Explanatory document on possible terms of future tendering process

Development

Adolfo Suárez Madrid-Barajas Airport City

AREA-1

14 July 2021

Work document

NOTICE REGARDING THE TRANSLATED DOCUMENT (ENGLISH VERSION)

This document is provided for information purposes only, and aims to facilitate the understanding for non-spanish-speaking persons. The contents of this document have no contractual value.

In the event of divergence between the contents of the english version and the spanish original, the spanish version shall prevail.

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1. Introduction to the document

This document acts as support material for a better and more expanded knowledge presented in the Market Presentation “Development. Adolfo Suárez Madrid-Barajas Airport City. AREA-1”, on 14 July 2021, and which is intended to be a downloadable and reference material.

This document is not of a contractual nature, given that Aena will publish the Tender Specifications document for the award of its logistics developments, and the Tender Specifications and its Annexes will be of a contractual nature, with the Tender Specifications and its Annexes being the documents that establish the terms and conditions of the tender process and its agreements between Aena and the successful bidder.

Aena reserves the right to publish a clarifying note of this document on its website if necessary, until the Tender Specifications are published.

2. Aena, driving development

Aena is a leading global operator in airport management. The company manages 46 airports and two heliports in Spain and six in Brazil. It participates directly and indirectly in the management of a further 17 airports across the world: 12 in Mexico, 2 in Colombia, 2 in Jamaica and London-Luton Airport in the UK, owning a 51% share. In 2019, 367 million passengers pass through the airports.

In 2015, Aena reached a milestone in its story with private capital inflows, which came with a successful entry on the Stock Market and with its inclusion into the IBEX 35 after only four months. The main shareholder in Aena is the State, which holds 51% of its capital through ENAIRE, which is 100% public. The remaining 49% of the capital comes from the Stock Market.

The financial year in 2019 saw Aena's total revenue reach 4.503 billion euros, of which 2.901 billion euros were from aeronautical business, 1.252 billion commercial, 80 billion property services and 270 million euros from international operations. The net profits were 1.442 billion euros, an increase of 8.6% on 2018. The volume of passengers at airports in the Aena network in Spain in 2019 was 275 million, an increase of 4.4% on 2018; more than 2.36 million operations (+2.6%) and more than a million tonnes of goods (+5.6%).

As for 2020, as a result of the impact of the COVID-19 crisis and restrictions concerning mobility, revenue were 2.242 billion euros, with a negative net result of 126.8 million euros. In this context, Aena maintains a robust policy of cost saving and measures to ensure the proper operability of its services and availability liquidity.

The volume of passengers at airports in the Aena network in Spain in 2019 was 275 million, a 4.4% increase on 2018; recoding more than 2.36 million in operations (+2.6%), and more than a million tonnes of goods (+5.6%). (In 2020, these figures were at 76.1 million passengers, 1.1 million in operations and 787,848 tonnes of cargo as a results of the COVID-19 situation and the restrictions imposed on mobility across the world)

Of particular note are Adolfo Suárez Madrid - Barajas Airport and Josep Tarradellas Barcelona-El Prat, which are in the top 10 in Europe, occupying respectively the 5th and 6th positions in 2019. Among the two, there were 11.4 million passengers (an increase of 41% across the network) in 2019, around 771,000 operations and nearly 736,000 tonnes of cargo.

Spain occupies a strategic position in the global tourism sector, being the second most visited country in the world. In 2019, more than 83 million international tourists visited Spain, 80% arriving by air. In this context, air transport and airports are a key element for tourism, a strategic axis of our economy due to their contribution to wealth and employment, and they play an important role as a main entry route. AS Madrid-Barajas and JT Barcelona-El Prat Airports, as major international hubs for connecting flights, are a fundamental link in the tourism, mobility and development of many other sectors in our country. AS Madrid-Barajas is also the gateway and connection between Europe and Latin America.

Aena is a leading company due to its experience, capacity and professional team in the management of airport services. A company of great value and reputation, both nationally and internationally. Its airports are among the most modern and efficient in the world and are equipped with the most advanced technologies. Its efficient services and varied commercial offering guarantee passengers a safe and comfortable stay.

Aena is also a company responsible for social, economic and environmental sustainability. Aware of the role it must play as an economic engine in the areas of influence of the airports; of its condition as a gateway to Tourism, guarantor of territorial and economic cohesion and of the various economic activities, its commitment to sustainable development is permanent. Aena is moving towards the future with its sights set on sustainability, innovation and digitalisation at the service of the country, the workers at its facilities, passengers, airlines and all its customers. And the best proof of this commitment is that Aena is the first Spanish company and one of the first listed companies in the world to report to its shareholders every year on its performance in terms of climate action.

3. Development to date: from Master Plan 2018 to Airport Cities 2021

In recent decades, the world's major airports have undergone an unstoppable process of transformation, moving from being mere transport infrastructures to become hubs of economic activity, logistics hubs and new centres of urban activity. The increase in airport activity itself, with more air traffic, new routes, new markets, and its foreseeable future projection, opens up even more business opportunities, for which a development approach sensitive to the needs of the implementation of these activities is essential.

In this regard, Aena S.M.E., S.A. is the owner of numerous available plots at Adolfo Suárez - Madrid Barajas Airport with a high development potential for the implementation of different complementary airport activities. Activities that can contribute to increasing air traffic, to providing a comprehensive, cutting-edge and quality service to the various airport users, and specifically to consolidating its position as benchmark for airports at the European and global level.

Aena has been immersed for years in the process of analysing its positioning and establishing the strategy for the best development of its airports. The tool to meet these objectives is this Plan for the Airport City at Adolfo Suárez Madrid - Barajas, an instrument that optimises the potential of the land through a comprehensive proposal, which contains the vision of development for the coming decades, and presents the level of detail and enforceability necessary for the subsequent implementation of the different projects.

In April 2018, the Master Plans for the Adolfo Suárez Madrid - Barajas and Josep Tarradellas Barcelona - El Prat airports were presented, which aim to develop more than 500 hectares of land at these airports. Since that date, Aena has been working on the main lines of their development. Work has been carried out on the analysis of the capacity of the infrastructures, management formulas and market situation for their orderly development.

Thus, it is now in 2021 when the first areas of the development of these airports will be put on the market. This includes areas that respond to the needs of the current market. In the medium term, Aena will continue to bring to market new areas that will gradually turn airports into new urban centres.

Aena will become one of the major drivers of new developments in Spain. Along with the developments of the Airport Cities Adolfo Suárez - Madrid Barajas and Josep Tarradellas Barcelona - El Prat, Aena is already working on the development of 4 other airports: Malaga - Costa del Sol, Palma de Mallorca, Valencia and Seville.

4. Development plan

4.1. Adolfo Suárez Madrid-Barajas Airport City

The new development of complementary airport activities on the land of Adolfo Suárez Madrid-Barajas Airport represents an opportunity for growth for the city and its socio-economic evolution, making it possible to adapt to the new social dynamics demanded by large cities in the 21st century.

These dynamics, which come with a tailwind thanks to globalisation and the Internet, give value to airports, firstly as nodes of global connection between the main population centres and secondly as hubs of activity associated with a flow of passengers that has been growing for decades. Moreover, this is driven by an excellent location and strategic connections just minutes away from millions of people and with a strong potential to compete for freight traffic between Asia, Europe and Latin America, thus making it possible to capitalise on the unstoppable growth of e-commerce and air cargo, which still have a high growth margin in Spain compared to the main world capitals.

This is why having large pockets of land available at Adolfo Suárez Madrid-Barajas Airport for new developments and just a few minutes from the city centre is an exceptional opportunity to set a benchmark city model and generate a high impact in terms of connectivity, sustainability and efficiency.

The area of land available to carry out this evolution towards the airport city of the 21st century is approximately 323 hectares, with a potential buildable area of more than 2 million square metres associated with logistics activities, offices, hotels, aeronautical activities, air cargo and passenger and user services, based on three fundamental axes of high added value that will act as an economic engine and development hub:

i) **Logistics Node:** different types of logistics assets to be developed, highlighting the 2nd airport logistics line, storage and logistics warehouses with modular warehouses and the 1st logistics line in Madrid with cross-docking, BPO (Business Process Outsourcing), and companies providing aviation supplies or services with storage and modular warehouses.

ii) **Passenger services:** different types of hotel assets and associated services to be developed.

iii) **Business Hub:** office buildings depending on location, available space and tenant typology, including offices with retail, urban offices, technology park and corporate city, mainly for companies that need or benefit from the proximity to the airport, technology companies, international companies that want to establish their HQs in Madrid or logistics companies.

iv) **Aeronautical activities and air cargo:** support facilities for the airport's first line.

The main advantages of the Plan are:

- **Strategic location:** its proximity to the airport, both on the air and land sides, and its excellent communications with the centre of Madrid make this development one of the most versatile and attractive.
- **Synergies in the development of activities:** synergies and attraction between the different activities with the airport as a nexus. These synergies are fulfilled in both new and existing developments.
- **Opportunity for new product development:** the diversification of activities and the generation of new developments, with new construction assets and a differentiating design, linked to airport activity and other areas of innovative economic activities, are the basis for the design of these developments.
- **Sustainability, efficiency and socio-economic impact:** The Airport is understood as a specialised ecosystem, characterised by its connectivity, agility, technology and cutting-edge infrastructure. For this reason, the developments will be an extension of this ecosystem and aim to become a benchmark for socially responsible development. Future constructions will be required to be adapted to sustainable and healthy building models, with a reduced environmental impact based on sustainability and innovation. The aim is for the developments to be an instrument of territorial growth that serves to show that the proposed economic activities, which can generate employment and wealth, attract the global economy of the Spanish capital and at the same time are compatible with sustainability and environmental preservation.

4.2. Phases of the Plan

The size and complexity of the implementation of a project of these characteristics makes it necessary to develop it in phases, ensuring that the development of each phase does not compromise the use of the airport. Initially, the development plan will be launched with the land that is most advanced in terms of urban planning procedures and urbanisation of the area, as well as prioritising the activities with the greatest structural demand, such as logistics, which is capitalising on new consumer habits and the consequent boom in e-commerce.

In the following years, further progress will be made in the development of a hub of offices and accommodation services for passengers, simulating similar and successful developments at airports such as Schiphol (Amsterdam). In addition, a logistical node will be generated in the first belt, adapted to new societal needs, being of major importance for the socio-economic development of the country.

In this first phase, AREA-1 of approximately 32 hectares of land (28 hectares of land to be developed for logistics activities and 4 hectares of related green area) will be put on the market. In the medium and long term, 236 hectares of logistics activity, 55 hectares of office activity, 4 hectares of hotel activity and, additionally, other developments for aeronautical activities and air cargo will be put out to tender.

5. AREA-1

5.1. Airport City Adolfo Suárez Madrid - Barajas. AREA-1: Basic characteristics

As a first opportunity, AREA-1 of the Airport City at Adolfo Suárez Madrid-Barajas (hereinafter, "AREA-1") is presented, which involves 32 hectares of logistics land with airport links (28 hectares of land to be developed for logistics activities and 4 hectares of linked green area) and a potential building intensity of some 153,000 m^2 next to the first air freight line and on the front line of the Henares Corridor, which is home to one of the largest logistics centres in Europe.

This project represents the launch on the market of one of the most prime and largest logistics developments in Europe, with exceptional air and land connections and which allows the growth of the new social and economic dynamics of the 21st century to be captured, both in terms of income and long-term value.

Specifically, AREA-1 is located close to the axis of the A-2 or Corredor del Henares, the main logistics market in Madrid, with good connections to the city centre and the north of the peninsula. Its proximity to the airport and its privileged location as a link between Madrid, Barcelona and Europe makes the A-2 axis the main protagonist. The main access to the sector is via two structuring roads that access two roundabouts on the service road of the A-2 motorway.

The possibility of creating an air-land inter-modal logistics hub adapted to the new demands in terms of sustainability and efficiency, in addition to the ad-hoc development for the operations of the main global players in logistics distribution and e-commerce, makes this opportunity unique in the market.

5.2. Main existing and planned infrastructure

The logistics AREA-1 enjoys excellent communications with the area surrounding the airport and a practically direct connection with the A-2 motorway. The access roads have already been built, with the opening of two access roundabouts at the ends of the plot that connect Calle November with the M-22.

At present, the degree of development of the enabling infrastructures to provide access to this AREA-1 is very high, with only a series of service connections remaining to be carried out with an incidence that is considered low with respect to the impact it may have on the urban development of the plot, the execution of which will be at the risk and peril of Aena.

The enabling infrastructure in question is as follows:

1. Drinking water supply mains with connection at the foot of the plot.
2. Existing rainwater and sewerage network, prepared for use.
3. Electrical connection (substation) at the foot of the plot.
4. Necessary infrastructure at the foot of the plot for telecommunications connection.

6. Current urban Urban/planning procedure and action plan after Contract Award.

The land subject to the tender, AREA-1 of Madrid, has the qualification of Airport General System, ordered by the Modification of the Special Plan of the Madrid-Barajas Airport General System, only pending the drafting of the development plan and has a land area of 28 hectares for logistics development with airport links. In turn, AREA-1 has 4 hectares of linked green areas that complement, from a sustainability and city development perspective, the whole area and must be conditioned and maintained by the Investor.

The current planning framework for Madrid's AREA-1 is determined by the following applicable urban planning figures:

- Barajas Airport Master Plan
- Modification of the Special Plan for the Madrid-Barajas Airport General System (MPESGAM-B)

With regard to the development planning figures, only lot 16 (45,000 m^2), according to MPESGAM-B terminology, has a development project (P6 Air Cargo Centre) and can be developed without the need to develop new planning, while development planning is necessary for the rest of the lots, which may or may not include the already developed lot:

- If the development criteria of the MPESGAM-B are met, a development project will be drawn up.
- In the case of modifying the management criteria established in the MPESGAM-B, a Detailed Study will be drawn up as a development planning figure.

In addition, with the aim of having design, quality, sustainability and innovation criteria based on excellence, Aena has drafted a White Paper with mandatory measures that set out the basic management guidelines to be taken into account in the new development planning.

Based on the current urban planning framework and by application of the current MPESGAM-B (and coherently with the qualification already granted by the airport regulations), the land use foreseen in the Airport Activities Subsystem is airport public use, with the character of General System.

However, the airport service area, in accordance with the applicable regulations (Article 166 of Law 13/1996 and Article 2 of Royal Decree 2591/1998), will comprise:

- The land necessary for "proper airport" activities (necessary for the execution of air traffic and transport activities; stay, repair and supply to aircraft; reception or dispatch of passengers and goods; access and parking of vehicles; air navigation services, etc.).
- Those in which complementary, commercial and industrial activities are carried out, whose location at the airport is justified or appropriate due to their relationship with airport traffic, the nature of the services they provide to airport users or the volume of air traffic they generate.
- Those destined for equipment.
- Reserve areas.

Therefore, in addition to the strictly airport activities, the MPESGAM-B admits other complementary activities, although these activities are not configured in an exhaustive manner, and are mostly included in the uses known as "endowment, tertiary and industrial" in the general urban planning.

Aena, together with the Investor and with the aim of materialising the development proposal included in its preliminary project, will carry out the necessary development planning process, having estimated a processing period of 18 months together with a drafting period of 3 months.

With regard to the maximum building intensity associated with AREA-1, in line with what is set out in the mandatory determinations of the White Paper, a total of 153,000 m^2 is available.

7. Conditions

With regard to the proposal of the preliminary project, it will be necessary to respect some very basic guidelines:

- Structuring roads: they will be of public access and will not be included in the surface right, therefore, they cannot be modified.
- Internal roads: they may be modified by the investor with the prior authorisation of Aena, as long as it assumes the cost of the affected services generated.

In addition, with the aim of having design criteria (heights, setbacks, occupation, parking spaces, etc.), quality, sustainability and innovation based on excellence, Aena has created a White Paper with **mandatory measures** that set out the basic planning guidelines to be taken into account in the new development planning.

8. White Paper on architecture, urban planning and landscaping

In order to provide the Airport City with a comprehensive vision that sets standards in terms of urbanisation, building, project management, sustainability and innovation in line with the latest global trends, Aena has drafted a White Paper with the support of leading consultancies.

This White Paper is a design guide that establishes mandatory guidelines and criteria in relation to the design of urbanisation, landscape, building, connectivity and innovation for new developments of complementary activities on the landside of airports,

In turn, it reflects Aena's commitments to the territory, innovation, identity generation and sustainability.

The main objectives of the White Paper are as follows:

- To attract maximum value investments through placemaking and quality design.
- To be a tool for consensus with public administrations and territorial agents.
- To define the conditions for sustainable development in a global and zero-carbon manner.
- To commit to innovation as a vector of design and develop a digital native project.

The White Paper establishes a series of guidelines that can be summarised as follows:

- ARCHITECTURAL STANDARDS AND BEST PRACTICES:
  - Building criteria, project management and measurement.
  - To ensure technical quality and homogeneity in building measurements, as well as correct project management from the initial phases, standards that are recognisable in the real estate market will be applied.
- LANDSCAPE STANDARDS AND BEST PRACTICES:
  - Urbanisation and naturalisation
  - The quality of development and landscaping will be ensured by aligning with regional standards, with the aim of implementing a true identity, based on design quality and placemaking best practices.
- SUSTAINABILITY STANDARDS AND BEST PRACTICES
  - The White Paper is based on globally recognised standards and examples of real implementation in the definition of the integrated sustainability strategy. Priority has been given to those criteria that are strategic for Aena (carbon zero, renewable generation).
- INNOVATION STANDARDS
  - Creation of an intelligent territory thanks to the application of digitalisation criteria in the urban space and at the building scale. The alignment of projects with Aena's BIM methodology will be particularly relevant.

9. Business model

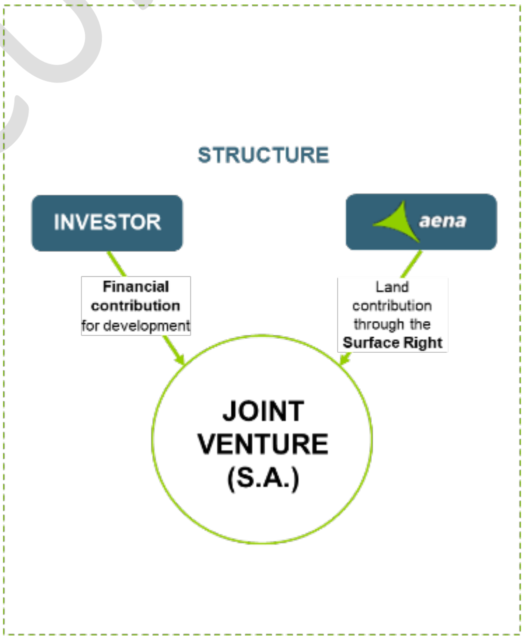
9.1. Formation of a Joint Venture

In order to maximise the value of the land in AREA-1, Aena has deemed it necessary to form a partnership with a specialised partner (hereinafter, "Investor"). To this end, it is envisaged that Aena, as owner of the AREA-1 land, will create a surface right over it in favour of a new company to be set up jointly (the "Joint Venture") between Aena and the Investor, in the form of a public limited company.

Aena's contribution to this Joint Venture will be in kind (the 75-year Surface Right), while the Investor's contribution will be in cash to meet the financing needs during the development ("Capital Contribution Commitment").

The Equity Contribution Commitment of the Investor shall finance all costs during the development period envisaged by the Investor in its offer and shall therefore be the maximum between:

- Development Costs and
- The Joint Venture's net Financing Requirements for the development period, which include, but are not limited to:
    - Development costs (construction, urbanisation, etc.).
    - Financing costs for VAT debt. External financing will not be permitted during this period, although a credit line (revolving debt) may be contracted to finance VAT.
    - Taxes other than VAT.
    - Structural costs and management fees.
    - Income and expenses incurred from the vessels in operation until the entire development foreseen in the Investor's offer is completed.



The Investor therefore assumes the risk and expense of the development and undertakes to make such contributions as may be necessary to defray all development costs and expenses contemplated in its bid. On the other hand, if the actual costs of construction and commissioning are lower than estimated in the bid, the Investor shall be obliged, in any case, to contribute the amounts committed in the bid.

The Investor may use the distributions to shareholders to which it is entitled, generated by the land coming into operation during this period, for the future capital contributions committed in the offer. However, the non-receipt of these distributions will not exempt the Investor from its commitment to contribute the capital envisaged in its offer.

The total contribution committed by the Investor will be the sum of the "Capital Contribution Commitment" and, if applicable, additional cash contributions (the "Additional Contribution") to balance the shareholding distribution of the Joint Venture. In the event that the valuation of the Surface Right carried out by the Investor (Aena Capital) and the development costs (Investor Capital) result in a higher percentage share for Aena than provided for in the Tender Specifications [35%], the Investor will pay Aena an additional contribution to balance the shareholding distribution of the Joint Venture.

The payment of the Additional Contribution Commitment will be made simultaneously with the granting of the Surface Right to the Joint Venture.

9.2. Bidding process

The Investor's partner selection process is expected to commence in [Q4 2021] and the Award is expected in [Q1 2022].

The process has been structured in two phases: Qualification Phase and Award Phase:

9.2.1. Qualification Phase

In this phase, Aena will select the interested bidders who, having submitted an application to participate in response to the call for tender and having accredited that they meet the capacity, suitability and solvency requirements demanded in the Tender Specifications, may take part in the Award Phase.

Once the content of the documentation submitted by the candidates has been analysed, Aena will select all those who can prove that they meet the requirements and will simultaneously invite them to take part in the Award Phase.

Information available to Bidders

Therefore, in this Phase, Tender Specifications will be published with the basic information on the Project. This information will be sufficiently precise for the Investors to be able to identify the object and general terms of the tender and to be able to make a decision on their participation.

Eligibility Requirements

- **Capacity and Suitability**

  In order to ensure that the candidates are capable of carrying out the execution of the Project that is the object of the tender, they must provide the following documents:

  - Documents accrediting legal personality and capacity to act.
  - Declaration of submission to the jurisdiction of the Spanish Courts.
  - Declaration of not being subject to any prohibition to enter into contracts.
  - Responsible declaration in which the candidates state their adherence and commitment to the provisions of Aena's anti-corruption, anti-fraud and high-risk operations procedure clause.
  - Declaration on confidentiality of documents.
  - An exhaustive list of companies linked to each of the candidates.
  - Declaration of having an internal control system.

- **Technical solvency**

  The technical solvency criteria seek to select those Investors that meet specific capacity and technical competence requirements for the execution of the Project through the demonstration of previous experience in the execution of Projects of similar characteristics.

  Technical solvency will be accredited by means of:

  - Declaration of responsibility.

  - In the Award Phase, supporting documentation must be provided that allows the required technical and professional solvency to be truthfully accredited. However, Aena may ask Bidders to submit all or part of the supporting documents earlier when it considers it necessary. That is, between the end of the Qualification Phase and the start of the Award Phase, or at any time during the latter.

  The technical solvency determined is as follows:

  - **Experience in design and promotion:** That the bidder has international or national experience in the design and promotion of at least 300,000 m^2 of logistics assets during the last fifteen 15 years from the date of publication of the tender, of which at least 150,000 m^2 have been developed in the European Union, the United Kingdom, Norway or Switzerland.
  - **Management:** That the bidder has international or national experience in the management of at least 300,000 m^2 of logistics assets for a minimum period of time (in each of them) of five 5 years in the last fifteen 15 years from the date of publication of the tender, of which

at least 150,000 m^2 have been managed in the European Union, United Kingdom, Norway or Switzerland.

- **Economic and financial solvency**

  Bidders, both national and foreign, must prove their financial solvency by submitting the following documents. In the case of a group, all members must provide the documentation detailed below:

  - Presentation of the annual accounts of the Bidder (or, in the case of a grouping, of each of its members), for the last completed financial year, duly audited, approved and registered, showing that the Bidder or each of the companies in the grouping, where applicable, is not in a state of dissolution.
  - Alternatively, the Bidder (or, in the case of a grouping, each of its members) may submit the annual accounts of its shareholders for the last completed financial year, duly audited, approved and registered, showing that each of the Bidder's shareholders has not been declared bankrupt, together with a sworn statement signed by the legal representative of each of the shareholders with the commitment to provide the necessary resources to the company to make the contributions required for the capital increase and to undertake the investments of the project.
  - Commitment of [125%] of the estimated investment subscribed by the legal representative of the Bidder or, in the case of a group, of each of the companies making up the group, to make the necessary contributions for the capital increase and to undertake the project investments and/or letter of support from the financial entity.

The **deadline for submission will be [1] month from the publication of the Qualification Document** for candidates to accredit the qualification requirements, and will be evaluated under a "Pass/Fail" criterion.

9.2.2. Award Phase

In this phase, Aena will determine, from among the candidates, which of them has submitted the most advantageous bid and, consequently, with which candidate the Joint Venture will be formed.

Information available to Bidders

Therefore, in this Phase, Tender Specifications will be published with detailed information on the Project. This information shall be sufficiently precise for the Investors to be able to prepare the Preliminary Project and Business Plan and shall include:

- Technical information of AREA-1
- Term Sheet of the Surface Right, Term Sheet Management Agreement, Shareholders' Agreement, and the Investment Agreement

In this Phase the candidates shall submit their technical and economic offers, as well as the documentation accrediting compliance with the Technical Solvency.

Both bids shall be submitted at the same time; however, their opening and evaluation shall be carried out sequentially.

Content of the bids and award criteria.

- **Technical bids**

  The technical bids must contain:

  - Preliminary Urban Planning Project
  - Business Plan accompanied by an explanatory report.

The score obtained in this sub-phase by application of the minimum technical quality criteria will have the exclusive purpose of selecting the candidates who can continue in the Tender and move on to the following sub-phase of economic evaluation.

For this, the candidates must have obtained a minimum score of [70] points in total, provided that, in addition, in each section subject to evaluation they obtain at least fifty percent [50] % of the points assigned to each of them.

[Bidders whose Business Plans show a Net Present Value (NPV) of the Surface Right (using the discount rate provided in the Tender Documents) below the minimum established will be excluded].

- **Economic bids**

  The Economic Bid shall contain:

  - **Financial Economic Plan (FEP)**, accompanied by its user manual and its explanatory report; and a review report issued by an independent third party of recognised prestige in which the following procedures are carried out:
    - Review that the FEP has been prepared as per the requirements and instructions set out in the Tender Specifications.
    - Review of the internal consistency of the formulas and calculations contained in the FEP.
    - Review of the consistency of the accounting and tax principles applied in the financial statements included in the FEP with those established in the general accounting and tax regulations in force in Spain, as well as with the specific regulations applicable to the sector and to the Project.
    - Review of the proper functioning of the FEP with respect to the required sensitivity analysis of the potential reduction in buildability following the urban development process.

- **Capital Contribution and Additional Contribution Commitment.**

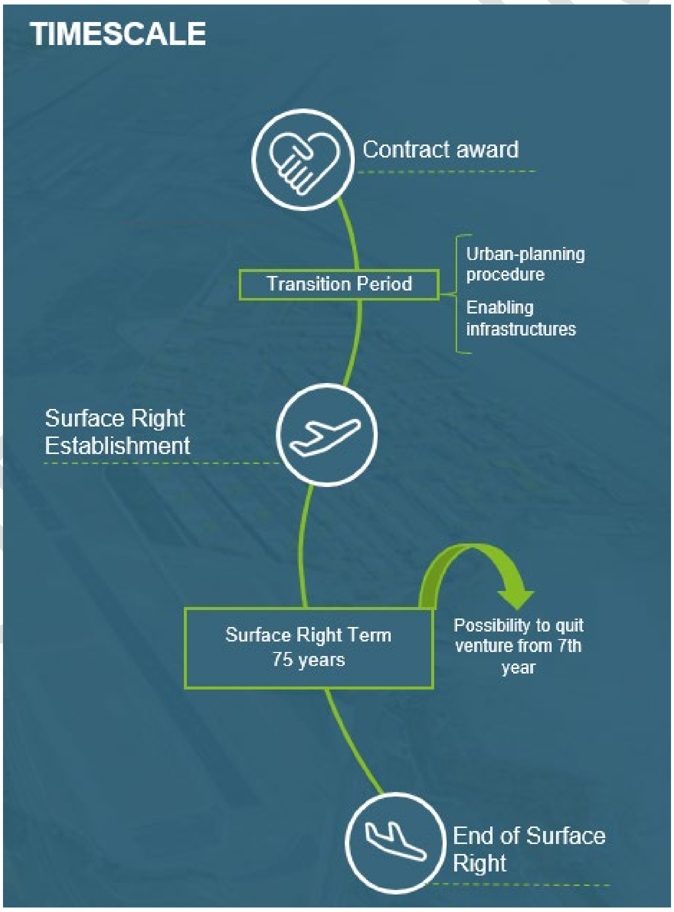
The winning bid will be selected according to strictly economic criteria from among those that have achieved the minimum technical score required.

The deadline for submission of bids shall be [2.5] months from the publication of the Award Document.

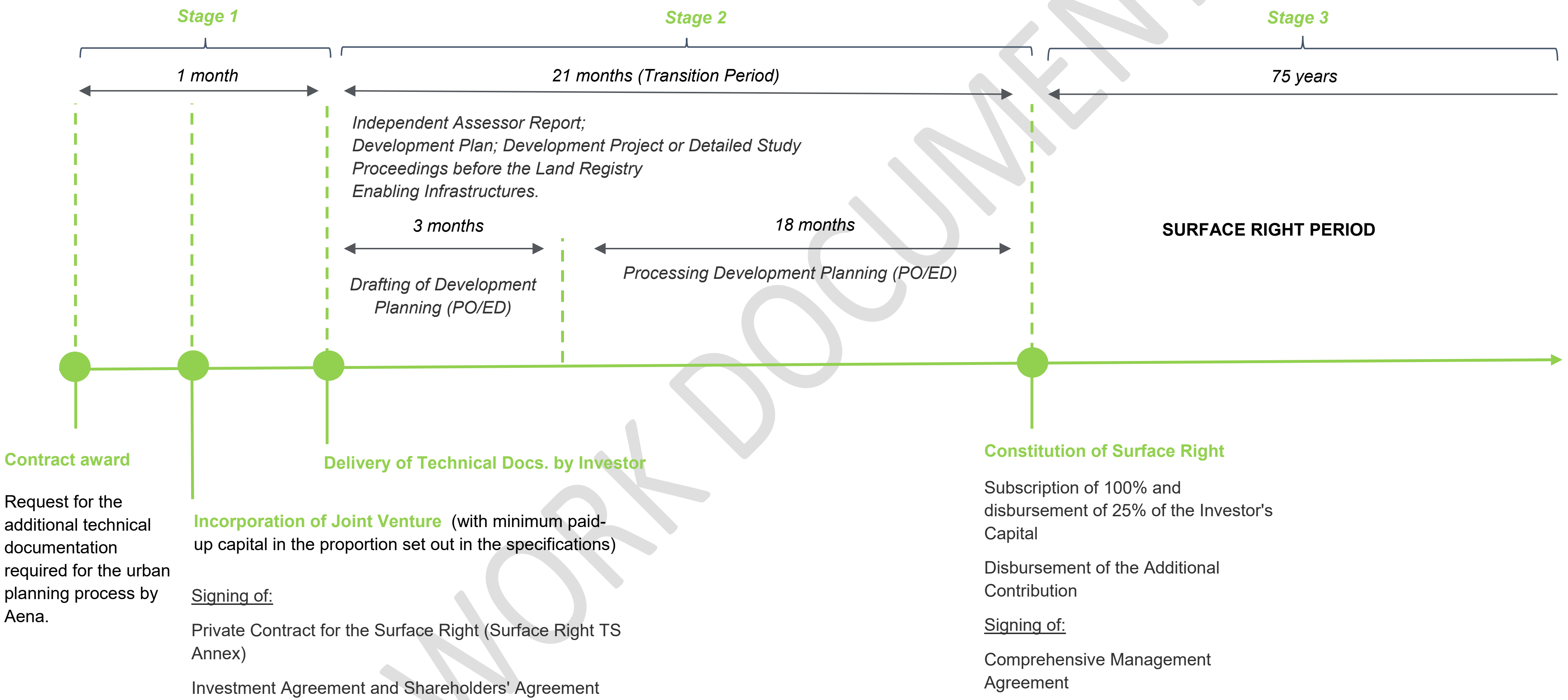
9.3. Formation process of the Joint Venture

The formation of the Joint Venture and the Surface Right shall be articulated in **three fundamental stages**:

- Awarding and Incorporation of the Joint Venture,
- Transition Period and,
- Surface Right Period.



The three core stages will involve the following actions:



First stage: Following selection of the Investor

It shall commence following the awarding and selection of the Investor and shall include:

- The **constitution of the Performance Guarantee** by the Investor (see section "Guarantee Scheme").
- The **establishment of the Joint Venture**.
    - The legal form of the Joint Venture will be that of a Public Limited Company, which will be set up with the minimum capital required by the Capital Companies Act (€60,000), contributed in cash by Aena and the Investor in proportion to the percentage shareholding established in the Specifications.
- The **signing of the Private Surface Contract of Commitment for the Constitution of the Right of Surface** with a term of 75 years subject to the fulfilment of a series of suspensive conditions.
    - In the Private Surface Contract, Aena and the Joint Venture will agree that the Surface Right Fee (i.e. the price or consideration for the constitution of the Surface Right) will be paid in full by the Joint Venture. At the time the deed of incorporation of the Surface Right is executed, a credit right will be recognised in favour of Aena derived from the obligation of payment of the Surface Right Fee by the Company (the "Credit Right"), the payment of which will be made by the Joint Venture by means of the delivery of shares in the Company, in consideration for the capitalisation of the aforementioned Credit Right in the capital increase.
    - This Agreement shall regulate, among others, relevant breaches and causes for early termination of the Surface Right Agreement and the consequent compensation to the Joint Venture:
        - In the event of early termination of the Surface Right Agreement for causes attributable to the Joint Venture, the Joint Venture shall be entitled to compensation consisting of the [Net Book Value of the investment less a 10% penalty calculated on said Net Book Value].
        - In the event of early termination for reasons not attributable to any of the parties due to:
            - Failure to register the Surface Right in the Land Registry due to a defect classified as irremediable shall not give rise to any compensation.
            - Inability to obtain the necessary licences for the construction of the buildings, the Joint Venture shall be entitled to compensation consisting of the Net Book Value of the investment.
- The signing of the **Investment Agreement** between the Investor and Aena as partners in the Joint Venture, the main purpose of which will be to regulate the main terms of the investment in the Joint Venture, as well as the rights and obligations assumed by Aena and the Investor in this respect.
    - The Investment Agreement will incorporate the Business Plan submitted by the Investor in its bid. Given that the transition period has an estimated duration, once the Suspensive Conditions are met, the Joint Venture will adapt the Business Plan to the actual date of commencement of the incorporation of the Surface Right.
    - The Investment Agreement will regulate the **Sources of Financing** of the Joint Venture. In particular, the financing of the Joint Venture shall be limited:

- **Until the end of the development period provided for in the Investor's bid**: exclusively from cash contributions from the Investor.
- Following the development period: if additional financing is required, both equity financing from the shareholders and external financing shall be approved by the Board of Directors (Reserved Matter).

- The **Shareholders' Agreement** between the Investor and Aena as partners in the Joint Venture will establish the terms that will govern the relationship between partners from the incorporation of the Joint Venture both as shareholders of the Joint Venture and as joint investors in the Project.

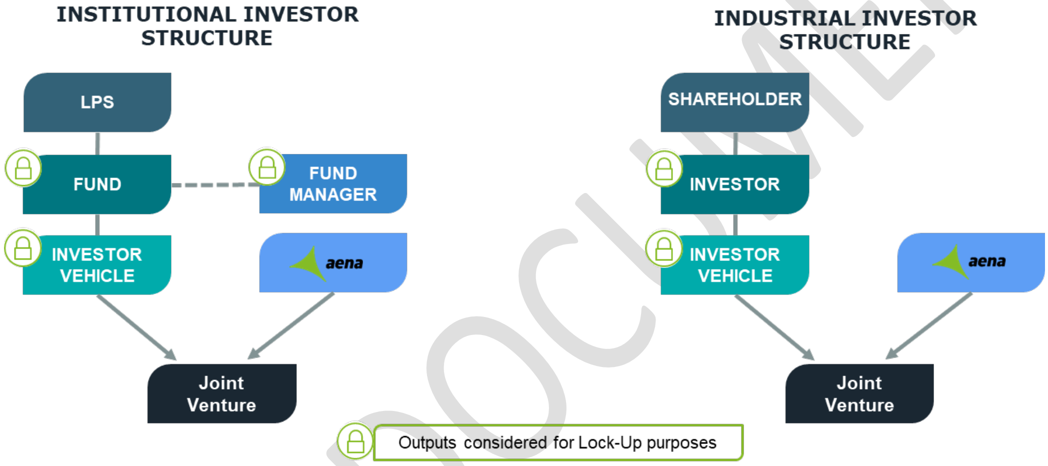
  In addition, the Shareholders' Agreement shall regulate, including:

  - **Composition of the Board of Directors of the Joint Venture:** It will be composed of 5 directors: 3 will be elected by the Investor and 2 by Aena and reserved matters will require a majority of 4/5.
  - **Reserved Matters**, among others:
    - Approval and/or modification of the annual Budget.
    - Modification of the Business Plan in case of:
      - **Deviation of the net result of the company by more than [20%]** with respect to the Business Plan in force.
      - **Due to material adverse market effects (supported by a third party report)**: modification of the pace of development and capital disbursement schedule of the Investor.
    - Appointment of a CEO or managing director.
    - Assumption of additional indebtedness.
    - The contribution of additional funds to the Company once the Development Period to be Financed by the Investor has elapsed.
    - To dispose, in whole or in part, or to constitute charges or guarantees in favour of third parties on the Surface Right.
    - Granting of guarantees and/or sureties in favour of third parties.
    - Investment in assets or companies in excess of [€1M] euros, unless provided for in the Business Plan or Budget.
    - Incorporation of subsidiaries, branches or representative offices and acquisition of shares or stakes in existing companies.
    - The hiring, dismissal, dismissal, setting of terms and conditions of any person who is to form part of the management team.
    - Decisions that directly or indirectly affect or may affect the public interest of the airport.
    - Assignment of surface rights.
  - **Share transfer regime:** For a period of [7] years from the incorporation of the Joint Venture, a prohibition on the transfer of the shares of the Joint Venture will be established, except by mutual agreement between the partners (Lock-up period) **or intra-group transfer in the case of Aena**.

In the case of the Investor, the share transfer regime will apply not only to the transfer (by whatever title) of the shareholding held directly by the Investor in the Joint Venture (INVESTOR COMPANY), but also to any transfer made indirectly, such that, as a result of such transfer or subscription, there is a change of control in the Investor.

In case the Investor is an Institutional Investor, the transfer regime shall apply both to the change of fund and to the change of fund management company. However, the transfer to another fund managed or advised by the same management company will be free provided that (i) it is communicated to Aena in advance and (ii) it is confirmed by the aforementioned management company that it complies with the requirements demanded of the incoming Investors (described below).

The process for the transfer of the Selling Shareholder's shares (in whole or in part) will be as follows:



- Before initiating the process, the Selling Shareholder shall give notice in a reliable manner to the other Shareholder remaining in the Company, stating the number of shares it wishes to transfer.
- Within [3] months of receipt of the communication by the Selling Shareholder, the other Shareholder may exercise its right of first offer whereby the Selling Shareholder grants the other Shareholder remaining in the Company a pre-emptive right to make an offer, either its own or a third party's, prior to any other offer, for the purchase of its shares. In the event of acceptance of the offer by the remaining Shareholder, the transfer shall take place within [1] month. If the Selling Shareholder rejects the offer, they may not sell the Joint Venture shares within [12] months for a price equal to or less than the offer price.
- If the Selling Shareholder has not received an offer from the other Shareholder remaining in the Joint Venture within [3] months after receipt of the notice of intention to transfer the shares, the Selling Shareholder may organise an open and regulated process for the sale of its shares.
- The Shareholder remaining in the Joint Venture shall have the right of first refusal on the best offer submitted by a third party.

If the Right of First Refusal is not exercised, the (new) Purchasing Shareholder:

- Must be an entity that meets the qualification criteria (capacity, suitability and solvency) set out in the Tender Specifications for new partners in the operating period after the Lock-up period has elapsed:
  - The capacity and Suitability required in the Tender Specifications will be required.
  - The Technical Solvency required in the Tender for management (experience in management of logistics assets of 5 years during the last 15 years of at least 300,000 m^2, of which at least 150,000 m^2 have been managed in the European Union, United Kingdom, Norway or Switzerland) will be required.
  - 25% of the Capital Contribution Commitment provided for in the Investor's successful bid will be required as Financial Solvency.
- Must adhere to the Shareholders' Agreement and the existing Investment Agreement.

- **Relevant breaches and their consequences:** The Shareholders' Agreement will regulate relevant breaches by both partners and the application of the penalty clause of 20% of the committed investment. In addition, in the event of a material breach by the Investor, Aena will have a Call Option or Put Option to purchase the Investor's shares at a discount of [30%].
  - **Relevant breaches by Aena:**
    - Failure to facilitate the capitalisation of the Credit Right.
    - Breach of obligations and limitations on the transferability of its shares.
    - Resolutory breach of the Surface Right (in accordance with its own terms), as a consequence of a prior breach of the obligations corresponding to Aena.
  - **Relevant breaches by the Investor:**
    - Failure to comply with the subscription and capital contribution obligations.
    - Failure to grant the Fund Contribution Guarantee.
    - Failure to adopt the agreements to allow the granting of the SD and the capitalisation of the Credit Right.
    - Failure to meet the essential deadlines relating to real estate development under the terms set out in the Current Business Plan.
    - Loss of the capacity, suitability and solvency requirements of the Investor.
    - Change of control during the Lock-up period.
    - Failure to comply with the obligations and limitations regarding the transferability of its shares in the Company.
    - Failure to sign the comprehensive investment management contract.
    - Resolutory breach of the Surface Right (in accordance with its own terms), as a consequence of a prior breach of the obligations incumbent on the Investor.

Second Stage: Transition period

This stage covers the actions necessary for the fulfilment of the Suspensive Conditions before the expiry of [twenty-one (21) months] from the delivery of the technical documentation necessary for the processing by the Investor:

1. **Issuance of the valuation report by an Independent Expert corroborating the reasonableness of the valuation of the Surface Right included in the Investor's bid:** Aena and the Investor shall promote the actions and subscribe the appropriate public or private documents so that, immediately after the incorporation of the Joint Venture, the latter requests the appointment of an independent expert appointed by the Commercial Registry to issue the report referred to in Article 72 of the Capital Companies Act in relation to the assumption of the commitment by the Joint Venture to acquire for valuable consideration a right exceeding 10% of its capital.

   Likewise, they shall collaborate as necessary for the Independent Expert to obtain the documentation and information required to issue his report.

2. **Final approval of the development plans:** for the constitution of the Surface Right and the Capital Increase, it will be an essential requirement that the urban development planning instruments required under the planning applicable to the Airport for the development of the land in Area 1 on which the Surface Right is constituted, suitable for the construction of the buildings authorised thereunder (see section "Current Urban Development Situation and Post-Award Action Plan"), be definitively approved without impositions of any kind (except for compliance with the applicable legal regulations).

   To this end, within a maximum period of [1] month from the notification of the Award, the Investor shall prepare, in development of the Urban Development and Technical Preliminary Project included in its offer, the preliminary studies and other preparatory documentation necessary to initiate the processing of the development plans that are necessary for the development of the land in accordance with the proposal offered.

   In particular, for the drafting of the urban development planning proposal, it will be necessary for the Investor to provide the following documentation, as well as to carry out the necessary field work for the drafting of the complementary studies in accordance with the applicable legislation:

   - Draft planning document to be processed before the urban development administration (Detailed Study/Management Project), in accordance with the guidelines set out in the Urban Development and Technical Preliminary Project, with any modifications indicated by Aena.
   - Draft environmental document necessary to initiate environmental processing, where appropriate, in accordance with the applicable legislation on strategic environmental assessment.
   - Draft Preliminary development project, updated to development project level, with schematic representation of installation networks, connections, etc. and estimate of the development cost of the proposal: roads, common areas, etc.

- Accesses, preliminary study of the plot's mobility and impact on the surroundings, especially the accesses to the airport, in compliance with current regulations. In the same way, different alternatives for accessibility to the plot will be proposed, taking into account all the modes of transport foreseen for the surroundings, as well as to guarantee the correct circulation of traffic within the plot. Preliminary definition of the development of the activity with an indication of the type of traffic, type of vehicle or, failing that, an estimate of the peak time of the day, peak day of the year, etc.
- Regulatory impact assessment of the proposal.
- Complementary studies necessary for the urban and environmental processing of the planning (as appropriate: landscape, public hydraulic domain, archaeology, etc.).
- This documentation is not exhaustive; together with the notification of the award of the tender, Aena will send an exhaustive list of necessary information to the awarded Investor in order to manage the necessary urban planning approvals, which will vary depending on the needs of the Preliminary Project presented by the awarded Investor.

Aena will promote the urban planning process before the competent authorities for the approval of the development plans by preparing the necessary documentation and projects, based on the Investor's proposal and with the technical support that the Investor undertakes to provide.

Therefore, the urban planning process will require the support of the Investor, but it will be Aena's obligation at its own expense, i.e., assuming the necessary costs and expenses.

In the hypothetical case that, following the processing of the development plans, the maximum permitted building intensity varies by more than 5% with respect to the Investor's bid, an adjustment mechanism would apply.

This mechanism would be carried out in the Economic and Financial Plan of the Investor's offer, in which only the square metres of building intensity would be modified. As a result, a new Additional Contribution Commitment will be obtained, and, if necessary, the new shareholding distribution in the Joint Venture.

3. **Enabling infrastructure:** Aena will assume at its own risk and expense the execution of the committed enabling infrastructures (see section "Main existing and planned infrastructures").

   The condition will be understood to be fulfilled with the definitive reception by the competent public entity without impositions or additional requirements of any kind (in particular, without the need to carry out additional works and/or finishing touches).

4. **Actions to be carried out before the Land Registry:** Aena will carry out the necessary actions to proceed with the aggregation of the registered properties that make up AREA-1 in such a way that the perimeter of the land on which the Surface Right will be constituted covers the surface area of part of a single registered property.

Compliance with the Suspensive Conditions must take place before the expiry of [21] months from the delivery of the technical documentation required for processing by the Investor. This period may be extended for a maximum period of [6] months at the request of Aena and subject to the express approval of the Investor.

In this way, it shall be the Investor who must accept the extension or opt for the termination of the Contract. In the event of non-acceptance of the extension or its termination if it is for reasons beyond Aena's control, the Investor shall be entitled to reimbursement of the expenses incurred since the preparation of the bids with a CAP (€1.5M),

Third stage: Contribution of the Surface Right

Once the Suspensive Conditions have been fulfilled:

- The **Surface Right** will be constituted by means of a public deed and its corresponding registration, which will be governed by the terms and conditions of the Private Surface Contract.
- **Capital Increase of the Joint Venture:** The Joint Venture will hold a General Shareholders' Meeting for the approval of the Capital Increase of the Joint Venture through the issue of new shares of the same nominal value as the existing shares, which will be subscribed by Aena and the Investor in their respective proportions.

  In the Capital Increase, the Investor and Aena will make the following contributions in exchange for shares in the Joint Venture:

  - In accordance with the schedule that has been agreed in the terms of the investment agreement to be signed between the parties and in the Shareholders' Agreement, the Investor will subscribe 100% of the capital of all the funds it has committed in its offer for the execution of the investments required for the construction of the properties, and paying up at least 25% of the total capital at this time.
  - In addition, and taking into account the percentages of participation of Aena and the Investor in the Joint Venture, the Investor must make the additional financial contribution that it has committed in its bid (the "Additional Contribution") in order to ensure that the Capital Increase that is carried out, in the terms indicated above, maintains the participation of the parties in the Joint Venture in the same proportion.
  - Aena will contribute, for its capitalisation, the Credit Right against the Joint Venture derived from the Surface Right Fee, which will be extinguished.

- The Joint Venture will provide a Definitive Guarantee in favour of Aena SME SA and the Investor will provide a Guarantee for the Contribution of Funds in favour of the Joint Venture (see section "Guarantee Scheme").
- Comprehensive investment management contract: the Investor shall enter into a contract with the Joint Venture for the provision of comprehensive investment management services (see section "Management of the Joint Venture").

Guarantee scheme

The scheme consists of four guarantees, namely:

- **Provisional Guarantee**
  The Provisional Guarantee responds to the bidders' compliance with all the conditions established in the Tender Specifications and accreditation of its constitution must be presented with the delivery of the bids in the Award Phase.

  The provisional guarantee shall be automatically extinguished and shall be returned to the Bidders immediately after the Joint Venture is constituted. In any case, the provisional guarantee shall be returned to the awarded Tenderer when the performance guarantee has been constituted, and the amount of the provisional guarantee may be applied to the performance guarantee or the latter may be newly constituted.

- **Compliance Guarantee**
  The Performance Bond shall cover compliance with the obligations of the Investment Contract until the execution of the public deed of the Surface Right and shall be constituted simultaneously with the creation of the Joint Venture.
  The Performance Bond shall be automatically extinguished and shall be returned after the granting of the Surface Right to the Joint Venture.

- **Contribution of funds Guarantee**
  The Investor shall guarantee the outstanding amount to be disbursed by means of the Contribution of Funds Guarantee, the purpose of which is to ensure the fulfilment of the Investor's capital contribution commitments to the Joint Venture.
  Such guarantee shall be created simultaneously with the grant of the Surface Right to the Joint Venture for [25%] of the Investor's outstanding capital and shall remain in force until it is fully paid up. This guarantee will be reduced as the funds are disbursed.

- **Definitive Guarantee**
  The Joint Venture shall constitute the definitive guarantee in order to guarantee compliance with the obligations arising from the granting of the Surface Right until its completion.
  This guarantee shall be constituted at the same time as the Surface Right is granted to the Joint Venture for an amount equivalent to 5% of the development costs, and shall be modulated over the term of the Surface Right:

  - Upon expiry of the construction guarantee period ([12] months after completion of works) it will be reduced by [60%].
  - In the 72nd year of the Surface Right it will be constituted for the 100% initially foreseen.
  - It will be updated at the accumulated CPI every 5 years.

  In the event that penalties or indemnities payable to the contractor become effective on the definitive guarantee, the contractor must replenish or extend this guarantee, in the amount necessary so that the amount does not decrease for this reason.

Table Summary 1Table Guarantees

Guarantee	Form of constitution	Guarantor	Beneficiary	Amount	Update
Provisional	Cash Deposit	Investor	Aena	€200,000	N/A
Compliance	Guarantee book-entry securities Bank Guarantee Surety insurance	Investor	Aena	€4,500,000	N/A
Contribution of Funds		Investor	Joint Venture	25% capital pending disbursement	It will be reduced as the funds it guarantees are contributed
Definitive		Joint Venture	Aena	5% of development costs	To be modulated based on the fulfilment of various milestones and updated every 5 years at CPI

Management of the Joint Venture

Since the Joint Venture, responsible for developing the AREA-1 project, will be owned by both Aena and the Investor, the latter (or its management company) will contractually provide the services necessary for the development and management of the project on the basis of the bid submitted by the Investor.

To this end, a comprehensive management contract for investment in real estate projects shall be entered into to act as a contractual support for the management of the investment and development for the provision of the aforementioned services, independently of the corporate operation of the Joint Venture.

The subject matter of the integrated management contract, i.e. the services to be provided by the Manager to the Joint Venture on the basis of the Contract, can be grouped into two distinct sections:

- Development management services ("DM") - in general, these will be provided at a preliminary stage of development and will consist of the monitoring and management of the construction process of the properties to be built on AREA-1, with the specific content of the Services varying depending on the decision to be taken regarding the figure to be used for their construction - delegated development or development by the Joint Venture.
- Asset management ("AM") services - aimed at the strategic management of the investment and, in particular, of all measures affecting the profitability and risk of the property or portfolio of properties to be built on AREA-1 during the life cycle of these assets.

The Agreement shall also regulate the remuneration to be received by the Manager for the provision of the DM and AM Services (collectively, the "Fees"). The Fees to be received by the Manager have been established with reference to the following items:

- Fees for DM Services: [joint total amount of 3-5%] of the total amount of the work foreseen in the Business Plan that serves as the basis for the development of the project.
- Fees for AM Services: [*0.5% per annum] of the Gross Asset Value (GAV).

10. Comments and recommendations process

On the microsite developed for this purpose (www.airportcitiesaena.es), all the documentation used during the presentation to potential bidders on 14 July can be downloaded, as well as complementary materials to facilitate their understanding.

There will also be a form in Excel format on the website where anyone who wishes to do so can send comments or recommendations regarding the tender process for Area 1 of Airport City Adolfo Suárez Madrid-Barajas.

These forms should be sent to the email address specifically created for communications regarding the bidding process until 30 July 2021 (email: Area1MAD@aena.es)

Aena, depending on the comments received, may publish a clarifying note which will be shared in the same location as the consultation and suggestions form (www.airportcitiesaena.es).