



Sampol Ingeniería y Obras, S.A.

(Incorporated in Spain in accordance with the Spanish Companies Act)

25.000.000 EUROS – Emisión de Bonos Simples Grupo Sampol 2019

€ 25,000,000 Senior unsecured notes 4.5% Interest maturing in 2024 (the “Notes”)

INFORMATION MEMORANDUM (*DOCUMENTO INFORMATIVO DE INCORPORACIÓN*) ON THE ADMISSION (*INCORPORACIÓN*) OF MEDIUM AND LONG-TERM NOTES ON THE ALTERNATIVE FIXED-INCOME MARKET (“MARF”)

Sampol Ingeniería y Obras, S.A., (“SIO”, the “Issuer”), a public limited liability company (*sociedad anónima*) organised under the laws of Spain, with corporate address at Palma, Gremio Boneteros 48, registered in the Palma Commercial Register in Volume 311, page 114 et seq., sheet M-7707, with tax identification number A-07088206 and LEI Code 959800354G1CWV1A1H71 has requested the admission of the Notes (*incorporación de valores*) at the MARF (*Mercado Alternativo de Renta Fija*) under the provisions of this information memorandum (*Documento Informativo de Incorporación*) (the “**Information Memorandum**”).

The Notes entail certain obligations for the Issuer (*covenants*), as detailed in section IX of the Information Memorandum (*Documento Informativo de Incorporación*).

Admission (*incorporación*) to MARF will be requested. MARF is a multilateral trading facility (MTF) and it is not a regulated market in accordance with the provisions of the Royal Decree Law 21/2017 of December 29, 2017, on urgent measures to adapt Spanish law to the European Union securities market legislation (“**RDL 21/2017**”). There is no guarantee that the price of the Notes in MARF will be maintained. There is no assurance that the Notes will be widely distributed and actively traded on the market because at this time there is no active trading market. Nor it is possible to ensure the development or liquidity of the trading markets for the issue.

The Notes will be represented by book entries form (*anotaciones en cuenta*) in Sociedad de Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (“**Iberclear**”), according to the provisions of section IX of the Information Memorandum (*Documento Informativo de Incorporación*).

An investment in the Notes involves certain risks.

Read section IV of the Information Memorandum (*Documento Informativo de Incorporación*) on risk factors.

This Information Memorandum (*Documento Informativo de Incorporación*) is not a prospectus (*folleto informativo*) and has not been registered with the National Securities Market Commission (“CNMV”). The offering of the Notes does not constitute a public offering in accordance with the provisions of Article 35 of the Securities Market Law, enacted by Royal Legislative Decree 4/2015, of 23 October (the “Securities Market Law”) and therefore there is no obligation to approve, register and publish a prospectus (*folleto informativo*) with CNMV. This issue is intended exclusively for professional clients and qualified investors in accordance

with the provisions of Article 205 of the Securities Market Law and Article 39 of Royal Decree 1310/2005 of 4 November, which partially develops Securities Market Law, with regard to the admission of securities to trading on official secondary markets, public offerings or subscription and the prospectus required for this purpose (“Royal Decree 1310/2005”).

No action has been taken in any jurisdiction to permit a public offering of the Notes or the possession or distribution of the Information Memorandum (*Documento Informativo de Incorporación*) or any other offering material in any country or jurisdiction where such action is required for said purpose.

This Information Memorandum (*Documento Informativo de Incorporación*) is the one required by Circular 2/2018 from the MARF, of 4 December, on the inclusion and exclusion of securities on the Alternative Fixed Income Market (“Circular 2/2018”). The Competent Body of MARF has not made any verification or check with respect this Information Memorandum (*Documento Informativo de Incorporación*) nor over the rest of the documentation and information contributed by the Issuer in compliance with said Circular 2/2018.

This Information Memorandum may contain privilege and/or confidential information until its approval and effective disclosure in the web page of MARF. The recipient of this document shall have no right, of any kind, over such information, nor a right to use it, except for their interest assessment on the issuance of Notes. All rights over said privilege and/or confidential information that has been or may be disclosed to the recipient, shall remain property of the Issuer. The privilege and/or confidential information shall not be transferred nor reproduced by any means or format by the recipient without express prior written authorisation from the Issuer. All the aforementioned without prejudice any obligation that shall be applicable to the recipient in accordance with the applicable regulations, including the provisions set forth in Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse.

GLOBAL COORDINATOR AND BOOKRUNNER

BANKIA, S.A.

The date of this Information Memorandum (*Documento Informativo de Incorporación*) is 6 February, 2019.

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I. IMPORTANT INFORMATION

Neither the Issuer nor BANKIA, S.A. as placement entity (the “**Placement Entity**”) have authorized anyone to provide information to potential investors different from the information contained in this Information Memorandum (*Documento Informativo de Incorporación*) and other publicly available information. Potential investors should not base their investment decision on information other than that contained in this Information Memorandum (*Documento Informativo de Incorporación*) and alternative sources of public information.

The Placement Entity assumes no liability for the content of the Information Memorandum (*Documento Informativo de Incorporación*). The Placement Entity has signed a contract with the Issuer but neither the Placement Entity nor any other entity have made any commitment to underwrite the issue, without prejudice to the ability of the Placement Entity to acquire part of the Notes on their own behalf.

This Information Memorandum (*Documento Informativo de Incorporación*) is not a prospectus (*folleto informativo*) and has not been registered with the CNMV. The offering of the Notes does not constitute a public offering in accordance with the provisions of Article 35 of the Securities Market Law, and therefore there is no obligation to approve, register and publish a prospectus (*folleto informativo*) with CNMV.

Admission (*incorporación*) to MARF has been requested. MARF is a multilateral trading facility and is not a regulated market in accordance with the provisions of RDL 21/2017. This Information Memorandum (*Documento Informativo de Incorporación*) is the one required by Circular 2/2018. The Competent Body of MARF has not made any verification or check with respect this Information Memorandum (*Documento Informativo de Incorporación*) nor over the rest of the documentation and information contributed by the Issuer in compliance with said Circular 2/2018. There is no guarantee that the price of the Notes in MARF will be maintained. There is no assurance that the Notes will be widely distributed and actively traded on the market because at this time there is no active trading market, which is currently under development. Nor is it possible to ensure the development or liquidity of the trading markets for the issue.

The Notes will be represented by book entries form (*anotaciones en cuenta*) in Iberclear, according to the provisions of section IX of the Information Memorandum (*Documento Informativo de Incorporación*).

PRODUCT GOVERNANCE STANDARDS UNDER MIFID II

THE TARGET MARKET WILL ONLY BE ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS

Exclusively for the purposes of the product approval process to be carried out by each producer, following the assessment of the target market for the Notes, it has been

concluded that: (i) the market to which the Notes are intended to be issued is solely for "eligible counterparties" and "professional clients" as defined for each of these terms in the Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments and amending Directives 2002/92/EC and 2011/61/EC ("**MiFID II**") and their implementing legislation and (ii) all channels of distribution of the Notes to eligible counterparties and professional clients are appropriate.

Any person who, after the initial placement of the Notes, offers, sells, places, recommends or otherwise makes available the Notes (the "**Distributor**") shall take into account the assessment of the producer's target market. However, any Distributor subject to MiFID II shall be responsible for carrying out its own assessment of the target market with respect to the Notes (either by applying the evaluation of the target market of the producer or/and to identify appropriate distribution channel).

BAN ON SALES TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA- PRIIPS REGULATION

The Notes are not intended for offer, sale or any other form of making available, nor should they be offered, sold to or made available to retail investors in the European Economic Area ("**EEA**"). For these purposes, "retail investor" means a person who meets either or both of the following definitions: (i) a retail customer in the sense of paragraph (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that client would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. As a result, no key information document required by Regulation (EU) No. 1286/2014 of the European Parliament and of the Council of November 26, 2014 (as amended, the "**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 PRIIPs Regulation.

II. SELLING RESTRICTIONS

No action has been taken in any jurisdiction to permit a public offering of the Notes or the possession or distribution of the Information Memorandum (*Documento Informativo de Incorporación*) or any other offering material in any country or jurisdiction where such action is required for said purpose.

In particular:

1 European Union

The Notes are only directed to qualified investors according to the provisions in Article 2.1.e) of Directive 2003/71/EC. Therefore, neither the issue nor this Information Memorandum (*Documento Informativo de Incorporación*) have been registered with any competent authority of any Member State.

2 Spain

This Information Memorandum (*Documento Informativo de Incorporación*) has not been registered with the CNMV. The issue of the Notes (the “**Issue**”) does not constitute a public offering in accordance with the provisions of Article 35 of the Securities Market Law. This Issue is intended exclusively for professional clients and qualified investors in accordance with the provisions of Article 205 of the Securities Market Law and Article 39 of Royal Decree 1310/2005.

3 Portugal

Neither the Issue nor this Information Memorandum (*Documento Informativo de Incorporación*) have been registered with the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*) and no action has been undertaken that would be considered as a public offer of the Notes in Portugal. According to the above, the Notes issued may not be offered, sold or distributed in Portugal except in accordance with the provisions of Articles 109, 110 and 111 of the Portuguese Securities Code (*Código dos Valores Mobiliários*).

4 Andorra

No action has been undertaken that may require the registration of this Information Memorandum (*Documento Informativo de Incorporación*) with any authority of the Principality of Andorra.

5 Switzerland

This Information Memorandum (*Documento Informativo de Incorporación*) does not constitute an offer to sell or a solicitation to buy the Notes in Switzerland. The Notes issued shall not be subject to public offering or advertised, directly or indirectly, in Switzerland and will not be listed on SIX, the Swiss Exchange, or any other Swiss market.

Neither this document nor the Issue or marketing materials of the Notes constitute a prospectus within the meaning of articles 652a or 1156 of the Swiss Code of Obligations nor a listing prospectus according to the Admission rules of the SIX Swiss Exchange or any other Swiss market.

6 United States

This Information Memorandum (*Documento Informativo de Incorporación*) must not be distributed, directly or indirectly, in (or sent to) the United States of America (according to definitions of the “Securities Act” of 1933 of the United States of America – “*U.S. Securities Act*”). This Information Memorandum (*Documento Informativo de Incorporación*) is not an offer to sell securities or a solicitation to buy any securities or any offer of securities in any jurisdiction in which such offer or sale is considered contrary to law. The Notes issued have not been and will not be registered in the United States for the purposes of the U.S. Securities Act and may not be offered or sold in the United States without registration or an exemption application for registration under the U.S. Securities Act. There will not be a public offering of the Notes in the United States or in any other jurisdiction.

III. SUMMARY

1 Overview of the business of the Issuer and Sampol Group

Sampol Ingeniería y Obras S.A. (“**SIO**” or the “**Issuer**”) was incorporated as a public limited liability company (sociedad anónima) organised under the laws of Spain on October 7, 1981 under the corporate name Montajes Eléctricos Sampol S.A, with registered offices at Palma, Gremio Boneteros 48.

The Issuer changed the name Montajes Eléctricos Sampol, S.A. to Sampol Ingeniería y Obras, S.A. in October 5, 1994, by resolutions of the Extraordinary and Universal General Meeting of Shareholders.

The Issuer is registered in the Palma Commercial Register in Volume 311, page 114 et seq., sheet M-7707, with tax identification number A-07088206 and LEI Code 959800354G1CWV1A1H71.

The Issuer is the main operative subsidiary of Sampol Grupo Corporativo, S.L.U. founded in October 28, 1997 with registered offices at Palma, Gremio Boneteros 48. Sampol Grupo Corporativo, S.L.U. (“**SGC**” or “the **Guarantor**”) is the parent company of Sampol Group (“**Sampol Group**” o “**Sampol**”). The activity of SGC consist of the holding of shares of Sampol Group, a family-owned multinational group of Spanish capital founded in 1934 and dedicated to:

- The execution of energy projects, electromechanical installations, communications network and control systems.
- The promotion, construction and operation of power generation plants, with a clear commitment to efficiency and sustainability.

The main sectors of activity of Sampol Group are transport infrastructure, generation and distribution of energy, industrial installations, hotels & resorts, and telecom infrastructure.

The proportion of revenues of each business area in the financial year 2017 and 2016 was as follows:

<i>Thousand euros</i>	2017	2016	2017%	2016%
Projects	72,793.4	69,782.1	51.0%	53.5%
Energy	70,043.1	60,585.6	49.0%	46.5%
Total	142,836.5	130,367.8	100.0%	100.0%

Sampol Group has a permanent presence in Spain, Mexico, the Dominican Republic, Jamaica, Costa Rica, Panama and Cabo Verde and has developed projects in 17 countries and four different continents. The international experience of the Sampol started in the

90's together with the clients from the hotel sector and their overseas expansion to the Caribbean.

In the last decades, Sampol Group has grown and diversified its activity. It has expanded its business geographically to countries in Europe, Central America and Africa.

- Airports: Sampol Group has developed more than 600 projects in the 47 airports of the Spanish network, as well as in Mexico, Colombia, the Dominican Republic and Palestine.
- Railway: Sampol Group has developed metropolitan, tram and high speed projects, both at a national level (Barcelona, Valencia, Palma de Mallorca, Tenerife or Murcia) and overseas (Santo Domingo).
- Hotels and singular building: Sampol Group has developed more than 200 tourist complexes in Europe, Central America and Africa.

2 History

Milestones of Sampol Group:



3 Relevant aspects of recent activity

In the financial year 2017 Sampol Group achieved optimal financial results over budget in harmony with the decisions and strategic goals of the company, strengthening the generation of value and accomplishing the established objectives, both financial and non-financial.

One of the main improvements of 2017 was the increase in consolidated revenues, recording at the end of the year 142.8 million euros, which represents an annual increase of 9.6% on the previous year. In terms of margin, EBITDA (calculated as operating result plus depreciation of fixed assets and impairments) almost doubled passing from 12.5 million euros in 2016 to 21.4 million euros in 2017, reflecting an improvement management of costs and efficiency.

By business areas, a 49% of the revenues of the Group came from the energy segment, a recurring business with stable margins on the basis of long-term commercial agreements with clients (mostly for sell of energy). The remaining 51% of the revenues corresponds with the construction, and a 36% of the revenues of this segment was with customers from the hotel and infrastructure industry with which the Group holds a long-term and recurring relationship.

Sampol maintains a high capacity for the origination of new business agreements based on the certainty of part of its revenues and its growing capacity of growth overseas. In these regards, The Group closed 2017 with a backlog of 127,8 million euros. In 2018 Sampol has maintained this progress, with a backlog as at October 2018 of 148.7 million euros. In terms of geographical distribution, a 46.2% of the backlog as at December 2017 (16.8% as at October 2018) came from Spain and a 53.8% (83.2%) from overseas.

On December 2018 Sampol Group signed a contract to produce energy (electricity, hot water and ice water) with the Catalonian hotel chain H10 for the next 15 years. The project benefits from the ESCO “clean energy and water management” solution of savings in energy costs, long-term reliability and operational efficiency. The plant will consist on a high-efficiency hybrid generation system composed of a trigeneration plant of 2.7 MW, through three natural gas engines, and a LNG storage and regasification plant of 400kWp. As a result of the positive evolution in terms of new business agreements, financial information for the first half of 2018 shows an improvement in terms of turnover and margins compared to same period of the year before. According with limited reviewed financial information prepared for the first six months of 2018, Sampol recorded net turnover of 85.2 million euros (74.4 million euros in the same period of 2017) and EBITDA of 13.6 million euros (11.1 million euros in the same period of 2017).

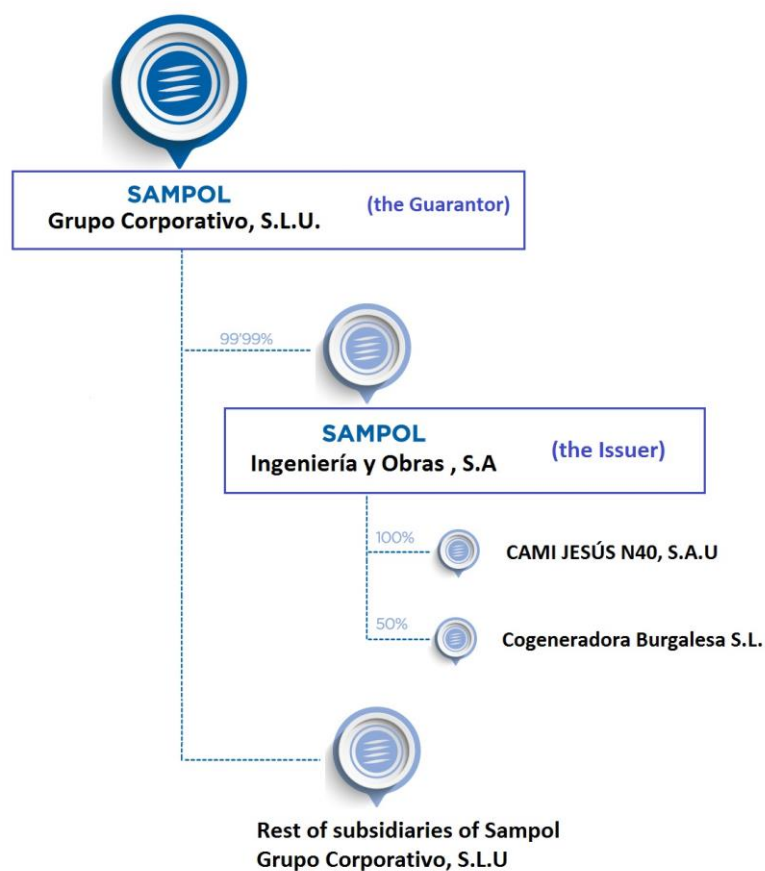
The evolution of revenues and margins is framed in a context of a prudent management and stable growth. In this regard, Sampol has combined the improvement in profitability of the last years with a process of deleveraging at a consolidated level. From 2016 to 2017 Sampol reduced the consolidated gross debt by 20% down to 35.5 million euros and increased liquidity by 12% up to 8.7 million euros, which resulted in a net financial debt

amount (expressed as gross financial debt minus cash and cash equivalents) of 26.8 million euros (1.3x in terms of EBITDA compared with 2.9x in 2016).

<i>thousand euros</i>	2015	2016	2017
Gross debt	54,793	44,380	35,535
Long term financial debt	23,515	27,905	19,853
Short term financial debt	31,278	16,476	15,682
Cash & cash equivalents	10,875	7,831	8,744
Net Financial Debt (NFD)	43,918	36,549	26,791
EBITDA	15,362	12,510	21,363
NFD/EBITDA	2.9x	2.9x	1.3x

4 Organizational structure

The following is the simplified corporate structure of Sampol Group as of the date of this Information Memorandum (*Documento Informativo de Incorporación*):



SCG is the parent company of Sampol Group and will act as a personal guarantor for the Notes. The sole shareholder of SGC is Mr. Gabriel Sampol Mayor, owner of the 100% of the share capital.

Furthermore, additional guarantors would be established in case any of the Subsidiaries incur any Indebtedness other than any Permitted Indebtedness as established in IX.5 (*Guarantees*) of section IX “Description of the Notes” of this Information Memorandum (*Documento Informativo de Incorporación*).

5 Information on the Issue

This summary of the Issue contains basic information and does not purport to be complete and may be subject to limitations and exceptions that are detailed later in this Information Memorandum (*Documento Informativo de Incorporación*). All information concerning the Issue is in the section “Information relating to the Notes”.

Issuer	Sampol Ingeniería y Obras, S.A.
Currency	Euro (€)
Debt issued	€ 25,000,000 in nominal value. 250 Notes with a face value of € 100,000 each grouped in a single class and series.
Name of the Issue	Emisión de Bonos Simples GRUPO SAMPOL 2019
ISIN Code	ES0305404008
Pricing date	6 February 2019
Issue/Closing Date	6 February 2019
Maturity date	13 February 2024
First Interest Payment Date	13 February 2020
Disbursement Date	13 February 2019
Economic rights for the holder	The interest rate shall be a fixed interest rate equal to 4.5% per annum payable annually on the face value of the Notes.

The interest of the Notes will accrue daily on the Actual/Actual ICMA basis, unadjusted and will be payable in arrears as of the corresponding Interest Payment Date.

The Notes also bear an annual Variable Interest at the rate of 0.05% linked to the evolution of the international activity of the Group. See “*Interest*” in section IX.

Order of priority

For the purposes of priority in the event of insolvency of the Issuer, the Notes are located:

- (i) general senior obligations of the Issuer. In the event of the insolvency (*concurso*) of the Issuer, under the Insolvency Law, and assuming that the Notes remain unsecured, claims relating to the Notes (unless they qualify as subordinated credits under Article 92 of the Insolvency Law) will be ordinary credits (*créditos ordinarios*) as defined in the Insolvency Law;
- (ii) rank *pari passu* in right of payment with any existing and future unsecured obligations of the Issuer that are not subordinated in right of payment to the Notes, as the guarantees of the Notes are granted by third parties different from the Issuer;
- (iii) rank senior in right of payment to any existing and to any future obligations of the Issuer that are subordinated in right of payment to the Notes.

Credit Rating of the Issuer

On October 25, 2018 agency Axesor Risk Management, S.L.U. (“**Axesor Rating**”) assigned the Issue a credit rating of BBB- with a stable outlook.

Issue guarantees

Payments due by the Issuer under the Notes are guaranteed by the total net worth of the Issuer and by a personal guarantee of its parent company, SGC, and, eventually, the guarantee granted by any Additional Guarantor in accordance with Condition IX.5 (*Guarantees*)

of section IX “Description of the Notes” below.
See “Description of the Notes” in section IX.

Obligations of the Issuer

Standard incurrence based covenants with limitation on:

- *Pari passu*
- Negative Pledge
- Change of control
- Indebtedness
- Investments
- Distributions
- Sale of Assets
- Structural Modifications
- Information and reports
- Rating

See “Description of the Notes” in section IX.

Paying Agent

Bankia, S.A.

Commissioner

Bondholders, S.L.

Governing law

Spanish Law

Risk Factors

Investing in the Notes involves certain risks and investors should read the “Risk Factors” section of this document for a detailed description of the risks associated with this operation that should be considered before investing. See “Risk Factors” in section IV.

Use of the proceeds

General corporate purpose and capital expenditure linked to strategic corporate activities and the strengthening of the international presence of Sampol Group. See “Reasons for the issue and use of proceeds” in section VIII.

6 Financial information of the Issuer and Sampol Group

Financial Information presented in this Information Memorandum (*Documento Informativo de Incorporación*) comprises a summary of the Issuer's individual accounts and SGC's consolidated accounts for each of the years ended December 31, 2017 and 2016 (“**Annual Financial Statements**”). Pro-forma limited revised consolidated accounts as of June 30, 2018 for SGC are also included.

Financial Information was prepared in accordance with prevailing commercial legislation and the provisions of the Spanish General Accounting Plan approved by Royal Decree 1514/2007 and the amendments made by Royal Decree 1159/2010 (all together, the “**Spanish GAAP**”).

A summary of the Financial Information of the Issuer and the Sampol Group is included in section VIII of this Information Memorandum (*Documento Informativo de Incorporación*).

In addition to the financial information presented herein and prepared under Spanish GAAP, the Issuer may have included in this Information Memorandum (*Documento Informativo de Incorporación*) financial measures which have been extracted from its accounting records and other management sources. The Issuer has presented those non-GAAP measures, which are unaudited, because the Issuer believes that they may contribute to a better understanding of the Sampol Group's results of operations by providing additional information on what the Issuer considers to be some of the drivers of its financial performance. These non-GAAP measures are not defined under Spanish GAAP and may be presented on a different basis than the financial information included in the Consolidated Financial Statements. Accordingly, they may differ significantly from similarly titled information reported by other companies, and may not be comparable. Investors are cautioned not to place undue reliance on those non-GAAP measures, which should be considered supplemental to, and not substitute for, the financial information prepared in accordance with Spanish GAAP included elsewhere in this document.

Certain data contained in this Information Memorandum (*Documento Informativo de Incorporación*), including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables may not conform exactly to the total figure given for that column or row or the sum of certain numbers presented as a percentage may not conform to the total percentage given.

IV. RISK FACTORS

The following are the risks, as well as other risks and uncertainties, to which Sampol Group is exposed, including those arising from the business areas in which it operates as well as those specifically related to its business.

The materialization of any of these risks could have a negative effect on the value of the Notes directly or on the business, financial condition and results of Sampol Group, and thus indirectly cause the value of the Notes to decline. Additional risks and uncertainties not currently known by Sampol Group or that are currently deemed to be immaterial may also materially and adversely affect the business, financial condition or results of operations of Sampol Group. As a result of any of these risks, known or unknown, investors may lose all or part of their investment in the Notes.

In light of the above, an investment in the Notes involves certain risks.

Prospective investors should carefully consider the risks described below, together with the other information contained in this Information Memorandum (Documento Informativo de Incorporación) before making any decisions with respect to the Notes.

1 Risk relating to the Issuer, the Guarantor and the Sampol Group, their business and industry

a) Sampol Group's reputation could be damaged from numerous sources

Maintaining a positive reputation is critical to Sampol Group attracting and maintaining customers, investors and employees. Damage to the reputation of Sampol Group can therefore cause significant harm to its business and prospects.

Harm to Sampol Group's reputation can arise from numerous sources, including, among others, employee misconduct, litigation or regulatory, failure to deliver standards of service, compliance failures, unethical behaviour, and the activities of customers and counterparties. Further, negative publicity regarding the Sampol Group, whether or not true, may result in harm to its prospects. Any perceived or real difficulties experienced by Sampol Group could harm its reputation, which could have a material adverse effect on its business, financial condition and results of operations.

b) Risks due to macroeconomic factors

The business performance of Sampol Group is closely connected with the economic development of the countries and regions in which Sampol Group carries out or may carry out in the future its activities. The business operations, as well as the financial condition and the results of operations of Sampol Group, may be adversely affected if the global economic environment, and in particular the economic environment in those zones where there is a greater concentration of Sampol Group's business (in particular America and Spain, but also Africa and the rest of Europe), deteriorates.

Although the Sampol Group has an increasing geographical diversification, with a 44% of its sales recorded in the international markets as of the end of 2017, a deterioration of the economy of the countries where Sampol Group records a greater concentration of business could have a material adverse effect on the financial condition and the results of operations of the Sampol Group.

c) Risks related to the Sampol Group's presence in emerging markets

Sampol Group has a presence in emerging markets. These emerging markets are exposed to political and legal risks which are present to a greater degree than in established markets in Europe.

These risks include the risk of nationalisation and expropriation of private assets, political and social instability, frequent changes in the general legal conditions and government policy as well as changes in tax policy and price control. These markets also face a higher risk of macro-economic instability and volatility than the markets in the industrialised nations, which may lead to restrictions in foreign currency transactions, in repatriating profits and importing of investment goods.

These risks could have a material adverse effect on the business, the financial condition and the results of operations of Sampol Group.

d) Laws, governmental policies and taxation and labour regimes

Sampol Group's activities are directly and indirectly subject to various international, national and local laws, regulations and others. Failure to comply with such laws, regulations and others could lead to enforcement actions, fines, civil or criminal penalties or the assertion of litigation claims and damages. Besides, new legislation, regulations (whether governmental or non-governmental) or treaties or changes thereto, could increase the cost of compliance for Sampol Group. In the event that Sampol Group is found not to be in compliance with the applicable regulatory regime and, as a result, sanctions (including criminal sanctions, civil remedies or seizure of assets) are imposed, this could have a material adverse effect on its business, financial condition and results of operations.

Likewise, as a consequence of its international activity, Sampol Group is also subject to different labour and tax regimes which vary among the different jurisdictions in which Sampol Group operates. As a result of the referred complexity of the tax and labour regimes under which the Sampol Group operates, misinterpretation and disagreements when complying with the relevant obligations could result in lengthy legal disputes and, ultimately, in the payment of substantial tax penalties or amounts for labour compensations which could have a material effect on the results of Sampol Group.

e) Dependency on various provisions under environmental law

Sampol Group operates in different businesses and jurisdictions with increasing environmental law and regulation requirements which have in turn become increasingly complex and strict. The applicable regulations may provide for liability regardless of fault for any damage caused to natural resources or for a mere threat to public safety and health without having caused any actual environmental damage. Such liability regardless of fault may lead to liability for environmental damage irrespective of whether it was caused negligently or whether several persons are jointly responsible for the damage. Irrespective of who is personally liable under civil law or, if applicable, criminal law, entities of the Sampol Group may also be considered liable.

A stricter application of the environmental laws or regulations, the entry into force of new laws, the discovery of currently unknown environmental contamination or the introduction of new or stricter requirements for obtaining licences and approvals could have a material adverse effect on the business, the financial condition or the results of operations of Sampol Group.

f) Risks related to national and international political measures to promote renewable energies and cogeneration

The implementation and profitability of projects of Sampol Group in renewable energies and cogeneration depend materially on the political and legal conditions for the promotion of such projects. Although in recent years renewable energy and cogeneration initiatives have been generally supported by the public authorities in those jurisdictions in which Sampol Group is active, Sampol Group believes that the renewable energy and cogeneration industry will need to be able to compete on a non-subsidised basis with both conventional and other alternative energy sources going forward. As public sector subsidies and other incentives are progressively withdrawn in those jurisdictions in which Sampol Group implements or expect to implement renewable energy and cogeneration projects, this could result in the costs to Sampol Group of implementing those projects increasing and there can be no assurances that Sampol Group will be able to recover those costs from end-users of renewable energy and cogeneration. As result, the withdrawal of subsidies and incentives to renewable energy and cogeneration production, or any public statement by a relevant public authority to do so, could have a material adverse effect on the business, the financial condition and the results of operation of Sampol Group.

The activity of Sampol Group could be jeopardised in two ways if the regulators in the countries where it operates modify the economic incentives for promoting sustainable energy sources. On the one hand, its activity could be jeopardised as a result of potentially reduced activity in the services provided by the public sector for installing new plants which generate renewable energy and cogeneration, in addition to a reduction in the number of new projects in these sectors. On the other hand, it could be subject to possible negative effects to the term and/or in the sale price of shares for projects previously undertaken by Sampol Group. Any negative impact on the renewable energy and

cogeneration markets in which Sampol Group is active could have a material adverse effect on the financial condition and the results of operations of the Sampol Group.

g) Risks of the renewables and cogeneration businesses

Sampol Group is present, through its renewable energy and cogeneration businesses, mainly in Spain and the Caribbean. The regulations of each country in which Sampol Group operates establish regulatory frameworks aimed at promoting the development of renewable energies based on formulas which may include premiums, green certificates, tax or regulated tariff deductions, which allow investors to obtain sufficient and reasonable returns. Any change to the aforementioned regulation may represent a risk for said business.

In addition to the above-mentioned regulatory risk, Sampol Group's renewable energy and cogeneration businesses may be subject, to a greater or lesser extent, to resource risk and to market risk.

h) Risks related to the awarding of new projects

A significant part of the income of Sampol Group is generated directly or indirectly through turnkey projects (namely, projects developed from inception to delivery). These projects have increasingly become technologically complex. Typically, the contract for the entire project is awarded to a general contractor in a tendering competition, considering not only the price but also the quality of the service, technological capacity, efficiency, personnel as well as reputation and experience. Should the price competition intensify and fewer business opportunities considered by Sampol Group as profitable arise, there could be fewer orders available to Sampol Group. Should the Sampol Group be unable to enter into new project agreements, or to do so profitably, this could have a material adverse effect on the financial condition and the results of operations of the Sampol Group.

i) Risk arising from client concentration

Sampol Group has long-term relationships with large clients from industry and hotel sectors, which represent a significant part of its business.

At the end of 2017, the Sampol Group's first 10 clients represent 56% of total revenues with an average amount per contract of around 8 million euros.

The loss of any of the major clients, a reduction in their ability to invest or a merger between them could result in a negative impact on Sampol Group's operating performance and financial position.

j) Risks related to the estimate of construction costs and deadlines for completion

In part, the Sampol Group offers its services at fixed prices or as a lump-sum offer, among other things, in connection with engineering, procurement and construction agreements.

In these kinds of agreements, additional costs, incurred as a consequence of an inaccurate cost estimates or as a consequence of the budgeted costs being exceeded during the implementation of the project (for example, due to fluctuations in the price of raw materials or to changes in the execution calendar or to design or procurement deficiencies), may lead to the project being less profitable than expected or to losses arising to Sampol Group.

Some of the circumstances described above are beyond the Sampol Group's control and may lead to its inability to complete the project at the budgeted costs or according to schedule (which may, in turn, lead to the imposition of an agreed contractual penalty). This could have a material adverse effect on the financial condition and the results of operations of Sampol Group.

k) Risk of competition

The Sampol Group operates in highly competitive sectors which require considerable use of human, material, technical and financial resources. The companies competing with the Sampol Group and its various subsidiaries may have greater technical and financial resources available than those available to the Sampol Group or may be more experienced or have better knowledge of the markets in which Sampol Group operates or in which it intends to expand. Other companies may also be willing to accept lower margins and would therefore be able to submit a technologically better offer at the same price or a similar offer at a lower price than the Sampol Group.

For these reasons, it could become more difficult for Sampol Group to be awarded new projects and agreements. Likewise, Sampol Group could find itself compelled to accept projects and agreements or providing services at lower margins than in the past. This could have a material adverse effect on its business, financial condition and results of operations.

l) Risks arising from supplier agreements and the sub-contracting of services

In carrying out construction works and projects and in regard to the services it offers, the Sampol Group rely on external manufacturers of equipment and sub-contractors. To the extent it is impossible for the Sampol Group to sub-contract specific services or to acquire equipment and materials complying with the relevant plans, quality standards, specifications and cost objectives, this may affect the scheduled commissioning of concessions or a satisfactory provision of services to clients. In connection therewith, there is a risk of contractual penalties, cancellations of agreements and liability claims, which could have a material adverse effect on the financial condition and the results of operations of Sampol Group. Sampol Group may be exposed to claims for any actions or omissions by sub-contractors that cause damage or claims brought against the Sampol Group by the clients, other sub-contractors, employees or suppliers.

m) Risks related to technological changes

The technologies used in the sectors in which the Sampol Group operates are subject to fast and continued development. Increasingly complex technological solutions, which are continuously evolving, are used in these sectors. Should Sampol Group be unable to react appropriately to the current and future technological developments in the sectors in which it carries out its activities, this could have material adverse effects on the business, the financial condition and the results of operations of the Sampol Group.

n) Risk of dependency on key personnel and local partners

Sampol Group employs highly qualified technical and managerial staff. Besides, in its international activity, the Sampol Group relies in local partners. The exit of key employees or the bad performance of the Sampol Group's relationship with local partners may have a material adverse effect on the business of Sampol Group. Should Sampol Group not be able to hire or retain sufficiently qualified technical and managerial staff, and or restore or substitute its relationship with local partners, this could limit or delay the business performance of Sampol Group.

Besides, although Sampol Group has skills for the identification, management and development of talent, its ability to attract and retain the proper employees at all times is a key aspect. The loss of human capital on a large scale, especially the most highly qualified, could have a significant impact on the Sampol Group's activity.

o) Risk of shareholding concentration

The share ownership structure of Sampol Group is concentrated in Mr. Gabriel Sampol. This situation limits the ability, if necessary, to obtain funds from shareholders in a hypothetical distress situation. Sampol Group also faces the usual risks associated with a possible succession process. Although the necessary means have been put in place in order to ensure the normal business development in the event of succession, an event of succession could end up negatively affecting the financial situation of the Sampol Group.

p) Risks due to tax disputes

There are at least two sources of tax risks. On the one hand, the risk arising from changes in tax legislations that could not be foreseen at the time when investment decisions were adopted. This could affect the achievement of the investment return objectives if the tax factor was relevant. Moreover, changes in tax laws could jeopardise the effective use of tax credits, generating a deviation in the cash flow for the payment of taxes. On the other hand, although Sampol Group is established in Spain, Sampol Group has presence in 17 countries and must operate in compliance with applicable tax regulations in their jurisdictions. In this regard, although the corporate tax policy of Sampol Group determines that a prudent tax practice must be followed, the interpretation of the tax laws in different tax jurisdictions could trigger material tax disputes or legal proceedings, such

that claims could materially adversely affect the business, financial condition or results of operations of Sampol Group.

q) Political instability, terrorism, war, international hostilities and other national emergencies risk

Sampol Group's business, results of operations, cash flows and financial condition may be adversely affected by the effects of political instability, terrorism, war, international hostilities or other emergencies. Any of these occurrences could cause a significant disruption in Sampol Group business and could adversely affect its business operations, financial position, and operational results.

r) Sampol Group's anti-money laundering, anti-terrorism and anti-bribery policies may be circumvented or otherwise not be sufficient to prevent all money laundering, terrorism financing or bribery

In certain countries where Sampol Group operates, it is subject to rules and regulations regarding money laundering, the financing of terrorism and bribery, including the collection and processing of confidential information. Monitoring compliance with anti-money laundering, anti-terrorism financing rules and antibribery rules can create a financial burden for Sampol Group and pose significant technical problems. Although Sampol Group believes that its current policies and procedures are sufficient to comply with applicable rules and regulations, it cannot guarantee that its anti-money laundering, anti-terrorism financing and anti-bribery policies and procedures will not be circumvented or otherwise be sufficient to prevent all money laundering, terrorism financing or bribery. Any of such events may have severe consequences, including sanctions, fines and notably reputational consequences, which could have a material adverse effect on the Sampol Group's business, financial condition and results of operations.

s) Meteorological and natural disaster risk

Adverse meteorological conditions as well as natural disasters, accidents and other unforeseeable events can cause negative effects on the business, the financial position and the results of Sampol Group, and thus affecting the cash flow it generates to fulfil the obligations derived from the issue of the Notes.

t) Political and Regulatory risk

The renewables and cogeneration business are a highly regulated sectors. Companies in the Sampol Group are subject to laws and regulations concerning prices and other aspects of their activities in each of the countries in which they operate. The introduction of new laws and regulations or amendments to the already existing ones, may have an adverse effect on the Sampol Group's operations, annual results and the economic value of its businesses.

Moreover, it is possible that future regulatory developments, such as increasingly strict environmental protection laws, regulations and enforcement policies, and claims for damages to property and persons resulting from the Sampol Group's operations, could result in additional substantial costs and liabilities, restrictions on or suspension of its activities and delays in the exploration of and development of its properties.

Failure to comply with applicable environmental, health and safety laws can result in injunctions, damages, suspension or revocation of permits and imposition of penalties. There can be no assurance that Sampol Group has been or will be at all times in complete compliance with such laws or permits, that its compliance will not be challenged or that the costs of complying with current and future environmental, health and safety laws and permits will not materially or adversely affect the Sampol Group's future cash flow, results of operations and financial condition.

In addition, the Sampol Group operates in several countries where ownership of rights in respect of land and resources is uncertain and where disputes in relation to ownership or other community matters may arise. These disputes are not always predictable and may cause disruption to its operations or development plans. The Sampol Group's operations can also have an impact on local communities, including the need, from time to time, to relocate or resettle communities or infrastructure networks such as railways and utility services. Failure to manage relationships with local communities, governments and non-government organizations may harm the Sampol Group's reputation as well as its ability to bring development projects into production.

u) Risks of the construction businesses

- Cyclical nature of construction: the construction sector is cyclical by nature and depends on the investments that both the public and private sectors decide to undertake. This degree of investment by the public and private sectors is, in turn, linked to the general economic situation (increasing in periods of economic growth and decreasing in periods) of recession. If the combination of adverse circumstances to investment in both public and private construction are prolonged over a long period of time, or if the situation does not improve or worsen, the activities, financial situation and operating results of Sampol Group could be adversely affected.

- Risks associated with delays and increases in construction costs: the construction projects undertaken by Sampol Group are exposed to certain risks, such as shortages and increases in the cost of materials, machinery and labour, factors generally influenced by economic activity and indebtedness. Although there are contracts that include review clauses, not in all cases these clauses manage to eliminate or mitigate these risks. In addition, non-compliance by the Sampol Group's contractors and subcontractors with the deadline set for the completion of the projects and the agreed budget may cause delays and cost overruns in the construction, which could not only cause delays in the receipt of revenues, but also entail the imposition of penalties and even the resolution of contracts by the clients of Sampol that contracted said projects. In addition, the reputation of Sampol Group as a constructor could be affected by the failure of contractors and

subcontractors in the event that said non-compliance becomes recurrent. The increases in expenses and/or the reductions in income could negatively affect the business, financial situation and operating results of the Sampol Group.

v) Risks associated to concessions of infrastructure and power plants

The business area of concessions, is mainly dedicated to the construction and exploitation of infrastructures of public transport infrastructure (airports, railways & metro stations, and renewable energies) and power plants and systems.

An important part of Sampol Group's business is carried out through concessions of limited duration, which implies the need to generate additional sources of cash flows in the medium term to ensure the Sampol Group's continuity. The income obtained from the infrastructure and power plants activity of the concession type depends significantly on the regulated tariffs or, where appropriate, on the agreed prices during the term of the concession (normally between 25 and 30 years). The Sampol Group's margin to modify tariffs or prices in adverse circumstances (fluctuations in the prices of raw materials, exchange rates, labour costs, etc.) is very limited. Operating costs above the expected, especially after many years in operation, in most cases could not be transferred to the client and therefore reduce the operating margin and the profitability of the project.

Likewise, public administrations (in some jurisdictions) or clients (when applicable) have the capacity to penalize a deficient provision of the services inherent to the operating activity with a rate reduction or postponing their updating. Especially in the area of renewable energies and cogeneration, there is a risk that the public administration reduces or eliminates the tariffs currently in force at any time during the life of the concession through a modification in current legislation or regulation.

w) Risk of early redemption or termination of the concessions and sovereign risk

Generally, under the current legislation in the countries wher Sampol Group operates with concessions, may unilaterally terminate or redeem concessions for reasons of public interest, with the corresponding payment by the administration.

There is no guarantee that government authorities will not legislate, impose regulations, change applicable laws or act contrary to law adversely, thereby affecting Sampol Group's business.

If a governmental authority should exercise its powers of resolution or redemption of any of the concessions, the concessionaire company will always be entitled to compensation, although there is no way to ensure that such compensation would cover the damages incurred, including lost profits.

On the other hand, the licensor public administrations could resolve concessions for default of contractual debentures by the concessionaire company, in which case it would

only be entitled to recover a limited amount of the investment and may be required to indemnify the public administration for the damage incurred.

x) Labor disputes and other labor matters could lead to loss of revenue or higher costs

Most of the the Issuer's employees in Spain are represented by labor unions. In particular, due to its labor intensive nature, its business is subject to the risks associated with a unionized workforce and the Issuer has experienced or will experience labor disputes that have led or could lead to strikes or other disruptions in its operations.

When one or more of the Issuer's major collective bargaining agreements becomes subject to renegotiation, the Issuer may disagree with the union on important issues that, in turn, could lead to a strike, work slowdown or other industrial action. There can be no assurance that the Issuer will be able to renew existing labor union contracts on acceptable terms. The Issuer can also experience labor disputes in other situations, such as due to disagreements in work practices. A strike, work slowdown or other action could in some cases result in the effective closure of the Issuer's facilities or disrupt the Issuer from providing services, which could result in reduced revenues. The result of renegotiating an existing collective bargaining agreement could result in a substantial increase in labor costs that the Issuer may be unable to recover through the existing contractual arrangements.

Additionally, the Issuer may incur expenses in resolving disputes and complying with local laws relating to overtime, social security and pension contributions, occupational risk matters and other labor related issues. The Issuer may also incur increased labor costs due to competition, increased minimum wage, employee benefit costs, medical benefits costs or otherwise could adversely impact the Issuer's business, results of operations, financial condition or prospects.

Although the Issuer has not experienced any material collective labor disputes in the past, there can be no assurance that labor disputes will not arise in the future. In addition, the Issuer's employees may claim that they are subject to a more favourable collective bargaining agreement, which may result in increased labor costs for the Issuer.

y) If the Issuer fails to stay current with developments in technology necessary for its business, its operations could be harmed and its ability to compete effectively could be diminished.

Sophisticated technology and other systems are integral to the Issuer's business. Its technology and other systems must be refined, updated or replaced with more advanced systems on a regular basis. Developing and maintaining its systems may require significant capital. If the Issuer is unable to replace or introduce technology and other systems as quickly as its competitors or within budgeted costs or schedules when these systems become outdated or need replacing, or if the Issuer is unable to achieve the intended benefits of any new technology or other systems, its operations could be harmed

and its ability to compete effectively could be diminished. Further, if the Issuer fails to keep up with technological advances in the industry that maintain or improve its cost-effectiveness or add value to the services it can offer to customers, it may not be eligible to participate in or win competitive public tenders or concessions.

z) The Issuer's technology systems may fail or be interrupted, which could potentially harm its business.

The Issuer relies on numerous technology systems that allow it to develop its business, maintain its financial records, manage its employees and gather information upon which its management makes decisions regarding the business. The operation of the business is increasingly dependent on the use of these systems. As a result, system failures or disruptions could have a material adverse effect on the Issuer's business.

aa) Adverse litigation judgments or settlements resulting from legal proceedings in which the Issuer may be involved in the normal course of its business could affect its operations and financial condition.

In the normal course of business, the Issuer is and may be involved in various legal proceedings. The Issuer may face litigation sought against it by authorities, clients, competitors, employees and other third parties. It is possible that an unfavourable outcome of some or all such matters could cause the Issuer to incur significant liabilities. Likewise, the Issuer may incur significant legal and other costs in connection with defending its interests in ongoing legal proceedings. Any significant adverse litigation judgments or settlements could have a negative effect on its business, financial condition and results of operations. See point 9.7. "Judicial, administrative and arbitragion proceedings" of section VIII of this Information Memorandum (*Documento Informativo de Incorporación*).

bb) The Issuer's insurance coverage may not be adequate to cover all possible losses that it could suffer and its insurance costs may increase.

The Issuer maintains a portfolio of insurance policies to help protect the Issuer and its assets against loss or damage incurred from a wide variety of insurable risks. Each year, the Issuer reviews with its professional insurance advisers whether the insurance policies and associated coverage that it maintains are sufficient to adequately protect the Issuer from the various types of risk to which the Issuer is exposed. That analysis takes into account various pertinent factors, such as the likelihood that the Issuer could incur a material loss from any given risk, as well as the cost of obtaining insurance coverage against any such risk. Notwithstanding its insurance coverage for all or any of these risks, the Issuer may experience one or more material losses for which it does not maintain any or adequate insurance coverage. Additionally, costs related to the insurance policies subscribed by the Issuer could increase, which would affect the financial condition of the Issuer.

cc) Risk in data protection policy

The European General Data Protection Regulation approved on May 25, 2016 which is compulsory applicable in Spain and the remaining EU member states since May 25, 2018 regulates the protection of personal data that implies, among others, the adoption of measures regarding data protection policy.

The breach of the legal and regulatory regulation by the Issuer or its subsidiaries, or the lack of adapting to the European General Data Protection Regulation could lead to high penalties, which could affect negatively to the activity, financial situation and the result of Sampol Group.

2 Financial Risk Factors relating to the Issuer, the Guarantor and the Sampol Group

a) Liquidity and funding risk

Sampol Group carries out prudent management of liquidity risk, based on maintaining sufficient cash or immediately-available cash deposits. Sampol Group is not significantly exposed to liquidity risk due to keeping sufficient cash and credit availability to meet the necessary outputs in its daily operations.

The objective of the Sampol Group is to maintain a balance between the flexibility, term and conditions of the credit facilities in accordance with the needs of funds foreseen in the short, medium and long term. However, a long period of market turmoil, particularly in the event of tightening of bank credits, could impede the renovation of credit facilities and reduce the Sampol Group's liquidity.

b) Interest Rate Fluctuations

Changes in interest rates may affect the fair value of assets and liabilities that accrue a fixed interest rate and the future flows from assets and liabilities indexed to a variable rate. Sampol Group may try to limit its exposure to the interest rate risk by procuring funds through fixed-rate loans and using interest rate swaps.

Funds procured at floating interest rates are affected by interest rate fluctuations. Furthermore, the fluctuation of interest rates in the future may affect the funding cost of Sampol Group and, as a consequence, its profitability, earnings and cash flow.

c) Foreign currency fluctuation risk

The international activity of Sampol Group involves the generation of income, investment and indebtedness in a currency other than the functional of the Sampol Group (euros).

To reduce the risk inherent to structural investments in foreign businesses with a functional currency other than the euro, Sampol Group tries to borrow in the same

functional currency as the assets it finances and also, in some cases, may contract currency swaps and/or exchange rate insurance.

The main foreign currencies in which the Sampol Group operates are the US Dollar, the Mexican peso and the Dominican peso.

Foreign currency rate fluctuations exposes the Sampol Group to the risk of exchange rate losses, and therefore could have a material adverse effect on the financial condition and the results of operations of Sampol Group.

d) Foreign currency exchange controls in certain countries in which Sampol Group operates

Certain Latin American economies have experienced shortages in foreign currency reserves and their respective governments have adopted restrictions on the ability to transfer funds out of the country and convert local currencies into euros. This may increase the Sampol Group's costs and limit its ability to convert local currency into euros and transfer funds out of certain countries. Any shortages or restrictions may impede the ability of Sampol Group to convert these currencies into euros and to transfer funds, including for the payment of dividends and leasing or interest or principal on the Sampol Group's outstanding debt.

3 Risks relating to the Notes

a) Credit ratings may not reflect all risks, are not recommendations to buy or to hold securities and may be subject to revision, suspension or withdrawal at any time

The agency Axesor Rating assigned the Notes a credit rating of BBB-, with a stable outlook. The rating of the rating agency is a way to measure risk. In the market, investors demand higher returns on higher risk and should assess the likelihood of a downward variation in the credit quality of the Issuer or the Notes (if any is assigned), which could lead to a loss of liquidity in the Notes purchased in the market and a loss in value. The rating reflects only the view of the rating agency at the time of the evaluation, and takes into consideration the credit rating of the Issuer, as well as the structural characteristics and other aspects of the issue. However, the rating may not reflect the potential impact of risks related to structure, market and other factors in the valuation of the Notes.

The credit rating can be revised upward or downward, suspended or even withdrawn by the rating agency. The downward revision, suspension or withdrawal of the credit rating by the rating agencies could alter the price of the Notes for the perception of the markets and hinder the Issuer's access to debt markets and impact on its ability to achieve financing.

Therefore, any change in creditworthiness, or the perception of it, could also adversely affect the market value of the Notes. Credit ratings of the Notes are not a recommendation

to buy, subscribe, sell or hold securities and will depend, among other circumstances, on certain characteristics of the business and the financial position of Sampol Group.

b) 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:

- i) have sufficient knowledge and experience to (i) 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 Information Memorandum or any applicable supplement;
- ii) 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;
- iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- v) 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.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

c) As the Notes are registered with Iberclear, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

The Notes are in dematerialised form and are registered with Iberclear. Consequently, no physical notes have been or will be issued. Clearing and settlement relating to the Notes, as well as payment of interest and redemption of principal amounts, will be performed within Iberclear's account-based system. The investors are therefore dependent on the functionality of Iberclear's account-based system.

Title to the Notes is evidenced by book entries, and each person shown in the Spanish Central Registry managed by Iberclear and in the registries maintained by the respective participating entities in Iberclear (the Iberclear Members) as having an interest in the

Notes shall be (except as otherwise required by Spanish law) considered the holder of the principal amount of the Notes recorded therein.

The Issuer will discharge its payment obligation under the terms and conditions of the Notes (the “**Conditions of the Notes**”) by making payments through Iberclear. Bondholders must rely on the procedures of Iberclear and its participants to receive payments. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, holders of the Notes according to book entries and registries as described in the previous paragraph. In addition, the Issuer has no responsibility for the proper performance by Iberclear or its participants of its obligations under their respective rules and operating procedures.

d) The Issuer may not be able to finance a repurchase of the Notes upon a change of control

The Conditions of the Notes contain provisions relating to certain events constituting a Change of Control (as this term is defined in the Conditions of the Notes). Upon the occurrence of a Change of Control, the Issuer may be required to repurchase all outstanding Notes at a price equal to 101% of their principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of repurchase. If a Change of Control were to occur, the Issuer cannot assure that it would have sufficient funds available at such time to pay the repurchase price of the outstanding Notes.

A Change of Control may result in a prepayment event or an event of default under, and the acceleration of, other indebtedness of the Issuer. The repurchase of the Notes pursuant to such an offer could cause a default under such indebtedness, even if the Change of Control itself does not. Sufficient funds may not be available when necessary to make any required repurchases. In addition, the Issuer may require third-party financing to make an offer to repurchase the Notes upon a Change of Control. The Issuer cannot assure that it would be able to obtain such financing. Any failure by the Issuer to offer to repurchase the Notes would constitute a default under the Conditions of the Notes.

The Change of Control provision contained in the Conditions of the Notes may not necessarily afford protection in the event of certain important corporate events, including a reorganization, restructuring, merger or other similar transaction involving the Issuer that may adversely affect the holders of the Notes (the “**Noteholders**”), because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a Change of Control as defined in the Conditions of the Notes.

e) The Issuer’s ability to service its debt will depend on certain financial, business and other factors, many of which are beyond its control

The Issuer’s ability to service its debt, including the Notes, will depend upon, among other things, its future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors,

many of which are beyond the Issuer's control. If the Issuer is unable to generate sufficient cash flow to satisfy its debt service requirements, the Issuer may be forced to take actions such as:

- restructuring or refinancing its debt, including the Notes;
- seeking additional debt or equity capital;
- seeking bankruptcy protection;
- reducing distributions;
- reducing or delaying business activities, acquisitions, investments or capital expenditures; or
- selling assets.

Such measures might not be successful and might not enable the Issuer to service its debt. In addition, any such financing, refinancing or sale of assets might not be available or economically favourable. Further, the Issuer's credit agreements and the issuance document governing the Notes may restrict the Issuer's ability to implement some of these measures.

f) The Issuer or Sampol Group may incur more indebtedness in the future, which may make it difficult for the Issuer to service its debt, including the Notes, and impair the Issuer ability to operate its businesses.

The Issuer or Sampol Group may incur substantial additional indebtedness in the future. Any debt that the Issuer or Sampol Group incur could be effectively senior to the Notes, and other debt could be secured or could mature prior to the Notes. The terms of the issuance document (*documento de la emisión*) governing the Notes will permit the Sampol Group to incur future debt that may have substantially the same or more restrictive or favourable covenants as those of the indenture governing the Notes. Borrowings under other debt instruments that contain cross acceleration or cross default provisions, including the Notes, may as a result also be accelerated and become due and payable. If the Issuer or Sampol Group incurs any additional indebtedness that ranks equally with the Notes, the holders of that debt will be entitled to share ratably in any proceeds distributed in connection with its insolvency, liquidation, reorganization, dissolution or other winding-up. The Issuer may be unable to pay in full the Notes and these debts in such circumstances. The incurrence of additional debt would increase the leverage related risks described in this Information Memorandum (*Documento Informativo de Incorporación*).

g) The Notes will be unsecured obligations and will be effectively subordinated to the Issuer or Sampol Group's secured debt

The Notes are unsecured and therefore will be effectively subordinated to any secured debt the Issuer or Sampol Group maintains or may incur to the extent of the value of the assets securing the debt. In the event of a bankruptcy or similar proceeding involving Sampol Group, the assets that serve as collateral of a secured debt would eventually be available to satisfy the obligations under the secured debt before any payments are made on the Notes.

h) There may not be an active trading market for the Notes, in which case the ability to sell the Notes may be limited.

SIO cannot assure the Noteholders as to the liquidity of any market in the Notes, their ability to sell the Notes or the prices at which would be able to sell their Notes. Future trading prices for the Notes will depend on many factors, including, among other things, prevailing interest rates, the Issuer operating results and the market for similar securities.

Although an application will be made for the Notes to be listed on the MARF, the Issuer cannot assure that the Notes will be or will remain listed. Although no assurance is made as to the liquidity of the Notes as a result of the admission (incorporación) to MARF market, the failure to be approved for admission (incorporación) or the exclusion (whether or not for an alternative admission to listing on another stock exchange) of the Notes from the MARF market may have a material effect on a holder's ability to resell the Notes, as applicable, in the secondary market.

i) Future sale of Notes on the secondary market after the offering could negatively affect the Notes' market price

Sales of a substantial number of the Issuer's Notes on the public market following this offering, or the perception that such issuance or sale might occur, could adversely affect the market price of the Notes and/or the Company's ability to raise capital through a future public offering.

j) The Notes price could be volatile and subject to sudden and significant declines

The market price of the Notes may be volatile. Factors beyond the Company's control, such as changes in the results of operations and the financial position of the Company's competitors, negative publicity, or changes in financial market conditions, may have a significant effect on the market price of the Company's Notes. In addition, during the past years, the markets in Spain and worldwide have experienced significant volatility in prices and trading volumes. This volatility could have a negative impact on the market price of the Notes, regardless of the Company's financial position and the results of its operations.

k) The Notes Syndicate assemblies may decide otherwise than individual Noteholders

The Conditions of the Notes include clauses regarding the Notes Syndicate assemblies which may take place to solve matters regarding the interests of Noteholders. Those clauses establish specific majorities which will be binding to all Noteholders, including those which have not come nor voted in the assembly, or have voted against the majority, thus being bound by decisions taken in a validly convened and held assembly. Therefore, it is possible that the Notes Syndicate takes a decision with which an individual Noteholder is not in agreement, but to which all Noteholders are bound.

l) Noteholders in countries with currencies other than the euro will be exposed to exchange rate risks

Noteholders residing in countries that have not adopted the euro as their official currency will be exposed to an additional investment risk related to variations in the rate of exchange between the currency of their country of residence and the euro. Notes will only be issued and listed in Euros.

m) Eurozone countries indebtedness and doubts related to the continuity of the euro

In addition, despite the measures taken by countries in the Eurozone to alleviate credit risk, concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations, the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual Eurozone member states. These and other concerns could lead to the reintroduction of individual currencies in one or more Eurozone member states, or, in more extreme circumstances, the possible dissolution of the euro entirely. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro-denominated obligations would be determined by laws in effect at such time. The official exchange rate at which the Notes may be redenominated may not accurately reflect their value in euro. These potential developments, or market perceptions concerning these developments and related issues, could adversely affect the value of the Notes.

n) The Guarantee granted by the Guarantor may not be enough to comply with the obligations arising from the securities.

In the event of non-payment of the Notes, the Noteholders may enforce the Guarantee and/or any Additional Guarantee (as described in the Condition of the Notes). However, the funds obtained from the enforcement of the Guarantee (or any Additional Guarantee) may not be sufficient to satisfy, or may even be substantially lower than, the amounts due under the Notes. In the event that the funds obtained from the enforcement of the Guarantee (or any Additional Guarantee) are not sufficient to repay all amounts due under

the Notes, the Issuer will still be liable to the Noteholders for the amounts due and not recovered from the proceeds of such enforcement.

V. DECLARATION OF LIABILITY

1. Person responsible for the information contained in the Information Memorandum (*Documento Informativo de Incorporación*)

- (a) Ms. Carmen Sampol Massanet, on behalf of SIO hereby assumes responsibility for the content of this Information Memorandum (*Documento Informativo de Incorporación*).
- (b) Ms. Carmen Sampol Massanet, is expressly authorized to grant any public or private documents as may be necessary for the proper processing of the Notes issued by virtue of the decisions adopted by the sole director on November 13, 2018.

2. Statement of the person responsible for the content of the Information Memorandum (*Documento Informativo de Incorporación*)

Ms. Carmen Sampol Massanet, acting on behalf of SIO, hereby declares that the information contained in this Information Memorandum (*Documento Informativo de Incorporación*) is, to his knowledge and after acting with reasonable care, in full accordance with the facts and contains no omissions likely to affect its content.

VI. FUNCTIONS OF THE REGISTERED ADVISOR OF MARF

- (a) Analistas Financieros Internacionales S.A. is a company incorporated before the Notary of Madrid, Mr. Francisco Javier López Contreras, on 1987, December 3th, under number 2.646 of his records, registered in the Madrid Companies Register in volume 8.329, folder 173, sheet 79.387, inscription 1 and in the Registered Advisors Market Register pursuant to the market Operative Instruction 5/2013 (*Instrucción Operativa de 19 de Noviembre de 2013* (“**Afi**” or the “**Registered Advisor**”).

Afi is designated as the Registered Advisor of the Issuer and therefore has acquired the compromise of cooperate with the Issuer on (i) the admission (*incorporación*) of the Notes issued, (ii) compliance with any obligations and responsibilities that apply to the Issuer for its participation in MARF, (iii) the preparation and presentation of financial and business information required thereby and (iv) review of the information to ensure that it complies with applicable standards. Thus, Afi will collaborate with the Issuer to enable him to comply with its obligations and responsibilities to be assumed by incorporating the Issue on MARF, acting as specialised interlocutor between both MARF and the company and as a means to facilitate its insertion and development in the new trading regime of their securities trading.

Afi shall provide the MARF with the periodic reports required by it, and the MARF, in turn, may seek any information deemed necessary in connection with the Registered Advisor's role (and obligations as Registered Advisor). MARF may take any measures in order to check the information that has been provided.

The Issuer must have, at all times, a designated Registered Advisor listed in the "Registered Advisors Market Register".

- (b) As Registered Advisor, Afi, with respect to the admission (*incorporación*) of the Notes to trading at MARF:
 - a. Has confirmed that the Issuer complies with the requirements of the MARF regulations required for the admission (*incorporación*) of the Notes to trading; and
 - b. Has assisted the Issuer in the preparation of the Information Memorandum (*Documento Informativo de Incorporación*) and reviewed all information furnished to the market in connection with the application for admission (*incorporación*) of the Notes on MARF and that the information contributed by the Issuer, to the best of its knowledge, complies with the requirements of the applicable laws and contains no omission likely to confuse potential investors.
- (c) Once the Notes are admitted, Afi, as Registered Advisor, will:
 - a. review the information that the Issuer prepares for sending to MARF periodically or on an ad hoc basis and verify that the content meets the requirements and time limits provided in the rules;
 - b. advise the Issuer on the events that might affect the performance of the obligations it has assumed to admit the Notes to trading on MARF and on the best way to treat such events to avoid breaching those obligations;
 - c. inform the MARF of the facts that would constitute a breach by the Issuer of its obligations in the event of a potential material breach by the Issuer which had not been cured by its advice, and
 - d. manage, attend and answer queries and requests for information that the MARF may request in relation to the situation of the Issuer, the evolution of its activity, the level of performance of its obligations and such other market data deemed relevant.

To this effect, the Registered Advisor shall perform the following actions:

- a. maintain regular and necessary contact with the Issuer and analyse exceptional situations that may occur in the evolution of the market

price, trading volume and other relevant circumstances in the trading of the Notes of the Issuer;

- b. signing such statements, in general, as may be required under the regulations as a result of the admission (*incorporación*) on the MARF and in relation to the information required from companies listed on said market, and
 - c. forward to the MARF, as soon as possible, the information received in response to inquiries and requests for information that the latter may issue.
- (d) The breach by the Registered Advisor of the requirements that are demanded of it, as well as the tasks to be carried out, may lead to the adoption, by the applicable organs of MARF, of any of the following actions:
- a. written warning leading to the adoption by the Registered Advisor of corrective action of non-compliant actions. This action may be taken by the Managing Director or the Market Supervision Committee;
 - b. a suspension of the Registered Advisor by MARF which would result in a ban on the Registered Advisor being appointed in such role by new issuers. This action does not affect previous appointments, therefore they may continue to act as Registered Advisor regarding such issuers; and/or
 - c. exclusion of the entity out of the Registered Advisors Registry.

Actions b. and c. of section (d) above must be agreed upon by the Board of Directors following a report of Securities Incorporation Commission and after hearing the person concerned. Such actions shall be communicated to the CNMV on the same day of its adoption, and published on MARF's website.

VII. INDEPENDENT AUDITORS

1 Name and address of the auditors of the Issuer for the period covered by the historical financial information (together with their membership in a professional body)

KPMG Auditores S.L. (“**KPMG**”) with registered office in Paseo de la Castellana 259-C, Madrid, and registered in R.O.A.C. (Registro Oficial de Auditores de Cuentas) with number 20351, has audited the individual annual accounts of Sampol Ingeniería y Obras, S.A. corresponding to the financial year ended December 31, 2017 and 2016.

2 Name and address of the auditors of the Guarantors for the period covered by the historical financial information (together with their membership in a professional body)

KPMG Auditores S.L. (“**KPMG**”) with registered office in Paseo de la Castellana 259-C, Madrid, and registered in R.O.A.C. (Registro Oficial de Auditores de Cuentas) with number 20351, has audited the consolidated annual accounts of Sampol Grupo Corporativo, S.L. corresponding to the financial year ended December 31, 2017 and 2016.

3 If auditors have resigned, been removed from their duties or have not been re-appointed during the period covered by the historical financial information, indicate the details if material

Neither SIO nor SGC’s auditors have resigned or been removed from their duties during the financial years 2016 and 2017.

VIII. INFORMATION ON THE ISSUER AND THE SAMPOL GROUP

1 History and performance of Sampol Group

1.1 Origin and identification data of the Issuer and Guarantors

Sampol Ingeniería y Obras S.A. (“**SIO**” or the “**Issuer**”) was incorporated as a public limited liability company (sociedad anónima) organised under the laws of Spain on October 7, 1981 under the corporate name Montajes Eléctricos Sampol S.A, with registered offices at Palma, Gremio Boneteros 48.

The Issuer changed the name Montajes Eléctricos Sampol, S.A. to Sampol Ingeniería y Obras, S.A. in October 5, 1994, by resolutions of the Extraordinary and Universal General Meeting of Shareholders.

The Issuer is registered in the Palma Commercial Register in Volume 311, page 114 et seq., sheet M-7707, with tax identification number A-07088206 and LEI Code 959800354G1CWV1A1H71.

The Issuer is the main operative subsidiary of Sampol Grupo Corporativo, S.L.U. founded in October 28, 1997 with registered offices at Palma, Gremio Boneteros 48. Sampol Grupo Corporativo, S.L.U. (“**SGC**” or “the **Guarantor**”) is the parent company of Sampol Group (“**Sampol Group**” o “**Sampol**”). The activity of SGC consist of the holding of shares of Sampol Group, a family-owned multinational group of Spanish capital founded in 1934 and dedicated to:

- The execution of energy projects, electromechanical installations, communications network and control systems.
- The promotion, construction and operation of power generation plants, with a clear commitment to efficiency and sustainability.

The main sectors of activity of Sampol Group are transport infrastructure, generation and distribution of energy, industrial installations, hotels & resorts, and telecom infrastructure.

The organizational structure of Sampol Group is detailed in section VIII, point 3 of this Information Memorandum (*Documento Informativo de Incorporación*).

1.2 Milestones of Sampol Group



Sampol Group began its activity in 1934 . In the decade of the 70s, with the introduction of mass tourism in Spain and especially in the Balearic Islands, Sampol specialized in these sectors becoming a reference in the Majorcan hotel and industrial world. During the decade of the 80s, Sampol Group expanded into the rest of Spain, opening branches in the main capitals hand in hand with its clients from the hotel sector. As a result of this, Sampol expanded to the airport sector at the end of the 80s.

In the 90s Sampol started its international activity, also thanks to its link and recognition in the hotel sector, and expanded its business to the Caribbean region. Meanwhile, in Spain it continues to gain specialisation in the segment of airport beaconing.

In the last decades, Sampol Group has grown and diversified its activity. It has expanded its capabilities in energy systems, electromechanical installations, and telecommunications and control systems. In terms of geographical presence, Sampol has expanded its business to countries in Europe, Central America and Africa.

Today, Sampol employs more than 1,500 employees across the world, has presence in 57 airports in seven different countries, has international experience in projects with high technological content with 10 railway entities, and has developed more than 3,000 projects with more than 250 hotels in 17 countries across four continents.

Between the most remarkable milestones of recent activity stands out the renovation of the certification UNE 166002, a certification which evaluates the management of research and development (R&D) in February 2017, the presentation of the International Security Protocol for the group on June 2017, and the operational start-up of an energy plant in Jamaica for the Spanish tourism group Grupo Piñero in September 2017. Apart from this, Sampol has continued being awarded with different projects of applied engineering for hotels in Jamaica, Tenerife (Spain), Dominican Republic and Mexico for clients like Grupo Piñero, RIU, Soltour or Barceló.

1.3 Current situation and performance of Sampol Group

In the financial year 2017 Sampol Group achieved optimal financial results over budget in harmony with the decisions and strategic goals of the company, strengthening the generation of value and accomplishing the established objectives, both financial and non-financial.

One of the main improvements of 2017 was the increase in consolidated revenues, recording at the end of the year 142.8 million euros, which represents an annual increase of 9.6% on the previous year. In terms of margin, EBITDA (calculated as operating result plus depreciation of fixed assets and impairments) almost doubled passing from 12.5 million euros in 2016 to 21.4 million euros in 2017, reflecting an improvement management of costs and efficiency.

By business areas, a 49% of the revenues of the Group came from the energy segment, a recurring business with stable margins on the basis of long-term commercial agreements

with clients (mostly for sell of energy). The remaining 51% of the revenues corresponds with the construction, and a 36% of the revenues of this segment was with customers from the hotel and infrastructure industry with which the Group holds a long-term and recurring relationship.

Sampol maintains a high capacity for the origination of new business agreements based on the certainty of part of its revenues and its growing capacity of growth overseas. In these regards, The Group closed 2017 with a backlog of 127,8 million euros. In 2018 Sampol has maintained this progress, with a backlog as at October 2018 of 148.7 million euros. In terms of geographical distribution, a 46.2% of the backlog as at December 2017 (16.8% as at October 2018) came from Spain and a 53.8% (83.2%) from overseas.

On December 2018 Sampol Group signed a contract to produce energy (electricity, hot water and ice water) with the Catalanian hotel chain H10 for the next 15 years. The project benefits from the ESCO “clean energy and water management” solution of savings in energy costs, long-term reliability and operational efficiency. The plant will consist on a high-efficiency hybrid generation system composed of a trigeneration plant of 2.7 MW, through three natural gas engines, and a LNG storage and regasification plant of 400kWp. As a result of the positive evolution in terms of new business agreements, financial information for the first half of 2018 shows an improvement in terms of turnover and margins compared to same period of the year before. According with limited reviewed financial information prepared for the first six months of 2018, Sampol recorded net turnover of 85.2 million euros (74.4 million euros in the same period of 2017) and EBITDA of 13.6 million euros (11.1 million euros in the same period of 2017).

The evolution of revenues and margins is framed in a context of a prudent management and stable growth. In this regard, Sampol has combined the improvement in profitability of the last years with a process of deleveraging at a consolidated level. From 2016 to 2017 Sampol reduced the consolidated gross debt by 20% down to 35.5 million euros and increased liquidity by 12% up to 8.7 million euros, which resulted in a net financial debt amount (expressed as gross financial debt minus cash and cash equivalents) of 26.8 million euros (1.3x in terms of EBITDA compared with 2.9x in 2016).

<i>thousand euros</i>	2015	2016	2017
Gross debt	54,793	44,380	35,535
Long term financial debt	23,515	27,905	19,853
Short term financial debt	31,278	16,476	15,682
Cash & cash equivalents	10,875	7,831	8,744
Net Financial Debt (NFD)	43,918	36,549	26,791
EBITDA	15,362	12,510	21,363
NFD/EBITDA	2.9x	2.9x	1.3x

The organization of Sampol Group is structured to serve its clients on a close and rapid way. For this reason, apart from the headquarters in Palma, Sampol has branch offices that cover both its national and the international activity. These branch offices allow the

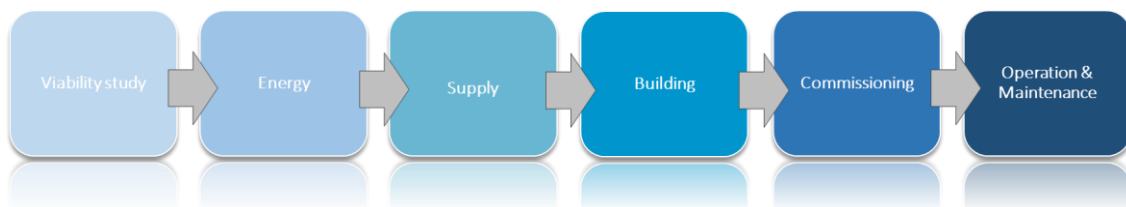
necessary logistical support to be offered to the construction executive units in order that most decisions can be made on site and in direct contact with the client.

The different centralized departments provide all the technical, commercial and management support, generating scale economies that offer valuable benefits to the client and makes Sampol more competitive.

The value of Sampol is its multisectoral and international experience and the ability to execute from beginning to end the phases of engineering, execution, commissioning and the maintenance and operation of the projects.

In the area of electromechanical installations, Sampol offer is based on:

- High specialization and experience in the sectors where it works.
- Offering a comprehensive response to the set of facilities (electrical, mechanical, telecommunications, security, control, etc.), providing the customer with a single interlocutor.
- Guarantee the correct execution of projects that affect systems and services that are critical for the customer, with high demands for reliability and response times.
- Offering services with a global conception of the life cycle of the project and the facilities.



1.4 Quality and environmental activities

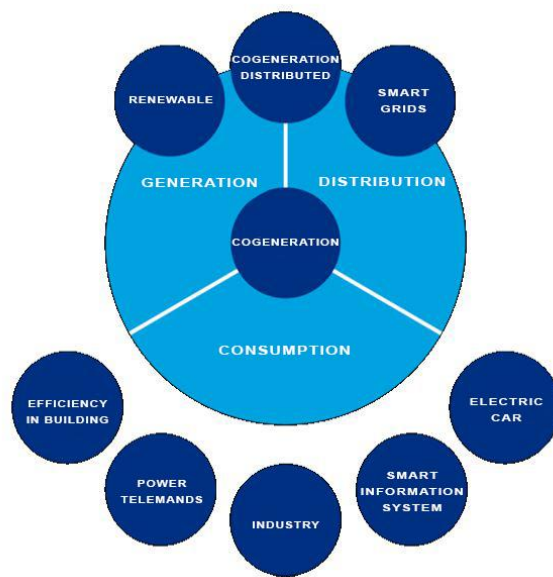
The business philosophy and values of Sampol are based on a commitment to sustainability, which entails the development of increasingly efficient energy systems that provide value to its customers and are economically, environmentally and socially sustainable. Sampol applies this philosophy to all the sectors of activity where the company is involved.

Generation and distribution of energy:

- More efficient generation systems;
- Reduction of losses thought systems of distributed generation;
- Employment of renewable and less contaminants energy sources.

Energy consumption:

- Increase in efficiency in the consumption points;
- Installation of light systems with lower consumption LED;
- Development of remote controls and intelligent systems that regulate the consumption of energy;
- Optimizing refrigeration, conditioning and ventilation systems;
- Development of systems and infrastructures to give support to electric vehicles.



In order to meet its commitment with quality and environment Sampol Group started in 1995 a System of Management of Quality that has been evolving until constitute an integrated system of quality, R+D+i, environment, safety and health certificated with the norms:

- ISO 9001: Quality management system. This standard is based on a number of quality management principles including a strong customer focus, the motivation and implication of top management, the process approach and continual improvement.
- OHSAS 18001: Occupational Health and Safety Management Certification. This standard certifies that a rigorous health and safety policy is in place which protects employees against possible occupational risks and reduces the likelihood of accidents in the workplace.
- ISO 14001: Environmental management. This standard sets out the criteria for an environmental management system. It maps out a framework that a company or organization can follow to set up an effective environmental management system.

- UNE 166002: Management of R&D. The fulfilment of the requirements of this standard is of help in improving the capacity of organizations to effectively carry out research, development and innovation activities. Also the certification allows an external demonstration of the level of quality achieved in the realization of the activities.
- ISO 500: Energy management. Supports organizations in all sectors to use energy more efficiently, through the development of an energy management system.

1.5 Research, Development and innovation (R+D+i)

Since its foundation, Sampol Group has developed an intense activity in research, development and innovation investing on new technologies that are able to create added value for its clients, improve safety and reduce environmental impact. Indeed, over the last few years, Sampol has focused its investments in new energy saving techniques to be applied to power management and smart grids.

The activity of R+D+i of Sampol is concentrated in the areas of Energy and Automation with a special focus on projects of innovation in energy efficiency in generation and consumption and renewable energies and energy storage systems. Sampol R+D+i policy is certified according to the UNE 166002:2006 standard, which defines the processes of monitoring and technological forecasting, analysis and selection of ideas and project management.

The R+D+i of Sampol includes collaborations with universities, as for example, the Chair Sampol of automation and efficiency at the University of the Balearic Islands (UiB) or the participation in European projects such as the 7th WATTALYST Framework Program. At international level, Sampol has participated in European R+D+i projects, leading to an increase in the number of people involved year after year. During the last few years, Sampol has carried out the following European projects:

- Seventh European FP7 project Wattalyst for the use of demand management in public buildings and houses.
- Optimization of the use of solar thermal energy in the Parc Bit cogeneration plant has been studied. The project, developed in collaboration with Shine-Solnet within the European-funded Marie Curie doctoral program, aimed at predicting the price of the electricity market and modelling the power plant.
- OPTi is a H2020 project in which Sampol seeks to develop solutions to improve the performance of the cogeneration plant at Son Llàtzer hospital and to integrate the center's demand for further optimization of production.

The following table details by divisions the main research and development projects of Sampol Group which as at the date of this Information Memorandum (*Documento Informativo de Incorporación*) are in progress:

R+D+i Projects in progress (Energy Division)

Intelligent electric vehicle recharging system	Research
Generation of electrical energy and thermal energy from biomass	Research
Determination of the optimal thermal power plant construction process in the face of seismic risk	Research
Optimized process of management of operations of power plants	Research
New refrigeration process in cogeneration of energy	Research
New design criteria and adjustment of protections in the High Voltage airport system	R+D+i
New computer developments to improve internal processes	Research
New substation and protection cabinet	Research

R+D+i Projects in progress (Technological Integration Division)

New power generation solutions for emerging countries	R&D
Development of new solutions for the improvement of the process of control and supervision in photovoltaic plants	Development
Development of new solutions for the improvement of the process of control and supervision in hydroelectric plants	R+D
New developments of control and protection in substation	IT
Definition and control of networks in island areas	R+D
Development of new solutions for the improvement of control and supervision processes in different areas in the airport sector	R+D+i

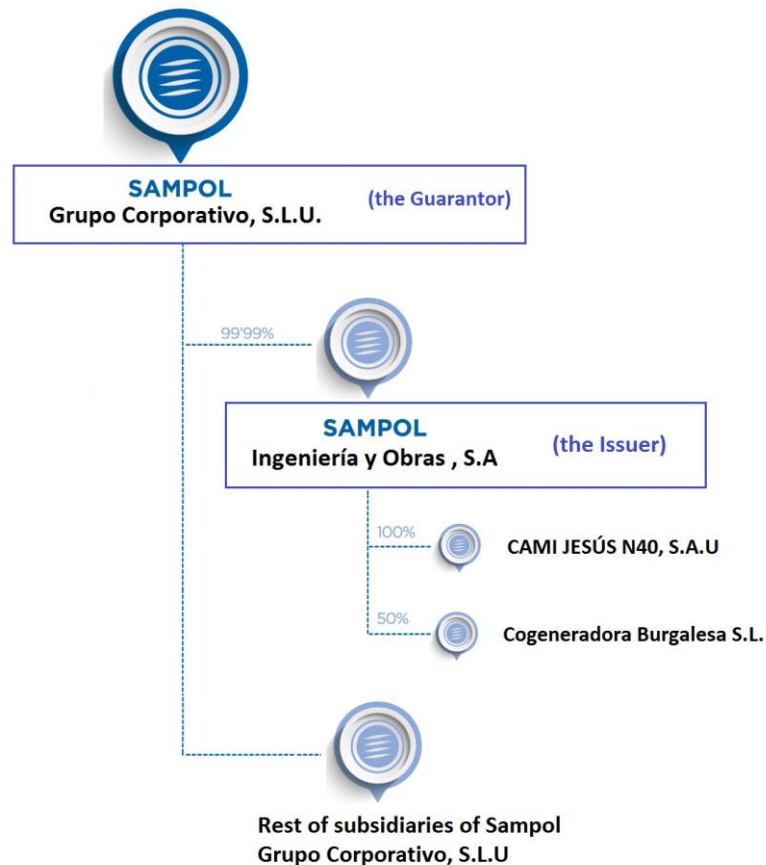
2 Main shareholders of the Issuer

As of the date of this Information Memorandum (*Documento Informativo Incorporación*) the capital stock of SIO's is represented by 33,760 ordinary bearer shares of 60.10 euro par value each.

The main shareholder of SIO is Sampol Grupo Corporativo, S.L.U., holder of 33,759 shares of SIO which represents a percentage of participation of 99.99%.

3 Organizational structure of Sampol Group

The following is the simplified corporate structure of Sampol Group as of the date of this Information Memorandum (*Documento Informativo de Incorporación*):



SCG is the parent company of Sampol Group and will act as a personal guarantor for the Notes. The sole shareholder of SGC is Mr. Gabriel Sampol Mayor, owner of the 100% of the share capital.

Furthermore, additional guarantors would be established in case any of the Subsidiaries incur any Indebtedness other than any Permitted Indebtedness as established in IX.5 (*Guarantees*) of section IX “Description of the Notes” of this Information Memorandum (*Documento Informativo de Incorporación*).

4 Corporate purpose

The Issuer’s activity is framed in the economic sector of construction, mainly in the field of electrical installations. SIO’s primary geographical scope is Spain, although its international presence is increasingly significant, especially in the Americas.

In accordance with article two of SIO's bylaws (*Estatutos*), the corporate purpose of the Issuer basically consists in:

1. The electrical, mechanical, special installations, qualified services, services of maintenance and repair of machinery and derived space transports.
2. The supply of electric power both in Spain and outside Spain.
3. The purchase, sale and lease, both wholesale and retail of all kinds of machinery, equipment or electrical equipment and accessories, industrial or domestic and other goods and tools.
4. The execution of construction, building, hydraulic, maritime, road and runway works, and any other civil works, construction or construction on its own and / or third parties, even for public organizations and entities, in addition to the corresponding conservation services and maintenance of furniture and real estate.
5. The construction of railways and their derivatives, on its own account and/or on behalf of another; even for organizations and public entities, and their conservation and maintenance services.
6. The execution of transport of petroleum and gas products, on its own account and/or on behalf of another, even for public organizations and entities, and their conservation and maintenance service, and transport services in general.
7. The execution of different services of other natives on its own account and/or on behalf of another, even for organizations and public entities.
8. Execution of works and services of study, development, advice and training in the environmental, forestry, livestock, administrative and rural property management sectors.
9. The provision of advisory services, consulting and legal, fiscal, accounting, administrative, labour and real estate management, processing public and private documents before public records as well as before the state, autonomic or local public administration.
10. The study, planning, development and operation of information and communication systems for the attention of emergency, emergency and other situations. Maintenance and repair of computer and communication equipment and facilities.
11. The commercialization of natural gas.

5 Administrative and management bodies

5.1 Board of Directors

The administration body of Sampol Ingeniería y Obras, S.A. is entrusted to a Sole Director, Sampol Grupo Corporativo, S.L.U., represented by Mr. Gabriel Sampol Mayol.

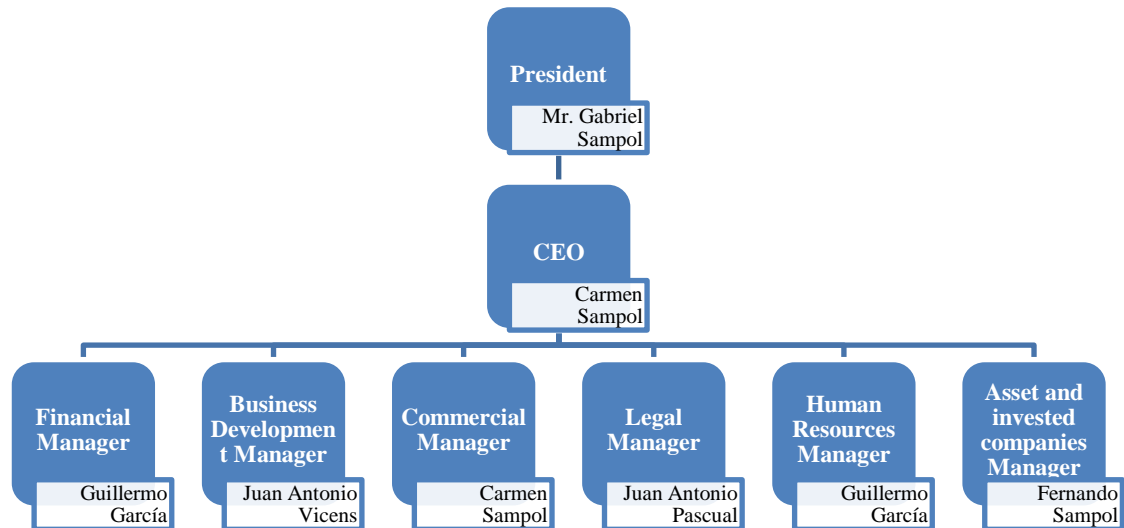
Mr. Gabriel Sampol Mayol, born in Montuiri (Mallorca) in 1936 is a Technical Engineer from the University School of Vilanova i la Geltrú and has dedicated all his professional life to the family business, where he began working in 1953 and took control of the company 14 years later following the death of this father.

Over the years, Mr. Gabriel Sampol turned the family business into a multinational group. In recognition of his career, Mr. Gabriel Sampol received in 2011 the Medal of Merit to Work, adopted in the Council of Ministers of December 3, 2010 on the proposal of the Minister of Labour and Immigration Mr. Valeriano Gómez. This award aims to highlight the merit of a socially useful and exemplary conduct in the performance of the duties imposed by the exercise of any job, profession or service. Among the merits of the Mr. Gabriel Sampol, it was highlighted his entrepreneurial spirit, recognizing the contribution of Sampol Group in the fields of Research, Development and Innovation (RDI) and renewable energies.

Additional recognitions:

- | | |
|------|---|
| 2018 | Recognition for his professional trajectory by the CEDE (<i>Confederación Española de Directivos y Ejecutivos</i>). |
| 2018 | Executive of the year award of CAEB (<i>Confederación Asociaciones Empresariales de Baleares</i>) |
| 2016 | Gold medal for his professional trajectory by the College of Economists of the Illes Balears. |
| 2013 | Onda Cero Company Price for his effort and perseverance in a highly competitive sector. |
| 2011 | Gold Medal of Merit to Work by the Government of Spain. |
| 2010 | Executive of the year award of Islas Baleares. |
| 2010 | ASINEM (Asociación de Empresarios Instaladores de Baleares) for promoting the economy through the organization and adaptation to the new times. |

5.2 Senior Management of SIO



The Senior Management structure of SIO, as of the date of preparation of this Information Memorandum (*Documento de Base Informativo de Incorporación*), is as follows:

Carmen Sampol – Chief Executive Officer and Commercial Manager

Professional experience: 24 years

Main functions:

- Direction and coordination of the general policies of Sampol Group.
- Assignment of responsibilities and management of organizational structure.
- Business planning in its different operational aspects.
- Leader of the international development project.
- Corporate representation.
- Member of the Management Committee of the Sampol Group.
- Member of the Management Committee of temporary unions of companies in the most important works.

Academic education:

- In-Company Training in General Management. Esade Business School (Barcelona)
- Bachelor degree in Business Administration. Schiller International University (London).

- Diploma in Accounting. Saint Louis University (Madrid).
- Master in General Management. Esade Business School (Barcelona).

Guillermo García – Financial Manager and Human Resources Manager

Professional experience: 10 years

Main functions:

- Management and supervision of the financial, economic, and human resources of Sampol Group.
- Definition and development of economic strategies, administration, systems and human resources.
- Risk analysis and optimization of economic and financial resources.
- Financial planning.
- Tax and accounting coordination of Sampol Group.
- Direction and Coordination of the Human Resources area.

Academic education:

- Bachelor degree in Business Administration. Universidad Autónoma de Madrid.
- University Expert Title in Auditing and Accounting. Universidad de Málaga.

Juan Antonio Vicens – Business Development Manager

Professional experience: 20 years

Main functions:

- Management and coordination of the business areas of Facilities and Energy of Sampol Group.
- Development of new projects and areas of business expansion.
- Coordination of project execution.
- Management and economic viability of the projects.
- Definition of the commercial and technological strategy.

Academic education:

- Industrial Engineering. Universidad Politécnica de Cataluña (Barcelona).

Juan Antonio Pascual – Legal Manager

Professional experience: 19 years

Main functions:

- Comprehensive advice and legal-mercantile organization of Sampol Group companies.
- Negotiation and drafting of commercial and civil contracts at national and international level.
- Management of national and international risk policies.
- Assistance and advice to the governing bodies of Sampol Group and investee companies.

Academic education:

- Bachelor degree in Law. Universidad de Deusto (Bilbao).
- Executive MBA. ESEUNE Business School (Bilbao).
- Doctorate in Law. Universidad de Deusto (Bilbao).

Fernando Sampol – Asset and Invested Companies Manager

Professional experience: 16 years

Main functions:

- Definition of the parameters and general guidelines of the Company.
- Supervision of the planning, coordination and control of the technical tasks of vineyard, production and inventory in the winery.
- Supervision, control and coordination of the staff optimizing human resources and processes.

Academic education:

- Bachelor degree in Law. Universidad Europea de Madrid.
- Master MBA. Universidad Pontificia Comillas (Madrid).

6 Industry and Activity

6.1 Business

The business areas of Sampol can be classified into two main verticals:

- (i) Projects: electromechanical installations and energy;
- (ii) Energy: generation, commercialization and distribution of electrical energy and technological integration

The proportion of revenues of each business area in the financial year 2017 and 2016 was as follows:

<i>Thousand euros</i>	2017	2016	2017%	2016%
Projects	72,793.4	69,782.1	51.0%	53.5%
Energy	70,043.1	60,585.6	49.0%	46.5%
Total	142,836.5	130,367.8	100.0%	100.0%

6.1.1. Projects

In the area of electromechanical installations, Sampol offer is based on:

- High specialization and experience in the sectors where he works.
- Offer a comprehensive response to the set of facilities (electrical, mechanical, telecommunications, security, control, etc.), provide the customer with a single interlocutor
- Guarantee the correct execution of the projects.
- Offer services with a global conception of the life cycle of the project and the facilities.

Key activities in turnkey mode:

- Electricity
- Air conditioning and ventilation.
- Fire protection
- Plumbing and sanitation.
- Electrical installations of high tension
- Transforming substations
- Distribution lines and transformation centers.

6.1.2. Energy

When considering only energy projects, Sampol focuses its activity on three lines of action:

- Outsourcing of the customer's energy supply (electricity, heat, cold, steam)
- Execution of turnkey installations for efficient and / or renewable energy generation
- Energy savings and efficiency

Depending on the needs of the client, Sampol performs from the design, execution, operation and maintenance of the plants, to the promotion and financing of the projects:

- Feasibility studies.
- Engineering.
- EPC contracts ("turnkey" projects).
- Operation and Maintenance of energy facilities.

- Energy Supply: engineering, construction, financing and exploitation of energy production plants.
- Marketer for the electricity market.
- Energy outsourcing
- Energy Distribution (electrical distribution and district networks).

6.1.3. IT (Innovation, Engineering & Engagement)

Since 2016, the IT division of Sampol dedicated to communications and control is named “Sampol Digital”.

Sampol Digital is the technological integrator that develops projects and services in the field of telecommunications, automation and software within Sampol Group for more than 20 years.

Its activity extends to all sectors where Sampol Group is present: special buildings (hotels, hospitals, museums, office buildings, shopping centres...), energy, airport and railway infrastructures and industry. It develops projects and services of applied engineering in the fields of telecommunications, automation and systems integration, with a strong orientation to multidisciplinary projects that encompass several of these areas in an integral solution.

The foundations of our strategy in the area of technological integration are:

- Innovation supported by the strong technical and multisectoral know-how of our team.
- Strong commitment to non-proprietary solutions and the use of standards that guarantee customer investment, the integration of new systems, technological adaptation and independence in future decision-making.
- Vocation for engineering as a guarantee of the care of each one of the phases of a project and / or service: definition, development, implementation, maintenance / operation and evolution.
- Values inherited from Sampol Group such as the dedication and involvement in each project, the modesty that leads us to rely on experts and continuous improvement, the international vocation and finally the commitment to the client in meeting deadlines and costs.

Sampol approaches the projects in this area with a team of a high multisectoral background and international experience that acts giving an integral and coordinated response to the set of facilities and systems of the project and responding with absolute reliability to critical services, systems and activities.

6.2 Sectors

The activity of Sampol Group is focused in the sectors of transportation infrastructure: generation, commercialization and distribution of energy; industrial installation, hotels and singular buildings and telecommunications.

(i) Airports

Sampol has an extensive experience for more than 30 year in the airport sector, with a high degree of specialization in:

- Beacon installations and visual aids on runways;
- Electrical system, power supply and emergency supply
- Electromechanical and communications facilities in terminal buildings;
- Telecommunications networks and security systems
- Control systems for installations and systems integration

Sampol has developed more than 600 projects in the 47 airports of the Spanish network, as well as in Mexico, Colombia, the Dominican Republic and Palestine. The main references of Sampol Group in this sector are:

- Beacon projects and visual aids in more than 55 airports;
- More than 20 emergency generation power plants.
- Maintenance management of the command and presentation systems of 26 airports in Spain.
- More than 50 projects for electromechanical installations and telecommunications in terminal buildings, as well as the construction of the cogeneration plant.
- The supply of thermal and electric energy under the concession regime to Madrid-Barajas Airport for 20 years.

(ii) Railways

The activity of Sampol in the railway sector began in 2004, based on the direct application of the know-how acquired in other sectors of critical infrastructures.

Thus, projects and solutions are developed on innovative technologies in this sector, but of a guaranteed maturity, addressing metropolitan, tram and even High Speed projects, both national (Barcelona, Valencia, Palma de Mallorca, Tenerife or Murcia) and international in Santo Domingo (Dominican Republic).

The activity of Sampol Group in this sector focuses on:

- Energy Remote Controls and Fixed Installations, as well as Integrated Control Centres
- Electrification facilities (catenary and traction substations and MV networks)

- Train-ground radio communication systems
- Integral station installations: Electrical installations; Mechanical installations; Telecommunications, Security Systems and Passenger Information Systems
- 24-hour maintenance and operation services

(iii) Energy

Throughout the last 20 years, Sampol Group has acquired an extensive experience on the design, installation and operation of energy efficient infrastructures and plants for industries, hotel complexes, hospitals and infrastructures. Depending on the needs of the client, Sampol Group performs from the design, execution, operation and maintenance of the plants, to the promotion and financing of the projects.

The activity of Sampol Group in this sector focuses on:

- Energy Generation: cogeneration plants and base and emergency generation plants
- Electrical substations and high voltage distribution lines
- Energy efficiency
- Cogeneration plants
- Thermal energy production plants. Distribution networks
- Energy audits
- Energy outsourcing
- Marketer: sale of electricity
- Operation and maintenance
- Renewable energies: Photovoltaic parks, solar thermal energy and Biomass plants
- Remote controls and control systems

(iv) Telecommunications & Smart Information Systems

The activity of Sampol Growth in the telecommunications and smart information sectors has acquired growing importance in the last few years, especially in the field of professional telecommunications linked to the segments of emergency and security, as well as in the design, planning and deployment of private and public radio communications networks.

(v) Datacenters

Sampol recently introduced a new dimension in the datacentres market as a provider of integral infrastructure solutions, ranging from the supply of electrical and thermal energy (refrigeration) to the guarantee of continuity through the use of advanced technologies based on DRUPS (diesel rotary uninterruptible power supply). Sampol operates on turnkey basis.

(vi) Hotels and Buildings

Sampol has more than 50 years of experience in the development of facilities for singular buildings, specially hotels, but also hospitals, museum spaces, convention and commercial centers. In this area Sampol operates under a strong commitment to efficiency and building sustainability which is reflected in the promotion of R+D+ i programs and in its membership in the Spanish Green Building Council.

The activity of Sampol Group in this sector focuses on:

- Independent power supply and generation
- Electrical and mechanical installations
- HVAC
- Telecommunications networks
- Security systems
- Audio-visual installations
- Control systems and solutions for home automation, energy management, and technical management of facilities

(vii) Industry and Water

In the industrial and environmental sector Sampol offers solutions for improving efficiency and energy costs of industrial processes and execution of projects of facilities and systems.

Industry focus:

- Efficient energy supply (electricity, steam, heat, cold and compressed air)
- Energy efficiency studies (energy costs and water consumption)
- Energy Outsourcing (Operation + Maintenance + Energy Management)
- Process automation
- Electromechanical installations (MV, LV, industrial refrigeration, steam, compressed air)
- Operation and maintenance

Environment focus:

- Electromechanical installations and automation of water treatment plants
- Seawater desalination plants
- Wastewater treatment plants
- Industrial water treatment plants
- Pumping systems and water distribution networks.
- Waste treatment plants
- Energetic use of waste and biomass

(viii) Road infrastructure

In road transport sector Sampol develops projects mainly in road tunnels and car parks. The main strength of Sampol in this sector is to offer global solutions to the characteristic facilities of road and parking tunnels: mechanical, electrical, telecommunications systems and system integration and control.

Tunnels main activities:

- Energy: Medium voltage, low voltage, emergency and UPS
- Normal and emergency lighting. Luminaire control
- Transversal, longitudinal ventilation and filters. Environmental sensitization.
- Systems of detection and extinction of fire
- Communications and radiocommunication networks
- SOS posts and public address system
- Traffic management: ETDs, variable message panels, barriers, CCTV, radars, license plate reading, beacons, traffic lights
- Systems for automatic detection of incidents by image (DAI)
- Integration of facilities and systems

Parking main activities:

- Ticketing and collection systems
- License plate reading systems
- Guidance systems and detection of free space
- Security and communications systems: Public Address, CCTV.
- Integration with other systems

6.3 International presence

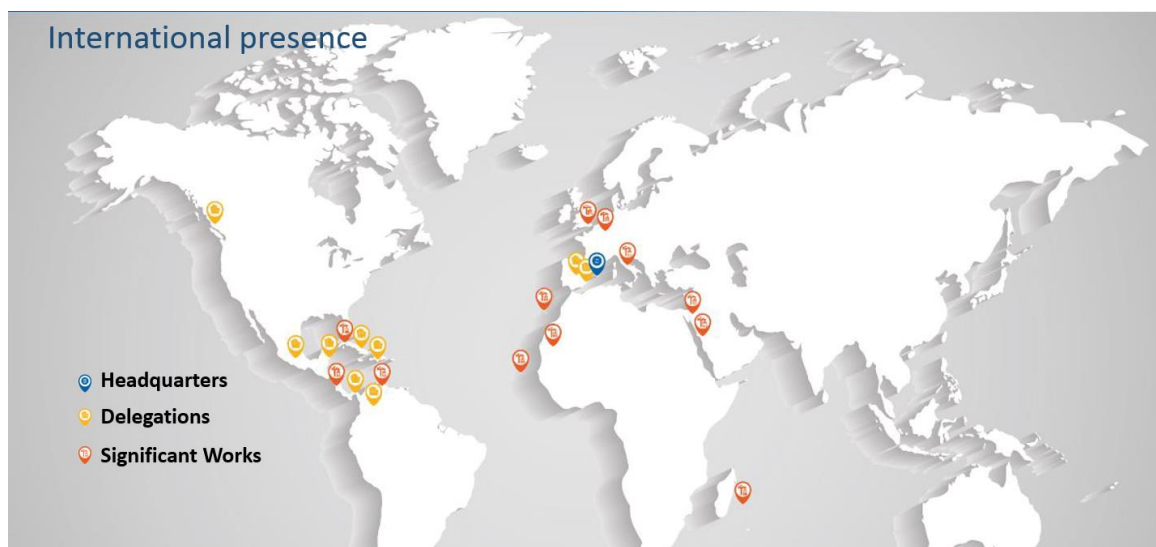
Main countries in which Sampol Group operates

Sampol Group has a permanent presence in Spain, Mexico, the Dominican Republic, Jamaica, Costa Rica, Panama and Cabo Verde and has developed projects in 17 countries and four different continents. The international experience of the Sampol started in the 90's together with the clients from the hotel sector and their overseas expansion to the Caribbean.

In the last decades, Sampol Group has grown and diversified its activity. It has expanded its business geographically to countries in Europe, Central America and Africa.

- Airports: Sampol Group has developed more than 600 projects in the 47 airports of the Spanish network, as well as in Mexico, Colombia, the Dominican Republic and Palestine.

- Railway: Sampol Group has developed metropolitan, tram and high speed projects, both at a national level (Barcelona, Valencia, Palma de Mallorca, Tenerife or Murcia) and overseas (Santo Domingo).
- Hotels and singular building: Sampol Group has developed more than 200 tourist complexes in Europe, Central America and Africa.



Revenues by countries

Revenues detailed by categories of activities and geographical segmentation for 2017. A 44% of the revenues came from foreign markets :

Thousand EUR	Spain	Rest EU	America	Rest	Total
Construction & Engineering Contracts	25,366	57	46,996	375	72,793
Electricity Revenues	54,548	10,388	5,107	0	70,043
TOTAL	79,915	10,444	52,102	375	142,836
% over total revenues	55.9%	7.3%	36.5%	0.3%	100.0%

7 Declaration on the absence of significant changes in the Information Memorandum (*Documento Informativo de Incorporación*) of the Issuer

Since the publication of the latest audited annual accounts as of and for the financial year ended December 31, 2017 and until the date of this Information Memorandum (*Documento Informativo de Incorporación*), there has been no material adverse change in the financial situation of SIO.

The Issuer states that at the date of this Information Memorandum (*Documento Informativo de Incorporación*), it is not aware of any trend, uncertainty, demand,

commitment or any adverse event which could reasonably have a material effect on the prospects for the financial year 2018.

8 Reasons for the Issue and use of proceeds

The funds raised with the issuance of the Notes will be used to general corporate purposes and capital expenditure linked to strategic corporate activities and the strengthening of the international presence of Sampol Group. In particular, the funds will be used in accordance with Condition 6.2 of Section IX below.

With the issuance of the Notes Sampol Group is also willing to diversify its funding sources and to have a new market available to accompany the future growth of Sampol.

9 Financial information

9.1 Audited historical financial information

Financial Information presented in this Information Memorandum (*Documento Informativo de Incorporación*) comprises a summary of the Issuer's individual accounts and SGC's consolidated accounts for each of the years ended December 31 ("**Annual Financial Statements**"), 2017 and 2016. Pro-forma limited revised consolidated accounts as of June 30, 2018 for SGC is also included.

Financial Information was prepared in accordance with prevailing commercial legislation and the provisions of the Spanish General Accounting Plan approved by Royal Decree 1514/2007 and the amendments made by Royal Decree 1159/2010 (all together, the "**Spanish GAAP**").

A summary of the Financial Information of the Issuer and the Sampol Group is included in section VIII of this Information Memorandum (*Documento Informativo de Incorporación*).

In addition to the financial information presented herein and prepared under Spanish GAAP, the Issuer may have included in this Information Memorandum (*Documento Informativo de Incorporación*) financial measures which have been extracted from its accounting records and other management sources. The Issuer has presented those non-GAAP measures, which are unaudited, because the Issuer believes that may contribute to a better understanding of the Sampol Group's results of operations by providing additional information on what the Issuer considers to be some of the drivers of its financial performance. These non-GAAP measures are not defined under Spanish GAAP and may be presented on a different basis than the financial information included in the Consolidated Financial Statements. Accordingly, they may differ significantly from similarly titled information reported by other companies, and may not be comparable. Investors are cautioned not to place undue reliance on those non-GAAP measures, which should be considered supplemental to, and not substitute for, the financial information prepared in accordance with Spanish GAAP included elsewhere in this document.

Certain data contained in this Information Memorandum (*Documento Informativo de Incorporación*), including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables may not conform exactly to the total figure given for that column or row or the sum of certain numbers presented as a percentage may not conform to the total percentage given.

9.1.1. Financial Statements of the Guarantor, Sampol Group

i) Audited Consolidated Balance Sheet for the years 2017 and 2016

Total Assets:

<i>Thousand EUR and percentages</i>	2017	2016	Annual change	Weight on total assets	
				2017	2016
Non-current assets	78,447	72,594	8.1%	47.7%	46.6%
Intangible fixed assets	1,055	1,157	-8.9%	0.6%	0.7%
Property, Plant and Equipment	44,025	36,366	21.1%	26.8%	23.3%
Real state investments	8,601	11,060	-22.2%	5.2%	7.1%
Long-term financial investments	19,502	20,926	-6.8%	11.9%	13.4%
Trade debtors and other accounts receivables	477	0	0.0%	0.3%	0.0%
Deferred tax assets	4,786	3,085	55.1%	2.9%	2.0%
Current assets	86,006	83,334	3.2%	52.3%	53.4%
Non-current assets held for sale	2,995	2,834	5.7%	1.8%	1.8%
Inventories	1,259	2,694	-53.3%	0.8%	1.7%
Trade debtors and other accounts receivables	63,928	66,852	-4.4%	38.9%	42.9%
Short-term financial investments	8,635	2,823	205.9%	5.3%	1.8%
Short-term accruals	445	300	48.5%	0.3%	0.2%
Cash and cash equivalents	8,744	7,831	11.7%	5.3%	5.0%
Total assets	164,452	155,929	5.5%	100.0%	100.0%

- Sampol Group's total assets increased to 164,452 thousand euros in the year ended December 31, 2017 (+5.5%) mainly as a consequence of an increase in non-current assets (property, plant and equipment), and an increase in current assets (short-term financial investments).
- Non-current assets represented 47.7% of total assets and were mainly constituted by property, plant and equipment. The annual 21% growth rate recorded on property, plant and equipment was linked to the construction project of an energy plant in Jamaica as well as to the increase in tangible fixed assets abroad.
- In 2017, Sampol Group transferred the technical facilities and the plantations and replanting of vineyards that were classified in previous years within the inventories (land in production) to the tangible fixed assets in the amount of 2,625 thousand euros. Therefore, inventories were reduced by 53.3%.
- Trade debtors and other accounts receivable recorded a decrease of 4.4% on annual

terms, reflecting improvements in the management of working capital introduced by Sampol.

- Short-term financial investments increased from 2,823 thousands in 2016 to 8,635 thousand euros in 2017 and consists essentially of loans to companies of the Sampol Group.
- The liquidity of Sampol Group, measured by cash and cash equivalents grew by 11.7% up to 8,744 thousand euros at the end of 2017 compared to 7,831 thousands euros the year before.
- Sampol Group maintained in 2017 a positive working capital of 15,981 thousand euros.

Total Equity and Liabilities:

Thousand EUR and percentages	2017	2016	Annual change	Weight on total assets	
				2017	2016
Net equity	59,574	46,646	27.7%	36.2%	29.9%
Equity capital	53,582	40,251	33.1%	32.6%	25.8%
Subscribed capital	479	479	0.0%	0.3%	0.3%
Reserves of the parent company	4,187	2,982	40.4%	2.5%	1.9%
Reserves in consolidated companies for global int.	36,268	30,391	19.3%	22.1%	19.5%
Profit of the year attributed to the parent company	12,648	6,399	97.7%	7.7%	4.1%
Adjustments for changes in value	(3,067)	(2,681)	14.4%	-1.9%	-1.7%
Grants, donations and legacies received	1,316	1,545	-14.8%	0.8%	1.0%
External partners	7,744	7,531	2.8%	4.7%	4.8%
Non-current liabilities	34,854	45,194	-22.9%	21.2%	29.0%
Long-term provisions	1,203	1,499	-19.7%	0.7%	1.0%
Long-term debts	19,853	27,905	-28.9%	12.1%	17.9%
Debt with credit institutions	17,608	23,848	-26.2%	10.7%	15.3%
Financial lease creditors	2,038	3,096	-34.2%	1.2%	2.0%
Other debts	208	961	-78.4%	0.1%	0.6%
Deferred tax liabilities	3,094	3,222	-4.0%	1.9%	2.1%
Long-term accruals	10,703	12,569	-14.8%	6.5%	8.1%
Current liabilities	70,024	64,089	9.3%	42.6%	41.1%
Liabilities linked to non-current assets held for sale	1,804	2,399	-24.8%	1.1%	1.5%
Short-term provisions	34	0	0.0%	0.0%	0.0%
Short-term debts	15,682	16,476	-4.8%	9.5%	10.6%
Debt with credit institutions	14,475	14,934	-3.1%	8.8%	9.6%
Financial lease creditors	1,071	1,176	-8.9%	0.7%	0.8%
Other debts	136	366	-62.9%	0.1%	0.2%
Trade creditors and other accounts payables	52,504	45,214	16.1%	31.9%	29.0%
Total Net Equity and Liabilities	164,452	155,929	5.5%	100.0%	100.0%

- Net equity increased from 46,646 thousand euros to 59,574 thousand euros (+27.7%), due to the positive result of the year.
- In 2017, grants, donations and legacies received were reduced by 14.8% reaching the amount of 1,316 thousand euros. This was caused because, in 2017, was the maturity of the subsidy granted by the European Commission in 2014, for an amount of 205,918 euros for the Shine project.
- Non-current liabilities decreased by 22.9% reaching an amount of 34,854 thousand

euros reflecting both a reduction in long-term provisions as well as long-term debt.

- Current liabilities increased by 9.3% reaching an amount of 70,024 thousand euros. This rise was due to an increase in trade creditors and other accounts payable, especially in suppliers by 21%.
- Total financial debt of Sampol Group (including debt with banks, creditors for financial leases and other debts) amounted to 35.535 thousand euros at the end of 2017 (44.380 thousand euros in 2016).
- The maturity of the nominal amounts of loans with banks as of December 31, 2017 and 2016 was:

Maturity of the nominal amounts	In thousand EUR	
	31.12.2017	31.12.2016
One year	14,475	14,934
Two years	5,810	6,484
Three years	3,906	5,698
Four years	2,374	3,769
Five years	1,509	2,553
Rest	4,009	5,344

- Net financial debt (NFD), once deduced cash and cash equivalents was 26,791 thousand euros (26.7% less than the year before).

ii) Audited Consolidated Income Statement for the years 2017 and 2016

<i>Thousand EUR and percentages</i>	2017	2016	Annual change	Weight on total Income	
				2017	2016
Net turnover	142,836	134,537	6.2%	100.0%	100.0%
Revenues	142,836	130,368	9.6%	100.0%	96.9%
Work carried out by the Group for its assets	-	4,170	-	0.0%	3.1%
Variation in stocks of finished and semi-finished products	301	-	-	-	0.0%
Supplies	(65,733)	(70,127)	6.3%	46.0%	52.1%
Gross Margin	77,404	64,410	20.2%	54.2%	47.9%
Personnel expenses	(27,185)	(25,090)	8.4%	19.0%	18.6%
Wages, salaries and similar expenses	(21,524)	(20,136)	6.9%	15.1%	15.0%
Social charges	(5,661)	(4,954)	14.3%	4.0%	3.7%
Other operating income	165	535	-69.1%	0.1%	0.4%
Other operating expenses	(29,602)	(27,605)	7.2%	20.7%	20.5%
Subsidies of non financial assets	229	229	0.0%	0.2%	0.2%
Excess provisions	352	32	984.1%	0.2%	0.0%
Other results		(3)	-	-	0.0%
EBITDA	21,363	12,510	70.8%	15.0%	9.3%
Impairment and result from disposals of non-current assets	345	1,199	-71.2%	0.2%	0.9%
Depreciation of fixed assets	(4,810)	(4,462)	7.8%	3.4%	3.3%
Operating results (EBIT)	16,897	9,247	82.7%	11.8%	6.9%
Financial income	39	1,864	-97.9%	0.0%	1.4%
Financial expenses	(1,865)	(2,311)	19.3%	1.3%	1.7%
Variation in fair value of financial instruments	115	(617)	118.6%	0.1%	0.5%
Foreign exchange differences	(2,421)	2,388	-201.4%	1.7%	1.8%
Impairment and results from disposal of financial instruments	(2)	(206)	99.1%	0.0%	0.2%
Financial Result	(4,134)	1,118	-469.7%	2.9%	0.8%
Results before taxes	12,763	10,365	23.1%	8.9%	7.7%
Corporate Tax	738	(2,747)	126.9%	0.5%	2.0%
Result for the year from continued operations	13,501	7,618	77.2%	9.5%	5.7%
Discontinued operations	-	(670)	-	0.0%	0.5%
Net result	13,501	6,948	94.3%	9.5%	5.2%
Result attributable to the parent company	12,648	6,399	97.7%	8.9%	4.8%
Result attributable to external partners	853	549	55.5%	0.6%	0.4%

- Sampol Group derives its revenues from construction and engineering contracts, and electricity revenues. In 2017 net revenues registered an increase of 6.2% amounting 142,836 thousand euros compared with 134,537 thousand euros recorded the year before.
- EBITDA notably increased by 70.8% from 12,510 thousand euros to 21,363 thousand euros. Also EBIT increased by 82.7% up to 16,897 thousands euros.
- Financial income decreased by 97.9% reaching 39 thousand euros, in comparison with 1,864 thousand euros in 2016, due to the decrease of negotiable securities and credits of fixed assets.
- Profit for the year amounted 13,501 thousand euros compared with 6,948 thousand euros recorded the year before, which represents an annual increase of 94.3%.

iii) Audited Consolidated Cash Flow Statement for the years 2017 and 2016

<i>Thousand EUR and percentages</i>	2017	2016	Annual change
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Result of the year before taxes	12,763	10,365	23.1%
2. Adjustments of the result:	3,742	10,001	-62.6%
a) Result amortization and depreciation	4,810	4,462	7.8%
b) Value adjustment for impairments	(157)	714	-122.0%
c) Provisions variations	(15)	(32)	53.0%
d) Retirements or disposals of fixed assets	(187)	1,199	-115.6%
d) Retirements or disposals of financial instruments	2	617	-99.7%
f) Financial revenues	(39)	(1,864)	97.9%
g) Financial expenses	1,865	2,311	-19.3%
h) Foreign exchange differences	(2,421)	2,388	-201.4%
i) Variations in fair value of financial instruments	(115)	206	-155.6%
3. Changes in current capital	2,461	(8,859)	127.8%
a) Inventories	(1,189)	1,033	-215.2%
b) Debtors and other receivables	2,939	(10,721)	127.4%
c) Other current assets	(3,857)	(1,885)	104.6%
d) Creditors and other payables	7,290	2,713	168.7%
e) Otros current liabilities	(562)	-	-
f) Other Non-current assets and liabilities	(2,161)	-	-
4. Other cash flows from operating activities	(1,825)	(447)	-
a) Interest payments	(1,865)	(2,311)	-19.3%
b) Collection of interest	39	1,864	-97.9%
5. Cash flows from operating activities (1 + 2 + 3 + 4)	17,140	11,059	55.0%
CASH FLOWS FROM INVESTING ACTIVITIES			
6. Payments for investments	(10,634)	(3,073)	-
a) Intangible assets	(248)	(1,624)	-
b) Property, plant and equipment	(10,091)	(1,014)	895.0%
Inversiones inmobiliarias	(295)	-	-
c) Other financial assets	-	(435)	-100.0%
7. Collections for disinvestments	3,697	-	-
a) Property, plant and equipment	76	-	-
b) Other financial assets	2,675	-	-
c) Other financial assets	946	-	-
8. Cash flows from investing activities (6 + 7)	(6,938)	(3,073)	126%
CASH FLOWS FROM FINANCING ACTIVITIES			
9. Collections and Payments for equity instruments	(229)	-	-
a) Grants, donations and bequests received	(229)	-	-
10. Collections and Payments for financial liability instruments	(8,845)	(11,029)	19.8%
Issuance			
Debts with credit institutions	6,742	8,350	-19.3%
Repayment and amortization of debts with credit institutions	(15,587)	(19,379)	19.6%
11. Cash flows from financing activities (9+10)	(9,074)	(11,029)	-18%
INCREASE/DECREASE OF CASH OR CASH EQUIVALENTS	1,128	(3,043)	-137%
Cash or equivalents at the beginning of the year	7,831	10,875	-28.0%
Cash or equivalents at the end of the year	8,744	7,831	11.7%

9.1.2. Intermediate Financial Statements of the Guarantor, Sampol Group

i) Consolidated Balance Sheet for the financial half-year 2018 subject to a limited review from the auditor

Total Assets

Thousand EUR and percentages	30.06.2018*	31.12.2017	Weight on total assets	
			30.06.2018	31.12.2017
Non-current assets	74,180	78,447	44.4%	47.7%
Intangible fixed assets	955	1,055	0.6%	0.6%
Property, Plant and Equipment	42,290	44,025	25.3%	26.8%
Real state investments	8,645	8,601	5.2%	5.2%
Long-term financial investments	19,110	19,502	11.4%	11.9%
Trade debtors and other accounts receivables	324	477	0.2%	0.3%
Deferred tax assets	2,856	4,786	1.7%	2.9%
Current assets	92,930	86,006	55.6%	52.3%
Non-current assets held for sale	0	2,995	0.0%	1.8%
Inventories	811	1,259	0.5%	0.8%
Trade debtors and other accounts receivables	69,046	63,928	41.3%	38.9%
Short-term financial investments	10,616	8,635	6.4%	5.3%
Short-term accruals	665	445	0.4%	0.3%
Cash and cash equivalents	11,791	8,744	7.1%	5.3%
Total assets	167,110	164,452	100.0%	100.0%

Total Equity and Liabilities:

Thousand EUR and percentages	30.06.2018*	31.12.2017	Weight on total assets	
			30.06.2018	31.12.2017
Net equity	65,214	59,574	39.7%	36.2%
Equity capital	58,662	53,582	35.1%	32.6%
Subscribed capital	479	479	0.3%	0.3%
Reserves of the parent company	7,909	4,187	4.7%	2.5%
Reserves in consolidated companies global int.	45,393	36,268	27.2%	22.1%
Profit of the year attributed to the parent company	4,880	12,648	2.9%	7.7%
Adjustments for changes in value	(2,920)	(3,067)	-1.7%	-1.9%
Grants, donations and legacies received	1,201	1,316	0.7%	0.8%
External partners	8,272	7,744	4.9%	4.7%
Non-current liabilities	30,890	34,854	18.5%	21.2%
Long-term provisions	1,133	1,203	0.7%	0.7%
Long-term debts	17,283	19,853	10.3%	12.1%
Debts with credit institutions	15,748	17,608	9.4%	10.7%
Financial lease creditors	1,534	2,038	0.9%	1.2%
Other debts	-	208	-	0.1%
Deferred tax liabilities	2,693	3,094	1.6%	1.9%
Long-term accruals	9,781	10,703	5.9%	6.5%
Current liabilities	71,006	70,024	42.5%	42.6%
Liabilities linked to non-current assets held for sale	0	1,804	0.0%	1.1%
Short-term provisions	35	34	0.0%	0.0%
Short-term debts	21,536	15,682	12.9%	9.5%
Debts with credit institutions	20,595	14,475	12.3%	8.8%
Financial lease creditors	941	1,071	0.6%	0.7%
Other debts	0	136	0.0%	0.1%
Trade creditors and other accounts payables	49,435	52,504	29.6%	31.9%
Total Net Equity and Liabilities	167,110	164,452	100.0%	100.0%

*Limited review

ii) Consolidated Income Statement for the financial half-year 2018 subject to a limited review from the auditor

<i>Thousand EUR and percentages</i>	30.06.2018*	30.06.2017*	Annual change	Weight on total income	
				30.06.2018	30.06.2017
Net turnover	85,219	74,367	14.6%	100.0%	100.0%
Sales	81,702	74,367	9.9%	95.9%	100.0%
Provision of services	3,517	-	-	4.1%	0.0%
Supplies	(44,915)	(40,083)	12.1%	52.7%	53.9%
Gross Margin	40,304	34,284	17.6%	47.3%	46.1%
Personnel expenses	(14,651)	(12,708)	15.3%	17.2%	17.1%
Other operating income	-	74	-100.0%	0.0%	0.1%
Other operating expenses	(12,190)	(10,649)	14.5%	14.3%	14.3%
Subsidies of non financial assets	115	115	0.0%	0.1%	0.2%
EBITDA	13,578	11,116	22.2%	15.9%	14.9%
Depreciation of fixed assets	(2,903)	(2,444)	18.8%	3.4%	3.3%
Operating results (EBIT)	10,676	8,672	23.1%	12.5%	11.7%
Financial income	16	13	27.1%	0.0%	0.0%
Financial expenses	(830)	(885)	-6.2%	1.0%	1.2%
Variation in fair value of financial instruments	186	(11)	-	0.2%	0.0%
Foreign exchange differences	153	(439)	-134.9%	0.2%	0.6%
Financial Result	(475)	(1,321)	-64.1%	0.6%	1.8%
Results before taxes	10,201	7,351	38.8%	12.0%	9.9%
Corporate Tax	(4,760)	745	-739.2%	5.6%	1.0%
Net result	5,441	8,095	-32.8%	6.4%	10.9%
Result attributable to the parent company	4,880	7,584	-35.7%	5.7%	10.2%
Result attributable to external partners	560	511	9.6%	0.7%	0.7%

**Limited review*

9.1.3. Financial Statements of the Issuer

i) Audited Balance Sheet for the years 2017 and 2016

Total Assets:

Thousands EUR and percentages	2017	2016	Annual change	Weight on total assets	
				2017	2016
Non-current assets	25,742	34,232	-24.8%	25.6%	31.3%
Intangible fixed assets	994	1,100	-9.7%	1.0%	1.0%
Property, Plant and Equipment	18,878	19,989	-5.6%	18.8%	18.3%
Real state investments	1,765	3,616	-51.2%	1.8%	3.3%
Long-term investments in group companies and associates	1,691	6,061	-72.1%	1.7%	5.5%
Long-term financial investments	1,114	1,172	-5.0%	1.1%	1.1%
Trade debtors and other accounts receivables	332	1,473	-77.5%	0.3%	1.3%
Deferred tax assets	967	819	18.1%	1.0%	0.7%
Current assets	74,618	75,090	-0.6%	74.4%	68.7%
Non-current assets held for sale	1,840	1,840	0.0%	1.8%	1.7%
Inventories	119	197	-39.6%	0.1%	0.2%
Trade debtors and other accounts receivables	46,387	67,313	-31.1%	46.2%	61.6%
Short-term investments in group companies and associates	18,889	983	1821.6%	18.8%	0.9%
Short-term financial investments	912	821	11.2%	0.9%	0.8%
Short-term accruals	207	210	-1.2%	0.2%	0.2%
Cash and cash equivalents	6,263	3,726	68.1%	6.2%	3.4%
Total assets	100,360	109,323	-8.2%	100.0%	100.0%

- SIO total assets slightly decreased by 8.2% on annual terms to 100,360 thousand euros in the year ended December 31, 2017.
- This decrease was mainly explained by a reduction in non-current assets as a consequence of the sale of two plots of land to another group company for an amount of 2,008 thousand euros and the cancellation of long-term investments in group companies for the value of 4,370 thousand euros.
- Current assets represented 74% of total assets in 2017. The main component of current assets are trade debtors and other accounts receivable (46% of total assets).
- Short-term investments in group companies increased from 983 thousands euros in 2016 to 18,889 thousand euros in 2017. This amount corresponds to several loans to companies of the Sampol Group.
- The liquidity of SIO, measured as cash and cash equivalents, improved in the year, recording an annual increase of 68.1% up to 6,263 thousand euros (3,726 thousand euros the year before).
- SIO maintained a positive working capital of 23.773 thousand euros in 2017.

Total Equity and Liabilities:

Thousands EUR and percentages	2017	2016	Annual change	Weight on total assets	
				2017	2016
Net equity	29,130	34,075	-14.5%	29.0%	31.2%
Equity capital	29,130	34,075	-14.5%	29.0%	31.2%
Subscribed capital	2,029	2,029	0.0%	2.0%	1.9%
Reserves of the parent company	406	406	0.0%	0.4%	0.4%
Reserves in consolidated companies for global integration	21,586	27,133	-20.4%	21.5%	24.8%
Profit /(Loss) of the year attributed to the parent company	5,109	4,507	13.4%	5.1%	4.1%
Non-current liabilities	20,385	26,193	-22.2%	20.3%	24.0%
Long-term provisions	876	642	36.5%	0.9%	0.6%
Long-term debts	7,930	12,318	-35.6%	7.9%	11.3%
Debts with credit institutions	5,872	8,235	-28.7%	5.9%	7.5%
Financial lease creditors	2,038	3,096	-34.2%	2.0%	2.8%
Other debts	21	987	-97.9%	0.0%	0.9%
Deferred tax liabilities	875	665	31.7%	0.9%	0.6%
Long-term accruals	10,703	12,569	-14.8%	10.7%	11.5%
Current liabilities	50,845	49,054	3.7%	50.7%	44.9%
Short-term debts	11,647	14,072	-17.2%	11.6%	12.9%
Debts with credit institutions	10,515	12,566	-16.3%	10.5%	11.5%
Financial lease creditors	1,071	1,176	-8.9%	1.1%	1.1%
Other debts	61	330	-81.4%	0.1%	0.3%
Debts with group companies and associates	1,195	3,978	-70.0%	1.2%	3.6%
Trade creditors and other accounts payables	38,003	31,004	22.6%	37.9%	28.4%
Total Net Equity and Liabilities	100,360	109,323	-8.2%	100.0%	100.0%

- Net equity decreased from 34.075 thousand euros to 29.130 thousand euros (-14.5%) as a consequence of a dividend paid to the shareholder Sampol Group of 10,054 thousand euros with a charge to reserves.
- Non-current liabilities in 2017 decreased by 22.2% compared to 2016, reaching an amount of 20.385 thousand euros. This reduction was mainly explained by the amortization of long-term debts for an amount of 4,388 in line with the policy of deleveraging carried out in the last years by SIO.
- Current liabilities increased by 3.7% recording an amount of 50,845 thousand euros at the end of the year. This rise was due to an increase in trade creditors and other accounts payable (+22.6%).
- Total financial debt of SIO (including debt with banks, creditors for financial leases and other debts) amounted to 19,577 thousand euros at the end of 2017 (26,390 thousand euros in 2016).
- The maturity of the nominal amounts of loans with banks as of December 31, 2017 and 2016 was:

Maturity of the nominal amounts	In thousand Euros	
	31.12.2017	31.12.2016
One year	10.515	12.566
Two years	3.529	3.798
Three years	1.539	3.172
Four years	446	1.181
Five years	358	83
Rest	-	-

- In 2017, Net Financial Debt (NFD), once deduced cash and cash equivalents was 13,315 thousand euros (22,664 thousand euros in 2016).

ii) Audited Income Statement for the years 2017 and 2016

Thousand EUR and percentages	2017	2016	Annual change	Weight on total income	
				2017	2016
Net turnover	105,569	95,882	10.1%	100.0%	100.0%
Sales	82,809	86,476	-4.2%	78.4%	90.2%
Provision of services	22,760	9,406	-	-	-
Supplies	(67,952)	(62,677)	8.4%	-64.4%	-65.4%
Gross Margin	37,618	33,205	13.3%	35.6%	34.6%
Personnel expenses	(11,656)	(10,723)	8.7%	-11.0%	-11.2%
Wages, salaries and similar expenses	(9,032)	(8,265)	9.3%	-8.6%	-8.6%
Social charges	(2,624)	(2,458)	6.8%	-2.5%	-2.6%
Other operating income	155	345	-55.1%	0.1%	0.4%
Other operating expenses	(17,125)	(13,952)	22.7%	-16.2%	-14.6%
Excess provisions		32	-100.0%	0.0%	0.0%
Other results		453	-	-	0.5%
EBITDA	8,992	9,361	-3.9%	8.5%	9.8%
Depreciation of fixed assets	(2,592)	(2,376)	9.1%	-2.5%	-2.5%
Impairment and result from disposals of non-current assets	161	(402)	-140.0%	0.2%	-0.4%
Operating results (EBIT)	6,561	6,582	-0.3%	6.2%	6.9%
Financial income	771	379	103.3%	0.7%	0.4%
Financial expenses	(1,460)	(1,665)	-12.3%	-1.4%	-1.7%
Variation in fair value of financial instruments	115	(509)	-122.5%	0.1%	-0.5%
Foreign exchange differences	405	1,266	-68.0%	0.4%	1.3%
Impairment and results from disposal of financial instruments	(2)	227	-100.9%	0.0%	0.2%
Financial Result	(171)	(302)	-43.4%	-0.2%	-0.3%
Results before taxes	6,391	6,281	1.8%	6.1%	6.6%
Corporate Tax	(1,281)	(1,773)	-27.7%	-1.2%	-1.8%
Result for the year from continued operations	5,109	4,507	13.4%	4.8%	4.7%
Discontinued operations	-	-	-	-	-
Net result	5,109	4,507	13.4%	4.8%	4.7%

- SIO generates its revenues mainly from construction contracts and cogeneration central sales. In 2017 revenues registered an increase of 10.1% amounting 105,569 thousand euros compared to 95,882 thousand euros in the previous year.
- In terms of net income, gross margin slightly improved in 2017 (35.6%) compared

to 2016 (34.6%).

- EBITDA slightly decreased by 3.9% on annual terms from 9,361 thousand euros in 2016 to 8,992 thousand euros in 2017.
- After depreciation, EBIT remained stable at 6,561 thousand euros (6,582 thousand euros in 2016).
- Financial income was 771 thousand euros in 2017 compared with 379 thousand euros in 2016. This account mainly records the amounts received by SIO from related party transactions.
- Financial expenses decreased by 12.3% down to 1,460 thousand euros.
- Net result for the year ended 2017 amounted 5,109 thousand euros compared with 4,507 thousand euros recorded the year before, which represents an annual increase of 13.4%.

iii) Audited Cash Flow Statement for the years 2017 and 2016

<i>Thousand EUR and percentages</i>	2017	2016	Annual change
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Result of the year before taxes	6,391	6,281	1.8%
2. Adjustments of the result:	2,362	3,580	-34.0%
a) Result amortization and depreciation	2,592	2,376	9.1%
b) Value adjustment for impairments	(477)	470	-201.6%
c) Provisions variations	234	32	622.6%
d) Retirements or disposals of fixed assets	(157)	402	-139.2%
d) Retirements or disposals of financial instruments	2	(227)	-100.9%
f) Financial revenues	(771)	(379)	103.3%
g) Financial expenses	1,460	1,662	-12.2%
h) Foreign exchange differences	(405)	(1,266)	-68.0%
i) Variations in fair value of financial instruments	(115)	509	-122.5%
3. Changes in current capital	9,057	(545)	-1761.0%
a) Inventories	78	369	-78.9%
b) Debtors and other receivables	3,763	(4,670)	-180.6%
c) Other current assets	2	(1,117)	-100.2%
d) Creditors and other payables	6,999	4,266	64.1%
e) Otros current liabilities	(92)	-	-
f) Other Non-current assets and liabilities	(1,693)	606	-
4. Other cash flows from operating activities	(1,251)	(1,313)	-4.8%
a) Interest payments	(1,264)	(1,662)	-24.0%
b) Collection of interest	13	349	-96.2%
5. Cash flows from operating activities (1 + 2 + 3 + 4)	16,559	8,002	106.9%

CASH FLOWS FROM INVESTING ACTIVITIES			
6. Payments for investments	(1,386)	(644)	115.1%
a) Intangible assets	(223)	(623)	-64.2%
b) Property, plant and equipment	(1,163)	(21)	5448.6%
7. Collections for disinvestments	12	-	-
a) Property, plant and equipment	12	-	-
8. Cash flows from investing activities (6 + 7)	(1,374)	(644)	113%
CASH FLOWS FROM FINANCING ACTIVITIES			
9. Collections and Payments for equity instruments	2	-	-
a) Issuance of equity instruments	2	-	-
10. Collections and Payments for financial liability instruments	(12,650)	(6,287)	101.2%
Issuance			
Debts with credit institutions	6,382	8,350	-23.6%
Debts with group companies and associates	27	1,949	-98.6%
Repayment and amortization of debts with credit institutions	(19,059)	(16,585)	14.9%
11. Cash flows from financing activities (9+10)	(12,648)	(6,287)	101%
INCREASE/DECREASE OF CASH OR CASH EQUIVALENTS	2,537	1,071	137%
Cash or equivalents at the beginning of the year	3,726	2,655	40.3%
Cash or equivalents at the end of the year	6,263	3,726	68.1%

9.2 Audit of financial information from the Issuer

The Issuer accounts for 2016 and 2017 were audited by KPMG.

9.3 Statement that financial information has been audited. If audit reports on the historical financial information have been refused by the auditors or if they contain qualifications or disclaimers, such qualifications or disclaimers must be reproduced in full, explaining the reasons.

SIO's financial information corresponding to the years 2017 and 2016 was audited by KMPG and the audit reports thereon contained no qualifications.

9.4 Indication of other information in the Information Memorandum (*Documento Informativo de Incorporación*) which has been audited by the auditors.

In addition to SIO individual Financial Statements, the Information Memorandum (*Documento Informativo de Incorporación*) also includes consolidated audited Financial Statements from Sampol Group corresponding to the years 2016 and 2017 and limited review (i) balance sheet and (ii) income statement for the financial half-year 2018.

9.5 Where financial data in the information memorandum (*Documento Informativo de Incorporación*) is not extracted from the audited Financial Statements of the Issuer, the Issuer must declare the source of the data and state that the data is unaudited.

The financial information in the Information Memorandum (*Documento Informativo de Incorporación*) for the years ended December 31, 2017 and 2016 has been extracted from the individual Financial Statements of SIO except where otherwise stated or except for information extracted from management information of Sampol Group which has not been subject to audit on a separate basis.

9.6 Age of the most recent financial information

The most recent financial information contained in this Information Memorandum (*Documento Informativo de Incorporación*) refers to the financial information as of and for the half-year ended December 31, 2018 limitedly reviewed by the Auditor.

9.7 Judicial, administrative and arbitration proceedings

As mentioned in the notes (*memoria*) to the consolidated annual financial statements of SGC with respect to the financial year ended 2017, on April 2nd, 2014, a legal proceeding was initiated by AENA Aeropuertos, S.A. (“**AENA**”) against Hotel Aeropuerto Madrid Barajas, S.L. (“**HAMB**”) -a direct subsidiary of SIO- as a consequence of an alleged breach by HAMB of the lease agreement entered into by both entities on 19 April 2007 (the “**Lease Agreement**”).

The alleged breach by HAMB of the Lease Agreement has resulted in the initiation of four legal proceedings: the original proceeding initiated in April 2014 with the lawsuit filed by AENA against HAMB and, in connection thereto, the insolvency proceeding of HAMB, the enforcement proceeding against SIO and the proceeding against SGC and SIO.

i) Original Proceeding

- a. In the lawsuit filed by AENA in April 2014, it claimed (i) the declaration of early termination of the Lease Agreement as a consequence of a breach by HAMB; (ii) the return of the plot on which the hotel was located (the “**Plot**”) and (iii) the payment of the penalties and the amounts corresponding to loss of profits and costs of demolition of the hotel. On 17 July 2015, the First Instance Court (*Juzgado de Primera Instancia*) issued a judgement (i) declaring the early termination of the Lease Agreement; (ii) ordering HAMB to return the Plot free and unobstructed; (iii) ordering HAMB to pay contractual penalties; and (iv) ordering HAMB to pay an amount as loss of profit. Such judgement was appealed by HAMB on 18 November 2015, but was dismissed by the Provincial Court of Madrid (*Audiencia Provincial de Madrid*) on 8 March 2016. As a result, a cassation appeal was filed on 18 April 2016, but it was dismissed by the Spanish High Court (*Tribunal Supremo*) in October 2018. On November 2018, an annulment petition was presented to the Spanish High Court (*Tribunal Supremo*), and was estimated on February 2019, and therefore the dismissal was declared null and void by such Court. This latter means that the Spanish High Court is going to analyze again the appropriateness of the cassation appeal’s admission.

- b. On December 4, 2018 HAMB filed an appeal for legal protection (*recurso de amparo*) before the Constitutional Court, alleging a violation of its constitutional rights.
- c. As of today, the largest amount AENA could claim is EURO 21,169,335.40, which corresponds to the following amounts: (i) EURO 3,500,000, because of the demolition of the structure built (although the Plot was returned to Aena on April 28th, 2016, the Court condemned HAMB to return it free and unobstructed); (ii) EURO 16,920,476.96, as the loss of profit calculated by Mazars (AENA'S expert witness); and (iii) EURO 748,858.46, because of the penalty clause HAMB should pay since the termination of the Agreement until the return of the Plot.

ii) Insolvency Proceeding

As a consequence of the judgement issued on 17 July 2015, HAMB was declared insolvent on 2 September 2015. On 1 September 2016, the Commercial Court (*Juzgado de lo Mercantil*) issued a resolution (*auto*) declaring the insolvency of HAMB as accidental (*fortuito*). Furthermore, HAMB is currently in process of liquidation within the framework of the bankruptcy procedure.

iii) Enforcement Proceeding against SIO

On 20 January 2017, due to the insolvency condition of HAMB, an enforcement proceeding was initiated by AENA against SIO for the payment of the amounts to which HAMB was condemned to pay. This enforcement proceeding was dismissed by means of a non-appealable resolution issued on 28 February 2017. The court judgement also condemned AENA to pay the costs of this proceeding.

iv) Proceeding against SGC and SIO

On 10 November 2017, SIO and SGC were sued by AENA for the payment of the amounts to which HAMB was condemned to pay. By virtue of the resolution issued on 24 April 2018, this proceeding was stayed until the cassation appeal brought before the Spanish High Court is resolved. The cassation appeal has been recently dismissed by the Spanish High Court (*Tribunal Supremo*). In October 2018, the proceeding was reinitiated, with preliminary hearing phase on December 2018 and an oral hearing that initially will take place on February 2019.

In conclusion, to date, only the proceeding described in section iv) above is outstanding. In relation thereto, as stated in the notes (*memoria*) to the 2017 consolidated annual financial statements and those of the consolidated interim financial statements corresponding to the first semester 2018, SGC and SIO have not made a provision for any additional amounts in relation to that proceeding, as they consider that the probability of the lawsuit filed by AENA against SGC and SIO being succesful is below 49%.

9.8 Significant changes in the financial or trading position of the Issuer

From December 31, 2017 until the date of this Information Memorandum (*Documento Informativo de Incorporación*), there has been no significant change in the financial or trading position of the Issuer.

IX. DESCRIPTION OF THE NOTES

The following, save for the paragraph in italics, are the terms and conditions of the Notes.

The notes issued by Sampol Ingeniería y Obras, S.A. (the “**Issuer**”) hereunder have 25,000,000 euros in nominal value, with a face value of 100,000 euros each grouped in a single class and series and pay a fixed Interest Rate of 4.5% annual as it is regulated in Condition 8 (*Interest*) below, and are due 13 February, 2024 (the “**Notes**”, which expression shall, unless otherwise indicated, include any further notes issued pursuant to Condition 17 (*Further Issues*) and consolidated and forming a single series with the Notes). The Issue has been authorised by virtue of the resolutions adopted by the General Meeting of the Issuer on 13 November 2018 and the decisions adopted by the sole director on 13 November, 2018. The Notes have the benefit of a paying agency agreement dated 6 February, 2019 (as amended or supplemented from time to time, the “**Paying Agency Agreement**”) between the Issuer and Bankia S.A., as paying agent (the “**Paying Agent**”, which expression includes any paying agent appointed from time to time in connection with the Notes). The Issuer will appoint, in the issuance document (*documento de la emisión*) of the Notes, Bondholders, S.L. as commissioner (the “**Commissioner**”, which expression shall include any successor as commissioner under the Issue).

1 Definitions

“**Additional Guarantee**”: has the meaning given to that term in Condition 5 (*Guarantees*) below.

“**Additional Guarantor**”: has the meaning given to that term in Condition 5 (*Guarantees*) below.

“**Applicable Regulations**”: means any laws, regulations, rules, official directives, requests or guidelines of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation, which are applicable to the Issuer, whether as a consequence of its corporate nature, the businesses carried out by it or the Issue of the Notes, in particular, but without limitation, the Securities Market Law, the Spanish Companies Law and the regulations of any market on which the Notes are listed.

“**Auditor**”: means KPMG Auditores S.L., or any auditor of international reputation appointed to such end by the Guarantor.

“Authorised Denomination”: has the meaning given to that term in Condition 3 (*Form, Denomination, Price and Status*) below.

“Asset Sale”: means the sale, lease, conveyance or other disposition of any assets owned by the Issuer, the Guarantor or any Subsidiary.

“Business Day”: means any business day in accordance with the TARGET 2 calendar and any day that is not a banking holiday in the city of Palma, Saturday expressly being deemed not to be a Business Day.

“Calculation Date”: means, unless otherwise established under the Conditions,

- (a) for the purposes of calculating the Indebtedness Ratio to incur in any additional Indebtedness, the date on which the agreement or agreements documenting such additional Indebtedness are executed;
- (b) for the purposes of calculating the Indebtedness Ratio to make any Permitted Investment, the date on which the agreement or agreements documenting such Investment are executed.
- (c) for the purposes of calculating the Indebtedness Ratio to make any Distribution, the date on which such Distribution is agreed by the Issuer’s relevant corporate body;
- (d) for the purposes of calculating the Indebtedness Ratio to make any Asset Sale, the date after the agreement or agreements documenting such Asset Sale are executed; and
- (e) for the purposes of calculating the payment of the Variable Interest Rate, the last day of the relevant Financial Year.

“CAPEX”: means the investments in tangible fixed, intangible and financial assets used for the acquisition of new companies or the development of new projects carried out or to be carried out by the Issuer, the Guarantor or any Subsidiary posted as such in accounts in the period under consideration, including the capitalized expenses, net of amounts, obtained in the same period from disposals of assets, liquidations or sales that are permitted under these Conditions of the Notes for the replacement of assets of the same kind.

“Cash Equivalents”: means the following accounting categories of the Consolidated Financial Statements: a) “Other cash equivalents” (*Otros activos líquidos equivalentes*) included in the accounting category “Cash and Cash Equivalents” (*Efectivo y otros activos líquidos equivalentes*) and b) the liquid assets recorded in the accounting category “Short-term Investments” (*Inversiones financieras a corto plazo*).

“Certificate”: has the meaning given to that term in Condition 4 (*Register, title and transfers*) below.

“Change of Control”: means an event in which:

- (a) the Controlling Shareholder cease to own and control (directly or indirectly) more than 50.01% of the shares and/or voting rights of the Issuer and the Guarantor;
- (b) the Issuer or the Guarantor consolidates with or merges into another person, where the Issuer or the Guarantor (respectively) are not the subsisting entity; or
- (c) the sale, lease, conveyance or other disposition of all or substantially all of the assets (taken as a whole) of the Issuer or the Guarantor.

“Change of Control Notice”: has the meaning given to that term in Condition 7 (*Change of Control*) below.

“Commissioner”: means Bondholders, S.L.

“Conditions of the Notes”: means the conditions of the Notes envisaged in this section IX “Description of the Notes”.

“Controlling Shareholder”: means Mr. Gabriel Sampol Mayol and/or his descendants of first or second grade.

“Consolidated Balance Sheet”: means the consolidated balance sheet of Sampol Grupo Corporativo, S.L. included in the Consolidated Financial Statements.

“Consolidated Cash”: means the accounting category “Cash” (*Efectivo*) included in the accounting category “Cash and Cash Equivalents” (*Efectivo y otros activos líquidos equivalentes*) of the Consolidated Financial Statements.

“Consolidated EBITDA”: means (i) the sum of the Consolidated Operating Results plus consolidated amortization, depreciation, provisions and write-down expenses accrued during the Testing Period ending on the relevant Calculation Date or, (ii) where it is not feasible to calculate the Consolidated EBITDA accrued during the relevant Testing Period, the one determined by reference to the most recent publicly available audited Consolidated Financial Statements.

“Consolidated Net Revenues”: means the category “net revenues” (*Importe neto de la cifra de negocios*) included in the Consolidated Financial Statements.

“Consolidated Financial Statements”: means annual financial statements, including the balance sheet, profit and loss account, treasury flow statement and net asset statement and management report of the Sampol Group corresponding to each corporate financial year and those other accounting documents which have to be drawn up with an annual periodicity in accordance with legislation applicable at any moment, duly audited by the Auditor.

“Consolidated Net Financial Debt”: means, at the relevant Calculation Date, the consolidated amount for or in respect of Indebtedness deducting the Consolidated Cash and Cash Equivalents.

“Consolidated Operating Results”: means the category “Operating results” (*Resultado de explotación*) included in the Consolidated Financial Statements.

“Day Count Fraction”: means, in respect of any period, the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Regular Period in which the relevant period falls.

“Dispute”: has the meaning given to that term in Condition 19 (*Governing Law and Jurisdiction*) below.

“Distribution”: means any payment made to the Controlling Shareholder on account of:

- (a) distribution of dividends (in cash, in kind, interim dividends and dividends distributed out of reserves);
- (b) capital reductions involving the return of capital contributions or return of the issuance premium;
- (c) payments or repayments made under any loan made between (i) the Issuer, the Guarantor or any Subsidiary and (ii) the Controlling Shareholder (or any affiliate thereof); and
- (d) payments (including any considerations for goods or service provisions) under any contracts entered into with the Controlling Shareholder (or any affiliate thereof, or persons or entities within their group or otherwise related thereto) and any other transactions similar or analogous to those above, the effect of which is to return capital or contributions.

“EBITDA”: means the sum of the operating results plus amortization, depreciation, provisions and write-down expenses.

“Euro Equivalent”: means, with respect to any monetary amount in a currency other than Euros, at any time of determination thereof, the amount of Euros obtained by converting such currency other than Euros involved in such computation into Euros at the spot rate for the purchase of Euros with the applicable currency other than Euros as published by the respective central bank on the date of such determination.

“Event of Default”: means each of the events and circumstances set forth in Condition 13.1 (*Events of Default*) below.

“Financial Year”: means a fiscal year of Sampol Group, commencing on 1 January and ending on 31 December of each calendar year.

“Guarantee”: has the meaning given to that term in Condition 5 (*Guarantees*) below.

“Guarantee Agreement”: has the meaning given to that term in Condition 5 (*Guarantees*) below.

“Guaranteed Obligations”: has the meaning given to that term in Condition 5 (*Guarantees*) below.

“Iberclear”: has the meaning given to that term in Condition 4 (*Register, title and transfers*) below.

“Iberclear Members”: has the meaning given to that term in Condition 4 (*Register, title and transfers*) below.

“Indebtedness”: means any indebtedness on the Consolidated Balance Sheet which accrues any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments, but excluding:

- (a) any undrawn commitments;
- (b) any subordinated loan, including profit participating loans (*préstamos participativos*), provided that the payment of interest and principal and its maturity date is after the Maturity Date;
- (c) indebtedness owed by one member of Sampol Group to another member of Sampol Group; and
- (d) any indebtedness incurred by any member of Sampol Group incurred pursuant to the factoring of receivables arising in the ordinary course of business pursuant to customary arrangements; provided, that no portion of such indebtedness has, directly or indirectly, contingent or otherwise, recourse to any property or assets of any member of the Group (other than the receivables that are the subject of the factoring).

“Indebtedness Ratio”: means, as at any Calculation Date, the ratio of (x) the Consolidated Net Financial Debt for the relevant Testing Period preceding such Calculation Date of determination to (y) Consolidated EBITDA.

“Insolvency Law”: has the meaning given to that term in Condition 3 (*Form, Denomination, Price and Status*) below.

“Interest Payment Date”: has the meaning given to that term in Condition 8.1 (*Interest payment dates. Interest period*) below.

“Interest Period”: has the meaning given to that term in Condition 8.1 (*Interest payment dates. Interest period*) below.

“Interest Rate”: has the meaning given to that term in Condition 8.2 (*Interest Rate*) below.

“International Net Revenues”: means Consolidated Net Revenues minus the part of the revenues generated in Spain (*Nacional*), determined by reference to the most recent publicly available audited Consolidated Financial Statements.

“International Net Revenues Ratio”: means, as at any Calculation Date, the ratio of (x) the International Net Revenues to (y) Consolidated Net Revenues.

“Investments”: means with respect to any person, all direct or indirect investments by such person in other persons (including Subsidiaries) in the forms of loans (including guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, or securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with Spanish GAAP. For the avoidance of doubt, the term “Investments” shall include any CAPEX investment.

“Issue”: means the issue of the Notes by the Issuer.

“Issue Date”: means the date on which the Issue is made, that is 6 February 2019.

“Issuer” or **“SIO”**: means Sampol Ingeniería y Obras, S.A.

“Material Subsidiary”: means any Subsidiary whose EBITDA represents at least ten per cent (10%) of the Sampol Group’s consolidated EBITDA.

“Material Subsidiary Sale”: means the sale, in whole or in part, of the shares of any Material Subsidiary.

“Maturity Date”: means the date falling five (5) years from the Disbursement Date, that is 13 February 2024.

“Maximum Indebtedness Ratio”: means the Indebtedness Ratio established for the each relevant period in the table below:

Period	Maximum Indebtedness Ratio
the corporate financial year 2019 (inclusive) – corporate financial year 2022 (inclusive)	2.90x

Period	Maximum Indebtedness Ratio
the corporate financial year 2023 (inclusive)	2.75x

“Net Amounts”: means the amounts obtained by the Issuer, the Guarantor or any Subsidiary by virtue of any Asset Sale, discounting the taxes levied on the operation and the capital gains, as well as the expenses derived from said operations. In the event that the assets being disposed of are encumbered as a security for any form of indebtedness with an *in rem* security, for the purposes of calculating the Net Amounts, the amounts to be paid to the creditors as payment of the secured indebtedness shall be discounted in order to cancel such *in rem* security.

“Noteholder” or **“Holder”**: has the meaning given to that term in Condition 4 (*Register, title and transfers*) below.

“Notes”: means the notes issued under the Issue.

“Paying Agency Agreement”: means the paying agency agreement entered into between the Issuer and the Paying Agent, regulating the paying agency services to be carried out by the Paying Agent in connection with the Issue.

“Paying Agent”: means Bankia, S.A.

“Permitted Asset Sale”: means:

- (a) an Asset Sale with respect to any asset that is not associated with the business activity (*activo no afecto a la actividad empresarial*) of the Issuer, the Guarantor or the relevant Subsidiary (as applicable);
- (b) an Asset Sale entered into among the Issuer, the Guarantor and/or any Subsidiary (or between some of them);
- (c) an Asset Sale authorised by the Syndicate of Noteholders.
- (d) the shares of the Subsidiary Cami Jesus N 40, S.A.

“Permitted Indebtedness”: means:

- (a) any Indebtedness incurred by the Issuer, the Guarantor or any Subsidiary for the construction or development of any project, without recourse to the Issuer, the Guarantor or the relevant Subsidiary (as applicable);

- (b) operational and financial leases, confirming and working capital financing (of whatsoever nature) incurred by the Issuer, the Guarantor or any Subsidiary in the ordinary course of their businesses;
- (c) Indebtedness incurred with any public authority, administration, public agency or any similar authority;
- (d) Indebtedness incurred as a consequence of the issuance by the Issuer, the Guarantor or any Subsidiary of any letter of credit in the ordinary course of their business;
- (e) any other Indebtedness incurred by the Issuer, the Guarantor or any Subsidiary in the ordinary course of their businesses, up to an aggregate amount of two million euros (€2,000,000); and
- (f) any Indebtedness authorised by the Syndicate of Noteholders.

“Permitted Security”: means any security interest, attachments, charges or encumbrances of any kind:

- (a) arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by the Issuer, the Guarantor or any Subsidiary;
- (b) created as a security of any Permitted Indebtedness; or
- (c) authorised by the Syndicate of Noteholders.

“Permitted Structural Modification”: means:

- (a) any Structural Modification constrained by law; or
- (b) any Structural Modification among Subsidiaries; or
- (c) any Structural Modification among any Subsidiary and the Issuer or the Guarantor, being the company subsisting the Issuer or the Guarantor (as applicable), provided that it does not negatively affect the solvency of the Issuer and the Guarantor; or
- (d) any other Structural Modification that does not negatively affect the solvency of the Issuer and the Guarantor; or
- (e) any Structural Modification that is expressly authorised by the Syndicate of Noteholders.

“Placement Entity”: means Bankia, S.A.

“Principal Payment Date”: means a date on which a payment of principal under the Notes is to be made.

“Put Notice”: has the meaning given to that term in Condition 7 (*Change of Control*) below.

“Put Option”: has the meaning given to that term in Condition 7 (*Change of Control*) below.

“Put Period”: means the immediately succeeding fifteen (15) days period after the date on which a Change of Control Notice has been given in accordance with condition 7 (*Change of Control*) below.

“RD 878/2015”: has the meaning given to that term in Condition 3 (*Form, Denomination, Price and Status*) below.

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

“Regulations”: has the meaning given to that term in Condition 16 (*Syndicate of Noteholders. Modification and Waiver*) below.

“Reinforced Majority Noteholders”: means, at any time, Noteholders representing not less than 66,67% of the Notes for the time being outstanding.

“Request”: has the meaning given to that term in Condition 5 (*Guarantees*) below.

“Sampol Group”: means, jointly, SGC, the Issuer and the Subsidiaries.

“SGC” or the **“Guarantor”**: means Sampol Grupo Corporativo, S.L.U.

“Spanish Civil Code”: means the Royal Decree dated 24 July, 1889, whereby the Civil Code was enacted, as amended or modified at any given moment, or any other law or regulation in substitution thereof.

“Spanish Commercial Code”: means the Spanish Commercial Code (*Código de Comercio*) passed by Royal Decree of 22 August 1885, together with any amendments and modifications thereto and any regulations that may replace it in the future.

“Spanish Companies Act”: means the Spanish Companies Act, approved by Royal Decree 1/2010, of 2 July, as amended or modified at any given moment, or any other law or regulation in substitution thereof.

“Spanish GAAP”: means the accounting principles included in the Spanish General Accounting System (*Plan General de Contabilidad*) approved by Royal Decree No. 1514/2007 of November 16, or any other successor principles applicable in Spain. Any reference to the General Accounting System shall be understood as a reference to all regulations that may hereafter replace it, including the International Accounting Standards or the International Financial Reporting Standards adopted by the European Union through Regulation (EC) 1725/2003 of the European Commission, in accordance

with Regulation (EC) 1606/2002 of the European Parliament and of the Council of Europe, to the extent they are applicable to the Issuer, the Guarantor or any Subsidiary.

“Structural Modification”: has the meaning given to that term in paragraph (c) (*Structural Modifications*) of Condition 6.2 (*General Covenants*) below.

“Subscription Period”: has the meaning given to that term in Condition 9 (*Placement and underwriting of the Issue*) below.

“Subsidiary”: means any subsidiary, whether direct or indirect, of the Issuer or the Guarantor.

“Syndicate of Noteholders”: means the *sindicato de bonistas* as this term is described under the Spanish Companies Act.

“TARGET2”: means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

“TARGET Settlement Day”: means any day on which TARGET2 is open for the settlement of payments in euro.

“Testing Period” means, with respect to any Calculation Date, except as otherwise determined in the conditions of the Notes, the twelve (12) last months used for the calculation to be made at such Calculation Date.

“Variable Interest”: means interest accrued at the Variable Interest Rate over the principal amount outstanding at the relevant Calculation Date, linked to International Net Revenues Ratio and payable by the Issuer in accordance with Condition 8.3 hereof.

“Variable Interest Rate”: means an annual variable interest rate equal to 0.05% per annum.

“Variable Interest Payment Date”: means, with respect to the payment of any Variable Interest:

- 15th of July of 2020
- 15th of July of 2021
- 15th of July of 2022
- 15th of July of 2023

If the established Variable Interest Payment Date is not a Business Day, the relevant Variable Interest Payment Date shall extend to the first immediately following Business Day.

2 Purpose of the Issue

The Issuer shall apply all proceeds received by the Issue of the Notes towards the general corporate purposes and capital expenditure linked to the strategic corporate activities and the strengthening of the international presence of the Sampol Group.

3 Form, Denomination, Price and Status

- (a) *Form and denomination:* The Notes are in uncertificated, dematerialised book-entry form (*anotaciones en cuenta*), subject to Royal Decree 878/2015 of 2 October, on compensation, liquidation and recording of marketable securities represented by book entries, on the legal regime of central securities depositories and central counterparties and on the transparency requirements of the issuers of securities admitted to trading on an official secondary market (*Real Decreto 878/2015, de 2 de octubre, sobre compensación, liquidación y registro de valores negociables representados mediante anotaciones en cuenta, sobre el régimen jurídico de los depositarios centrales de valores y de las entidades de contrapartida central y sobre requisitos de transparencia de los emisores de valores admitidos a negociación en un mercado secundario oficial*) (“**RD 878/2015**”). Each Note has a nominal value of 100,000 euros (the “**Authorised Denomination**”).
- (b) *Status of the Notes:* The Notes constitute direct, senior, unconditional, unsubordinated and unsecured obligations of the Issuer and upon the insolvency of the Issuer will rank *pari passu* among themselves and at least *pari passu* with all present and future unsecured and unsubordinated indebtedness of the Issuer (unless the Notes qualify as subordinated claims pursuant to article 92 of Law 22/2003 (*Ley Concursal*) of July 9, 2003, as amended (the “**Insolvency Law**”) or equivalent legal provisions which replace it in the future, and save for such obligations that may be preferred by provisions of law that are mandatory and of general application).

In the event of insolvency (*concurso*) of the Issuer, claims relating to the Notes (which are not subordinated pursuant to article 92 of the Insolvency Law) will be ordinary credits (*créditos ordinarios*) as defined in the Insolvency Law. Ordinary credits rank below credits with privilege (*créditos privilegiados*). Ordinary credits rank above subordinated credits and the rights of shareholders. Pursuant to article 59 of the Insolvency Law, the accrual of interest shall be suspended as from the date of declaration of the insolvency of the Issuer. Accrued and unpaid interests due in respect of the Notes at the commencement of an insolvency proceeding (*concurso*) of the Issuer will qualify as subordinated credits.

- (c) *Status of the Guarantee:* The Guarantor will unconditionally and irrevocably guarantee the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes, as envisaged in Condition 5 (*Guarantee*) of this section IX “Description of the Notes”.

The Guarantee granted by the Guarantor will constitute direct, general, unsecured and unsecured obligations of the Guarantor which (unless they qualify as subordinated credits under Article 92 of the Insolvency Law) in the event of the insolvency (*concurso*) of the Guarantor will, at all times, rank *pari passu* with all other present and future unsecured and unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

- (d) *Price of the Notes*: The Notes are issued at par value (100% of the nominal value).
- (e) *ISIN Code*: The Spanish National Numbering Agency (*Agencia Nacional de Codificación de Valores*) has assigned the following ISIN to identify the Notes: ES0305404008.
- (f) *Name of the issue*: Emisión de Bonos Simples Grupo Sampol 2019.
- (g) *Fungibility*: The issue may be fungible with any other senior unsecured notes issue made by SIO that also foresee their fungibility.

4 Register, title and transfers

- (a) *Registration*: Following the provisions of article 8 of the Securities Market Law, the Notes will be registered with Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal, with its registered address at Plaza de la Lealtad, 1, Madrid (“**Iberclear**”), that records all aggregate securities balances for each of its participating entities (*entidades participantes*) (the “**Iberclear Members**”). Each Noteholder’s (as defined below) title to the corresponding principal amount of the Notes is set out in the registries maintained by the respective Iberclear Member. Noteholders who do not have, directly or indirectly through their custodians, a participating account with Iberclear may participate in the Notes through bridge accounts maintained by each of Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme, Luxembourg.
- (b) *Title*: Title of the Notes is evidenced by book-entry forms (*anotaciones en cuenta*), and each person shown in the registries maintained by the respective Iberclear Members, as being a holder of Notes shall be (except otherwise required by the applicable Spanish law) considered the holder of the principal amount of the Notes recorded therein.

In these Conditions of the Notes, the “**Holder**” of a Note means the person in whose name such Note is for the time being registered in the book-entry forms (*anotaciones en cuenta*) at Iberclear or, as the case may be, the relevant Iberclear Member accounting book and “**Noteholder**” shall be construed accordingly. One or more certificates (each, a “**Certificate**”) attesting to the relevant Holder’s holding of the Notes in the relevant registry will be delivered by the relevant Iberclear Member or, where the Holder is itself an Iberclear Member, by Iberclear

(in each case, in accordance with the requirements of Spanish law and the relevant Iberclear Member's or, as the case may be, Iberclear's procedures) to such Holder upon such Holder's request.

- (c) *Transfers*: The Notes are issued without any restrictions on their transferability. Consequently, the Notes may be transferred and title to the Notes may pass (subject to Spanish law and to compliance with all applicable rules, restrictions and requirements of Iberclear or, as the case may be, the relevant Iberclear Member) upon registration in the relevant registry of each Iberclear Member and/or the Iberclear itself, as applicable. Each Holder will be treated (except as otherwise required by Spanish law) as the legitimate owner of the relevant Notes for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or annotation of, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the Holder.

5 Guarantees

- (a) Notwithstanding the Issuer's personal and unlimited liability arising from the Notes, Sampol Grupo Corporativo, S.L.U. ("the **Guarantor**"), through the execution of the Guarantee Agreement, guarantees unconditionally and irrevocably to the Noteholders, with express waiver of the benefits of excussion, order and division (*excusión, orden y división*), the payment obligations of the Issuer arising from the Notes (the "**Guaranteed Obligations**").

For more information about the Guarantor, please refer to item 9.1.1 (*Financial Statements of the Guarantor, Sampol Group*) of Section VIII (*Information on the Issuer and the Sampol Group*).

- (b) The guarantee granted by the Guarantor (the "**Guarantee**") is configured as a first demand guarantee and not as a surety (*fianza*) of the kind described in Articles 1822 et. subsequent of the Spanish Civil Code (*Código Civil*) nor a guarantee (*aval*) of the kind described in Articles 439 and related provisions of the Spanish Commercial Code, and hence such guarantee is structured as a first demand guarantee, separate, free-standing and independent and, therefore, the rights (i.e. the benefits of order, excussion and division (*orden, excusión y división*)) granted to the surety under articles 1830 et. subsequent of the Spanish Civil Code do not apply to this guarantee.
- (c) For the purposes of Article 135.2 of the Insolvency Law, in the event of insolvency of the Issuer, the Guarantor will be jointly and severally liable to the Noteholders for the Guaranteed Obligations, regardless of the outcome of any approval of an arrangement in the context of the insolvency proceeding and regardless of the vote of each of the Noteholders in said arrangement or proposed arrangement, and no debt relief or grace period included in such an arrangement may be invoked by the Guarantor to the Noteholders.

- (d) The Guarantee shall remain fully effective for as long as the Guaranteed Obligations have not been fully met.
- (e) In accordance with the Guarantee Agreement, the Guarantor undertakes to pay all the amounts owed by the Issuer under the Notes, including in the event that, having the Issuer paid them, the Noteholders had to reimburse any sum received from the Issuer, as a consequence of a reimbursement ordered in any situation of insolvency of the former or for any other reason.
- (f) The Guarantor has agreed that the Guarantee also extends to any extension period that the Noteholders may grant to the Issuer as regards the maturity of any or all of the Guaranteed Obligations. Likewise, the Guarantor has agreed, for all purposes and effects, to any changes to the conditions of the Guaranteed Obligations that may be agreed among the Issuer and the Noteholders, the guarantee remaining fully in force and effective notwithstanding the same.
- (g) All payments owed by the Guarantor shall be made for its entire amount without there being room for offsetting, net and free of any tax, deduction, or withholding of or on account of any kind of tax that might be incurred by said payments, whether present or future.
- (h) With respect to the enforcement of the Guarantee, the Guarantor undertakes to pay the Guaranteed Obligations at the first request of the Commissioner (the “**Request**”), acting in the name and on behalf of the Noteholders. The Request shall be accompanied by a certification from the Commissioner stating the amounts due and payable by the Issuer, signed by a person with enough power to sign it in the name and on behalf of the Commissioner.

The Commissioner, acting in the name and on behalf of the Noteholders, shall ask the Guarantor to pay the amount of the Guaranteed Obligations at maturity (either ordinary or early maturity), without need of declaring the early termination of the Guaranteed Obligations.

Without prejudice to the above, the Commissioner shall inform the Issuer of the enforcement of the Guarantee.

The Noteholders shall be entitled to enforce the Guarantee exclusively through the Commissioner. For the avoidance of doubt, the Noteholders shall not be able to initiate, either individually or in conjunction, any action aimed at enforcing any rights under the Guarantee.

Once the Guarantor receives the Requirement, it shall pay the amount requested, within the term of fifteen (15) Business Days as of the day it receives the relevant Requirement.

- (i) The Guarantee Agreement regulating the terms and conditions of the Guarantee (the “**Guarantee Agreement**”) has been executed by the Issuer, the Guarantor and the Commissioner simultaneously with the Issue of the Notes.
- (j) Additionally, in case any of the Subsidiaries incur any Indebtedness other than any Permitted Indebtedness, the Issuer and the Guarantor undertake to procure that the relevant Subsidiary grants, within thirty (30) Business Days following the date on which it incurs the relevant Indebtedness, a personal first demand guarantee, in terms similar to those of the Guarantee (subject to any limitations and restrictions of a legal, regulatory or any other nature in accordance with the laws of the jurisdiction in which the relevant Company is incorporated or the governing law of the relevant guarantee agreement) in favour of the Noteholders, securing the Guaranteed Obligations (the “**Additional Guarantee**”, and the Company granting it, an “**Additional Guarantor**”).

6 Obligations of the Issuer

So long as any of the Notes remain outstanding, the Issuer, the Guarantor and any Additional Guarantor (in case of the Guarantor or any Additional Guarantor, where expressly stated in each case) shall comply with the covenants set out below:

6.1 Information undertakings

The Issuer shall comply with its information and disclosure obligations under the Applicable Regulations, within the terms and in the forms envisaged therein.

6.2 General Covenants

- (a) *Pari passu*: the Issuer and the Guarantor and, where applicable, the Additional Guarantors, undertake to maintain the Notes and the rights deriving therefrom in favour of the Noteholders at least with the same preferences, privileges and rank as those that derive or may derive for other creditors by reason of agreements the Issuer and the Guarantor have entered into or may enter into in the future, unless otherwise authorised by the Noteholders, save for those preferences, privileges and ranks created by operation of law.
- (b) *Negative Pledge*: the Issuer, the Guarantor and, where applicable, the Additional Guarantors undertake to refrain from establishing or permitting the establishment of any security interest, attachments, charges or encumbrances of any kind in respect of any of its assets, whether current or future, with the exception of the Permitted Security.
- (c) *Structural Modifications*: the Issuer and the Guarantor shall not, and shall not cause or permit any Subsidiary to, pass a resolution for the winding-up (*liquidación*), dissolution (*disolución*), reconstruction, amalgamation, reorganisation, merger, demerger or consolidation with or into another person (a “**Structural**

Modification”), with respect to the Issuer, the Guarantor or any Subsidiary, unless such Structural Modification is a Permitted Structural Modification.

- (d) *Credit rating*: the Issuer and the Guarantor undertake to maintain in force, for so long as the Notes are outstanding, a credit rating with respect to the Issue, issued by any registered and certified credit rating agency authorized by ESMA.
- (e) *Distribution of dividends*: the Issuer and the Guarantor undertake to take all such corporate actions as may be necessary to approve the distribution of dividends by the Subsidiaries, in order for the Issuer and the Guarantor to comply with their obligations under the Notes payable from time to time.
- (f) *Additional Indebtedness*: the Issuer and the Guarantor shall not, and shall procure that none of the Subsidiaries, incur additional Indebtedness (other than Permitted Indebtedness) at a consolidated level, if the Indebtedness Ratio on the Calculation Date exceeds the Maximum Indebtedness Ratio applicable from time to time, determined on a *pro forma* consolidated basis, assuming for these purposes that (a) such additional Indebtedness had been incurred, and the net proceeds thereof applied, and (b) exclusively for the calculation in connection with any Indebtedness incurred to finance the acquisition of any company and/or fixed asset, the EBITDA generated by such investment during the last twelve months, prior to the acquisition, shall be taken into account as if generated during the applicable Testing Period.

For purposes of determining compliance with any euro-denominated restriction on the incurrence of Indebtedness, the Euro Equivalent of the principal amount of Indebtedness denominated in another currency will be calculated based on the most recently published annual financial statements to the extent shown therein or otherwise, based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term Indebtedness, or first committed, in the case of Indebtedness incurred under a revolving credit facility; provided that, if and for so long as any such Indebtedness is subject to an agreement intended to protect against fluctuations in currency exchange rates with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the amount of such Indebtedness, if denominated other than in Euros, will be the amount of the principal payment required to be made under such currency agreement and, otherwise, the Euro Equivalent of such amount plus the Euro Equivalent of any premium which is at such time due and payable but is not covered by such currency agreement.

- (g) *Investments*: the Issuer and the Guarantor will, and will permit or procure that the Subsidiaries, only make Investments, for an aggregate amount equal to or higher than 10,000,000 euros per annum, if at the time of such Investment all the following conditions are met:
 - (i) that no Event of Default has occurred or will occur as a consequence of such Investment;

- (ii) that the Indebtedness Ratio, on Calculation Date is lower than the Maximum Indebtedness Ratio applicable from time to time, determined on a *pro forma* consolidated basis, assuming for these purposes that such Investment has been made, and that (a) the additional Indebtedness in connection with such Investment had been incurred, and the net proceeds thereof applied, and (b) exclusively for the calculation in connection with any Investment consisting in the acquisition of any company and/or fixed asset, the EBITDA generated by such Investment during the last twelve months, prior to the acquisition, shall be taken into account as if generated during the applicable Testing Period.
- (h) *Distributions*: the Issuer and the Guarantor will, and will permit or procure that the Subsidiaries, only make Distributions, provided that:
 - (i) the Indebtedness Ratio on the Calculation Date is lower than 1.75x, determined on a *pro forma* consolidated basis assuming for these purposes that such Distribution has been made; or
 - (ii) if the Indebtedness Ratio calculated in accordance with paragraph (i) above is higher than 1.75x, the maximum aggregate amount of Distributions is €1,500,000 per annum;

provided that, in both cases (i) and (ii):

 - (i) the Issuer, the Guarantor and/or any Subsidiary are not subject to any insolvency or equivalent proceedings; and
 - (ii) no Event of Default has occurred or will occur as a consequence of such Distribution.
- (i) *Sale of assets*: the Issuer and the Guarantor will only undertake an Asset Sale (other than a Permitted Asset Sale), provided that:
 - (i) the Indebtedness Ratio on the Calculation Date on which the Asset Sale is to be made, is lower than 1.75x, determined on a *pro forma* consolidated basis assuming for these purposes that such Asset Sale has been made, and the net proceeds thereof applied; or
 - (ii) if the Indebtedness Ratio calculated in accordance with paragraph (i) above is higher than 1.75x:
 - the aggregate Net Amounts to be effectively obtained by the Issuer, the Guarantor or the relevant Subsidiary from the Asset Sale is lower than €2,000,000 per annum, or
 - if the aggregate Net Amounts to be effectively obtained by the Issuer, the Guarantor or the relevant Subsidiary from the Asset Sale is higher

than €2,000,000 per annum: (a) such Net Amount obtained from the Asset Sale is reinvested in the usual business of the Sampol Group within a period of twelve (12) months as from the date of reception of such amounts; or (b) the Net Amounts exceeding the €2,000,000 threshold are allocated towards the partial early repayment of the Notes, on a pro rata basis;

provided that, in both cases (i) and (ii):

- (i) the Asset Sale is made at market price;
 - (ii) the Issuer, the Guarantor and/or any Subsidiary are not subject to any insolvency or equivalent proceedings; and
 - (iii) no Event of Default has occurred or will occur as a consequence of such Asset Sale.
- (j) *Sale of Material Subsidiaries*: the Issuer and the Guarantor will not undertake a Material Subsidiary Sale.
- (k) *Registered office*: the Issuer and the Guarantor will maintain their registered offices in Spain.
- (l) *Use of proceeds*: the Issuer undertakes to allocate a minimum amount of ten million euros (€10.000.000) raised with the Issue towards the acquisition and/or development of international projects, i.e. international projects developed by companies located out of Spain directly or indirectly owned by the Issuer and/or the Guarantor at a minimum percentage of fifty-one per cent (51%), provided that all such allocations meet the following requirements:
- (i) they shall be made by means of equity injections, free disposal reserves or debt directly or indirectly granted by the Issuer or the Grantor; and
 - (ii) the investment falls within the scope of the corporate purpose of the Issuer.
- For the avoidance of doubt, in case of divestment in any such companies, the Issuer undertakes to allocate all proceeds received therefrom towards investments in companies located out of Spain with similar characteristics within a maximum term of twelve (12) months from the date on which the divestment is made.
- (m) *ESG*: with regards to environmental, social and governance matters (“**ESG**”), the Issuer will:
- (i) provide any information reasonably requested by the Noteholders (through the Commissioner) in relation to ESG matters in compliance with the local applicable regulations and the Group’s ESG policies, and any significative event with potential reputational risk for Group or Noteholders;

- (ii) use its best efforts to adapt the Group's ESG policies to the principles established in the United Nations Global Compact and the OECD guidelines for multinational enterprises.

7 Change of Control

If, eventually, a Change of Control occurs, then the Issuer shall, without undue delay, after becoming aware thereof, give notice of the Change of Control to the Noteholders (through the Commissioner) (the “**Change of Control Notice**”) specifying the nature of the Change of Control.

In the eventual event that a Change of Control occurs, each Noteholder shall have the option, to require the Issuer to, at the Issuer's option, redeem or purchase (or procure the purchase of), in whole or in part, the Notes owned by each Noteholder, at a price equal to 101 per cent of the principal amount of each Note plus accrued and unpaid interest up to (but excluding) the date for such redemption or purchase (the “**Put Option**”).

To exercise the Put Option, a Noteholder must, within the Put Period:

- (a) inform the Commissioner of the exercise of the Put Option;
- (b) block the relevant Notes or instruct the Spanish Central Registry or its Iberclear Member to block such Notes; and
- (c) deposit a duly signed and completed notice of exercise in the then current form obtainable from the Paying Agent (a “**Put Notice**”) in which the Noteholder must specify a bank account to which payment is to be made under this Condition at the specified office of the Paying Agent, during normal business hours on any business day in the city of the specified office of the Paying Agent.

A Put Notice, once given by the relevant Noteholder, shall be irrevocable.

At the end of the Put Period, the Commissioner shall inform the Issuer about the Notes to be redeemed or purchased. The Issuer shall, at its option, redeem or purchase (or procure the purchase of), the relevant Notes, within fifteen (15) Business Days day following the expiration date of the Put Period.

8 Interest

8.1 Interest payment dates. Interest period

The Notes bear interest from and including the Disbursement Date at the rate established in Condition 8.2 (*Interest rate*) below payable annually in arrears at the end of each Interest Period (each, an “**Interest Payment Date**”), commencing with the Interest Payment Date falling on 13 February, 2020 and ending on the Maturity Date subject as provided in Condition 11 (*Payments*). The first Interest Payment Date will be 13 February, 2020 and the last Interest Payment Date will be 13 February, 2024.

For the purposes of the settlement of the applicable interest, the time between the Disbursement Date and the Maturity Date will be deemed to be divided into successive interest periods (each an “**Interest Period**”), with a duration adjusted as follows:

- Interest Periods will have a term of 12 months.
- The first Interest Period will start on the Disbursement Date.
- At the end of each Interest Period a new Interest Period shall begin. For computation of each Interest Period, the first day of such Interest Period shall be deemed included in that Interest Period and the last day excluded.
- If the last day of an Interest Period is not a Business Day, the relevant Interest Period shall extend to the first immediately following Business Day, unless said Business Day belongs to the following calendar month, in which case the Interest Period shall be deemed to end on the immediately preceding Business Day. The excess or shortage of duration that could take place with respect to an Interest Period shall be reduced from or added to the immediately following Interest Period.

Each Note will cease to bear interest where such Note is being totally redeemed or repaid pursuant to Condition 10 (*Redemption and Purchase*) or Condition 13.1 (*Events of Default*), from the due date for redemption thereof unless, upon due presentation thereof, payment of the principal amount of the Notes is improperly withheld or refused, in which event interest will continue to accrue at such rate (both before and after judgment) until whichever is the earlier of (i) 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 Holder, and (ii) the day the Paying Agent has receipt of all sums due in respect of all the Notes.

If interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period, it shall be calculated by applying the corresponding Interest Rate established in Condition 8.2 (*Interest rate*), multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

In accordance with the abovementioned, the interest of the Notes will accrue daily on Actual/Actual ICMA basis unadjusted standard and will be payable in arrears as of the corresponding Interest Payment Date.

8.2 Interest Rate

The interest rate applicable to the Notes shall be a fixed interest rate equal to 4.5% annual (the “**Interest Rate**”).

8.3 Variable Interest Rate

The Notes bear a Variable Interest at the Variable Interest Rate linked to the evolution of the international activity of the Group.

Variable Interest will be payable on the Variable Interest Payment Date provided that the International Net Revenues Ratio calculated in the relevant Calculation Date equals or exceeds a level of 60%.

For this purpose, simultaneously with the disclosure to the market of the Consolidated Financial Statements in accordance with the Applicable Regulations, the Issuer shall inform the Noteholders (through the Commissioner and the market) of the International Net Revenues Ratio of the immediately preceding Financial Year and, where appropriate, the obligation to pay Variable Interest to the Noteholders and the amount to be paid thereunder.

9 Placement and underwriting of the Issue

The Issue of the Notes was subject to private placement among professional clients and qualified investors by the Placement Entity, that signed a placement contract with the Issuer.

The period during which the Notes were subscribed (the “**Subscription Period**”) started at 16:00 (CET) on 5 February, 2019 (CET) and ended at 16:00 (CET) on 6 February, 2019. Immediately after the close of the Subscription Period, the Placement Entity notified the Issuer of the amount of the Notes placed by them, so that the Issuer could request the registration of the Notes in the register of Iberclear.

Neither the Placement Entity nor any other entity assumed underwriting commitments with the Issue.

10 Redemption and Purchase

- (a) *Final Redemption*: Unless previously purchased and cancelled or redeemed as herein provided, the Notes will be redeemed at their principal amount on the Maturity Date. The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition 10 (*Redemption and Purchase*).
- (b) *No other redemption*: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraph (a) (*Final redemption*) of this Condition 10 (*Redemption and Purchase*), except in accordance with Condition 10 (c) (*Purchase*) of these Conditions of the Notes.
- (c) *Purchase*: Subject to compliance with applicable laws and regulations, the Issuer, the Guarantor or any of the Subsidiaries may at any time purchase Notes in the following conditions:
 - (i) through a tender offer directed to all Noteholders at any price, or
 - (ii) in the open market at any price.

Such Notes may be held, re-sold or reissued or, at the option of the relevant purchaser, cancelled and while held by or on behalf of the Issuer, the Guarantor or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Syndicate of Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Syndicate of Noteholders or for the purposes of Condition 16 (*Syndicate of Noteholders*).

- (d) *Cancellation*: All Notes so redeemed shall be cancelled and may not be reissued or resold.

Notes purchased by the Issuer shall be cancelled and may not be reissued or resold as well.

However, as provided in previous section c), Notes purchased by a Subsidiary may, at the option of the relevant Subsidiary, be held, resold, reissued or cancelled.

- (e) *Notice of Redemption*: All Notes in respect of which any notice of redemption is given under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition.

11 Payments

- (a) *Principal and interest*: Payments of principal and interest shall be made by transfer to a euro account (or other account to which euro may be credited or transferred) of the relevant Noteholder maintained by or on behalf of it with a bank that processes payments in a city in which banks have access to the TARGET2 system, details of which appear in the records of Iberclear or, as the case may be, the relevant Iberclear Member at close of business on the day immediately preceding the relevant Interest Payment Date or the relevant Principal Payment Date, as applicable, on which the payment of interest or principal, as the case may be, falls due. Noteholders must rely on the procedures of Iberclear or, as the case may be, the relevant Iberclear Member to receive payments in respect of the relevant Notes. None of the Issuer or the Paying Agent will have any responsibility or liability for the records relating to payments made in respect of the Notes.
- (b) *Payments subject to fiscal laws*: All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (c) *Payments on business days*: Where payment is to be made by transfer to a euro account (or other account to which euro may be credited or transferred), payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect

of any delay in payment resulting from the due date for a payment not being a business day. In this paragraph “business day” means a day (other than a Saturday or Sunday) which is a TARGET Settlement Day.

12 Taxation

12.1 Tax Gross-Up

All payments of principal, premium and interest in respect of the Bonds by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future Tax imposed or levied by or on behalf of any of the Relevant Taxing Jurisdictions, unless the withholding or deduction of the Taxes is required by law, statute, treaty, regulation or administrative practice of any of the Relevant Taxing Jurisdictions. In that event, the Issuer shall pay such additional amounts (**Additional Amounts**) as may be necessary in order that the net amounts received by the Bondholders after the withholding or deduction (including any withholding or deduction in respect of any Additional Amounts) shall not be less than the respective amounts which would have been receivable in respect of the Bonds in the absence of the withholding or deduction; except that no Additional Amounts shall be payable in relation to any payment in respect of any Bond:

- (a) held by or on behalf of a holder who is liable for such taxes, duties, assessments or governmental charges in respect of the Bonds by reason of it having some connection with Spain (other than: (A) the mere receipt, ownership, holding or disposition of Bonds; (B) by reason of the receipt of any payments in respect of any Bond; or (C) the exercise or enforcement of rights under any Bonds); or
- (b) held by or on behalf of a holder who does not provide to the Issuer or an agent acting on behalf of the Issuer the information concerning such holder as may be required in order to comply with the procedures that may be implemented to comply with any interpretation of Royal Decree 1065/2007 eventually made by the Spanish tax authorities.

In these Conditions:

Relevant Taxing Jurisdiction means in the case of payments by, or on behalf of, the Issuer, the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Bonds.

12.2 Tax Credits

- (a) If any Additional Amounts are paid by the Issuer for the benefit of any Bondholder, and such Bondholder in its sole discretion, determines in good

faith that it has obtained (and has derived full use and benefit from) a credit against, a relief or remission for, or repayment of, any tax, then, if and to the extent that such Bondholder in its sole opinion, determines in good faith that (i) such credit, relief, remission or repayment is in respect of or calculated with reference to the Additional Amounts paid by the Issuer; and (ii) its tax affairs for its tax year in respect of which such credit, relief, remission or repayment was obtained have been finally settled, such Bondholder shall, to the extent that it can do so without prejudice to the retention of the amount of such credit, relief, remission or repayment, pay to the Issuer such amount as such Bondholder shall in its sole opinion, determine in good faith to be the amount which will leave such Bondholder (after such payment) in no worse after tax position than it would have been in had the additional payment in question not been required to be made by the Issuer.

- (b) If any Bondholder makes any payment to the Issuer pursuant to this Condition and such Bondholder in its sole opinion, subsequently determines in good faith that the credit, relief, remission or repayment in respect of which such payment was made was not available or has been withdrawn or that it was unable to use such credit, relief, remission or repayment in full, the Issuer shall reimburse such Bondholder such amount as such Bondholder in its sole opinion, determines in good faith is necessary to place it in the same after tax position as it would have been in if such credit, relief, remission or repayment had been obtained and fully used and retained by such Bondholder, such amount not exceeding in any case the amount paid by the Bondholder to the Issuer.
- (c) Nothing in this Condition shall interfere with the right of any Bondholder to arrange its tax or any other affairs in whatever manner it thinks fit, oblige any Bondholder to claim any credit, relief, remission or repayment in respect of any payment made under this Condition in priority to any credit, relief, remission or repayment available to it nor oblige any Bondholder to disclose any information relating to its tax or other affairs or any computations in respect thereof.

13 Early Termination

13.1 Events of Default

Subject to Condition 13.2 (*Early Termination of the Issue*), the Noteholders may declare the early termination of the Notes upon the occurrence of any of the following events:

- (a) *Non-payment*: default is made in the payment on the due date of principal or interest in respect of any of the Notes and such failure is not cured within a period of five (5) Business Days in the case of principal (other than on the Maturity Date) and ten (10) Business Days in the case of interest.

- (b) *Breach of other obligations:* the Issuer, the Guarantor or any Additional Guarantor (as applicable) defaults in the performance or observance of any of its other obligations under or in respect of the Notes, and such default remains unremedied for thirty (30) days after written notice thereof, addressed to the Issuer by the Commissioner, has been delivered to the Issuer.
- (c) *Cross-default of the Issuer, the Guarantor or any Additional Guarantor:*
 - (i) any such present or future Indebtedness of the Issuer, the Guarantor or any Additional Guarantor is not paid when due or, as the case may be, within any applicable grace period; or
 - (ii) any such Indebtedness becomes due and payable prior to its stated maturity otherwise than (a) at the option of the Issuer, the Guarantor or any Additional Guarantor (as the case may be) or (b) at the option of the creditor of such Indebtedness in circumstances where no event of default (howsoever described) has occurred; or
 - (iii) the Issuer, the Guarantor or any Additional Guarantor fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised by any of them or any of its Subsidiaries;

provided that the aggregate amount of the Indebtedness, guarantees or indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred, individually or in the aggregate, equals or exceeds EUR 4,000,000 as notional of the principal plus interest and costs that were declared due (or its equivalent in any other currency or currencies).

- (d) *Delisting of the Notes:* if the Notes cease to be listed on any multilateral trading facility of the European Union and this circumstance remains unremedied for a term of thirty (30) days as of the occurrence thereof.
- (e) *Insolvency:* the Issuer, the Guarantor or any Additional Guarantor is insolvent or bankrupt (*concurso*) or unable to pay its debts, or is declared insolvent or bankrupt or a voluntary request has been submitted to a relevant court for the declaration of insolvency or bankruptcy, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of the debts of the Issuer, the Guarantor or the relevant Additional Guarantor; provided, however, that no Event of Default under this paragraph (e) shall be deemed to have occurred with respect to any Additional Guarantor if the Issuer or the Guarantor provide the Noteholders with additional guarantees (in terms similar to those of the

Guarantee) granted by any Subsidiary or Subsidiaries whose aggregate EBITDA is equal to or higher than the EBITDA of the Additional Guarantor subject to insolvency, in which case, such Subsidiary or Subsidiaries shall be deemed as Additional Guarantors.

- (f) *Winding up*: an order is made or an effective resolution passed for the winding-up (*liquidación*) or dissolution (*disolución*) of the Issuer, the Guarantor or any Additional Guarantors; or the Issuer, the Guarantor or any Additional Guarantors ceases to carry on all or substantially all of its business or operations; provided, however, that no Event of Default under this paragraph (f) shall be deemed to have occurred with respect to any Additional Guarantor if the Issuer or the Guarantor provide the Noteholders with additional guarantees (in terms similar to those of the Guarantee) granted by any Subsidiary or Subsidiaries whose aggregate EBITDA is equal to or higher than the EBITDA of the Additional Guarantor subject to insolvency, in which case, such Subsidiary or Subsidiaries shall be deemed as Additional Guarantors.

For the avoidance of doubt, the Issuer shall immediately inform the Noteholders (through the Commissioner) of the occurrence of any of the Events of Default set forth in this Condition 13.1.

13.2 Early Termination of the Issue

13.2.1 Automatic Early Termination

Upon the occurrence of any of the Events of Default set forth in paragraphs (e) (*Insolvency*) and (f) (*Winding up*) of Condition 13.1 (*Events of Default*), the principal of the Notes at that time outstanding, together with accrued Interest, will be immediately due and payable.

In that case, the Issuer shall pay any amounts due and payable under this Condition within the term of fifteen (15) Business Days as of the occurrence of any of the Events of Default set forth in the immediately preceding paragraph.

13.2.2. Declared Early Termination

Upon the occurrence of any of the Events of Default set forth in paragraphs (a) (Non-payment) to (d) (*Delisting of the Notes*), the Commissioner shall convene the general meeting of noteholders (in accordance with the Regulations). In that general meeting, the Reinforced Majority Noteholders may decide whether to declare the early termination of the Notes or not. The Commissioner shall notify the Issuer about the decisions of the Noteholders within the term of two (2) Business Days.

In case the Reinforced Majority Noteholders decides to declare the early termination of the Notes, the Issuer shall pay to the Noteholders the principal of the Notes at that time

outstanding, together with accrued interest, within the term of fifteen (15) Business Days as of the notice of the Commissioner.

14 Prescription

Claims for principal and interest shall become void unless made within a period of five (5) years after the date on which the payment in question first becomes due.

15 Paying Agent

Acting under the Paying Agency Agreement and in connection with the Notes, the Paying Agent acts solely as agent of the Issuer, and does not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The initial Paying Agent and its initial specified office is Bankia, S.A.. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor agent and additional or successor agents provided, however, that the Issuer shall at all times maintain (a) an agent, and (b) so long as the Notes are listed on any multilateral trading facility, secondary market, there will at all times be an Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant multilateral trading facility or secondary market.

Notice of any change in the Paying Agent or in its specified offices shall promptly be given to the Noteholders.

16 Syndicate of Noteholders. Modification and Waiver

- (a) *Syndicate of Noteholders*: Noteholders shall meet in accordance with the regulations governing the Syndicate of Noteholders (the “**Regulations**”). The Regulations contain the rules governing the Syndicate of Noteholders and the rules governing its relationship with the Issuer.

Bondholders S.L. has been appointed as a Commissioner for the Syndicate of Noteholders. Noteholders shall, by virtue of purchasing and/or holding Notes, be deemed to have agreed to: (i) the appointment of the Commissioner; and (ii) become a member of the Syndicate of Noteholders.

The Issuer may, with the consent of the Commissioner, but without the consent of the Noteholders, amend these Conditions to correct a manifest or proven error or to make amendments of a formal, minor or technical nature or to comply with mandatory provisions of law.

In addition to the above, the Issuer and the Noteholders, the latter by means of a resolution of the Syndicate of Noteholders, may agree to any modification, whether material or not, to these Conditions and any waiver of any breach or proposed breach of these Conditions. In case of amendments or waivers to be granted by the Noteholders at the request of the Issuer in connection with paragraphs (k)

(Registered office) and (l) (Use of proceeds) of Condition 6.2 above shall be adopted by unanimous consent of the Noteholders.

In accordance with article 425 of the Spanish Companies Act, resolutions of a general meeting of noteholder shall be approved by an absolute majority of the votes issued. As an exception, the following decisions shall be adopted by the Reinforced Majority Noteholders:

- (i) the amendment of the term or the reimbursement of the nominal value of the Notes; and
- (ii) the declaration of early termination of the Notes, as set forth in Condition 13.2 (*Early Termination of the Issue*).

If the necessary quorum is not achieved at the first meeting, a second general meeting may be reconvened to meet one month after the first general meeting and shall be quorate regardless of the number of Noteholders who attend.

Resolutions passed by the Syndicate of Noteholders will be binding on each and every one of the Noteholders (even those who did not attend the meeting or had voted, expressly or tacitly, against any such resolutions).

- (b) *Notification to the Noteholders:* Any modification, waiver or authorisation in accordance with this Condition 16 (*Syndicate of Noteholders. Modification and Waiver*) be notified by the Issuer to the Noteholders (through the Commissioner) as soon as practicable thereafter in accordance with Condition 18 (*Notices*).
- (c) The text of the Regulations of the Syndicate of Noteholders of Emisión de Bonos Simples Grupo Sampol 2019 issued by SIO is the one included as follows:

***REGLAMENTO DEL SINDICATO DE
BONISTAS DE LA EMISIÓN DE
BONOS DENOMINADA “EMISIÓN DE
BONOS SIMPLES GRUPO SAMPOL
2019”***

A continuación se recoge el Reglamento del Sindicato de Bonistas de la “EMISIÓN DE BONOS SIMPLES GRUPO SAMPOL 2019” (la “Emisión”).

En caso de discrepancia la versión española prevalecerá.

***REGULATIONS OF THE SYNDICATE
OF BONDHOLDERS OF THE BONDS
ISSUE NAMED “EMISIÓN DE BONOS
SIMPLES GRUPO SAMPOL 2019”***

The Regulations that follow correspond to the Syndicate of Noteholders of the Notes which compose the “EMISIÓN DE BONOS SIMPLES GRUPO SAMPOL 2019” (the “Issue”).

In the case of discrepancy, the Spanish version shall prevail.

TÍTULO I

CONSTITUCIÓN, DENOMINACIÓN, OBJETO, DOMICILIO Y DURACIÓN DEL SINDICATO DE BONISTAS.

ARTÍCULO 1º. – CONSTITUCIÓN

*Con sujeción a lo dispuesto en el Capítulo IV del Título XI del Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital (la “**Ley de Sociedades de Capital**”), una vez se suscriban y desembolsen los Bonos, quedará constituido un sindicato de los titulares de los Bonos (en adelante, el “**Sindicato**”, el “**Sindicato de Bonistas**” y los “**Bonistas**”, respectivamente) que integran la “EMISIÓN DE BONOS SIMPLES GRUPO SAMPOL 2019”.*

*Este Sindicato se regirá por el presente Reglamento, por la Ley de Sociedades de Capital, por las disposiciones de los estatutos sociales de SAMPOL INGENIERÍA Y OBRAS, S.A. (la “**Sociedad Emisora**”) y demás disposiciones legales vigentes que le resulten aplicables.*

ARTÍCULO 2º. – DENOMINACIÓN

*El Sindicato se denominará “**SINDICATO DE BONISTAS DE LA EMISIÓN DE BONOS SIMPLES GRUPO SAMPOL 2019**”.*

ARTÍCULO 3º. – OBJETO

El Sindicato tendrá por objeto la representación y defensa de los legítimos intereses de los Bonistas frente a la

TITLE I

INCORPORATION, NAME, PURPOSE, ADDRESS AND DURATION FOR THE SYNDICATE OF NOTEHOLDERS.

ARTICLE 1. – INCORPORATION

*In accordance with the provisions of Chapter IV of Title XI of the Spanish Royal Legislative Decree 1/2010, of 2 July 2010, approving the Spanish Companies Act (“Real Decreto Legislativo 1/2010, de 2 de julio, que aprueba el texto refundido de la Ley de Sociedades de Capital”) (the “**Spanish Companies Act**”), once the Notes have been fully subscribed and paid, there shall be incorporated a Syndicate of the owners of the Notes (the “**Syndicate**”, “**Syndicate of Noteholders**” and the “**Noteholders**”, respectively) which compose the “EMISIÓN DE BONOS SIMPLES GRUPO SAMPOL 2019”.*

*This Syndicate shall be governed by these Regulations, by the Spanish Companies Act, by the applicable provisions of the articles of association of SAMPOL INGENIERÍA Y OBRAS, S.A. (the “**Issuer**”) and other applicable legislation.*

ARTICLE 2. – NAME

*The Syndicate shall be named “**SYNDICATE OF NOTEHOLDERS OF THE ISSUE OF NOTES OF GRUPO SAMPOL 2019**”.*

ARTICLE 3. – PURPOSE

This Syndicate is formed for the purpose of representing and protecting the lawful interest of the Noteholders before the

*Sociedad Emisora, mediante el ejercicio de los derechos que le reconocen las Leyes por las que se rigen y el por presente reglamento (el “**Reglamento**”), para ejercerlos y conservarlos de forma colectiva, y bajo la representación que se determina en las presentes normas.*

ARTÍCULO 4º. – DOMICILIO

El domicilio del Sindicato se fija en Gremio Boneteros, 48 · 07009 Palma de Mallorca .

La Asamblea General de Bonistas podrá, sin embargo, reunirse, cuando se considere oportuno, en otro lugar de la ciudad de Palma, expresándose así en la convocatoria.

ARTÍCULO 5º. – DURACIÓN

El Sindicato estará en vigor hasta que los Bonistas hayan sido reintegrados de cuantos derechos derivados de los Bonos por principal, intereses o cualquier otro concepto les correspondan.

TÍTULO II

RÉGIMEN DEL SINDICATO

ARTÍCULO 6º. – ÓRGANOS DE GOBIERNO DEL SINDICATO

El gobierno del Sindicato corresponderá:

- (a) A la Asamblea General de Bonistas (la “**Asamblea General**”).*
- (b) Al Comisario de la Asamblea General de Bonistas (el “**Comisario**”).*

*Issuer, by means of the exercise of the rights granted by the applicable laws and the present regulations (the “**Regulations**”), to exercise and preserve them in a collective way and under the representation determined by these Regulations.*

ARTICLE 4. – ADDRESS

The address of the Syndicate shall be located at Gremio Boneteros, 48 · 07009 Palma de Mallorca.

However, the Noteholders General Meeting is also authorised to hold a meeting, when considered convenient, in any other place in Palma that is specified in the notice convening the meeting.

ARTICLE 5. – DURATION

This Syndicate shall be in force until the Noteholders have been reimbursed for any rights deriving from the Notes they may hold for the principal, interest or any other concept.

TITLE II

SYNDICATE’S REGIME

ARTICLE 6. – SYNDICATE MANAGEMENT BODIES

The Management bodies of the Syndicate are:

- (a) The General Meeting of Noteholders (the “**General Meeting**”).*
- (b) The Commissioner of the General Meeting of Noteholders (the “**Commissioner**”).*

ARTÍCULO 7º. – NATURALEZA JURÍDICA

La Asamblea General, debidamente convocada y constituida, es el órgano de expresión de la voluntad de los Bonistas, con sujeción al presente Reglamento, y sus acuerdos vinculan a todos los Bonistas en la forma establecida por las Leyes.

ARTÍCULO 8º. – LEGITIMACIÓN PARA CONVOCATORIA

La Asamblea General será convocada por el Consejo de Administración de la Sociedad Emisora o por el Comisario, siempre que cualquiera de ellos lo estime conveniente.

Sin perjuicio de lo anterior, el Comisario deberá convocarla cuando lo soliciten por escrito, y expresando el objeto de la convocatoria, los Bonistas que representen, por lo menos, la vigésima parte del importe total de la Emisión que no esté amortizada. En este caso, la Asamblea General deberá convocarse para ser celebrada dentro de los cuarenta y cinco (45) días siguientes a aquél en que el Comisario hubiere recibido solicitud válida al efecto.

ARTÍCULO 9º. – FORMA DE CONVOCATORIA

La convocatoria de la Asamblea General se hará, por lo menos quince (15) días naturales antes de la fecha fijada para su celebración, mediante (i) anuncio en la página web de la Sociedad Emisora y hecho relevante en MARF, o (ii) anuncio en el Boletín Oficial del Registro Mercantil o en un periódico de difusión nacional o (iii) notificación a los Bonistas de conformidad

ARTICLE 7. – LEGAL NATURE

The General Meeting, duly called and constituted, is the body of expression of the Noteholders' will, subject to the provisions of these Regulations, and its resolutions are binding for all the Noteholders in the way established by the Law.

ARTICLE 8. – CONVENING MEETINGS

The General Meeting shall be convened by the Board of Directors of the Issuer or by the Commissioner, whenever they may deem it convenient.

Notwithstanding the above, the Commissioner shall convene a General Meeting when Noteholders holding at least the twentieth of the non-amortised entire amount of the Issue, request it in writing. In such case, the General Meeting shall be held within forty five (45) days following the receipt by the Commissioner of a valid written notice for this purpose.

ARTICLE 9. – PROCEDURE FOR CONVENING MEETINGS

The General Meeting shall be convened at least fifteen (15) calendar days before the date set for the meeting, by (i) notice on the Issuer's website and publication of a relevant fact through MARF or (ii) notice published in the Official Gazette of the Companies Register or in one newspaper of national circulation or (iii) notice to the

con los términos y condiciones de los Bonos.

ARTÍCULO 10º. – DERECHO DE ASISTENCIA

Tendrán derecho de asistencia a la Asamblea General los Bonistas que lo sean, con cinco (5) días de antelación, por lo menos, a aquél en que haya de celebrarse la reunión.

Los miembros del consejo de administración de la Sociedad Emisora y el Agente de la Emisión tendrán derecho de asistencia a la Asamblea General aunque no hubieren sido convocados. El Comisario deberá asistir a la Asamblea General aunque no la hubiera convocado.

ARTÍCULO 11º. – DERECHO DE REPRESENTACIÓN

Todo Bonista que tenga derecho de asistencia a la Asamblea General podrá hacerse representar por medio de otro Bonista. Además, todo Bonista con derecho de asistencia podrá, en caso de no poder delegar su representación en otro Bonista, hacerse representar por el Comisario, aunque en ningún caso podrá hacerse representar por los administradores de la Sociedad Emisora, aunque sean Bonistas. La representación deberá conferirse por escrito y con carácter especial para cada Asamblea General.

ARTÍCULO 12º. – QUÓRUM DE ASISTENCIA Y ADOPCIÓN DE ACUERDOS

Cada Bono conferirá al Bonista un derecho de voto proporcional al valor nominal no amortizado de los Bonos de que sea titular.

Noteholders in accordance with the terms and conditions of the Notes.

ARTICLE 10. – RIGHT TO ATTEND MEETINGS

Noteholders who have been so at least five (5) days prior to the date on which the meeting is scheduled, shall have the right to attend the meeting.

The members of the Board of Directors of the Issuer and the Paying Agent under the Issue shall have the right to attend the meeting even if they have not been requested to attend. The Commissioner shall attend the General Meeting even if it has not convened such meeting.

ARTICLE 11. – RIGHT TO BE REPRESENTED

All Noteholders having the right to attend the meetings also have the right to be represented by another Noteholder. In addition, any Noteholder with the right to attend the meetings may, in case it is unable to delegate it's representation to another Noteholder, be represented by the Commissioner; but in no case may be represented by the directors of the Issuer, even if these are also Noteholders. Appointment of a proxy must be in writing and only for each particular meeting.

ARTICLE 12. – QUORUM FOR MEETINGS AND TO PASS RESOLUTIONS

Each Note will confer the Noteholder a right to vote in proportion to the non-

Los acuerdos se adoptarán por mayoría absoluta de los votos emitidos.

Como excepción, las siguientes decisiones se adoptarán por Mayoría Reforzada de los Bonistas:

(i) la modificación del plazo o de las condiciones de reembolso del valor nominal de los Bonos; y

(ii) la declaración de vencimiento anticipado de los Bonos, de conformidad con la Condición 13.2 de los términos y condiciones de los Bonos.

*A estos efectos, se entenderá por “**Mayoría Reforzada de Bonistas**” los Bonistas que representen al menos dos terceras partes (66,67%) de los Bonos en circulación.*

Adicionalmente, las decisiones con respecto a cualesquiera novaciones o waivers a otorgar por los Bonistas a requerimiento del Emisor en relación con los párrafos (k) (Registered office) y (l) (Use of proceeds) de la Condición 6.2. de los términos y condiciones de los Bonos deberán ser adoptados por unanimidad de los Bonistas.

No obstante, la Asamblea General se entenderá convocada y quedará válidamente constituida para tratar de cualquier asunto de la competencia del Sindicato, siempre que estén presentes o debidamente representados los Bonistas titulares de todos los Bonos y los asistentes acepten por unanimidad la celebración de la Asamblea General.

amortized nominal value of the Notes owned by such Noteholder.

The resolutions shall be approved by an absolute majority of the votes issued.

As an exception, the following resolutions shall be adopted by the Reinforced Majority Noteholders:

(i) the amendment of the term or the reimbursement of the nominal value of the Notes; and

(ii) the declaration of early termination of the Notes, in accordance with Condition 13.2 of the terms and conditions of the Notes.

*For these purposes, “**Reinforced Majority Noteholders**” means Noteholders representing not less than two thirds (66,67%) of the Notes for the time being outstanding.*

Additionally, resolutions with respect to amendments or waivers to be granted by the Noteholders at the request of the Issuer in connection with paragraphs (k) (Registered office) and (l) (Use of proceeds) of Condition 6.2 of the terms and conditions of the Notes shall be adopted by unanimous consent of the Noteholders.

Nevertheless, the General Meeting shall be deemed validly constituted to transact any business within the remit of the Syndicate if Noteholders representing all the outstanding Notes are present or duly represented, and provided that they unanimously approve the holding of such meeting.

Los acuerdos adoptados por la Asamblea General vincularán a todos los Bonistas, incluso a los no asistentes y a los disidentes.

ARTÍCULO 13º. – PRESIDENCIA DE LA ASAMBLEA GENERAL

La Asamblea General estará presidida por el Comisario, quien dirigirá los debates, dará por terminadas las discusiones cuando lo estime conveniente y dispondrá que los asuntos sean sometidos a votación.

ARTÍCULO 14º. – LISTA DE ASISTENCIA

El Comisario formará, antes de entrar a discutir el orden del día, la lista de los asistentes, expresando el carácter y representación de cada uno y el número de Bonos propios o ajenos con que concurren.

ARTÍCULO 15º. – FACULTADES DE LA ASAMBLEA GENERAL

La Asamblea General podrá acordar lo necesario para la mejor defensa de los legítimos intereses de los Bonistas frente a la Sociedad Emisora; modificar, de acuerdo con la misma, las condiciones de los Bonos; destituir o nombrar Comisario; ejercer, cuando proceda, las acciones judiciales correspondientes y aprobar los gastos ocasionados por la defensa de los intereses de los Bonistas.

ARTÍCULO 16º. – IMPUGNACIÓN DE LOS ACUERDOS

The resolutions passed by the General Meeting shall be enforced against any Noteholder, even non assisting or non-approving Noteholders.

ARTICLE 13. – PRESIDENT OF THE GENERAL MEETING

The Commissioner shall be the president of the General Meeting, shall chair the discussions, shall have the right to bring the discussions to an end when he considers it convenient and shall arrange for matters to be put to the vote.

ARTICLE 14. – ATTENDANCE LIST

Before discussing the agenda for the meeting, the Commissioner shall form the attendance list, stating the nature and representation of each of the Noteholders present and the number of Notes at the meeting, both directly owned and/or represented.

ARTICLE 15. – POWER OF THE GENERAL MEETING

The General Meeting may pass resolutions necessary for the best protection of Noteholders' lawful interests before the Issuer; to modify, in accordance with the Issuer, the conditions of the Notes; to dismiss or appoint the Commissioner; to exercise, when appropriate, the corresponding legal claims and to approve the expenses caused by the defence of the Noteholders' interest.

ARTICLE 16. – CHALLENGE OF RESOLUTIONS

Los acuerdos de la Asamblea General podrán ser impugnados por los Bonistas conforme a lo dispuesto en el artículo 427 de la Ley de Sociedades de Capital.

ARTÍCULO 17º. – ACTAS

Las actas de las sesiones podrán ser aprobadas por la propia Asamblea General, acto seguido de haberse celebrado éstas, o, en su defecto, dentro del plazo de quince (15) días, por el Comisario y al menos un Bonista designado al efecto por la Asamblea General.

ARTÍCULO 18º. – CERTIFICACIONES

Las certificaciones de las actas de los acuerdos de la Asamblea General serán expedidas por el Comisario.

ARTÍCULO 19º. – EJERCICIO INDIVIDUAL DE ACCIONES

Los Bonistas sólo podrán ejercitar individualmente las acciones judiciales o extrajudiciales que corresponda cuando no contradigan los acuerdos adoptados por el Sindicato, dentro de su competencia, y sean compatibles con las facultades que al mismo se hubiesen conferido.

ARTÍCULO 20º. – GASTOS DEL SINDICATO

Los gastos normales que ocasione el sostenimiento del Sindicato correrán a cargo de la Sociedad Emisora, no pudiendo exceder en ningún caso del dos por ciento (2%) de los intereses anuales devengados por los Bonos.

TITULO III

The resolutions of the General Meeting may be challenged by the Noteholders in accordance with article 427 of the Spanish Companies Act.

ARTICLE 17. – MINUTES

The minutes of the meeting may be approved by the General Meeting, after the meeting has been held or, if not, within a term of fifteen (15) days by the Commissioner and at least one Noteholder appointed for such purpose by the General Meeting.

ARTICLE 18. – CERTIFICATES

The certificates of the minutes of the resolutions of the General Meeting shall be issued by the Commissioner.

ARTICLE 19. – INDIVIDUAL EXERCISE OF ACTIONS

The Noteholders will only be entitled to individually exercise judicial or extra judicial claims if such claims do not contradict the resolutions previously adopted by the Syndicate, within its powers, and are compatible with the powers conferred upon the Syndicate.

ARTICLE 20. – EXPENSES OF THE SYNDICATE

The ordinary expenses resulting from the maintenance of the Syndicate shall be for the account of the Issuer, but they will not exceed, in any year, an amount of two per cent. (2%) of the annual interests accrued by the Notes.

TITLE III

DEL COMISARIO

ARTÍCULO 21º. – NATURALEZA JURÍDICA DEL COMISARIO

Incumbe al Comisario ostentar la representación legal del Sindicato y actuar de órgano de relación entre éste y la Sociedad Emisora, de acuerdo con lo establecido en la ley.

ARTÍCULO 22º. – NOMBRAMIENTO Y DURACIÓN DEL CARGO

La Sociedad Emisora designa a Bondholders, S.L como Comisario, sin perjuicio de que la Asamblea General pueda designar a otra persona si lo considera oportuno. La retribución del Comisario será fijada por la Sociedad Emisora.

ARTÍCULO 23º. – FACULTADES

Serán facultades del Comisario:

1º Tutelar los intereses comunes de los Bonistas.

2º Convocar y presidir las Asambleas Generales.

3º Informar a la Sociedad Emisora de los acuerdos del Sindicato.

4º Vigilar el pago de los intereses y del principal.

5º Llevar a cabo todas las actuaciones que estén previstas realice o pueda llevar a cabo el Comisario de acuerdo con las condiciones de los Bonos.

THE COMMISSIONER

ARTICLE 21. – NATURE OF THE COMMISSIONER

The Commissioner shall bear the legal representation of the Syndicate and shall be the body for liaison between the Syndicate and the Issuer, pursuant to applicable law

ARTICLE 22. – APPOINTMENT AND DURATION OF THE OFFICE

The Issuer appoints Bondholders, S.L. as Commissioner, notwithstanding that the General Meeting may appoint another person if deemed appropriate. The remuneration of the Commissioner shall be determined by the Issuer.

ARTICLE 23. – POWERS

The Commissioner shall have the following powers:

1 To protect the common interest of the Noteholders.

2 To call and act as president of the General Meeting.

3 To inform the Issuer of the resolutions passed by the Syndicate.

4 To control the payment of the principal and the interest.

5 To carry out all those actions provided for in the conditions of the Notes to be carried out or that may be carried out by the Commissioner.

6º Ejecutar los acuerdos de la Asamblea General.

6 To execute the resolutions of the General Meeting.

7º Ejercitar las acciones que correspondan al Sindicato.

7 To exercise the actions corresponding to the Syndicate.

8º En general, las que le confiere la Ley y el presente Reglamento.

8 In general, the ones granted to him by Law and the present Regulations.

TITULO IV

TITLE IV

DISPOSICIONES ESPECIALES

SPECIAL DISPOSITIONS

ARTÍCULO 24º. – SUMISIÓN A FUERO

ARTICLE 24. – JURISDICTION

Para cuantas cuestiones se deriven de este Reglamento, los Bonistas, por el solo hecho de serlo, se someten, de forma exclusiva, con renuncia expresa a cualquier otro fuero que pudiera corresponderles, a la jurisdicción de los Juzgados y Tribunales de la ciudad de Palma.

For any dispute arising from these Regulations, the Noteholders, by the sole fact of being so, shall submit to the exclusive jurisdiction of the courts and tribunals of the city of Palma.

17 Further Issues

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

18 Notices

- (a) *Notice to Noteholders:* So long as the Notes are admitted (*incorporados*) on MARF, notices to the Noteholders will be published in the *Boletín de Cotización de MARF* (the official bulletin of MARF). Any such notice will be deemed to have been given on the date of the first publication. In addition, so long as the Notes are represented by book-entries in Iberclear, all notices to Noteholders shall be made through Iberclear for on transmission to their respective accountholders.
- (b) *Notice of a General Meeting of the Syndicate of Noteholders:* Notice of a general meeting of the Syndicate of Noteholders must be given in accordance with the Regulations.

- (c) *Notice to Commissioner:* Copies of any notice given to any Noteholders will be also given to the Commissioner of the Syndicate of Noteholders.

19 Governing Law and Jurisdiction

- (a) *Governing law:* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by Spanish law.
- (b) *Spanish courts:* The courts and tribunals of the city of Palma have exclusive jurisdiction to settle any dispute (the “**Dispute**”) arising out of or in connection with the Notes (including a dispute regarding any non-contractual obligation arising out of or in connection with the Notes).
- (c) *Appropriate forum:* The Issuer agrees that the courts of the city of Palma are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

X. ADMISSION OF THE NOTES

1 Request for admission (*incorporación*) of the Notes to the Alternative Fixed Income Market (MARF). Deadline for admission (*incorporación*) to trading.

Admission (*incorporación*) has been requested for the Notes described in this Information Memorandum (*Documento Informativo de Incorporación*) on the multilateral trading facility) known as Alternative Fixed Income Market (*Mercado Alternativo de Renta Fija* or *MARF*). Said listing will take place within thirty (30) days following the Closing Date.

MARF adopts the legal structure of a multilateral trading facility, under the terms provided for in Articles 26 et seq. of the RDL 21/2017 constituting an alternative, unofficial, market for the trading of fixed-income securities.

The reasons that have led to the Issuer to request the admission (*incorporación*) of the Notes on MARF are: (i) diversify sources of external financing through access to capital markets, (ii) raise funds to strengthen the financial ability to obtain financing at longer maturities, (iii) benefit from the flexibility of requirements concerning official markets, with lower costs and (iv) provide the issue with liquidity through a multilateral trading facility.

This Information Memorandum (*Documento Informativo de Incorporación*) includes the information required in Circular 2/2018.

Neither the Competent Body of MARF, the National Securities Market Commission (*Comisión Nacional del Mercado de Valores* or *CNMV*) nor the Placement Entities have approved or made any verification or test in relation to the contents of the Information Memorandum (*Documento Informativo de Incorporación*), the financial statements of the Issuer, the rating report or the risk

of the issuance required under Circular 2/2018. The intervention of the Competent Body of MARF does not mean a statement, acknowledgement or confirmation about the completeness, understanding and consistency of the information included into the documentation contributed by the Issuer.

It is recommended that the investor fully and carefully read the Information Memorandum (*Documento Informativo de Incorporación*) presented prior to any investment decision.

The Issuer expressly declares that it is aware and knows the requirements and conditions necessary for admission (*incorporación*) and exclusion of securities in MARF, under current legislation and the requirements of its governing bodies and expressly agrees to comply therewith.

The Issuer expressly declares that it has met the requirements for registration and settlement of transaction in Iberclear. Operations settlement will be made through Iberclear.

2 Costs of all legal, financial, and audit services and other costs to the Issuer and placement costs and, if necessary, underwriting costs, originated by the Issue, placement and admission (*incorporación*)

Issuance and admission (*incorporación*) on the MARF costs of the Notes total 420,000 euros.

XI. THIRD PARTY INFORMATION, STATEMENT BY EXPERTS AND DECLARATIONS OF INTEREST

No statement or report attributed to a person as an expert is included in the Information Memorandum (*Documento Informativo de Incorporación*). No statement or report attributed to a third party is included in the Information Memorandum (*Documento Informativo de Incorporación*).

XII. REFERENCES

The Issuer declares that, if necessary, the following documents (or copies thereof) can be inspected during the period of validity of the Information Memorandum (*Documento Informativo de Incorporación*):

- The Bylaws of the Issuer are available at the Mercantile Registry of Palma, (Spain).
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request, which are included or referred to in the Information Memorandum.

- The historical financial information of the Issuer for each of the two financial years preceding the publication of the Information Memorandum are available at the Mercantile Registry of Palma (Spain).

As the person responsible for the Information Memorandum (*Documento Informativo de Incorporación*)

In Palma, on 6 February, 2019

Signed: Carmen Sampol Massanet

Sampol Ingeniería y Obras, S.A.

ANNEX 1
2017 AUDITED CONSOLIDATED ANNUAL ACCOUNTS OF SAMPOL
GRUPO CORPORATIVO, S.L.U.

ANNEX 2
2016 AUDITED CONSOLIDATED ANNUAL ACCOUNTS OF SAMPOL
GRUPO CORPORATIVO, S.L.U.

ANNEX 3
NON-AUDITED FIRST HALF 2018 CONSOLIDATED BALANCE SHEET AND
INCOME STATEMENT OF SAMPOL GRUPO CORPORATIVO, S.L.U.

ANNEX 4
2017 AUDITED ANNUAL ACCOUNTS OF SAMPOL INGENIERÍA Y OBRAS,
S.A.

ANNEX 5
2016 AUDITED ANNUAL ACCOUNTS OF SAMPOL INGENIERÍA Y OBRAS,
S.A.

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