



BOARD OF DIRECTORS' REPORT ON THE PROPOSED DELEGATION TO THE
BOARD OF DIRECTORS OF THE POWER TO INCREASE THE SHARE CAPITAL IN
ACCORDANCE WITH THE PROVISIONS OF ARTICLES 297.1.B) AND 506 OF THE
RECAST TEXT OF THE COMPANIES ACT

Madrid, February 8, 2023

I. BACKGROUND AND JUSTIFICATION FOR THE PROPOSAL

The delegation granted on March 9, 2018, by the Annual General Meeting to the Board of Directors to resolve on capital increases, which has not been used, will expire on March 9, 2023.

It is considered appropriate for the Annual General Meeting to renew this authorization up to the legal limit established in Article 297.1 b) of the Recast Text of the Companies Act with regard to both term and amount. That is, for five years from the date of the resolution and up to half of the current share capital, which amounts to 307,955,327.30 euros. Therefore, should this proposal be approved, the Board will be authorized to carry out capital increases for a combined limit of 153,977,663.65 euros.

In the Board of Directors' view, so that listed companies may act with the speed and agility required by financial markets, it is important for their governing bodies to have the most appropriate instruments at all times to respond to the needs that arise according to market circumstances. These needs may include providing the Company with new resources, which will normally be implemented through new capital contributions. In general, it is not possible to anticipate what the Company's capital needs will be, and these possibilities increase its maneuvering room.

The proposal provides, in the terms of Article 297.1 b) of the Recast Text of the Companies Act, that the new shares that, where applicable, are issued under the authorization shall be paid up through monetary contributions. Furthermore, it expressly provides for the possibility of incomplete subscription under the provisions of Article 311 of the same Act.

With the proposed delegation to the Board of Directors, in accordance with the provisions of Article 506 of the Recast Text of the Companies Act, the Board of Directors would be granted the power to exclude, in whole or in part, preemptive subscription rights in capital increases that represent, individually or in aggregate, up to a maximum of 61,591,065.46 euros, equivalent to 20% of the current share capital.

The Board of Directors considers that the power to exclude preemptive subscription rights, complementing the power to increase the share capital by issuing new shares with monetary contributions, is justified by the aforementioned reasons.

In accordance with the provisions of Article 506 of the Recast Text of the Companies Act, in the event that the Board of Directors avails itself of the power to exclude preemptive subscription rights in relation to a specific capital increase that may be resolved under the authorization granted by the Annual General Meeting, it shall (i) issue a report detailing the reasons for the company's interest justifying the measure, which shall be made available to shareholders and presented to the first Annual General Meeting held after the extension resolution; and (ii) when provided for by the law or otherwise



deemed appropriate, the Company may voluntarily obtain a report from an independent expert, other than the auditor of the Company's accounts, on the fair value of the Company's shares, the theoretical value of the excluded preemptive subscription rights and the reasonableness of the data contained in the report of the Board of Directors.

The proposed resolution also includes authorization to the Board of Directors to carry out all the necessary procedures so that the new shares are admitted to trading on the securities exchanges in which the Company's shares are listed.

In the event that the resolution proposed herein is adopted, the entirety of the powers attributed to the Board of Directors are granted with express powers of substitution, further contributing to the objective of making the proposed operations as agile as possible.

II. PROPOSED RESOLUTIONS

To authorize the Board of Directors to increase the share capital one or more times, under the terms and limits set out in Articles 297.1.b) and 506 of the Recast Text of the Companies Act, for the five years following the date of this resolution and up to a maximum of 153,977,663.65 euros, equivalent to 50% of the current share capital.

Capital increases under this authorization will be carried out by issuing and releasing new voting or non-voting shares, with or without a share premium. The Board of Directors may, in any unforeseen event, set the terms and conditions of the capital increases and the characteristics of the shares, as well as freely offer new shares not subscribed within the period or periods for exercising the preemptive subscription rights. The Board of Directors may also establish that, in the event of incomplete subscription, the share capital will only be increased by the amount actually subscribed, and it may rewrite the article in the Bylaws regarding share capital.

With regard to capital increases carried out under this authorization, the Board of Directors is expressly authorized to exclude, in whole or in part, preemptive subscription rights under the terms of Article 506 of the Recast Text of the Companies Act. However, this power shall be limited to capital increases carried out under this authorization up to an amount of 61,591,065.46 euros, equivalent to 20% of the current share capital.

Where appropriate, the Company shall request the admission to trading on official or unofficial secondary markets, whether organized or not, of the shares issued under this authorization, empowering the Board of Directors to carry out the procedures and actions necessary for the admission to trading with the competent bodies of the different securities markets.



The Board of Directors is also authorized, in accordance with the provisions of Article 249 bis of the Recast Text of the Companies Act, to delegate the powers referred to in this resolution to the Steering Committee, with express powers of substitution by each and every member of the Board of Directors.

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