basis at the Reference Bond Yield plus 0.25 per cent., all as determined by the Financial Adviser;
- (ii) in relation to any date fixed for redemption which falls in the period from but including 11 March 2032 to but excluding the Maturity Date, the principal amount of such Note.

"Financial Adviser" means a financial adviser or bank which is independent of the Issuer, appointed by the Issuer (acting reasonably) for the purpose of determining the Make Whole Amount;

"Primary Bond Dealer" means any credit institution or financial services institution that regularly deals in bonds and other debt securities;

"Reference Bond" means the 0 per cent. German Bundesobligation due 15 February 2032 (ISIN: DE0001102580) or if such security is no longer in issue, such other German Bundesobligation or other central bank or government security as the Financial Adviser may, with the advice of the Reference Bond Dealers, determine to be appropriate by way of substitution for the 0 per cent. German Bundesobligation due 15 February 2032 (ISIN: DE0001102580), that (i) has a maturity date as near as possible to 11 March 2032, and (ii) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities with maturity as of 11 March 2032;

“Reference Bond Dealer” means either the Financial Adviser or any other Primary Bond Dealer selected by the Financial Adviser after consultation with, and approval of, the Issuer (acting reasonably);

“Reference Bond Dealer Quotations” means the average, as determined by the Financial Adviser, of the bid and ask prices for the Reference Bond (expressed in each case as a percentage of its principal amount) quoted in writing to the Financial Adviser by such Reference Bond Dealer at 11.00 a.m. (Frankfurt time) on the Reference Date;

“Reference Bond Price” means (i) the average of five Reference Bond Dealer Quotations, after excluding the highest and lowest such Reference Bond Dealer Quotations, or (ii) if the Financial Adviser obtains fewer than five such Reference Bond Dealer Quotations, the average of all such Reference Bond Dealer Quotations;

“Reference Bond Yield” means the rate per annum equal to the annual yield to maturity of the Reference Bond, assuming a price equal to the Reference Bond Price for the Reference Date; and

“Reference Date” means the date which is three TARGET Settlement Days prior to the date fixed for redemption pursuant to this Condition 5(d) (*Redemption at the option of the Issuer*) by the Issuer.

“Remaining Term Interest” means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note until 11 March 2032 (being the first day on which the Notes may be redeemed at their principal amount).

- (e) ***Residual holding redemption by the Issuer:*** If at any time 75 per cent. or more of the aggregate principal amount of Notes originally issued (and, for this purpose, any further Notes issued pursuant to Condition 13 (*Further Issues*) which are consolidated and form a single series with the Notes shall be deemed to have been originally issued) shall have been redeemed or purchased and cancelled, the Issuer may, having given not less than 15 and not more than 30 days’ notice to the Noteholders, redeem all, but not some only, of the Notes then outstanding at their principal amount, together with interest accrued to the date fixed for redemption.
- (f) ***No other redemption:*** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) (*Scheduled redemption*) to (e) (*Residual holding redemption by the Issuer*) above.
- (g) ***Purchase:*** The Controlling Shareholder, the Issuer or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith. The Notes so purchased, while held by or on behalf of the Controlling Shareholder, the Issuer or any of their respective Subsidiaries until their cancellation in accordance with paragraph (h) (*Cancellation*) below, shall not entitle the holder to vote at any meetings of Noteholders and shall not be deemed to be outstanding for the purposes of, *inter alia*, calculating quorums at meetings of the Noteholders or for the purposes of Condition 12(a) (*Meetings of Noteholders*).
- (h) ***Cancellation:*** All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

6. Payments

- (a) ***Principal:*** Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by euro cheque drawn on, or by transfer to a Euro account (or other account to which euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the TARGET System.

- (b) **Interest:** Payments of interest shall, subject to paragraph (g) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) (*Principal*) above.
- (c) **Interpretation:** In these Conditions:
- “**TARGET**” means the T2 real-time gross settlement system owned and operated by the Eurosystem (or any successor thereto);
- “**TARGET Settlement Day**” means any day on which TARGET is open for the settlement of payments in euro; and
- “**TARGET System**” means the TARGET system.
- (d) **Payments subject to fiscal laws:** Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto.
- (e) **Deduction for unmatured Coupons:** If a Note is presented without all unmatured Coupons relating thereto, then:
- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; provided, however, that if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (*Principal*) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons. No payments will be made in respect of void Coupons.

- (f) ***Payments on business days:*** If the due date for payment of any amount in respect of any Note or Coupon is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such delay. In these conditions, “**business day**” means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a Euro account as referred to above, on which the TARGET System is open.
- (g) ***Payments other than in respect of matured Coupons:*** Payments of interest due in respect of any Note other than on presentation and surrender of matured Coupons shall be made only against presentation and either surrender or enforcement (as appropriate) of the relevant Notes at the Specified Office of any Paying Agent outside the United States.
- (h) ***Partial payments:*** If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and the date of such payment.

7. **Taxation**

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of:

- (a) any Note or Coupon presented for payment by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the Kingdom of Spain other than the mere holding of the Note or Coupon; or
- (b) any Note or Coupon presented for payment by or on behalf of a holder who fails to make any necessary claim or to comply with any certification, identification or other requirements concerning the nationality, residence, identity or connection with the taxing jurisdiction of such holder, if such claim or compliance is required by statute, treaty, regulation or administrative practice of the taxing jurisdiction of the Issuer as a condition to relief or exemption from such taxes; or
- (c) any Note or Coupon presented for payment by or on behalf of an individual resident for tax purposes in the Kingdom of Spain if the Spanish tax authorities determine that payments made to such individuals are not exempt from Spanish withholding tax and require a withholding to be made; or
- (d) to, or to a third party on behalf of, a Spanish-resident legal entity subject to Spanish corporation tax if the Spanish tax authorities determine that the Notes do not comply with exemption requirements specified in article 44.5 of Royal Decree 1065/2007, of 27 July, and in the Reply to a Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made; or

- (e) any Note or Coupon presented for payment by or on behalf of, a holder who is a fiduciary, a partnership, a limited liability company or anything other than the sole beneficial owner of that payment, to the extent to which that payment would be required by the laws of Spain to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interest holder in that limited liability company or a beneficial owner who would not have been entitled to any additional amounts had it been the holder; or
- (f) any Note or Coupon presented for payment more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days.

In these Conditions, **Relevant Date** means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in a city in which banks have access to the TARGET System by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 7 (*Taxation*).

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Kingdom of Spain, references in these Conditions to the Kingdom of Spain shall be construed as references to the Kingdom of Spain and/or such other jurisdiction.

8. Events of Default

If any of the following events occurs and is continuing, then any Note may, by notice in writing given to the Issuer and the Fiscal Agent at its Specified Office by the holder, be declared immediately due and payable at their principal amount together with accrued interest without further action or formality:

- (a) **Non-payment:** the Issuer fails to pay any amount of principal in respect of the Notes or fails to pay any amount of interest in respect of the Notes, in each case within seven days of the due date for payment thereof; or
- (b) **Breach of other obligations:** the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Transaction Documents and such default is incapable of remedy or, being a default which is capable of remedy, remains unremedied for 45 days after written notice of such default shall have been given to the Fiscal Agent at its Specified Office by any Noteholder; or
- (c) **Cross-default of the Issuer or a Material Subsidiary:**
 - (i) any Indebtedness of the Issuer or any of its Material Subsidiaries (which is not a Non-Recourse Subsidiary) is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any such Indebtedness becomes due and payable prior to its stated maturity otherwise than (A) at the option of the Issuer or (as the case may be) the relevant Material Subsidiary (except a Non-Recourse Subsidiary), or (B) (**provided that** no event of default, howsoever described, has occurred) at the option of any person entitled to such Indebtedness,

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above, individually or in the aggregate, exceeds EUR 40,000,000 (or its equivalent in any other currency or currencies); or

- (d) **Unsatisfied judgment:** one or more final and non-appealable judgment(s) or order(s) for the payment of any amount/an amount in excess of EUR 40,000,000 (or its equivalent in any other currency or currencies), whether individually or in aggregate, is rendered against the Issuer or any of its Material Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) **Security enforced:** a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries (excluding Non-Recourse Subsidiaries), **provided that** the individual or aggregate value of all assets subject to the enforcement exceeds EUR 40,000,000 (or its equivalent in any other currency or currencies); or
- (f) **Insolvency, etc.:** (i) the Issuer or any of its Material Subsidiaries becomes insolvent (*concurso*) or is unable to regularly pay its debts as they fall due, (ii) an administrator or liquidator is appointed in respect of the Issuer or any of its Material Subsidiaries or the whole or any substantial part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries, (iii) the Issuer or any of its Material Subsidiaries makes a general assignment or an arrangement with or for the benefit of all or a substantial part of its creditors or declares a moratorium in respect of any of its Indebtedness or any guarantee of any Indebtedness given by it or (iv) the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business (otherwise than, in the case of a Material Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (g) **Winding up, etc.:** an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries (otherwise than, in the case of a Material Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (h) **Analogous event:** any event occurs which under the laws of the Kingdom of Spain has an analogous effect to any of the events referred to in paragraphs (d) (*Unsatisfied judgment*) to (g) (*Winding up, etc.*) above; or
- (i) **Failure to take action, etc.:** any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes or the Transaction Documents, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes, the Coupons and the Transaction Documents admissible in evidence in the courts of England and of the Kingdom of Spain is not taken, fulfilled or done; or
- (j) **Unlawfulness:** it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Transaction Documents.

9. Prescription

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

10. Replacement of Notes and Coupons

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

11. Agents

In acting under the Fiscal Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor paying agent and additional or successor paying agents; **provided, however, that** the Issuer shall at all times maintain a paying agent.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

12. Meetings of Noteholders; Modification and Waiver

- (a) **Meetings of Noteholders:** The Fiscal Agency Agreement contains provisions for convening meetings of Noteholders (including the holding of physical or, wholly or partly, virtual meetings by means of electronic facility or facilities (including telephone and video-conference platforms)) to consider any matter relating to the Notes, including the modification of any provision of these Conditions or any other Transaction Document. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by the Issuer upon the request in writing of Noteholders holding not less than 10 per cent. of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, one or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a “**Reserved Matter**”)) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more persons holding or representing not less than 75 per cent. or, at any adjourned meeting, not less than 25 per cent. of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or approved by way of electronic consent communicated through the electronic communications systems of the relevant clearing system(s), in each case, on behalf of not less than 75 per cent. of holders of Notes who for the time being are entitled to receive notice of a meeting of Noteholders under the Fiscal Agency Agreement will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) **Modification:** The Notes and these Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Fiscal Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of the Issuer, not materially prejudicial to the interests of the Noteholders.

13. Further Issues

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the amount, issue date and date of the first payment of interest) so as to form a single series with the Notes.

14. Notices

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if the Notes are admitted to trading on the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) published on the website of Euronext Dublin or, in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

15. Governing Law and Jurisdiction

- (a) **Governing law:** The Notes and any non-contractual obligations arising out of or in connection with the Notes or the Coupons (save for Condition 2 (*Status of the Notes*)) will be governed by English law. Condition 2 (*Status of the Notes*) and any non-contractual obligations arising out of or in connection therewith will be governed by Spanish law.
- (b) **Jurisdiction:** The Issuer has (i) agreed for the benefit of the Noteholders that the courts of England shall have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with the Notes or the Coupons (including any non-contractual obligation arising out of or in connection with the Notes or the Coupons); (ii) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient; and (iii) designated a person in England to accept service of any process on its behalf. This Condition is for the benefit of each of the Noteholders and shall not limit the right of any of them to take proceedings against the Issuer relating to a Dispute (“**Proceedings**”) in any other courts of EU Member States or of States that are parties to the Lugano II Convention, and which have jurisdiction pursuant to the Brussels Ia Regulation and/or Lugano II Convention. To the extent allowed by law, the Noteholders may take concurrent Proceedings in any number of competent jurisdictions in accordance with this clause.

For the purposes of this clause,

“**Brussels Ia Regulation**” means Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, as amended; and

“**Lugano II Convention**” means the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, signed on 30 October 2007.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The Notes will initially be in the form of the Temporary Global Note which will be deposited on or around the relevant Issue Date with a common safekeeper for Euroclear and Clearstream, Luxembourg.

The Notes will be issued in new global note (“**NGN**”) form. On 13 June 2006 the European Central Bank (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.

The Notes are intended to be held in a manner which would allow Eurosystem eligibility - that is, in a manner which would allow the Notes to 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 satisfaction of the Eurosystem eligibility criteria.

The Temporary Global Note will be exchangeable in whole or in part for interests in the Permanent Global Note not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form (“**Definitive Notes**”) in the denomination of EUR 100,000 each at the request of the bearer of the relevant Permanent Global Note against presentation and surrender of the Permanent Global Note to the Fiscal Agent if either of the following events (each, an “**Exchange Event**”) occurs: (a) Euroclear or Clearstream, Luxembourg 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) any of the circumstances described in Condition 8 (*Events of Default*) occurs.

So long as the Notes are represented by the Temporary Global Note or the Permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in the minimum authorised denomination of EUR 100,000 and higher integral multiples of EUR 1,000.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the occurrence of the relevant Exchange Event. In addition, the Temporary Global Note and the Permanent Global Note will contain provisions which modify the Conditions, as applicable, as they apply to the Temporary Global Note and the Permanent Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Temporary Global Note and the Permanent Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Temporary Global Note or (as the case may be) the Permanent Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the relevant Notes. On each occasion on which a payment of principal or interest is made in respect of the Temporary Global Note or (as the case may be) the Permanent Global Note, the Issuer shall procure that the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Payments on business days: In the case of all payments made in respect of the Temporary Global Notes and the Permanent Global Notes “**business day**” means any day on which the TARGET System is open.

Notices: Notwithstanding Condition 14 (*Notices*), while all the Notes are represented by the Permanent Global Note (or by the Permanent Global Note and/or the Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 14 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg.

Electronic Consent and Written Resolution: While any Global Note is held on behalf of a clearing system, then:

- (i) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in aggregate principal amount of the Notes outstanding (an “**Electronic Consent**” as defined in the Fiscal Agency Agreement) shall, for all purposes, take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders, and holders of Coupons whether or not they participated in such Electronic Consent; and
- (ii) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Fiscal Agency Agreement) has been validly passed, the Issuer and the Fiscal Agent shall be entitled to rely on consent or instructions given directly to the Issuer and/or the Fiscal Agent, as the case may be, by (a) accountholders in the clearing system with entitlements to such Global Note and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) by accountholders in the clearing system(s) with entitlements to such Global Note and/or, (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Fiscal Agent shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream, Luxembourg’s CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. Neither the Issuer nor the Fiscal Agent shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

USE OF PROCEEDS

An amount equal to the net proceeds from the issue of the Notes will be applied by the Issuer to finance or refinance, in whole or in part, the development, construction, installation or maintenance of new or existing projects, assets or activities that meet eligibility criteria (“**Eligible Green Projects**”) set out in the Issuer’s Green Finance Framework dated March 2025 (“**Issuer’s Green Finance Framework**”).

Eligible Green Projects are divided into six eligible green categories and approximately 45 per cent. of the net proceeds from the issue of the Notes will be invested in the “Construction, extension and operation of water collection, treatment and supply systems” category, and 47 per cent. in the “Renovation of water collection, treatment and supply systems” category, with the remainder distributed between the other categories described in the Issuer’s Green Finance Framework.

The Issuer’s Green Finance Framework is not incorporated by reference and does not form part of this Offering Circular.

For further information see “*The Issuer’s Green Finance Framework*”.

THE ISSUER'S GREEN FINANCE FRAMEWORK

Overview

Throughout its more than 30 years of experience, Aqualia (as defined in “*Description of the Issuer*” below) has shown its strong commitment to environmental sustainability, while always striving for compliance and contribution to the United Nations’ sustainable development goals, as reflected in its updated 2024-2026 Strategic Sustainability Plan that embodies the firm commitments that Aqualia has pursued in the daily running of its business.

Aqualia has integrated sustainability into its business model since its foundation. For sustainability reporting, Aqualia adopts international standards like the Global Reporting Initiative (“**GRI**”), the Sustainability Accounting Standards Board (“**SASB**”), and the United Nations Global Compact principles. These standards provide a framework to ensure that the information disclosed is complete, accurate and comparable.

The Issuer’s Green Finance Framework has been established in accordance with the Green Loan Principles (“**GLP**”) published by the Loan Market Association (“**LMA**”) in February 2023 and the Green Bond Principles (“**GBP**”) published by International Capital Markets Association (“**ICMA**”) in June 2021, that aim to facilitate and support environmentally sustainable economic activity.

Pursuant to the recommendations set out in the GBP, the Issuer’s Green Finance Framework defines the way in which Aqualia commits its financial resources to undertake environmentally sustainable projects, defining the categories of projects in which to focus investment, governance and mechanisms for selecting the specific projects within the aforementioned categories, the economic management of financial resources from the issuance of a bond and the frequency and scope of the information to be reported on in relation to the use of these financial resources.

The Issuer’s Green Finance Framework is composed of the following elements: (1) Use of Proceeds, (2) Process for Project Evaluation and Selection, (3) Management of Proceeds, (4) Reporting and (5) External Review.

The Issuer’s Green Finance Framework addresses the evolving EU Taxonomy by committing to monitor progress made by the European Union in terms of the classification of environmentally sustainable economic activities for its possible inclusion in future modifications of the framework.

Use of Proceeds

Green financing instruments (such as the Notes) will be used to finance or refinance projects, either partially or in full, that are classified as eligible green projects in accordance with the categories set forth in the tables below (the “**Eligible Green Projects**”) and pursuant to the definitions established by the GLP and the GBP.

In the case of a green bond issuance (such as the Notes) in which the proceeds are used to refinance Eligible Green Projects, these projects may include investments that qualify pursuant to a lookback period of 36 months.

Project Categories	Eligibility Criteria
<i>Sustainable water and wastewater management</i>	
Construction, extension and operation of water collection, treatment and supply systems	<ul style="list-style-type: none">• The water supply system satisfies one of the following criteria:<ul style="list-style-type: none">◦ average net energy consumption for the purposes of collection and treatment is equal to or less than 0.5 kWh per cubic meter of produced water supply; or

Project Categories	Eligibility Criteria
	<ul style="list-style-type: none"> ○ the leakage level is calculated (i) using the Infrastructure Leakage Index (“ILI”) classification method and the threshold value is equal to or less than 1.5 or (ii) is calculated using another appropriate method and the threshold value is set in line with Article 4 of Directive (EU) 2020/2184 of the European Parliament and of the Council (“Directive 2020/2184”).
Renovation of water collection, treatment and supply systems	<ul style="list-style-type: none"> ● The renewal of the water supply system improves energy efficiency in one of the following ways: <ul style="list-style-type: none"> ○ decreasing the average net system energy consumption by at least 20 per cent. compared to the average three-year benchmark, including collection and treatment, measured in kWh per cubic meter of produced water supply; or ○ closing the gap by at least 20 per cent. either (i) between the current three-year average leak level calculated using the ILI classification method and an ILI of 1.5 (207) or (ii) between the current three-year average leak calculated using another appropriate method and the threshold value established pursuant to Article 4 of Directive 2020/2184.
Construction, extension and operation of wastewater collection and treatment	<ul style="list-style-type: none"> ● The wastewater treatment system complies with the following criteria: <ul style="list-style-type: none"> ○ it does not result in the deterioration of the good status and ecological potential of the affected water bodies and significantly contributes to achieving the good status and ecological potential, according to Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (“Directive 2000/60/EC”); ○ it includes a secondary treatment and collection system; and ○ Where the wastewater treatment plant has a capacity equal to or more than 100,000 equivalent inhabitants, or a daily inflow of a five-day biochemical oxygen demand (BOD5) load greater than 6,000 kg, it uses sludge treatment such as anaerobic digestion or technology with an equal or lower net energy demand (considering both energy generation and consumption), to stabilise the sludge.

Project Categories	Eligibility Criteria
Renewal of wastewater collection and treatment	<ul style="list-style-type: none"> • The wastewater treatment system complies with the following criteria: <ul style="list-style-type: none"> ○ it does not result in the deterioration of the good status and ecological potential of the affected water bodies and significantly contributes to achieving the good status and ecological potential, according to Directive 2000/60/EC; ○ it includes a secondary treatment and collection system; and • Where the wastewater treatment plant has a capacity equal to or more than 100,000 equivalent inhabitants, or a daily inflow of a five-day biochemical oxygen demand (BOD5) load greater than 6,000 kg, it uses sludge treatment such as anaerobic digestion or technology with an equal or lower net energy demand (considering both energy generation and consumption), to stabilise the sludge.
Construction, operation, upgrade, extension and renewal of desalination plants to produce water to be distributed in drinking water supply systems	<ul style="list-style-type: none"> • The activity complies with the following criteria: <ul style="list-style-type: none"> ○ the economic activity has introduced both physical and non-physical adaptation solutions that significantly reduce the most important physical climate risks relevant to that activity; ○ the material physical climate risks have been identified from those listed in Appendix A to the Annex II to Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives; ○ the climate projections and assessments impact are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports, peer-reviewed publications, and open source or paying models;

Project Categories	Eligibility Criteria
	<ul style="list-style-type: none"> ○ the adaptation solutions: (i) do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities; (ii) favour nature-based solutions or rely on blue or green infrastructure to the extent possible; (iii) are consistent with local, sectoral, regional or national adaptation plans and strategies; (iv) are monitored and measured against pre-defined indicators and remedial action is considered where those indicators are not met; and (v) the solution complies with the do no significant harm technical screening criteria; and ○ in order for an activity to be considered as an enabling activity as referred to in Article 11(1), point (b), of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the “Regulation (EU) 2020/852”), the economic operator demonstrates, through an assessment of current and future climate risks, including uncertainty and based on robust data, that the activity provides a technology, product, service, information, or practice, or promotes their uses with one of the following primary objectives (i) increasing the level of resilience to physical climate (risks of other people, of nature, of cultural heritage, of assets and of other economic activities); or (ii) contributing to adaptation efforts of other people, nature, cultural heritage, assets and other economic activities.
Renewable energy	
Construction, operation or improvement of projects for the generation of hydroelectric energy	<ul style="list-style-type: none"> • The water activity satisfies any of the following criteria: <ul style="list-style-type: none"> ○ the electricity generation facility is a hydroelectric plant and does not have an artificial reservoir; ○ the power of the electricity generation facility is greater than 5 W/m²; or ○ life cycle GHG emissions from electricity generation using hydropower are less than 100 gCO₂e/kWh.

Aqualia will not use the proceeds of any green financing instruments for the following purposes:

- (i) in relation to sustainable water and wastewater management: (i) investment and infrastructure in the fossil fuel, mining and nuclear energy sectors; (ii) desalination plants that supply or water to nuclear power plants and thermal power plant that use fossil fuel; (iii) desalination plants supplied by residual heat from thermal power plants or industrial processes that use fossil fuel; (iv) integrated

water and power plants; (v) marine power plants; and (vi) irrigation systems for agriculture that do not use reclaimed water from a wastewater treatment plant; and

- (ii) in relation to renewable energies, marine assets similar to hydropower.

Process for Project Evaluation and Selection

The use of the proceeds generated by the different green finance instrument will be monitored pursuant to a project evaluation and selection process that aims at alignment with the project categories abovementioned.

Aqualia has set up a committee, which will include the Spanish, American, Asian and African directors, the CEO, the CFO, the study and operations director and the strategic development and sustainability director (the “**Eligible Green Projects Committee**”) to carry out the evaluation and selection process to ensure that proceeds are allocated to Eligible Green Projects.

The Eligible Green Projects Committee will (i) evaluate and select Eligible Green Projects in line with the eligibility criteria as set out in the Issuer’s Green Finance Framework, excluding and replacing the ones that no longer comply with the eligibility criteria; (ii) oversee the allocation of the proceed from green finance instruments to eligible green projects; (iii) review the content of the Issuer’s Green Finance Framework and updating it to reflect changes in the market, and regulatory developments as well as Aqualia’s relevant policies and long-term targets for social and environmental sustainability; (iv) initiate the update of external documents such as the second party opinion (defined below) and related documents from external consultants; (v) oversee, approve and publish the allocation and impact reporting, including external assurance statements; and (vi) liaise with the relevant business teams and other stakeholders.

Aqualia aims that all Eligible Green Projects comply with official national and international environmental and social standards, and local laws and regulations. Aqualia has a comprehensive set of policies to support achieving these goals, including the (i) Code of Ethics and Conduct; (ii) Anti-Corruption Policy; (iii) Policy on Relationships with Partners; (iv) Agent Policy; (v) Bid Policy; (vi) Human Rights Policy; and (vii) Competition Policy.

Management of Proceeds

Aqualia will be responsible for tracking the use of proceeds from the green finance instruments issued under the Issuer’s Green Finance Framework to ensure that an amount equivalent to the net proceeds are allocated to the financing or refinancing of the eligible projects described above.

To manage this tracking process, Aqualia will establish a specific internal register dedicated to green financing. On an annual basis, Aqualia will review the register, which will contain the following information: (i) the identification of green financing instruments and (ii) details on the eligible use of funds including, eligible environmental projects, the value of the respective allocation made and the estimated impact of the eligible use of funds.

Reporting

Following the issuance of the green finance instruments, an annual report will be published explaining how the net proceeds from any outstanding financing obtained have been allocated and what impact they have generated, following the ICMA Handbook Harmonized Framework for impact reporting for green bonds. The allocation report will include the following details: (i) the total amount allocated to eligible green projects, (ii) the total amount allocated per eligible green project category; (iii) the amount that remains unassigned; and (iv) the share of new financing and refinancing.

The annual report shall include a list of the projects to which green finance funds have been allocated, as well as a brief description of the projects, the amounts allocated and their expected impact.

Allocation reports will be available one year following the issuance of the relevant green finance instruments and will remain available until the financing instrument expires.

Verification

DNV GL Business Assurance España, S.L. has issued a second party opinion concluding that the Issuer's Green Finance Framework is aligned with the GLP and GBP (the "**Second Party Opinion**").

On an annual basis, Aqualia will engage an accredited independent external advisor to review the use of proceeds generated by green financing in eligible investments projects.

The Second Party Opinion is available on Aqualia's website (<https://www.aqualia.com/>).

The Issuer's Green Finance Framework, the Second Party Opinion and any other opinion or report mentioned in this section are not, nor shall they be deemed to be, incorporated in and/or form part of this Offering Circular.

Amendments to the Issuer's Green Finance Framework

This section sets out a summary of the content of the Issuer's Green Finance Framework as at the date of this Offering Circular. Each year, the Eligible Green Projects Committee will review Issuer's Green Finance Framework to make any necessary updates and corrections. The Issuer's Green Finance Framework may not have any impact on outstanding green finance instruments issued under Aqualia's previous frameworks, nor may updates to the framework impact green finance instruments issued under the Issuer's Green Finance Framework, including the Notes. The updated framework, if any, will be published on Aqualia's website (<https://www.aqualia.com/>).

DESCRIPTION OF THE ISSUER

Information about the Issuer

FCC Aqualia, S.A. is a limited liability company (*sociedad anónima*) incorporated on 26 May 1980 under the laws of the Kingdom of Spain, with registration number A-26019992. Its current registered office is located at Calle Federico Salmón, 13 28016 Madrid, Spain, with telephone number +34 91 357 5400.

As of 31 December 2024, FCC owned, directly or indirectly, 51 per cent. of the share capital of the Issuer, while the remaining 49 per cent. is owned by Global Infracore Spain, S.L.U., an entity controlled by IFM Global Infrastructure Fund investment fund (“**IFM**”). FCC, which is one of the leading services and infrastructure companies in Europe and is publicly traded on the stock exchanges of Madrid, Barcelona, Bilbao and Valencia, is controlled by Control Empresarial de Capitales, S.A. de C.V. (“**CEC**”).

In accordance with the terms of the shareholders agreement entered into between FCC and IFM on 16 March 2018, and last amended and restated on 28 February 2024 (the “**Shareholders Agreement**”), FCC can exercise the majority voting rights at the shareholders’ meeting and on the board of directors of the Issuer, with FCC having the right to nominate four directors. In addition, pursuant to the Shareholder Agreement, FCC formed two entities (FCC Topco, S.a.r.l and its subsidiary FCC Midco, S.A.) and contributed to FCC Topco, S.a.r.l and thereafter FCC Topco, S.a.r.l to FCC Midco, S.A. 10 per cent. of the shares held by FCC on the Issuer, which were pledged (together with the shares held by FCC on FCC Topco, S.a.r.l and by FCC Topco, S.a.r.l on FCC Midco, S.A) in favour of IFM to secure certain obligations assumed by FCC vis-à-vis IFM under the Shareholders Agreement. On 28 September 2023, there was a partial release of the pledge over 5 per cent. of the shares held by FCC on the Issuer.

Aqualia Overview

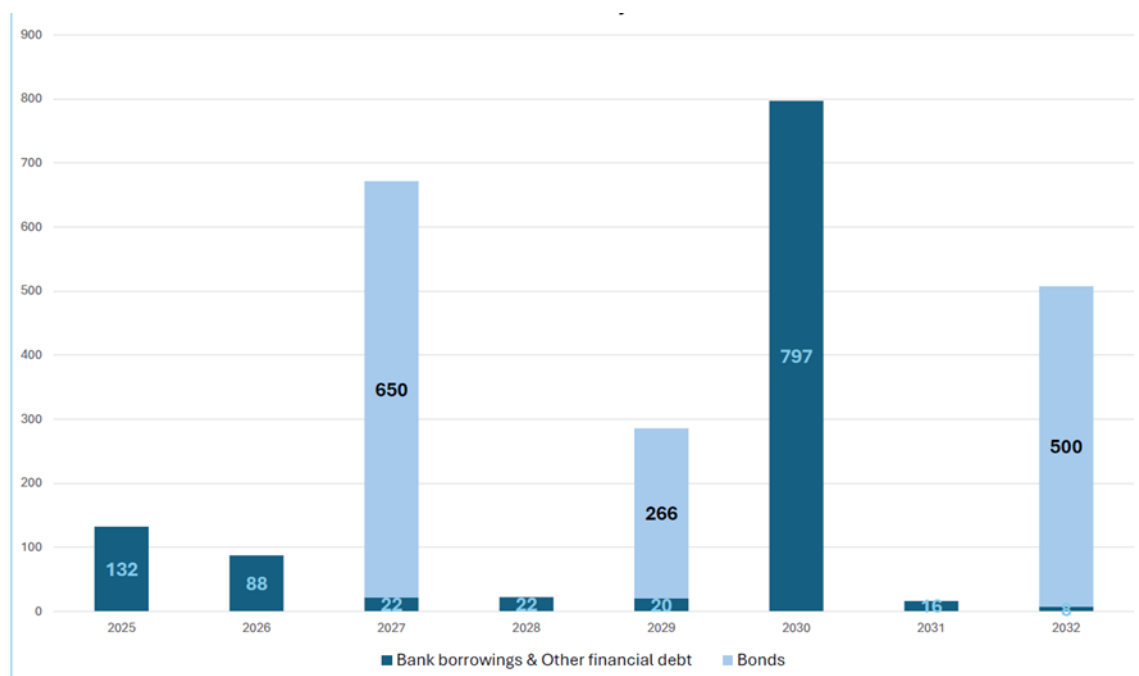
FCC Aqualia, S.A. and its consolidated subsidiaries comprise the fourth largest European private water management group by population served, with over 44.8 million people served as of 31 December 2024. It is also the ninth largest in the world by population served according to Global Water Intelligence (December 2024). Aqualia is a diversified company, focused on responding to the needs of both private and public parties at all stages of the water cycle by providing water for urban, industrial and agricultural uses, encompassing everything from supplying drinking water to treating wastewater. It provides services both within Spain, as well as to markets outside of Spain, with projects throughout Europe, Latin America, United States and the Middle East and North Africa in 2,347 municipalities. As of 31 December 2024, Aqualia had a presence in 18 countries, with 14,040 employees globally. Furthermore, its activities in the area of infrastructure management and operation include managing approximately 92,405 kilometres of water networks, 3,353 water tanks, 996 wastewater treatment plants, 48 seawater and brackish water treatment plants, and 291 drinking water treatment plants as of 31 December 2024.

Aqualia’s objective is to collect, purify and treat water and make it suitable for human consumption in accordance with strict quality, distribution and subsequent treatment controls, in order to return it to the environment in satisfactory volumes and in acceptable condition, using the resources and materials employed in the process in an efficient and sustainable manner. Aqualia believes itself to be the only Spanish company capable of providing end-to-end solutions for any water management need, for both the public and private sector, through the offering of economically viable and socially acceptable solutions. Aqualia conducts initiatives that, aim to ensure a more efficient use of natural resources, more rational energy use, and the identification of its operational risks. Environmental, social and governance (“**ESG**”) matters are a significant part of Aqualia’s daily operations.

Aqualia’s business revenues are characterised by predictable cash flow generation and increased foreseeability of earnings due to the long-term and recurring nature of most of its contracts. Revenue visibility is supported by substantial contract backlog. As of 31 December 2024, backlog was EUR 22,565 million, which is equivalent to 13.9 years of weighted average contract life or 17.3 times its 2024 annual concessional revenues, without contractual maturities during the bond term that could significantly impact Aqualia’s economic or financial performance.

As of 31 December 2024, the Group’s consolidated financial debt was EUR 2,205 million, of which EUR 373 million was non recourse debt and EUR 1,832 million recourse debt. As of 31 December 2024, the Recourse EBITDA and the Consolidated Net Leverage (both terms as defined in the Conditions) amounted to EUR 383 million and EUR 1,600 million, respectively and the Consolidated Net Leverage Ratio (as defined in the Conditions) was 4.2x.

The estimated repayment calendar of the Group’s consolidated financial debt as of 31 December 2024, as adjusted to reflect the impact of the issuance of the Notes, the execution of the Bilateral Green Loans (as defined in “Description of Other Material Contracts” below) and the amortization of the Syndicated Green Financing Agreement (as defined in “Description of Other Material Contracts” below) with the proceeds of the Notes and the Bilateral Green Loans is as follows:



Recent developments

Acquisition of Municipal District Services (MDS)

In January 2024 the Issuer paid the acquisition of a controlling stake in Municipal District Services (“MDS”) for EUR 81.9 million. MDS is a local utility district management company focused on providing operational, regulatory, and customer service excellence since 2007. MDS manages end-to-end water management for over 360,000 inhabitants in the Houston area (Texas), through 140 service contracts in different municipalities. MDS provides safe drinking water and compliant wastewater treatment to more than 125,000 connections and businesses in the Greater Houston area.

Georgia Global Utilities Green Bond Issuance

The issuer acquired, in 2021, in several stages, 80 per cent of Georgia Global Utilities (“GGU”).

GGU is a water utility and renewable energy business which supplies potable water and provides wastewater collection and processing services to almost 1.4 million people in Georgia and generates electricity through its portfolio of eight hydro power plants. GGU, owner of the infrastructure, provides water supply and sanitation services in the capital city, Tbilisi, and the surrounding area, including the cities of Rustavi and Mtskheta. The customer base for this business includes residential and non-residential customers.

GGU, for the provision of its water cycle activity, owns the Zhinvali reservoir, with a capacity of 520 hm³, seven potable water treatment stations, one large WWTP, 58 pumping stations, 118 water tanks, 4,300 km of water networks and 1,700 km of sewerage.

Existence of Put and call options

In the context of the transaction, the Issuer and Joint Stock Company Georgia Capital (“JSC GCAP”) have granted each other a put option and call option, respectively, over JSC GCAP’s remaining 20 per cent. equity interest in GGU (once the second stage is completed). The put option granted to JSC GCAP may be exercised in each of the two six-month periods immediately following the approval by shareholders of the audited consolidated accounts of JSC GCAP for each of the financial years ended 31 December in 2024 and 2025. The call option

granted to the Issuer can be exercised in the period commencing on the date of expiry of the put option and expiring six months thereafter.

In July 2024, GGU successfully completed the issuance of a 5-year green bond in the amount of USD 300 million at 8.875 per cent. annual interest rate, payable semiannually. The bond is listed on the Global Exchange Market of Euronext Dublin. It has put in place the Issuer's Green Finance Framework to channel investment into new and existing projects and assets that support sustainable development. The bond is rated (BB-) stable outlook by Fitch Ratings and (BB-) positive outlook by S&P Global.

European Investment Bank's potential purchase

On 5 May 2025, the European Investment Bank's (the "EIB") management committee approved a potential investment of up to EUR 120,000,000 in green instruments issued by Aqualia from time to time. Furthermore, the EIB and the Issuer have entered into a project agreement dated 14 May 2025 (the "Project Agreement"), pursuant to which the Issuer will have certain reporting obligations towards the EIB in connection with the use of proceeds of the instruments in which the EIB invests.

Group Structure

As of 31 December 2024, Aqualia was comprised of 185 entities: the Issuer itself, 75 subsidiary companies, 36 associate companies and 74 joint ventures and similar entities.

Aqualia's Business Activities

Aqualia engages in several business activities in connection with private water management, including:

- **Regulated water management activities**, including:
 - **Municipal water services**, which involve a municipality granting to Aqualia the management responsibility over the entire water cycle of the municipality and the management of urban water infrastructure owned by the Issuer. Such responsibilities would include (i) the collection, transportation, treatment and distribution of water from wells, catchment areas and desalination plants to urban areas through pumping systems, pipelines, distribution grids and complex water treatment facilities for purification and storage, (ii) the capturing of used water through sewer networks and (iii) the transportation of used water to treatment stations where it is treated before being returned to its natural source ("**Municipal Water Services**"); and
 - **BOT concessions**, which involve the execution of "build-operate-transfer" projects, whereby the applicable entity grants to Aqualia the right to develop and operate a long-term public works concession or facility for a certain period ("**BOT Concessions**").
- **Non-Regulated Activities**, including both operation and maintenance ("**O&M Activities**") activities, which involve the execution of O&M projects, whereby the applicable entity grants to Aqualia the right to provide technical assistance, operation or maintenance services in connection with an existing water asset or infrastructure and engineering-procurement-construction ("**EPC**") activities, which involve the execution of EPC projects, whereby the applicable entity grants to Aqualia the right to develop and construct water infrastructure.

The following table sets forth a breakdown by business activity of Aqualia's revenues and EBITDA (unaudited) for the years ended 31 December 2024 and 2023:

	For the year ended 31 December		EBITDA ⁽¹⁾	
	Revenues		(unaudited)	
	2024	2023	2024	2023
	(millions of euros)			
Regulated water management activities....	1,258.0	1,178.0	376.2	348.6
<i>Municipal Water Services</i>	1,150.7	1,081.0	328.6	305.9
<i>BOT Concessions</i>	107.3	97.0	47.6	42.7
Non-Regulated Activities	416.7	309.4	49.3	35.6

<i>O&M</i>	282.0	165.7	24.7	12.1
<i>EPC</i>	134.7	143.7	24.6	23.6
Total	1,674.7	1,487.4	425.4	384.3
Spain	944.3	919.2	210.2	206.9
International	730.4	568.2	215.2	177.3

Notes:

- (1) “EBITDA” is net operating profit/(loss), before depreciation and amortisation, impairment and gains/(losses) on disposal of non-current assets, non-financial and other capital grants taken to income and other gains. Aqualia believes EBITDA is useful for communicating with investors and other stakeholders. However, it is a non-GAAP measure and is not defined under IFRS and has neither been audited nor reviewed, should not be considered in isolation, does not represent Aqualia’s revenue or results of operations for the periods indicated in this Offering Circular and should not be regarded as a substitute to revenue or operating profit/(loss) from operations in accordance with IFRS.

In accordance with the above, the EBITDA margin¹ for the years ended 31 December 2024 and 2023 amounted to 25.4 per cent. and 25.8 per cent., respectively. In addition, the EBITDA compounded average growth rate (CAGR)² for the period 2019-2024 was 8.6 per cent.

The ratio net debt³ over EBITDA, has decreased from 2023 to 2024. This decrease is due to an increase in EBITDA from EUR 384.3 million in the year ended 2023 to EUR 425.4 million in the year ended 2024, showing a downward trend of Aqualia’s financial leverage level.

The following table sets forth a reconciliation of Aqualia’s consolidated EBITDA (unaudited) for the consolidated profit/(loss) for the years ended 31 December 2024 and 31 December 2023:

	For the year ended 31 December	
	2024	2023
	<i>(millions of euros)</i>	
OPERATING PROFIT/(LOSS)	242.2	216.3
(plus) Depreciation and amortisation	187.6	169.6
(minus) Impairment and gains/(losses) on disposals of non-current assets	-0.5	-2.5
(minus) Non-financial and other capital grants taken to income.....	4.5	4.2
(minus) Other gains	0.4	0.0
EBITDA (unaudited)	425.4	384.3

In relation to the outstanding Updated FCC Upstream Loan (as defined in “*Description of Other Material Contracts*”), the Issuer received an annual amount of cash interest that amounted to EUR 29.1 million in 2024 and EUR 29.0 million in 2023. This cash income stream was equivalent to 11.8 per cent. and 13.2 per cent. of 2024 and 2023, respectively, of Operating Profit/Loss shown in the table above.

Additionally, in relation to the Concessional Loans (as defined in the Conditions), the Issuer received an annual amount of cash interest that amounted to EUR 9 million in 2024 and EUR 8 million in 2023. This cash income stream was equivalent to 4 per cent. of both 2024 and 2023 of Operating Profit/Loss shown in the table above.

¹ Calculated as EBITDA over Revenues.

² Calculated as the compounded average growth rate in EBITDA for the financial years 2019 to 2024 and using 2019 EBITDA as the base year for its calculation.

³ Calculated as non-current liabilities plus current liabilities less cash and cash equivalents.

Regulated Water Management Activities

Aqualia's regulated water management activities are governed by agreements involving Aqualia agreeing to perform its services through government concessions or using company-owned facilities. These concession agreements are long-term contracts, intended to enable Aqualia to recover its initial investments.

Aqualia directly bills and collects from the final customer of regulated water management activities, thus covering the entire cycle of the service. In many cases, these concession agreements also include water treatment services. Municipalities, acting as regulator, periodically adjust the tariffs that Aqualia charges to its consumers, with such adjustments calculated based on changes in the costs associated with providing its services, using different tariffs setting mechanisms, such as polynomial formulas, economic explanatory reports, CPIs or regulatory asset based schemes, and according to the economic and financial plan relating to the service provided.

In Spain, Aqualia's main regulated market, contracts can have terms of up to 25 years, and Aqualia's average remaining life of these contracts exceeds 18 years. Aqualia has a high degree of success in obtaining renewals of these contracts. In 2024, Aqualia renewed in terms of revenues 99.8 per cent. of the contracts in Spain whose terms ended during that year and has shown a strong capacity to renew contracts over the past years (see table below). Aqualia has a low default level 0.61 per cent. on average since it charges the end user, and accordingly, the business area's working capital is stable. Like other utilities, the providing of water generates recurrent cash flows with high future visibility.

Regulated Activities: Renewal track record									
		2024		2023		2022		2021	
		Annual revenues (millions of euros)		Annual revenues (millions of euros)		Annual revenues (millions of euros)		Annual revenues (millions of euros)	
		Nº		Nº		Nº		Nº	
Total renewed		84	91.5	84	68.4	81	88.5	94	130.8
Total non renewed		5	1.0	2	3.5	4	1.6	6	10.4
Concessions maturing		89	92.5	86	71.8	85	90.1	100	141.2

In addition, Aqualia's contracts for regulated water management activities are diversified in terms of revenue generation. 20.4 per cent. of Aqualia's total regulated revenue in 2024 comes from activities in which Aqualia owns the infrastructure. Likewise, the concession contract portfolio is highly diversified. The ten most important concession assets in terms of Aqualia's revenue represent only 14.6 per cent. of its total consolidated annual revenue in 2024, while the top forty represent only 30.4 per cent. of Aqualia's total consolidated revenue in 2024.

Principal Agreements

The following are the principal agreements in connection with Aqualia's regulated water management activities which will come to maturity during 2025-2028:

Year	Contracts >1 M EUR/Year		Contracts <1 M EUR/Year		Total Contracts		
	Units	Revenues	Units	Revenues	Units	Revenues	%
		2024 (millions of euros)		2024 (millions of euros)		2024 (millions of euros)	Revenues 2024 ⁽¹⁾
2025	20	122	63	21	83	143	11.4%
2026	11	22	17	6	28	28	2.3%
2027	16	95	23	11	39	106	8.4%
2028	7	16	19	6	26	21	1.7%
Total	54	255	122	43	176	299	23.7%

⁽¹⁾ Total revenues resulting from regulated water management activities amounted to EUR 1,258 million.

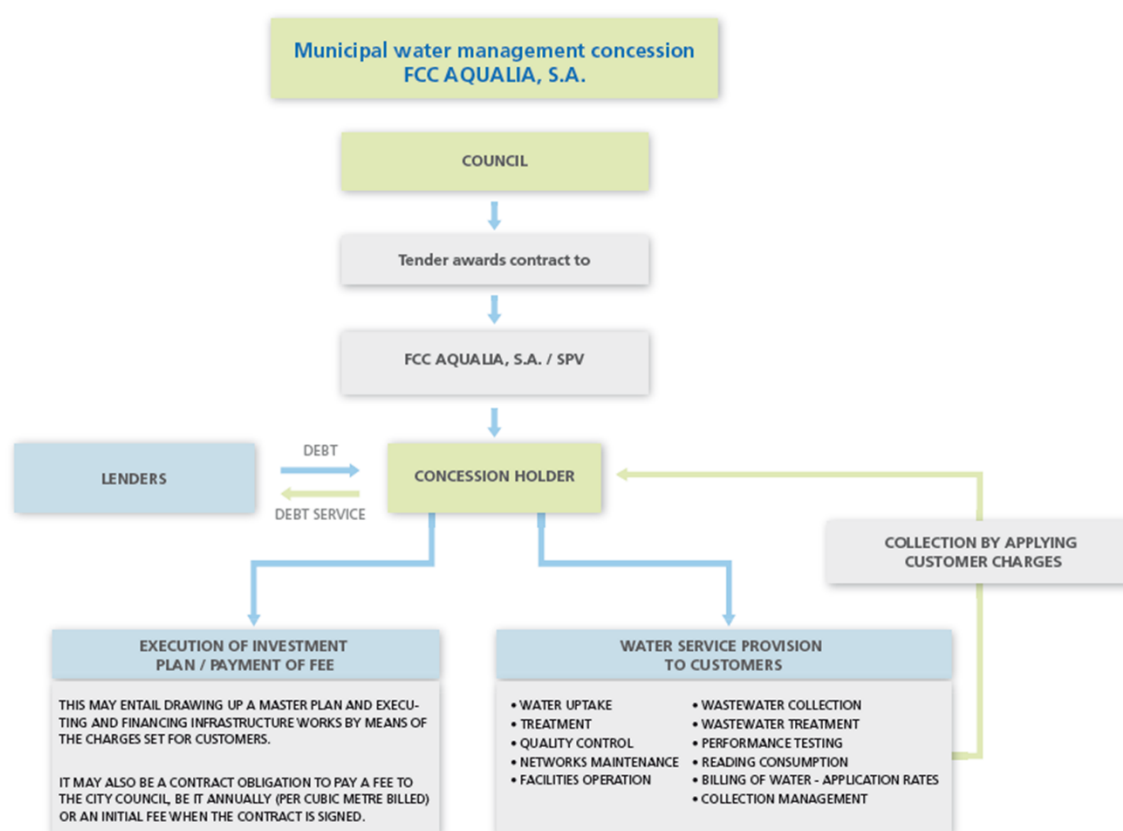
As mentioned previously, Aqualia's regulated water management activities are divided into Municipal Water Services (Owned infrastructure and Concessions) and BOT Concessions.

Municipal Water Services

Aqualia's Municipal Water Services involve a municipality granting to Aqualia the management responsibility over the entire water cycle of the municipality and also the management of urban water infrastructure owned by Aqualia. Such responsibilities include (i) the collection, transportation, treatment and distribution of water from wells, catchment areas and desalination plants to urban areas through pumping systems, pipelines, distribution grids and complex water treatment facilities for purification and storage; (ii) the capturing of used water through sewer networks; and (iii) the transportation of used water to treatment stations where it is treated before being returned to its natural source.

Municipal Water Services are generally characterised by high barriers to entry and significant initial investments. There are some types of Municipal Water Services that are managed through concession models, usually of long duration, and there are other types of Municipal Water Services in which Aqualia is the owner of the infrastructure, such as Severomoravské vodovody a kanalizace Ostrava a.s. ("SmVaK") in the Czech Republic, GGU in Georgia and Rutoque in Colombia which have no expiry date although they are also under regulatory supervision.

Regarding project financing structures, the following illustrates the procedure for establishing a municipal water concession:



BOT Concessions

Aqualia's BOT Concessions involve the execution of "build-operate-transfer" projects, whereby the public entity grants to Aqualia the right to develop and operate a long-term public works concession or facility for a certain period.

BOT Concessions are generally characterised as involving strong barriers to entry and major initial investments with project-specific financing structures. They are also generally characterised as involving a long duration of operation and a medium or high degree of regulatory or legal oversight.

Non-Regulated Activities

Aqualia's Non-Regulated Activities involve both O&M and EPC contracts in connection with the water cycle, including the catchment, transportation, treatment of raw water; the pumping, storage, distribution and metering of drinking water; and the collection, treatment and, eventually, reuse of wastewater.

Most of the O&M and EPC contracts are related to treatment plants, such as drinking water treatment plants, desalination plants and wastewater treatment plants ("WWTP") or network systems. These activities are carried out for both the urban and industrial sectors.

O&M Activities

Aqualia's O&M Activities involve the provision of "operation & maintenance" services, whereby the applicable entity contracts Aqualia for the provision of technical assistance, operation or maintenance services in connection with an existing water asset or infrastructure.

Under the agreements governing these O&M Activities, Aqualia provides services for operating and maintaining various assets linked to the water cycle, such as potable water plants, treatment plants, distribution networks, treatment networks, pumping stations, sports facilities and irrigation networks. These are short-term contracts that do not require initial investments. Aqualia bills and collects in connection with its O&M Activities from its clients, which are primarily governmental bodies and industrial enterprises. O&M Activities are generally characterised as involving a duration of up to 10 years and a low degree of regulatory or legal oversight.

Principal Agreements

The following are the principal agreements in connection with Aqualia's O&M Activities which will or have come to maturity during 2025-2028:

Year	Contracts >1 M EUR/Year		Contracts <1 M EUR/Year		Total Contracts		
	Units	Revenues	Units	Revenues	Units	Revenues	%
		2024 (millions of euros)		2024 (millions of euros)		2024 (millions of euros)	Revenues 2024 ⁽¹⁾
2025 ⁽²⁾	19	139	190	39	209	177	62.9%
2026	11	40	47	12	58	52	18.3%
2027	4	15	29	5	33	20	7.3%
2028	4	10	20	5	24	14	5.0%
Total	38	203	286	60	324	264	93.5%

⁽¹⁾ Total revenues for Aqualia's O&M contracts amounted to EUR 282 million.

⁽²⁾ Includes MDS evergreen contracts

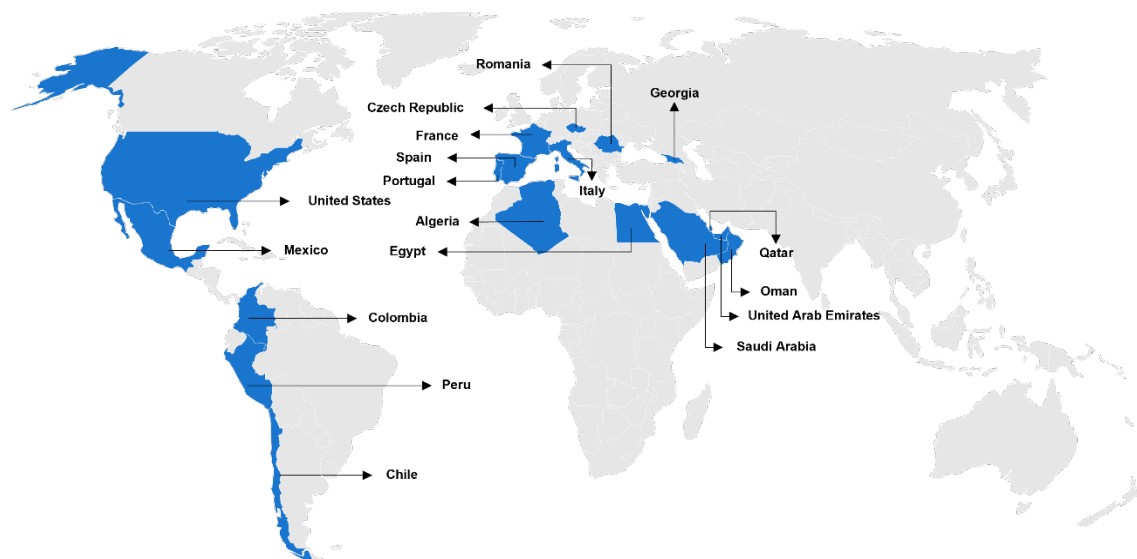
EPC Activities

Many of the EPC projects developed by Aqualia are in connection with Aqualia's own water concession contracts and the capital expenditures commitments related to regulated water management activities.

In connection with EPC contracts, Aqualia takes part mainly in the engineering and procurement stages while construction activities are usually allocated to specialised constructions partners, transferring construction risks to third parties.

Aqualia's Geographic Footprint

Aqualia provides services both within Spain as well as to markets outside of Spain (“**International Markets**”), with projects throughout Europe, Latin America and United States (“**Americas**”), the Middle East and North Africa (“**MENA**”).



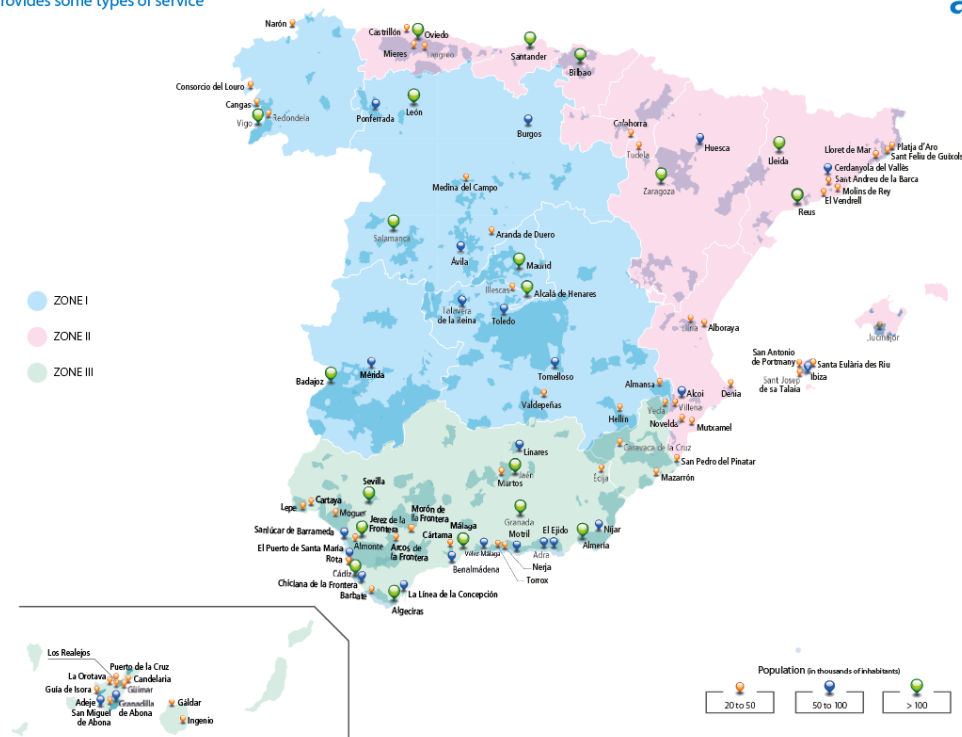
Spain

In 2024, 56.4 per cent. of Aqualia's consolidated revenue was generated in Spain, from the operations in 1,167 Spanish municipalities where the company works as of 31 December 2024.

Aqualia restructured its organisation in Spain during 2024. As a result, the Spain area has been organised into three zones, balanced in terms of territorial positioning. Aqualia's activities outside Spain are grouped into two other areas: Europe-America and Africa-Asia. Each of the three areas encompasses all end-to-end water cycle activities, such as concessions, urban and industrial operations and maintenance, networks, and technology. This reorganisation has led to a concentration of efforts and an improvement in its market position.

The following illustrates Aqualia's presence in Spain as of 31 December 2024:

Spanish municipalities where Aqualia provides some types of service



As of 31 December 2024, 79.5 per cent. of revenues in Spain resulted from regulated water management activities and 20.5 per cent. resulted from Non-Regulated Activities.

Municipal Water Services in Spain

In Spain, where most of Aqualia's business is concentrated, Aqualia had 443 Municipal Water Services as of 31 December 2024.

The Public Procurement Law (as defined above) passed in 2017, introduced the adaptation of concession periods, the review of the causes for claiming concession-related economic imbalances and the regulation of the tariff contracts review system had effects on the sector, particularly in connection with the solvency requirements for bidders, which places Aqualia in an advantageous competitive position.

In Spain, there is still a large percentage of population (approximately 54 per cent.) that is served directly by the public sector.

BOT Concessions in Spain

In regard to BOT Concessions, climate change impacts and resource scarcity will force investment in the optimisation of existing resources, such as for example through the reuse of wastewater and the creation of new water resources using desalination technologies. After several years of relatively low investment, Aqualia estimates that it will become necessary to invest in new wastewater treatment plants and to improve existing facilities to adapt to European Union regulations and prevent possible sanctions. Such scenario would require the existence of public-private partnerships with companies like Aqualia that are experienced in the design, construction and operation of water treatment facilities.

O&M Activities in Spain

The total market size of O&M Activities in Spain is estimated to be more than EUR 1,200 million as of 31 December 2024 in terms of annual revenues, with Aqualia's share being approximately 10 per cent. of this amount.

Aqualia's market share, by type of client, is distributed as follows:

- 51 per cent. of O&M Activities involving both national and regional water and environmental agencies and large public operators;
- 40 per cent. of O&M Activities involving municipalities; and
- 9 per cent. of O&M Activities involving private and industrial clients.

In general, given the expected improvement in the economic situation of municipalities and publicly operated utilities, a slight upturn in tenders for low size works, where the territorial presence of Aqualia allows it to be very competitive, is expected. Aqualia will continue to devote efforts to the development of digitalization and adaptation to climate change.

EPC Activities in Spain

EPC's activity in Spain is mainly focused on the implementation of investment plans belonging to Aqualia's own municipal concessions, which usually consist of improvements or expansions of the infrastructures Aqualia manages or their extension to new service areas.

International Markets

In 2024, 43.6 per cent. of Aqualia's revenues was generated in its International Markets, and it had operations in 18 countries, with a focus on Europe, Americas, the Middle East and North Africa.

As part of its strategy, Aqualia plans to continue expanding its footprint outside of Spain even further by leveraging existing platforms and selectively pursuing opportunities in the international BOT concessions markets.

As of 31 December 2024, it had contracts underway in Portugal, Italy, France, the Czech Republic, Georgia, Romania, Algeria, Egypt, Saudi Arabia, Qatar, the United Arab Emirates ("UAE"), Oman, Mexico, Colombia, Peru, the United States, Romania and Chile. The development of this activity is focused on countries in the Middle East and North Africa and Americas regions, with a consolidated public-private partnerships regulatory framework and where Aqualia has previous experience such as Mexico, Colombia, Peru, the USA, Saudi Arabia, and the Gulf countries.

General international growth drivers include the following

- new public-private partnerships in developing countries aimed at improving drinking and wastewater systems, especially in the Americas, the Middle East and North Africa;
- deepening of Aqualia's current presence in the European market by taking advantage of new opportunities in Municipal Water Services;
- development of new projects featuring technological solutions which add value and provide a competitive advantage for desalination, industrial and reuse systems, especially in the United States, Mexico and the Middle East and North Africa; and
- prioritisation of organic growth, taking advantage of new opportunities in emerging markets where Aqualia is already present and in certain countries where a consolidated water regulatory framework already exists.

Europe

In 2024, 94.2 per cent. of revenues in Europe resulted from regulated water management activities while 5.8 per cent. resulted from Non-Regulated Activities. Europe, excluding Spain, accounted 50.2 per cent. of Aqualia's international revenues in 2024.

Municipal Water Services in Europe

In Europe, Aqualia focuses its business activity on the Czech Republic, France, Italy, Portugal, Romania and Georgia.

The evolution of Europe in the 2024 fiscal year has been characterised by: (i) a slight drop in consumption; (ii) an increase in water and sewage tariffs; (iii) supply policies in response to water scarcity; and (iv) sustainability plans.

In the Czech Republic, inflation has risen to double digits, consequently leading to an increase in operating costs which, due to the application of the regulatory system, has been transferred to tariffs. However, the increase in operational costs, investments in network improvements in order to maintain high efficiency levels of infrastructure will be factored in future tariffs reviews. In 2024, the Czech subsidiary SmVak designed an ambitious sustainability plan, aligned with Aqualia's sustainability plan, establishing new investments aimed at improving the energy efficiency of existing infrastructures and reducing the system's carbon footprint.

France continues to be the European country with the most business opportunities for organic growth despite having the world's largest competitors in the sector. Indeed, public tenders for the management of supply, sanitation, or the integral water cycle are proliferating with a uniquely French management model characterized by special characteristics (DSP, *Délégation des Services Publiques*) which entail low investment needs, contract durations between six and twelve years, and joint management by municipalities. Beyond the classic water management model, scarcity is driving new opportunities. The French Ministry of Ecological Transition took an important step towards water security by publishing key legislation on reuse and reinforcing support for industrial efficiency projects. These measures represent the most tangible steps so far towards the goal of increasing national reuse to 10 per cent. by 2030, established at the beginning of 2023 in the country's water plan.

In Italy, the dominant management model in the Italian market is a multi-utility model through mixed enterprises with public-private partnership. The concession managed by Aqualia's subsidiary in the country, Acque di Caltanissetta, has successfully executed its EUR 15.5 million project under the REACT-EU financing program of the recovery and resilience plans, for the installation of new remote reading systems for 90,000 subscribers, the automation and remote control of facilities, and improvements to the networks in the Sicilian province. Additionally, Acque di Caltanissetta has received funding for two new projects from the Sicilian region for the Niscemi water network and Manfria sanitation, totalling EUR 8.1 million. Furthermore, the Ministry of the Environment and Energy Security has granted funding for three other projects to improve sanitation and wastewater treatment in the municipalities of Delia, Marianopoli, and Gela-Manfria, with a total amount of EUR 8.3 million.

In Portugal, issues arising from drought are significantly affecting the country's water management. On one hand, special protection policies for the use of water resources are being implemented through increased monitoring of groundwater consumption and holding public tenders to promote the efficiency of distribution networks within the framework of the sector's digital transition. On the other hand, political measures have been adopted to increase supply, with the announcement of the construction of new desalination and reuse infrastructures. In Georgia, the acquisition of the company Georgian Global Utilities was completed in February 2022. GGU provides comprehensive water cycle services in the country's capital, Tbilisi, as well as in two nearby towns, Mtskheta and Rustavi. In total, it serves a population of 1.4 million residents. Ever since the entry of Aqualia in GGU, this company has undergone a full reorganization of the staff without layoffs and has deployed a very ambitious program of capital investment in the renewal and improvement of the most critical infrastructure, both actions aiming at boosting operational efficiency and at increasing the supply quality standard for the population. In December 2023, the national regulator for energy, water and irrigation approved a new water tariff structure that increased very significantly the revenues of GGU, in order for the company to be able to successfully implement a higher level of capital investment and operational expenditure.

In Romania, in 2013, the consortium made up of the companies Degremont, FCC Construcción and Aqualia Intech was awarded the execution of the rehabilitation and extension works of the wastewater treatment plant of Glina in the city of the Bucharest.

EPC Activities in Europe

EPC's activity in Italy focused on the execution of Aqualia's investment plan associated with the concession that its subsidiary Acque di Caltanissetta is executing in its service area. Aqualia's subsidiary is executing both activities funded by the company which expenses are charged to consumer as tariffs as well as those activities that are funded by the Sicilian Region and which are recovered on the basis of capital subsidies.

In the Czech Republic, EPC activities are focused on services to expand and improve the infrastructure owned by Severomoravské vodovody a Kanalizace Ostrava a.s., which are incorporated into the regulatory capital base that is recovered in tariffs. Similarly, in Georgia, where Aqualia owns the water infrastructure, EPC's activities are

associated with the work being carried out to improve and expand the capacity and performance of Aqualia's regulatory assets.

Latin America

In 2024, 74.2 per cent. of consolidated revenues in Latin America resulted from regulated water management activities while 25.8 per cent. resulted from Non-Regulated Activities. Latin America accounted for 15.0 per cent. of Aqualia's international revenues in 2024.

BOT Concessions in Latin America Aqualia is involved in five BOT Concessions partnerships in Mexico:

- 51 per cent. interest in a BOT Concession involving the design, procurement, construction, operation and maintenance of an aqueduct for *Comisión de Aguas del Estado de San Luis Potosí*;
- 100 per cent. interest in a BOT Concession involving the design, procurement, construction, operation and maintenance of a seawater desalination plant in *Guaymas México*;
- 100 per cent. interest in a BOT Concession involving the design, procurement, construction, operation and maintenance of a seawater depuration plant in *Cuernavaca*;
- 100 per cent. interest in a BOT Concession involving the Project MIG Mejora Integral de Gestión (Integral Management Improvement) of *Los Cabos, Baja California Sur*; and
- 1 per cent. interest in a BOT Concession involving the design, procurement, construction, operation and maintenance of an aqueduct for the *Comisión Estatal Querétano*.

These partnerships have provided Aqualia with technical and financial skills to enable it to propose similar projects to other institutional clients in Mexico.

In Central and South America, growth prospects have increased significantly due to a lack of sufficient existing water infrastructure to keep up with the growth expansion of urban and large metropolitan areas.

In Colombia, Aqualia has continued with the integration and improvement of service management acquired in the Córdoba department and the concession awarded in Villa del Rosario in the North of Santander department, as well as the incorporations made in 2022 for the services of Flandes, Ruitoque, Aguas de la Sabana, Aguas de la Península, Aguas de Albania, Aguas de Aracataca, Aquamag Fundación, Aquamac Retén, and Aguas del Sur del Atlántico, consolidating Aqualia's presence in this country. Aqualia was awarded in June 2023 with the water management concession of Riohacha, capital of the La Guajira's department.

In Peru, the state is engaged in a process of evaluating the efficiency of its public supply services to pave the way for private initiative in those with the poorest management indicators. Aqualia has been awarded the private initiative for the project related to PTAR of Chíncha in January 2025. Two of Aqualia's additional private initiatives are in an advanced structuring phase and four others are in earlier stages and are part of Proinversión's significant portfolio of public-private partnerships projects.

EPC Activities in Latin America

Aqualia delivered last 2024 the EPC project of the WWTP El Salitre, Bogotá, as part of CEPS (Consortio Expansión Ptar Salitre) with two other partners. Other EPC works are carried out in the various projects related to the investment plans of the different concessions Aqualia operate in Latin America, such as in Los Cabos MX, or the improvements Aqualia is making in the Colombian operations.

United States

In the United States, Aqualia manages, through its recent acquisition, Municipal District Services ("MDS"), the complete water cycle for 430,000 people in the Houston area. Now Aqualia is focused on growing mostly in Texas, one of the fastest-growing states in the country. This expansion strengthens Aqualia's position as a global leader in water management and highlights its commitment to sustainability and technological innovation. This first step in the United States also represents a strong commitment to growth and positioning itself as one of the leading municipal and private operators in the country in the near future. Water scarcity, the obsolescence of hydraulic infrastructure, and the low penetration of private operators in the sector present major growth opportunities for Aqualia in certain states. The increasingly stringent legislation regarding the control and

elimination of emerging contaminants for the protection of aquifers and surface waters represents a business opportunity to be exploited in the coming years. MDS is a strong platform for the close development and growing in the United States market.

Middle East and North Africa

In 2024, 48.0 per cent. of revenues in the Middle East and North Africa resulted from regulated water management activities, mainly BOT Concessions and 52.0 per cent. resulted from Non-Regulated Activities. Middle East and North Africa region accounted for 22.9 per cent. of Aqualia's international revenues in 2024.

BOT Concessions in Middle East and North Africa

In North Africa, BOT projects in connection with the desalination of seawater and sewerage treatment have emerged as business opportunities in countries where Aqualia is already operating, such as Algeria and Egypt.

In the Gulf Countries, where population growth has reached up to 8 per cent. annually, and where standards of living and quality of services are increasing, major water infrastructure projects have been announced but will progress slowly. In Saudi Arabia, the Saline Water Conversion Corporation, which is responsible for water production in the country, will implement a new desalination investment program and the National Water Company, responsible for the distribution of drinking water and sanitation in the major cities, also has a concession program. Both are based on public-private financed contracts.

O&M and EPC Activities in Middle East and North Africa

The main driver for O&M and EPC Activities in the Middle East and North Africa is water scarcity, which has led to opportunities for Aqualia in terms of cost optimization and efficiency improvements.

Currently, Aqualia is operating a sewage and wastewater treatment system in Abu Dhabi through its subsidiary Aqualia Mace. Aqualia Mace is also operating the Al Dhakhira WWTP in Qatar.

There is generally a large demand in this region for O&M Activity given a reduced number of large water management companies prepared to provide such services, given that such companies are typically focused on EPC Activities. The agreements for O&M Activities in the Middle East and North Africa are typically performance-based contracts with a duration of between three and 10 years.

In 2022, Aqualia established the South Cluster SPV L.L.C., which implements the contract for the management, operation and maintenance of the integral water cycle in the Saudi regions of Assir, Jizan, Najran and Al Baha.

In 2023, Aqualia subscribed 51 per cent. of the share capital of North Cluster SPV L.L.C., which has been awarded the contract granted by the government of that country for the management, operation, and maintenance of the integral water cycle in the Saudi regions of Qassim, Hail, Al Jouf, and Northern Border.

The geographic breakdown of Aqualia total consolidated Revenues and EBITDA of year 2024 is summarized in the following table:

	Europe (including Spain)	Americas	MENA	Total
	<i>(millions of euros)</i>			
Revenues	11.2	195.9	167.6	1,674.7
EBITDA	339.3	35.9	50.2	425.4

Group Strategy

Aqualia provides technical solutions and quality services in all phases of the integral water cycle with the aim of improving the wellbeing of the people and communities in which it operates, preserving water resources and the environment, and improving management efficiency, with the Sustainable Development Goals of the United Nations Organisation as one of its main references, and all in accordance with the existing legal frameworks in each jurisdiction.

The rapid urbanisation process in emerging countries, as well as the need to improve the living conditions of the population and to optimise a scarce resource, within the context of climate change, lead governments,

communities and industrial corporations to search for specialised operators to help them provide effective solutions to the problems of water supply, sanitation and wastewater treatment.

Aqualia is one of the main international operators that focuses its management on specific business models and geographical areas and that acts guided by an objective of growth that maintains the criteria of profitability and integrates all the capacities of the value chain in the water cycle, from the design of installations to the management of large investment projects in water systems.

Strategy on Municipal Water Services

The most important activity is the management of integral water services in municipalities, through long-term concession models or the ownership of assets in countries with proven regulatory systems.

Aqualia operates municipal water services in Spain, whose activity represents more than 14 per cent. of the total Municipal Water Services and also in the Czech Republic, Georgia, Portugal, Italy, France and Colombia. One of Aqualia's main objectives is to consolidate growth in these markets and extend its activity to other European countries with similar models and to Latin American countries with regulatory systems similar to those in Europe, such as Colombia, Mexico and Peru.

Strategy on BOT Concessions

Aqualia also develops alternative and/or complementary business models, such as BOT Concessions. In this regard, Aqualia designs, builds, finances and operates long-term infrastructures, often treatment plants (drinking water treatment, purification, desalination) through BOT-type contracts and "take or pay" mechanisms in which the recovery of the investment associated with the infrastructure to be operated is guaranteed without assuming demand risk.

These formulas, which combine technical know-how with the ability to structure complex financing, are increasingly in demand by operators, public entities and industrial corporations in emerging countries.

Aqualia concentrates its activity in BOT Concessions in Spain, Latin America (Mexico, Peru, Chile) and Middle East and North Africa (Saudi Arabia, Algeria, Egypt and UAE).

The Water Services Concessions and the BOT Concessions' business models, which involve significant investments, high added value and long duration contracts, are one of Aqualia's lines of development on which Aqualia is basing part of its growth.

Strategy on Non-Regulated Activities

The decision to enter into O&M or EPC contracts is considered based on the unique opportunity of each project and with a strategic vision.

In general, with regards to these activities, Aqualia competes in projects where, either the fundamental competitive factor is the technical capacity or the quality of the services and not exclusively the price, or where the projects are of a significant size, or where there is a strategic interest or potential synergies due to the territory, the technology or the client where the contract is being developed. For instance, the recent acquisition of MDS represents a platform for future developments in the provision of O&M Activities for municipalities and municipal utility districts.

In EPC contracts, Aqualia takes advantage of the synergies offered by its experience in partnerships with leading local construction companies, to create alliances in the construction of large infrastructures, which allows a reduction and/or transfer of construction risk. At the same time Aqualia executes investment plans associated to its concession contracts.

Geographical Strategy

Aqualia consolidates and develops its activities in the following territories, avoiding excessive dispersion, and taking advantage of commercial and scale synergies:

- In Europe, especially in the business Municipal Water Services, by maintaining the high renewal rates of its contracts and taking advantage of the opportunities that may arise both in organic growth and in value-adding acquisitions.

- In Americas, through the consolidation of long-term contracts for Municipal Water Services, BOT Concessions or EPC projects.
- In Middle East and North Africa, developing a consolidated position in BOT Concessions or high value-added O&M contracts.

Material Contracts

All material contracts concluded by Aqualia have been entered into in the ordinary course of business. Aqualia did not enter into any material contracts outside the ordinary course of business that could result in any member of the group being under an obligation or entitlement that is material to Aqualia's ability to meet its obligations towards the Noteholders in connection with the notes.

Legal Proceedings

Aqualia is involved from time to time in various claims and lawsuits, most of which arise in the ordinary course of its business.

The following represent the ongoing litigation matters that are currently considered material (5 per cent. of EBITDA):

- **Arbitration proceeding related to the execution, termination and settlement of the contract for the detailed design, construction, supply, equipment installation, commissioning and assisted operation of the optimization and expansion of el Salitre WWTP (Colombia).** The joint venture for this project was comprised of Aktor Technical Societe Anonyme Colombian Branch (40 per cent.), Aqualia Intech, Sa. (30 per cent., in a 50/50 partnership with FCC Co. Ltd.), and CASS Cable TV Inc (30 per cent.). The project was awarded by the Regional Autonomous Corporation ("*Corporación Autónoma Regional*") ("**CAR**") which is the official entity in Colombia responsible for water infrastructure and it was financed by the World Bank.

The execution of the contract was completed with the handover of the plant on 30 April 2024, although the CAR refused to officially receive the plant and to issue the certificate of completion. The joint venture submitted a request for contract settlement that was also denied, and ultimately filed an arbitration claim for settlement and damages amounting to EUR 86.99 million (at the current exchange rate), of which EUR 13.4 million would correspond to Aqualia for its participation in the joint venture.

The CAR filed a counterclaim seeking damages from the joint venture amounting to EUR 122 million (at the current exchange rate), of which EUR 18.3 million would correspond to Aqualia given its 15 per cent. participation in the project. The CAR is claiming, among other things: (i) penalties for not completing the works corresponding to milestone 1 (new plant) and milestone 2 (renovation of the old plant) of the project on time; and ii) potential damages from claims made by the plant operator, and another public entity. The Issuer considers this risk to be remote, since the joint venture is able to evidence the correct and timely construction and handover of the plant and the non-compliance of the CAR; and also because the CAR is claiming contractual penalties and damages for delays for the same concept.

- **Concession contract water supply service to Alcalá de Henares Municipality.** The joint venture for this project, was comprised of Aqualia (50 per cent.) and Canal de Isabel II (50 per cent.). The concession was awarded for the provision of water supply services to the Alcalá de Henares Municipality.

Both parties reached an agreement clearly stating that the execution of the works, if applicable, would be the sole responsibility of Canal de Isabel II. The joint venture proposed a specific investment aimed at improving the raw water supply to the municipality through an upgraded water conveyance system. The execution of the special investment was conditioned upon: (i) the Municipality and Canal de Isabel II reaching an agreement to finance the investment; and (ii) a clear demonstration of the technical and actual needs for the supply of raw water from the regional system. These conditions have not yet been fulfilled.

The joint venture is currently involved in a dispute arising from the Alcalá de Henares city council's decision to replace the specific and conditional investment amount of EUR 18.6 million with other investments of the same value. This change disregards the fact that the original works were neither interchangeable nor conditional, and that the conditions for executing the specific investment had not

been fulfilled. Consequently, this requirement implies a modification of the original contract—which is being enforced without compensation and without proper legal procedures. The Issuer considers the risk of an unfavourable outcome in this litigation to be low, and from Aqualia’s perspective, if the litigation results unfavourably, the partner agreement will be activated to prevent any potential cash disbursement.

- **Preliminary investigation by the Public Prosecutor’s Office of Caltanissetta (Sicily) regarding the management of the water supply and wastewater treatment concession contract carried out by the subsidiary Acque di Caltanissetta S.p.A, (“Caltaqua”).** The prosecutor’s office has requested documentation that verifies the economic flows between Aqualia and its subsidiary, as well as compliance by Caltaqua with the contractual requirements related to the treatment service. The process is currently in a very preliminary phase of document submission. A law firm based in Milan and Rome has been engaged, along with local procedural attorneys. Additionally, Aqualia is working with PricewaterhouseCoopers Auditores, S.L. to update a forensic report previously conducted in 2020 in compliance with the tariff system to support Aqualia/ Caltaqua’s position. There are reports from KPMG, S.A. and the Caltaqua monitoring body (compliance committee) concluding that the transfer pricing policy is correct.

The following table set out Aqualia’s provisions for expected liabilities, based on internal estimates, as of 31 December 2024 deriving from lawsuits compared with other risk and expenses covered with non-current provisions:

2024	UP TO 5 YEARS	MORE THAN 5 YEARS	BALANCE AT 31/12/2024
	<i>(millions of euros)</i>		
Lawsuits	3.2	-	3.2
Other provisions for risks and expenses	10.1	1.2	11.3

Environmental Matters and Sustainability

Given the nature of its business, Aqualia has always been acutely aware that its activities are intrinsically linked to the care of the planet. Understanding current environmental challenges and its role in addressing them has guided the design of the Aqualia Sustainability Strategic Plan 2024-2026. This plan focuses on innovation, design, regeneration, and the development of solutions to provide water in areas with limited resource availability. It includes projects aimed at reducing water consumption, optimizing energy use, reducing emissions, protecting and restoring ecosystems, and promoting the circular economy, water reuse, and circularity.

The implementation of the Environmental Management System also defines the operational control of significant environmental aspects and legal requirements through procedures and technical instructions. These aspects are identified based on Aqualia’s activities and environmental risks, such as floods or spills.

In response to an increasingly demanding legal environment, such as the revision of the Urban Wastewater Treatment Directive, Aqualia has promoted various innovation projects. The Directive extends the obligation of wastewater treatment to populations of more than 1,000 inhabitants and requires comprehensive management of stormwater. It also reduces discharge limits, increases nutrient recovery, and aims for energy neutrality by 2040. Additionally, it demands higher quality sludge for subsequent reuse, addressing the removal of microcontaminants and microplastics.

Aqualia has begun aligning with the requirements set by the Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (Corporate Sustainability Reporting Directive or “**CSRD**”) and the Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859 (Corporate Sustainability Due Diligence Directive or “**CSDDD**”) which impose new standards for information disclosure and the management of environmental and social risks and impacts.

One of Aqualia’s fundamental objectives is to support and comply with the United Nations Sustainable Development Goals (“**SDGs**”), focusing on those that affect the water sector and Aqualia’s stakeholders. Aqualia also has an ongoing strategy of creating shared value, responding to stakeholder expectations, and deepening the

tools that allow Aqualia to understand and measure social and environmental impacts. This supports the creation of economic value and increases Aqualia's competitiveness (calculation of social and environmental footprints).

Aqualia's mission is to ensure access to high-quality water, free from any microorganisms, parasites, or substances that could threaten human health. To fulfil this commitment, Aqualia has developed a global network of laboratories that play a crucial role in water quality control and assurance. This network is a fundamental pillar in guaranteeing quality water for its customers, reflected in the investments made and continuous efforts to improve processes and comply with the most stringent regulations.

Aqualia operates a network of 22 laboratories, with two more in the process of accreditation, spread across five countries. These laboratories are equipped with the latest technology and staffed by highly qualified experts, enabling the performance of over one million water analyses annually. Below is a detailed breakdown of their distribution and capacity:

- **Spain:** Eight accredited laboratories in Vigo, Tafalla, Oviedo, Badajoz, Adeje (Tenerife), Jerez de la Frontera, Lleida, and Ávila. These laboratories employ 64 people and analyse 1,034,387 parameters in 66,175 samples. In total, they are accredited for 1,170 parameters.
- **Georgia:** Six accredited laboratories with 57 employees, analysing 233,831 parameters in 17,854 samples. In total, they are accredited for 149 parameters.
- **Czech Republic:** Seven accredited laboratories with 97 employees, analysing 221,000 parameters. In total, they are accredited for 28 parameters.
- **Italy:** One accredited laboratory with three employees, analysing 19,300 parameters in 1,120 samples. The laboratory is accredited for 17 parameters.
- **Colombia:** Two laboratories in the process of accreditation, which will analyse 24 parameters between them. These laboratories will be part of the Interlaboratory Programme for Drinking Water Quality Control, which accredits the highest standards in these operations in the country.

To enhance the laboratories' operations, Aqualia has made significant investments in technology and training. It has introduced a quality system in accordance with ISO 17025, ensuring the highest reliability and technical competence for water analyses. This system establishes defined work guidelines and ensures compliance with specific scientific parameters, allowing for daily monitoring of the characteristics of distributed water and guaranteeing its quality.

The main challenge for the laboratories in Spain in 2024 has been the implementation of the new drinking water regulation according to Royal Decree 3/2023, of 10 January, which establishes the health and technical criteria of water intended for human consumption, and the control and supply of same. This regulation sets the technical and sanitary criteria for drinking water quality, its control, and supply. The implementation of this Royal Decree has resulted in a global increase of 7,568 samples compared to 2023, making a 13 per cent. rise. Regarding the total number of parameters analysed, 169,384 parameters were analysed in 2024, representing a 20 per cent. increase.

Digitalization

The digitalization of the integral water cycle allows us to improve efficiency, sustainability, and resilience in Aqualia's operations, while ensuring the availability and quality of water supply for customers and communities. To achieve this, Aqualia has the AqualiaLive platform.

Data analytics significantly enhances the capability of the AqualiaLive platform to provide better service to citizens, putting us at the forefront of global water cycle management. Early leak prevention in the network and helping citizens control their consumption during droughts are key for society and a commitment for Aqualia. The use of sensors, advanced data analysis, and real-time monitoring systems, supported by technologies such as artificial intelligence, machine learning, and edge computing, allow us to detect and manage, for example, water leaks early, reducing non-revenue water.

In the AqualiaLive platform, artificial intelligence is already an intrinsic part of Aqualia's products and is crucial for improving efficiency and sustainability. From real-time monitoring to process optimization, technological innovation can transform water management and ensure a cleaner and safer future for all.

The main pillars of Aqualia's vision for the digitalization of the water cycle through AqualiaLive are:

- **Digitalization of Infrastructure:** Thanks to sensors and network telemetry, Aqualia's platform can collect and monitor its behavior through Aqualia's real-time monitoring ("SCA") and advanced water analytics ("AWA") products.
- **Advanced Data Analytics:** Thanks to Aqualia's AWA product, it is able to collect millions of data points from the integral water cycle and prescribe preventive actions, identify leaks early, and/or optimize the amount of water injected into the network. This makes Aqualia a data-driven company.
- **Optimization of Operational Efficiency:** Aqualia's Next Order to Work ("NOW") product allows for proper management of Aqualia's assets and their preventive and predictive maintenance efficiently, both in facilities and water networks.
- **Smart Water Consumption Management:** With Aqualia's Centro de Atención al Cliente (Call Center) ("CAC") and AWA products and the implementation of smart meters, end customers are enabled to monitor their consumption, detect possible leaks, and receive notification of unwanted consumption, allowing for proper water use.
- **Cross-Cutting Cybersecurity:** Aqualia's entire platform implements proactive and reactive security controls to protect its digital infrastructure against potential threats and attacks, including the protection of sensitive data and communication security.
- **Continuous Innovation:** Constant development of new business solutions and the permanent inclusion of emerging technologies such as artificial intelligence allow us to always be at the forefront of smart water management.

Research Development and Innovation

Innovation at Aqualia is guided by the policies of the European Green Deal, which aims to reduce the carbon footprint to zero through the transition to a circular economy with no environmental impact. The department of innovation and technology ("DIT") develops new smart management tools and new proposals for sustainable services, supporting Aqualia in achieving the SDGs. The main areas of focus are: sustainable treatment, alternative resources, reuse, potabilization, and desalination, sustainability and energy efficiency, circular economy, eco and biofactories, industrial water and digital developments.

Details of certain recent projects are set out below:

Projects ending in 2025

- **Life Zero Wastewater:** The project, led by Aqualia, with Canal Isabel II as a partner, installs in the Valdebebas WWTP a combined treatment unit for urban waste water and the organic fraction of urban solid waste. An anaerobic reactor AnMBR of 50 m³/d will be fed, which will be followed by the Development of an integrated landmanagement through sustainable usage of water and solids ("ELAN") process in water line, allowing a treatment with a neutral carbon footprint. The management of Organic Fraction of Municipal Solid Waste (*Fracción Orgánica de los Residuos Sólidos Urbanos*) ("FORSU") at the municipal level will be evaluated, using the sewerage system to transport the mixture in a single stream. In addition to the Universities of Valencia (co-holder of the AnMBR patent) and Santiago (co-holder of the ELAN patent) the Portuguese SME Simbiente is participating to develop an advanced management system, combined with on-line monitoring of microbiological quality by the Austrian SME Vienna Water Systems ("VWS").
- **Life Infusion:** After finishing the Life Methamorphosis project at Ecoparc 2, the Metropolitan Area of Barcelona ("AMB") wanted to extend the operation of the pilots to prepare the designs of several new plants for the recovery of resources from municipal solid waste. Together with the EureCat technology centre and the operator of Ecoparc2, EBESA, the leachate digestion system will be optimised with technologies from Aqualia, AnMBR and ELAN, with the addition of an ammonium stripping system from the Belgian SME Detricon. Two waste management entities, Consortium for Solid Waste Management of Asturias ("*Consorcio para la Gestión de Residuos Sólidos de Asturias*") ("COGERSA") in Asturias and Multi-service and Urban Hygiene Company ("*Azienda Multiservizi e d'Igiene Urbana*") ("AMIU") in the region of Genoa, Italy are also participating to evaluate the options to implement the solutions in their plants.
- **Eclosion Missions Project:** The main goal of this project is to develop new materials, technologies, and processes for the generation, storage, and transport of renewable and indigenous gases such as hydrogen and

biomethanol. These energy vectors will be produced from urban waste, agricultural residues, wastewater, and sludge from treatment plants, accompanied by eco-efficient, flexible, and intelligent optimisation tools.

- **Zeppelin Missions:** The main goal of this project is to investigate a flexible set of technologies for the production and storage of green hydrogen based on the utilisation of waste and by-products. The aim is to produce this energy vector more efficiently by addressing technological challenges related to biogas and bioethanol reforming, dark fermentation, microbial electrolysis, gasification, and hydrogen storage. By developing new models for obtaining green hydrogen, complementary to electrolysis conducted with renewable energies, the project promotes decarbonisation under the principles of circular economy and digitalisation.
- **H2020 Nice:** The project, led by the technology centre Centro Tecnológico de Investigación Multisectorial (“**CETIM**”) with 14 partners from nine countries, focuses on natural solutions for the purification and recovery of resources from wastewater, such as wetlands or green belts. These options oriented to sustainable cities will be implemented in a dozen sites, including Aqualia’s facilities in Vigo, Talavera or Algeciras. The pilots integrate developments from SMEs and universities in Denmark, France, Italy and Sweden, and include actions with partners in Colombia and Egypt.
- **Life Phoenix:** The project, led by Aqualia, and supported by the technology centres CETIM and Centro de Investigación de la Energía Solar (“**CIESOL**”), optimises tertiary treatment to achieve the most ambitious objectives of the new European regulation on water reuse (EU 2020/741). To evaluate various effluents, from ADP in Portugal, the Almeria Provincial Council and the Guadalquivir Hydrographic Confederation, several mobile plants are being built, one for physical-chemical treatment of 50 m³/h, another for advanced filtration of 30 m³/h, to be combined with various ultra- and nano-filtration membrane refining skids. In addition, Newland’s European subsidiary Entech is participating with an ozone O₃ and ultraviolet UV disinfection module, and the Dutch SME MicroLan for on-line microbiological measurements.
- **H2020 Nice:** The project, led by the technology centre CETIM with 14 partners from nine countries, focuses on natural solutions for the purification and recovery of resources from wastewater, such as wetlands or green belts. These options oriented to sustainable cities will be implemented in a dozen sites, including Aqualia’s facilities in Vigo, Talavera or Algeciras. The pilots integrate developments from SMEs and universities in Denmark, France, Italy and Sweden, and include actions with partners in Colombia and Egypt.
- **LIFE Reseau:** The Reseau project seeks to increase the resilience of the existing hydraulic sanitation infrastructure to the impact of climate change. The project, led by Aqualia, involves the participation of Galician Technological Institute Foundation (“**ITG**”) and VandCenterSyd AS (“**VCS**”) in Odense (Denmark). In Moaña (Pontevedra), sensors will be installed in the sewerage network to measure velocities, flows, etc. and to monitor and model their behaviour.

In addition, a 500 m³ aerobic granular reactor will be built at the WWTP to treat up to 2,000 m³/d of wastewater. This advanced biofilm system allows multiplying several times the biological treatment capacity, compared to the conventional activated sludge technology, improving the reaction capacity of the WWTP to the flow variation, limiting the need of space for its implementation. It also significantly reduces the environmental impact of the treatment process by reducing energy needs and avoiding the emission of greenhouse gases.

- **UMI Aquatim:** The technological centre CETIM Aqualia, and its subsidiary Trainasa form this joint research unit (“**UMI**”). Its objective is to address current challenges through the study and implementation of new technologies throughout the entire water cycle. Innovation, the development of new circular economy models, and digitalisation are key factors for obtaining new sources of green energy, new natural resources, and their efficient use. Additionally, it includes the protection of ecosystems and biodiversity through nature-based solutions, the development of new technologies, and the introduction of improvement actions to ensure the quality of water bodies.

Projects in full development

- **HE D4Runoff:** The project is led by the public water company (“**VCS**”) in Odense, Denmark, and brings together 12 partners from five countries, including Aqualia and its subsidiary Hidrotec, the Galician Technological Institute, the University of Cantabria, and the Catalan SME Mitiga, which specializes in risk control software. The project develops tools to quantify, prevent, and manage diffuse pollution caused by urban runoff water.

The work program includes the development of new analytical methodologies with Aqualia's laboratories, online measurement of microcontaminant and bioplastic indicators, and the implementation of preventive strategies to reduce diffuse pollution using multicriteria analysis or artificial intelligence. Nature-based solutions will be validated in Odense (Denmark), Pontedera (Italy), and Santander, and their replicability will be assessed in Algeciras, Ostrava (Czech Republic), and Cairo (Egypt).

- **HE Cheers:** The project is coordinated by the brewing group Mahou – San Miguel and involves the participation of 10 partners from five European countries, including Aqualia and its subsidiary Hidrotec, the AINIA technology centre, and the University of Valladolid. The project's objective is to revalue underutilised or wasted by-products of the brewing industry, such as spent grains, wastewater, CO₂, and methane.
- **HE Ninfa:** The project develops systems for the monitoring and protection of groundwater, starting with the measurement, modelling, and treatment of various contaminants. The strategy for preventing pollution and managing groundwater is based on early detection systems, a better understanding of synergistic effects, and controlling risks of multiple disturbance factors. These elements are combined with predictive methodologies to enhance resilience and implement treatment and mitigation solutions.
- **He Resurgence:** The project addresses industrial circular water systems in a wide perspective which embraces efficient technologies for water circularity, energy and feedstock recovery, with the aim of contribute to EU climate neutrality, circularity, and competitiveness. Resurgence will focus on four case studies that include three industrial sectors – pulp and paper, chemical and steel – as well as a 4th case that explores the synergies between urban water treatment and industries. A comprehensive consortium of 20 partners from 11 countries covering the whole geographical scope of the EU, along with international cooperation with Turkey and Pakistan, will work together to achieve significant outcomes and produce long-term impact.
- **Life Salteau:** Aqualia coordinates this project in which five other partners from the Netherlands, Denmark, Spain, Austria, and Portugal participate. This project aims to create new and updated multipurpose infrastructures with revolutionary capabilities to gain the real value of alternative water resources (“**AWR**”), including wastewater, brackish and seawater. AWR contain critical materials and resources that are not being recovered, which open an auspicious approach to generate revenues and reduce the cost of water by activating circular economy “wastewater and brine mining” schemes.
- **Interreg Gesteaur:** The GestEAUr project addresses one of the main challenges of rural areas in the southwestern European (“**SUDOE**”) region: the sustainable management of the water cycle, in a context of climate change that exacerbates water scarcity and affects the economic viability of local communities. Intensive agricultural and livestock activities and the obsolescence of infrastructure complicate both compliance with European regulations and the availability of drinking water. This project will strengthen the water resilience of rural communities in the SUDOE region, improving their capacity to adapt to climate change and promoting collaborative governance that encourages the responsible and efficient use of water, essential for the future of these regions. The project is coordinated by the University of Salamanca, with the participation of eight other partners from Portugal, Spain, and France.
- **He Cirseau:** This consortium brings together 10 partners from six countries (Belgium, Deutschland, Spain, Greece, Netherlands and Norway) to provide multidisciplinary expertise and trans-nationality required to foster cross-promotion, communication alignment, and allow impactful outreach to public authorities, policy makers, and standardization bodies. The main objective of the CSA is to build a collaborative ecosystem that generates strong synergies among the circular water economy community formed across EU projects, and to expand the Cirseau cluster to enhance market uptake, collaboration and knowledge sharing.
- **United Circles:** with 46 partners across 14 countries plus one international body, three industrial-urban symbiosis value chains, this project aims to upcycle urban food waste, urban wastewater solids, and urban construction and demolition waste (“**C&DW**”), to close urban and industrial water loops to reduce freshwater use in drought prone regions and to integrate energy co-generation technology in upcycling pathways.
- **Interreg Idwater:** The project brings together public centers and universities from the Canary Islands and Africa, leading companies in the comprehensive water cycle management, and public bodies with R&D&I policies and the promotion of economic development in the water industry. The aim is to boost smart specialization and innovation in the water industry sector, with a special focus on desalination and its relationship with agriculture and energy, promoting the blue and green economy. This approach contributes to the generation of highly qualified employment, social well-being, and the strengthening of strategic sectors

such as agriculture and tourism. Macaronesia is presented as an ideal strategic environment for applied research in cooperation, thanks to its natural conditions, the experience of the local business fabric, and the available research infrastructure.

Research and Patents

In the year 2024, the ten families of patents and trademarks have been augmented with three new European patents, two validations through patent cooperation treaty in Mexico, and one in the United States.

In 2024 Aqualia was granted three new European patents: (i) Struvite Crystallisation EP3112320, (ii) Purasand High Recovery EP4344761 and (iii) an Aerated Vertical Wetland EP4375242. Additionally, Aqualia has obtained international PTC protection in the USA and Mexico for the ANPHORA® technology and in Mexico for the MDC technology.

Intellectual Property

Aqualia implements intellectual property protection policies and procedures. The measures taken by Aqualia 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 Aqualia 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, Aqualia'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.

Aqualia holds a total of 24 active patents, including two national Spanish patents, 13 European patents, and nine international protections. Among the international protections, four are registered in the United States, four in Mexico, and one in Colombia. Additionally, Aqualia has two utility models and 14 product trademarks. The latest patents awarded are "Washing device for filter media in continuous backwash sand filters and method of use" (EP4344761), "Vertical Flow constructed wetland and method of use" (EP4375242), and "Anaerobic photobioreactor for highly active biomass cultivation: wastewater treatment, nutrients recovery, energy production and value products synthesis" (EP3546562). Recently, two new patents have been filed for a "pressure reactor" and for the "production of ectoine."

Insurance

Under its risk management policy, Aqualia maintains insurance which provides cover against various risks, such as third party damage (environmental and civil liability, in general), construction defects, management's and employees' liability and risks to which its property, plant and equipment are subject. Aqualia's risk management policy may also include the assessment of tools for risk transfer that are alternative to insurance cover.

Customer Service

During the year 2024, Aqualia has continued to make progress in a strategic orientation towards the end customer, with special attention to the quality of the channels of interaction with its users, boosting technological investment. Aqualia aims to differentiate itself in the market by developing services adapted to the needs of its users.

The main management indicators at the end of December 2024 in Aqualia's customer service channels are as follows:

- Telephone customer service: The customer service centre received 2,295,121 calls during the period ended 31 December 2024. The tailored attention as well as the proactivity and speed in the telephone service under the presence solution (Evolutio), allows customers to be attended continuously and without interruptions through several channels of customer service, such as the telephone customer service centre, the virtual office, Aqualia's app, X (formally named "Twitter") and email. The telephone customer service centre offers customers the "Appointment Management" service, to avoid waiting in Aqualia's offices, improving not only the telephone service but also offering a faster, more efficient and pleasant in-person service with full health guarantees.

- Virtual office: As of 31 December 2024, 173,150 interactions related to the virtual office have been managed. Among them, 35 per cent. related to data modification, 27 per cent. to electronic in-voicing and 18 per cent. to payments via bank cards.
- Application for mobile devices: As of 31 December 2024, 110,756 interactions have been managed related to Aqualia's App (44 per cent. more than in the year 2020) with 65 per cent. of them being related to electronic payments via bank card and 17 per cent. consisting of data modification.
- Electronic invoicing: From December 2023 to December 2024, 199,286 customers have requested the activation of electronic invoicing. This has resulted in an increase of request related to electronic invoicing of 8 per cent. compared to the previous year.

The main objectives of Aqualia's customer service are: (i) provide a higher quality customer experience by allowing customers to perform any operation from any channel with consolidated processes for all channels; (ii) leverage resources and develop communication skills by channel and attend cross-platforms clients to provide a more responsive and capable service; and (iii) find resources and technologies which would allow a greater attention with more agile and effective management for Aqualia's customers. This includes the use of a professional WhatsApp, click to call from Aqualia's web, payment platforms such as Bizum, electronic invoice management via mail, customer management web platform for communications via SMS, mail, invoice payment link, etc. and electronic signature of documents.

Employees

As of 31 December 2024, Aqualia was an employer of 14,040 people.

Management

Board of Directors of the Issuer

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

Name	Position
Mr. Alejandro Aboumrad González	Chairman
Mr. Nicolás Villén Jiménez	Vice-Chairman
Mr. Lars Bespolka	Board Member
Mr. Pablo Colio Abril	Board Member
Mr. Jaime Siles	Board Member
Mr. Gerardo Kuri Kaufmann	Board Member
Mr. Juan Rodríguez Torres	Board Member

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.

During 2024, there were nine meetings of the Board of Directors.

Management Structure of the Issuer

The Management Team has the following composition:

Name	Position
Mr. Santiago Lafuente Pérez-Lucas	CEO
Mr. Isidoro Marbán Fernández	CFO
Mr. Noemí Pastor Lazcano	CCO
Mr. Lucas Díaz Gázquez	Spain Area Director
Mr. Matías Loarces Úbeda	Zone I Director (Spain)
Mr. Juan Luis Castillo Castilla	Zone II Director (Spain)

Name	Position
Mr. Higinio Martínez Marín	Zone III Director (Spain)
Mr. José Enrique Bofill Maestre	Africa and Asia Area Director
Mr. José Miguel Janices Carpintero	Europe and America Area Director
Mr. Alberto Andérez Ibáñez	Procurement Department Director
Ms. Elena Barroso Beltrán	Legal Department Director
Mr. Juan Pablo Merino Guerra	Communication, Branding and Public Affairs Department Director
Mr. Juan Carlos Rey	Engineering and Water Technology Department Director
Mr. Miguel Perea Fernández	Customers Management & IT Department Director
Ms. María del Carmen Rodríguez Gómez	People and Culture Department Director
Mr. Pedro Luis Rodríguez Medina	Development Strategy and Sustainability Department Director
Ms. Rocío Santiago Barraón	Tenders and Operations Department Director

The business address of the members of the Management Team of the Issuer is Avenida del 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 listed above and their duties to the Issuer.

DESCRIPTION OF THE REGULATORY REGIME

Introduction

The Issuer is a limited liability company (*sociedad anónima*) subject to Spanish law, and therefore governed by Royal Legislative Decree 1/2010, of 2 July, approving the consolidated text of the Spanish Companies Act (*Ley de Sociedades de Capital*) (“**Spanish Companies Act**”) and its related regulations.

Other laws of general application which apply to Aqualia as a Spanish company are the Spanish data protection law (*Ley orgánica 3/2018, de 5 de diciembre, de Protección de Datos Personales y garantía de los derechos digitales*) and the General Data Protection Regulation (*Reglamento (UE) 2016/679 del Parlamento Europeo y del Consejo de 27 de abril de 2016 relativo a la protección de las personas físicas en lo que respecta al tratamiento de datos personales y a la libre circulación de estos datos y por el que se deroga la Directiva 95/46/CE*), the Spanish occupational risk prevention law (*Ley 31/1995, de 8 de noviembre, de Prevención de Riesgos Laborales*), and applicable tax and labour laws.

Aqualia is affected by the specific legal provisions of the industry in which it operates, in Spain and internationally. The principal Spanish regulations are summarized below.

Water regulatory framework

The water sector in Spain is subject to strict laws and regulations given the existing public interests in such activities. Access to water and sanitation are recognized by the United Nations as human rights, reflecting the fundamental nature of these basics in every person’s life. At European level, Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy, as amended, considers water as a heritage which must be protected, defended and treated as such and, amongst others, it determines the principles of sustainable, balanced and equitable water use as a priority. Moreover, it indicates that the supply of water is a service of general interest.

At national level, given that the integral water cycle services are considered essential for citizens in Spain, the water sector is also subject to a comprehensive national regulatory framework. The most important regulation at national level is the consolidated text of the Water Act, approved by Royal Legislative Decree 1/2001, of 20 July (*Texto refundido de la Ley de Aguas, aprobado por el Real Decreto Legislativo 1/2001, de 20 de julio*) and its implementing regulations, including Royal Decree 849/1986, of 11 April, approving the Regulation of the Hydraulic Public Domain, which develops the preliminary titles I, IV, V, VI and VII of Law 29/1985, of 2 August, on Water (*Real Decreto 849/1986, de 11 de abril, por el que se aprueba el Reglamento del Dominio Público Hidráulico, que desarrolla los títulos preliminar I, IV, V, VI y VII de la Ley 29/1985, de 2 de agosto, de Aguas*). Furthermore, other national regulations applicable to the Issuer’s activities are Royal Decree-law 11/1995, of 28 December, establishing the applicable rules for the treatment of urban sewage (*Real Decreto-ley 11/1995, de 28 de diciembre, por el que se establecen las normas aplicables al tratamiento de las aguas residuales urbanas*), Royal Decree 509/1996, of 15 March, developing Royal Decree-law 11/1995, of 28 December (*Real Decreto 509/1996, de 15 de marzo, de desarrollo del Real Decreto-ley 11/1995, de 28 de diciembre*), Royal Decree 3/2023, of 10 January, establishing the technical sanitary standards for the quality of consumption water, its control and supply (*Real Decreto 3/2023, de 10 de enero, por el que se establecen los criterios técnico-sanitarios de la calidad del agua de consumo, su control y suministro*) and the recent Royal Decree 1085/2024, of 22 October, approving the Regulation on the reutilization of water and modifying several royal decrees regulating water management (*Real Decreto 1085/2024, de 22 de octubre, por el que se aprueba el Reglamento de reutilización del agua y se modifican diversos reales decretos que regulan la gestión del agua*). Spain is divided into 17 autonomous regions the (“**Autonomous Regions**”). Therefore, the legislation on water cycle services approved at this level also needs to be considered by Aqualia. Finally, because the supply of water is considered a local public service, regulations of the municipalities where Aqualia operates are also relevant to carry out its activity.

Public procurement regulatory framework

In Spain, the activities related to the water sector are usually accessed through tenders called by national, regional and local authorities, depending on the territorial scope of the activity.

Therefore, the European Union directives and national legislation on concessions and public procurement are also applicable to the water sector activities.

At European level, the current regulation on public procurement is imposed by the following European Union directives of the European Parliament and of the Council all dated 26 February 2014: Directive 2014/24/EU on public procurement and repealing Directive 2004/18/EC; Directive 2014/23/EU on the award of concession contracts; and Directive 2014/25/EU on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (“**European Directives on Procurement and**

Concessions”). The European Directives on Procurement and Concessions have been transposed into Spanish law.

At national level, the current legal rules applicable to public procurement are included in the Public Procurement Law and Royal Decree 1098/2001, of 12 October, approving the general regulations on public procurement (*Real Decreto 1098/2001, de 12 de octubre, por el que se aprueba el Reglamento General de la Ley de Contratos de las Administraciones Públicas*), implementing and developing the Public Procurement Law. However, in this industry, since contracts are entered into for long periods of time, in some cases depending on when public contracts were awarded, provisions pre-dating the current regulations are still applicable, such as the now-repealed Royal Legislative Decree 3/2011, of 13 November, approving the consolidated text of law on public contracts (*Real Decreto Legislativo 3/2011, de 14 de noviembre, por el que se aprueba el texto refundido de la Ley de Contratos del Sector Público*), Law 30/2007, of 30 October, on Public Sector Contracts (*Ley 30/2007, de 30 de octubre, de Contratos del Sector Público*), Royal Legislative Decree 2/2000, of 16 June, approving the consolidated text of the law on Contracts with Public Administrations (*Real Decreto Legislativo 2/2000, de 16 de junio, por el que se aprueba el texto refundido de la Ley de Contratos de las Administraciones Públicas*), Law 13/1995, of 18 May, on Contracts with Public Administrations (*Ley 13/1995, de 18 de mayo, de Contratos de las Administraciones Públicas*), and Decree 923/1965, of 8 April, approving the articulated text of the Basic Law on State Contracts (*Decreto 923/1965, de 8 de abril, por el que se aprueba el texto articulado de la Ley de Bases de Contratos del Estado*). Legislation on public procurement matters approved by the Autonomous Regions would also be applicable.

In addition, Royal Decree-Law 3/2020 of 4 February on urgent measures transposing into Spanish law various European Union directives in the field of public procurement in certain sectors; private insurance; pension plans and funds; taxation and tax litigation (*Real Decreto-ley 3/2020, de 4 de febrero, de medidas urgentes por el que se incorporan al ordenamiento jurídico español diversas directivas de la Unión Europea en el ámbito de la contratación pública en determinados sectores; de seguros privados; de planes y fondos de pensiones; del ámbito tributario y de litigios fiscales*), which has transposed Directive 2014/25/EU, applies for contracting in those sectors whenever certain contracting entities of the public sector are not considered “public authorities” as envisaged in the Public Procurement Law, and only if their value is above certain thresholds set forth in this legislation.

Additionally, given that local authorities in Spain hold tenders for concessions for the management of water supply and treatment, legislation on local matters is also essential. Thus, at this level, state Law 7/1985, of April, regulating the rules for local governments (*Ley 7/1985, de 2 de abril, de Bases de Régimen Local*) and legislation on local matters approved by the Autonomous Regions have to be taken into account. Finally, municipal regulations on tariff matters and own services are essential to guarantee the payment of contractors and to manage their day-to-day affairs.

It is worth noting that, as a result of Spanish De-Indexing Law and as a general rule, prices in public contracts will no longer be updated in line with general indexes, such as the Consumer Price Index, but using instead a specific sector formula that could be approved by the Council of Ministers or, if such formula is not finally approved by the Council of Ministers, a different formula to update the contract price would normally be approved by the relevant contracting authority. In the event the contracting authority decides to include such a formula, it would be established in the particular public terms for tender of the relevant contract in accordance with the criteria set out in Spanish De-Indexing Law and RD 55/2017.

In any event, prices of concessions contracts in the water sector can also be updated by the contracting authority without following a formula; provided that the requirements for such update are met and duly justified in accordance with applicable regulations and in order to maintain the economic balance in the contract.

Aqualia’s regulated activities are subject to the above-described public procurement regulations, as they are implemented through (i) contracts for the indirect management of public services (water management concessions) and (ii) public works concession contracts (BOT Concessions), which are different types of legal relationships foreseen under the applicable legislation on public procurement.

Tender rules and other related documentation approved by the relevant contracting authority are also relevant for the purposes of analysing the legal regime applicable to each of Aqualia’s awarded contracts. The tender rules regulate the tender procedure and establish special rules on the rights and obligations of the parties (for example, CAPEX obligations, penalties, early termination causes and effects, transfer restrictions, etc.). Remuneration in these types of contracts may have the following schemes: (i) collection of tariffs paid by the users of the service; (ii) a percentage of tariffs collected by the holder of the rights on behalf of the contracting authority; (iii) or a combination of a fixed price plus a variable price in the form of (i) or (ii).

These contracts may be unilaterally amended by the contracting authority after following the relevant procedure. However, they can only be amended for public interest reasons and due to either the causes set forth in the particular public terms for tender or, exceptionally, under certain circumstances that have not been foreseen in such tender terms due to (i) the need to add new works, supplies or additional services to those initially contracted (provided that certain conditions are met); (ii) new requirements or unexpected causes; or (iii) when the amendments are considered as non-substantial, and in all cases by establishing a compensation mechanism in favour of the contractor in those cases where the amendment would imply a material breach of the economy of the relevant contract and it would need to be rebalanced (occasionally, the compensation mechanism could benefit the contracting authority and not the contractor). Additionally, these contracts may also be terminated early for the causes established in the applicable public procurement legislation and in the relevant contract. Depending on the cause of termination, and the specific circumstances of the relevant contract, the contractor may be entitled to a compensation.

One of the causes of early termination of a contract of the public sector is the so-called recovery (*rescate*), which is the unilateral termination of the contract by the contracting authority, based on public interest reasons, regardless of the correct management of the asset, but in any case, the contracting authority is required to provide sufficient grounds based on public interest justifying that direct public management (also referred as *remunicipalización*) is more efficient and effective. In the event of a recovery, the contracting authority would be obliged to compensate the contractor for the non-amortised value of the executed works and for damages in the terms of the applicable public procurement legislation, the tender rules that governed the awarding of the contract and the contract document.

In relation to the terms of payment with third parties, the legal rules applicable to the commercial relationships are implemented by Law 3/2004, of 29 December, which regulates measures against default in commercial transactions (*Ley 3/2004, de 29 de diciembre, por la que se establecen medidas de lucha contra la morosidad en las operaciones comerciales*), as amended. This law amended the Public Procurement Law in order to incorporate its provisions on the same.

Environmental regulatory framework

Aqualia's activities in relation with water quality control, sanitation and wastewater treatment involve an environmental impact that is subject to national regulations on environmental matters. In particular, amongst others, Royal Decree-Law 11/1995, of 28 December, establishing the rules for the treatment of urban wastewater (*Real Decreto-ley 11/1995, de 28 de diciembre, por el que se establecen las normas de tratamiento de aguas residuales urbanas*), Royal Decree 509/1996 of 15 March implementing Royal Decree-Law 11/1995 of 28 December 1995 laying down the rules applicable to the treatment of urban waste water (*Real Decreto 509/1996, de 15 de marzo, de desarrollo del Real Decreto-ley 11/1995, de 28 de diciembre, por el que se establecen las normas aplicables al tratamiento de las aguas residuales urbanas*), Law 7/2022, of 8 April, on waste and soil contamination for a circular economy (*Ley 7/2022, de 8 de abril, de residuos y suelos contaminados para una economía circular*), Law 26/2007, of 23 October, on environmental responsibility (*Ley 26/2007, de 23 de Octubre, de Responsabilidad Medioambiental*), and Law 21/2013, of 9 December, on environmental assessment (*Ley 21/2013, de 9 de diciembre, de Evaluación Ambiental*) and its implementing regulations. Likewise, the public sector contracts held by the Issuer and its subsidiaries are subject to the relevant environmental laws and regulations applicable in each of the Autonomous Regions where the relevant contracting authority is located.

DESCRIPTION OF OTHER MATERIAL CONTRACTS

Description of Aqualia's Bilateral Green Loans

Between March 2025 and 6 May 2025, Aqualia has signed five bilateral green loans agreements with several financial entities, for an aggregate principal amount of EUR 750,000,000 (the **"Bilateral Green Loans"**). The purpose of the loans granted under the Bilateral Green Loans is to partially prepay the Syndicated Green Financing Agreement, finance or refinance Eligible Green Projects and use for general corporate purposes.

Description of Aqualia's Secured Issue

The Issuer completed the Secured Issue of EUR 650,000,000 2.629 per cent. Senior Secured Notes due 8 June 2027 (the **"2027 Notes"**) on 8 June 2017. The 2027 Notes are secured and the Security granted includes certain assets of Aqualia.

The 2027 Notes are listed on the non-regulated Global Exchange Market (GEM) of Euronext Dublin and contain certain covenants in favour of the bondholders including certain limitations on indebtedness, and limitations on distributions and limitations on financings. For further information on the 2027 Notes see *"Risk Relating to the Market Generally – The Issuer has currently outstanding secured notes which upon insolvency of the Issuer will rank senior to the Notes in respect of the secured assets"*.

Description of the EUR 1,100,000 Syndicated Green Financing Agreement

On 22 June 2022, Aqualia signed a long-term syndicated financing agreement (the **"Syndicated Green Financing Agreement"**) with a group of banks, of which Caixabank, S.A. acts as agent bank, sustainability agent and mandated lead arranger and sole bookrunner. The purpose of the loan is to finance or refinance eligible projects, which are all those investment projects that meet the eligibility criteria established in the Issuer's Green Finance Framework.

The principal commercial features of the Syndicated Green Financing Agreement are as follows:

- Principal amount outstanding as of the date of this Offering Circular: EUR 1,100,000
- Maturity date: 22 June 2026
- Interest rate: Euribor6m + 0.97 per cent. on the amount drawn down (which accrues in 6-month periods)

Description of the FCC Upstream Loan

A portion of the net proceeds of the 2027 Notes was used by Aqualia to grant (a) to FCC (i) an unsecured subordinated loan for a principal amount of up to EUR 425,667,763.17 with a term of twelve years (the **"Twelve-Year Subordinated Loan"**) and (ii) an unsecured subordinated loan for a principal amount of EUR 90,173,960.32 with a term of 20 years (the **"Twenty-Year Subordinated Loan"**) and (b) to Afiges a subordinated loan for a principal amount of up to EUR 470,000,000 with a term of 20 years (subject to extension under certain circumstances) (the **"Afiges Subordinated Loan"**).

On 28 September 2018, FCC prepaid in full the Twenty-Year Subordinated Loan and novated the Twelve-Year Subordinated Loan and the Afiges Subordinated Loan by means of a non-extinctive novation and modification agreement (*contrato de novación modificativa no extintiva*) in order to (i) reinstate (*refundir*) both loans into a single common loan (the **"FCC Upstream Loan"**) for the aggregate outstanding amount of both loans under which FCC would act as borrower. The FCC Upstream Loan was further amended on 28 September 2023 to delete certain sections that were no longer applicable (the **"Updated FCC Upstream Loan"**). The principal commercial features of the Updated FCC Upstream Loan are as follows:

- Principal amount outstanding as of the date of this Offering Circular: EUR 806,479,011.74
- Maturity date: 28 September 2048
- Interest rate: 3.55 per cent. (which accrues in 12-month periods from 30 November each year)

TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of the Kingdom of Spain of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Offering Circular and is subject to any change in law that may take effect after such date.

Also investors should note that the appointment by an investor in Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.

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 currently applicable in the Kingdom of Spain and is subject to any changes in law and the interpretation and application thereof, which could be made with retroactive effect.

The information provided below is not intended to be, nor should it be construed to be, legal or tax advice, and does not address all the tax consequences applicable to all categories of investors, some of which (such as look through entities or holders of the Notes by reason of employment) may be subject to special rules. This taxation summary solely addresses the principal Spanish tax consequences of the acquisition, ownership and disposal of Notes issued by the Issuer after the date hereof. It does not consider every aspect of taxation that may be relevant to a particular holder of Notes under special circumstances or who is subject to special treatment under applicable law or to the special tax regimes applicable in the Basque Country and Navarre (Territorios Forales). Such tax regimes are not covered by this Spanish tax section.

Introduction

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

If:

- (a) of general application, Additional Provision One of Law 10/2014, of 26 June on the management, supervision and solvency of credit institutions (“**Law 10/2014**”), as well as Royal Decree 1065/2007 (“**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, as amended by Royal Decree 1145/2011 of 29 July;
- (b) for individuals with tax residency in Spain who are subject to personal income tax (“**Personal Income Tax**”), Law 35/2006, of 28 November on Personal Income Tax and on the partial amendment of the Corporate Income Tax Law, Non Resident Income Tax Law and Wealth Tax Law as amended by Law 26/2014 of 27 November and Royal Decree Law 9/2015 of 10 July (the “**Personal Income Tax Law**”), and Royal Decree 439/2007, of 30 March promulgating the Personal Income Tax Regulations as amended by Royal Decree 633/2015, of 10 July (“**Personal Income Tax Regulations**”), along with Law 19/1991, of 6 June on Wealth Tax (the “**Wealth Tax Law**”), Law 29/1987, of 18 December on Inheritance and Gift Tax (the “**Inheritance and Gift Tax Law**”), 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; all as amended from time to time (“**Law 38/2022**”);
- (c) for legal entities resident for tax purposes in Spain which are subject to corporate income tax (“**Corporate Income Tax**”), Law 27/2014 Corporate Income Tax Law (the “**CIT Law**”), 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 subject to non-resident income tax (“**Non-Resident Income Tax**”), Royal Legislative Decree 5/2004, of 5 March promulgating the Consolidated Text of the Non-Resident Income Tax Law as amended by Law 26/2014 of 27 November (the “**Non-Resident Income Tax Law**”) and Royal Decree 1776/2004, of 30 July promulgating the Non-Resident Income Tax Regulations, as amended by Royal Decree 633/2015 of 10 July (the “**Non-Resident Income Tax Regulations**”), along with the Wealth Tax Law, the Inheritance and Gift Tax Law and Law 38/2022.

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, i.e., exempt from Transfer Tax, and Stamp Duty and Value Added Tax, in accordance with article 338 of Law 6/2023, of 17 March, on Securities Markets and Investment Services.

1. **Individuals with Tax Residency in Spain**

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

Individuals with tax residency in Spain are subject to Personal Income Tax on a worldwide basis. Accordingly, income obtained from the Notes will be taxed in Spain when obtained by persons 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 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 must be included in each investor’s taxable savings and taxed at the tax rate applicable from time to time, currently (i) 19 per cent. for taxable income up to EUR 6,000, (ii) 21 per cent. for taxable income between EUR 6,000.01 and EUR 50,000, (iii) 23 per cent. for taxable income between EUR 50,000.01 and EUR 200,000, (iv) 27 per cent. for taxable income between EUR 200,000.01 and EUR 300,000 and (v) 30 per cent. for taxable income exceeding EUR 300,000.01. As a general rule, both types of income are subject to a withholding tax on account at the current rate of 19 per cent.

According to Section 44.5 of Royal Decree 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 information about the Notes set out in Annex I is submitted by the Fiscal Agent in a timely manner.

Notwithstanding the above, withholding tax at the current 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 addition, income obtained upon transfer, redemption or repayment of the Notes may also be paid without withholding.

In any event, individual holders may credit the withholding against their Personal Income Tax liability for the relevant fiscal year and may be refundable pursuant to Section 103 of the Personal Income Tax Law.

Reporting obligations

The Issuer will comply with the reporting obligations set out in the Spanish tax laws with respect to holders of the Notes who are individuals resident in Spain for tax purposes.

1.2 ***Wealth Tax (Impuesto sobre el Patrimonio) and Temporary Solidarity Tax on Large Wealth and Wealthy Individuals (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 EUR 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. The final tax rates may vary depending on the regulation of each autonomous region, who may have approved higher rates, and some reductions may apply.

Notwithstanding the above, the Spanish government approved in December 2022 the so-called “solidarity tax”. This new tax, approved by Law 38/2022 of 27 December 2022 for the establishment of temporary energy levies, temporary levy on financial and credit institutions, the temporary solidarity tax on large and wealthy individuals (the “Temporary Solidarity Tax”), as well as for amending certain other tax provisions (Law 38/2022), was set up on a temporary basis, exclusively for the tax periods 2022 and 2023. Nevertheless, based on Royal Decree-Law 8/2023, of 27 December 2023, the temporary application of the Temporary Solidarity Tax has been extended until the revision of wealth tax in Spanish autonomous regions, which would take place in the context of the reform of Spain’s regional financial system.

It is qualified as a direct tax, of a personal nature and supplementary to Wealth Tax, which is levied on the net wealth of individuals exceeding EUR 3 million. Nonetheless, the regulation lays down a minimum exempt amount of EUR 700,000.00, which means that its effective impact, in general, will occur when their net wealth, not tax exempt, are greater than EUR 3.7 million. Royal Decree-Law 8/2023, of 27 December 2023, extended this EUR 700,000.00 exemption to non-resident individuals.

Individuals who have net assets of over EUR 3.7 million at the date of accrual of this tax shall be considered as taxpayers, and the taxable base is the value of the taxpayer’s net assets, which will be determined by the difference between the value of the assets and rights held by the taxpayer and the charges and encumbrances of a real nature, where they diminish the value of the respective assets or rights, and the personal debts or obligations for which the taxpayer is liable.

The applicable tax rates are:

Net taxable base	Tax rate
Up to EUR 3,000,000	0 %
Between EUR 3,000,000 and 5,347,998.03	1,7 %
Between EUR 5,347,998.03 and 10,695,996.06	2,1 %
Onwards	3,5 %

The amount payable for this tax could be currently reduced by the amount paid for Wealth Tax. In addition, note that Law 38/2022 also incorporates a maximum taxation limit on the full amount of this Temporary Solidarity Tax on very similar terms to those envisaged in the Wealth Tax. To this end, it is stipulated that the full amount of this tax, together with the tax quotas of Personal Income Tax and Wealth Tax, may not exceed 60 per cent. of the sum of the taxable bases of Personal Income Tax (although, as a result of this limit, the tax quota due under the Temporary Solidarity Tax cannot be reduced below 20 per cent. of the tax quota that would be payable if such limit had not applied). As in the case of Wealth Tax, this limit only benefits individuals subject to personal liability, so that non-residents and impatriots will not apply any ceiling linked to the income they obtain during the fiscal year (although this matter is being discussed before the Spanish courts, and e.g. the Court of the Balearic Islands has issued a ruling, dated 1 February 2023, stating that this limit should also apply to non-residents).

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 of the date of the Offering Circular, the applicable rates range between 7.65 per cent. and 34 per cent. Depending on the relevant factors, the effective tax rate might range between 0 per cent. and 81.6 per cent. However, the final tax rate may vary depending on the regulation of each autonomous region and some tax benefits may 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 CIT on a worldwide basis.

Both interest periodically received and 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 must 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.

The current general tax rate according to Corporate Income Tax Law is 25 per cent.

In accordance with Section 44.5 of Royal Decree 1065/2007, of 27 July, there is no obligation to withhold on income 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 information about the Notes set out in Annex I is submitted by the Fiscal Agent in a timely manner.

However, in the case of Notes held by Spanish resident entity and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest under the Notes and income derived from the transfer, redemption or repayment of the Notes may be subject to withholding tax at the current rate of 19 per cent., withholding that will be made by the depositary or custodian, if the Notes do not comply with the exemption requirements specified in the ruling issued by the Spanish Tax Authorities (Dirección General de Tributos) dated 27 July 2004 (that is, placement of the Notes outside of Spain in another OECD country and admission to listing of the Securities on an organized market in an OECD country other than Spain) and require a withholding to be made.

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 out in the Spanish tax laws with respect to holders of the Notes who are legal persons or entities resident in Spain for tax purposes.

2.2 ***Wealth Tax (Impuesto sobre el Patrimonio) and Temporary Solidarity Tax on Large Wealth and Wealthy Individuals (Impuesto temporal de Solidaridad de las Grandes Fortunas)***

Spanish resident legal entities are not subject to Wealth Tax and are not subject to the Temporary Solidarity Tax.

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

Legal entities with tax residency 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. See “*Taxation in the Kingdom of Spain – Legal entities with Tax Residency in Spain – Corporate Income Tax (Impuesto sobre Sociedades)*”.

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

Both interest periodically received and 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 and also from withholding tax on account of Non-Resident Income Tax. In order for such exemption to apply it is necessary to comply with the information procedures, in the manner detailed under “-Information about the Notes in Connection with Payments-” as set out in article 44 of Royal Decree 1065/2007.

Reporting obligations

The Issuer will comply with the reporting obligations set out in the Spanish tax laws with respect to holders of the Notes who are individuals or legal entities not resident in Spain for tax purposes who act with respect to the Notes through a permanent establishment in Spain.

3.2 ***Wealth Tax (Impuesto sobre el Patrimonio) and Temporary Solidarity Tax on Large Wealth and Wealthy Individuals (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 EUR 700,000 would be subject to Wealth Tax, the applicable rates ranging between 0.2 per cent. and 3.5 per cent although some reductions may apply.

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

If the exemptions outlined do not apply, individuals that are not resident in Spain for tax purposes may apply the rules approved by the autonomous region where the assets and rights with more value (i) are located, (ii) can be exercised or (iii) must be fulfilled. As such, prospective investors should consult their tax advisers.

Notwithstanding the above, the Spanish government approved in December 2022 the so-called “solidarity tax”. This new tax, approved by Law 38/2022 of 27 December 2022 for the establishment of temporary energy levies, temporary levy on financial and credit institutions, the temporary solidarity tax on large and wealthy individuals (the “Temporary Solidarity Tax”), as well as for amending certain other tax provisions (Law 38/2022), was set up on a temporary basis, exclusively for the tax periods 2022 and 2023. Nevertheless, based on Royal Decree-Law 8/2023, of 27 December 2023, the temporary application of the Temporary Solidarity Tax has been extended until the revision of wealth tax in Spanish autonomous regions, which would take place in the context of the reform of Spain’s regional financial system.

It is qualified as a direct tax, of a personal nature and supplementary to Wealth Tax, which is levied on the net wealth of individuals exceeding EUR 3 million. Nonetheless, the regulation lays down a minimum exempt amount of EUR 700,000.00, which means that its effective impact, in general, will occur when their net wealth, not tax exempt, are greater than EUR 3.7 million. Royal Decree-Law 8/2023, of 27 December 2023, extended this EUR 700,000.00 exemption to non-resident individuals.

Individuals who have net assets of over EUR 3.7 million at the date of accrual of this tax shall be considered as taxpayers, and the taxable base is the value of the taxpayer’s net assets, which will be determined by the difference between the value of the assets and rights held by the taxpayer and the charges and encumbrances of a real nature, where they diminish the value of the respective assets or rights, and the personal debts or obligations for which the taxpayer is liable.

The applicable tax rates are:

Net taxable base	Tax rate
Up to EUR 3,000,000	0 %
Between EUR 3,000,000 and 5,347,998.03	1,7 %

Between EUR 5,347,998.03 and 10,695,996.06	2,1 %
Onwards	3,5 %

The amount payable for this tax could be currently reduced by the amount paid for Wealth Tax. In addition, note that Law 38/2022 also incorporates a maximum taxation limit on the full amount of this Temporary Solidarity Tax on very similar terms to those envisaged in the Wealth Tax. To this end, it is stipulated that the full amount of this tax, together with the tax quotas of Personal Income Tax and Wealth Tax, may not exceed 60 per cent. of the sum of the taxable bases of Personal Income Tax (although, as a result of this limit, the tax quota due under the Temporary Solidarity Tax cannot be reduced below 20 per cent. of the tax quota that would be payable if such limit had not applied). As in the case of Wealth Tax, this limit only benefits individuals subject to personal liability, so that non-residents and inpatriates will not apply any ceiling linked to the income they obtain during the fiscal year (although this matter is being discussed before the Spanish courts, and e.g. the Court of the Balearic Islands has issued a ruling, dated 1 February 2023, stating that this limit should also apply to non-residents).

Non-Spanish resident legal entities are not subject to Wealth Tax and are not subject to the Temporary Solidarity Tax.

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

Individuals who do not have tax residency 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 Spanish legislation applicable in the relevant autonomous region.

However, if the deceased, heir or the donee, as the case may be, is resident outside Spain, the applicable rules will be those corresponding to the relevant autonomous regions as per the rules set out in the law. As such, prospective holders of the Notes 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. **Obligation to inform the Spanish Tax Authorities of the Ownership of the Securities**

With effect as from 1 January 2013, Law 7/2012, of 29 October, as implemented by Royal Decree 1558/2012, of 15 November, introduced annual reporting obligations applicable to Spanish residents (i.e. individuals, legal entities, permanent establishments in Spain of non-resident entities) in relation to certain foreign assets or rights.

Consequently, if the Notes are deposited with or placed in the custody of a non-Spanish entity, Holders who are resident in Spain will be obliged, if certain thresholds are met as described below, to declare before the Spanish Tax Authorities, between 1 January and 31 March, the ownership of the Notes held on 31 December of the immediately preceding year (e.g. to declare between 1 January 2025 and 31 March 2025 the Securities held on 31 December 2024).

This obligation would only need to be complied with if certain thresholds are met: specifically, if the only rights/assets held abroad are the Notes, this obligation would only apply if the value of the Notes together with other qualifying assets held on 31 December exceeds EUR 50,000 (with the corresponding valuation to be made in accordance with Wealth Tax rules). If this threshold is met, a declaration would only be required in subsequent years if the value of the Notes together with other qualifying assets increases by more than EUR 20,000 as against the declaration made previously. Similarly, cancellation or extinguishment of the ownership of the Notes before 31 December should be declared if such ownership was reported in previous declarations.

5. Information about the Notes in Connection with Payments

In accordance with Section 44 of Royal Decree 1065/2007, and provided that the Notes issued by the Issuer are initially registered for clearance and settlement in Euroclear and Clearstream, Luxembourg, the Fiscal Agent designated by the Issuer would be obliged to provide the Issuer with a declaration (the form of which is attached as Annex I), which should include the following information:

- (a) identification of the Notes (as applicable) in respect of which the relevant payment is made;
- (b) date on which relevant payment is made;
- (c) the total amount of the relevant payment; and
- (d) the amount of the relevant payment and to each entity that manages a clearing and settlement system for securities situated outside Spain.

According to Section 44.6 of Royal Decree 1065/2007, the relevant declaration will have to be provided to the Issuer on the business day immediately preceding each date on which any payment of interest, principal or any amounts in respect of the early redemption of the Notes is due.

In light of the above, the Issuer and the Fiscal Agent have arranged certain procedures to facilitate the collection of information concerning the Notes. If, despite these procedures, the relevant information is not received by the Issuer by the close of business on the Business Day immediately preceding the date on which any payment of interest, principal or any amounts in respect of the early redemption of the Notes is due, the Issuer may be required to withhold at the applicable rate (as at the date of this Offering Circular, 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 Noteholders of such amount as would have been received by them had no such withholding been required.

For the purposes of this paragraph 5, “Business Day” means a day which is a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in the Kingdom of Spain.

6. 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.

Set out below is Annex I. 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 I and the corresponding English translation, the Spanish tax authorities will give effect to the Spanish language version of the relevant certificate only.

The language of the Offering Circular 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 this Offering Circular.

ANNEX 1

Whilst the direct translation into English of this certificate is accurate, it is for information purposes only and, in case of discrepancy with the Spanish language version, such Spanish version will prevail.

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 gestiona 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.

The proposed financial transactions tax (the “FTT”)

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common 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 a very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission’s Proposal the 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.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

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

The Spanish financial transactions tax (the “Spanish FTT”)

On 16 January 2021, Law 15/2020, of 15 October, on the Spanish financial transactions tax (the “**FTT Law**”) entered into force.

Spanish FTT will charge a 0.2 per cent. on specific 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 EUR 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 EUR 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 2025, the Spanish tax authorities issued a list of entities whose market capitalisation exceeded EUR 1 billion as of 1 December 2024, that will fall within the scope of the FTT.

Notwithstanding the above, the Notes will not be subject to this new tax in accordance with the FTT Law.

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

SUBSCRIPTION AND SALE

Banco Bilbao Vizcaya Argentaria, S.A., CaixaBank, S.A., and Société Générale (the “**Global Coordinators**”), CaixaBank, S.A., ING Bank N.V. and Société Générale (the “**Green Structuring Agents**”), Banco Bilbao Vizcaya Argentaria, S.A. and Crédit Agricole Corporate and Investment Bank, HSBC Continental Europe, Intesa Sanpaolo S.p.A., ING Bank N.V., and Banco Santander, S.A. (together with the Global Coordinators, the “**Joint Bookrunners**”) and Banco de Sabadell, S.A., J.P. Morgan S.E, Kutxabank Investment S.V., S.A.U. and Unicaja Banco, S.A. (the “**Co-Lead Managers**” and, together with the Joint Bookrunners, the “**Managers**”) have, in a subscription agreement dated 5 June 2025 (the “**Subscription Agreement**”) and made between the Issuer and the Managers upon the terms and subject to the conditions contained therein, jointly and severally agreed to subscribe for the Notes at their issue price of 99.372 per cent. of their principal amount. The Issuer has agreed to pay the Managers a management and underwriting commission. The Issuer has also agreed to reimburse the Managers for certain of their expenses incurred in connection with the management of the issue of the Notes. The Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

Selling restrictions

Prohibition of Sales to EEA Retail Investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purpose of this provision the expression “retail investor” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Prohibition of Sales to UK Retail Investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision, the expression “retail investor” means a person who is one (or both) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

Other Regulatory Restrictions

Each Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

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 except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and regulations thereunder.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph shall have the same meanings given to them in Regulation S.

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

Kingdom of Spain

This Offering Circular has not been registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and therefore it is not intended for any offer of the Notes in Spain which require the registration of a prospectus. The Notes may not be offered, sold, resold or distributed 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. Offers of the Notes in Spain shall only be directed specifically at, or made to, professional clients and eligible counterparties, as defined in Articles 194 and 196, respectively, of the Spanish Securities Markets Law.

Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this offering circular or of any other document relating to any Notes be distributed in Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Manager has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes or distribute any copy of this offering circular or any other document relating to the Notes in Italy except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2, paragraph 1, letter e), of the Prospectus Regulation, Article 100 of Legislative Decree no. 58 of 24 February 1998 (the “**Financial Services Act**”) and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999, as amended (the “**Issuers Regulation**”); or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 100 of the Financial Services Act and Issuers Regulation.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in Italy under paragraphs (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993, as amended (the “**Banking Act**”) and CONSOB Regulation No. 20307 of 15 February 2018, amended from time to time;
- (ii) in compliance with Article 129 of the Banking Act, and the implementing guidelines of the Bank of Italy, as amended from time to time; and
- (iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or other competent authority.

General

Each Manager has undertaken to the Issuer that, to the best of its knowledge and belief, it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or has in its possession or distributes this Offering Circular or any related offering material, in all cases at its own expense. Persons into whose hands this Offering Circular comes are required by the Issuer, and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Offering Circular or any other offering material relating to the Notes, in all cases at their own expense.

GENERAL INFORMATION

Authorisation

1. The creation and issue of the Notes has been duly authorised by a resolution of the Board of Directors of the Issuer dated 3 April 2025. 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.

Legal and Arbitration Proceedings

2. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Offering Circular, a significant effect on the financial position or profitability of the Issuer or the Group.

Significant/Material Change

3. Since 31 December 2024 there has been no material adverse change in the prospects of the Issuer nor any significant change in the financial or trading position of the Group.

Independent Auditors

4. The Spanish language original audited consolidated financial statements of the Issuer have been audited for the years ended 31 December 2024 and 31 December 2023 by Ernst & Young, S.L., with its registered address at calle Raimundo Fernández Villaverde, 65, 28003, Madrid, Spain, and registered with the Official Registry of Accounting Auditors (ROAC) under number S0530 and unqualified opinions were reported thereon. In case of any discrepancy between the English language versions (incorporated by reference in this Offering Circular) and the Spanish language versions of the Issuer's consolidated financial statements as of and for the years ended 31 December 2024 and 31 December 2023, the Spanish language versions shall prevail.

Documents on Display

5. Copies of the following documents may be inspected for as long as the securities are listed on the Official List of Euronext Dublin and admitted to trading on its Global Exchange Market during normal business hours at the offices of the Issuer from the date of this Offering Circular:
 - (a) the constitutive documents of the Issuer;
 - (b) the Fiscal Agency Agreement; and
 - (c) the audited consolidated financial statements of the Issuer for the years ended 31 December 2023 and 31 December 2024.

Yield

6. On the basis of the issue price of the Notes of 99.372 per cent. of their principal amount, the gross real yield of the Notes is 3.854 per cent. on an annual basis.

Legend Concerning US Persons

7. The Notes and any Coupons appertaining thereto will bear a legend to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

ISIN and Common Code

8. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN of the Notes is XS3089767183 and the common code of the Notes is 308976718.

Listing Agent

9. Maples and Calder (Ireland) LLP 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 Global Exchange Market. Managers transacting with the Issuer.
10. Certain of the Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to, the Issuer and its respective affiliates in the ordinary course of business.

Managers

11. In addition, in the ordinary course of their business activities, the Managers and/or their respective affiliates and parent companies 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 the Issuer or those of the Issuer's affiliates. The Managers and/or their respective affiliates and parent companies that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, the Managers and their affiliates would hedge such exposure by entering into transactions that consist of either the purchase of credit default swaps or the creation of short positions in the securities of the Issuer, including potentially the Notes. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes.

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