

REPORT DRAFTED BY THE BOARD OF DIRECTORS OF ALMIRALL, S.A. REGARDING THE RESOLUTION TO INCREASE THE COMPANY'S SHARE CAPITAL WITH EXCLUSION OF PRE-EMPTIVE SUBSCRIPTION RIGHTS

1. PURPOSE OF THE REPORT

This report is drafted by the Board of Directors of the company Almirall, S.A. (the "**Company**" or "**Almirall**") in relation to the resolution to be passed by said body today to increase the Company's share capital by means of cash contributions and with exclusion of pre-emptive subscription rights (the "**Capital Increase**") pursuant to the authorisation granted by the Company's Ordinary General Shareholders' Meeting referred to in the following section.

Specifically, this report is issued in compliance with the provisions of (i) articles 286 and 297 of the Consolidated Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July (hereinafter, the "**Spanish Companies Act**"), with regards to the capital increase resolution itself and the subsequent amendment of the articles of association, and (ii) articles 308, 504 and 506 of the Spanish Companies Act with regards to the reasons to exclude the pre-emptive subscription rights. The report also includes the full text of the resolution to be passed by the Board of Directors in relation to the Capital Increase.

This report is issued taking into account, inter alia, information received by the Company from J.P. Morgan SE and BNP Paribas, as joint global coordinators and joint bookrunners of the Capital Increase which is the subject of this report (the "**Joint Global Coordinators and Joint Bookrunners**").

It is hereby stated that, pursuant to the provisions of article 506.4 of the Spanish Companies Act, this report will be made available to the shareholders and communicated to the first General Meeting held after the passing of the resolution of the capital increase to which this report relates. Likewise, and pursuant to the provisions of recommendation 5 of the Good Governance Code of Listed Companies, this directors' report will be published on the Company's website once the issue price of the Capital Increase has been set.

Pursuant to sections 1 and 3 of article 504 of the Spanish Companies Act, given that the transaction does not exceed 20% of the share capital and the proposed issue price will not be less than the result of applying a 10% discount rate to the closing price of the Company's shares on the Spanish Automated Quotation System – Continuous Market (*Sistema de Interconexión Bursátil*) of the Spanish Stock Exchanges on the trading session corresponding to the date of announcement of the launch of the Capital Increase, it is presumed that such issue price corresponds to the fair value of the Company's shares without it being necessary to obtain a report issued by an independent expert, other than the auditor of the Company's accounts, appointed by the Commercial Registry, regarding the fair value of the Company's shares, the theoretical value of the pre-emptive subscription right, whose exercise is proposed to be eliminated or limited, and the reasonableness of the information contained in the Board of Directors' report.

2. AUTHORISATION OF THE GENERAL SHAREHOLDERS' MEETING

The Company's Ordinary General Shareholders' Meeting held on first call on 5 May 2023 resolved, under item ten of its agenda and in accordance with the provisions of article 297.1.b) of the Spanish Companies Act, to authorise the Board of Directors so that it may, on one or more occasions and at any time within a period of five years from the date of the aforementioned Meeting, increase the share capital by issuing and putting into circulation new shares - with or without a premium - against cash contributions, of up to a maximum amount of 50% of the existing share capital at the time of authorisation and up to a maximum amount of 20% of the share capital in the event that the pre-emptive subscription right for such shares is excluded, an exclusion for which the Board of Directors was also expressly authorised. The full content of this resolution regarding the delegation of powers can be found on the Company's corporate website (www.almirall.es).

3. MAIN TERMS AND CONDITIONS OF THE CAPITAL INCREASE

The main terms and conditions of the Capital Increase resolved by the Company's Board of Directors pursuant to the delegation of powers referred to in the preceding section are as follows:

- (a) *Capital Increase.* The Capital Increase will be carried out by means of cash contributions to increase the Company's equity by an effective amount (nominal amount plus share premium) of EUR 200,000,000, by issuing and putting into circulation new ordinary shares of the same class and series as those currently outstanding, each with a par value of twelve cents (the "**New Shares**"). Pursuant to article 506.1 of the Spanish Companies Act and the resolution passed by the Company's General Shareholders' Meeting held on 5 May 2023 authorising the Board of Directors to increase the share capital, the aggregate nominal value of the New Shares will not exceed 20% of the share capital of the Company as at the time of the passing by the General Shareholders' Meeting of such resolution. For the purposes of the provisions of article 299 of the Spanish Companies Act, it is hereby stated that the Company's shares existing prior to the Capital Increase are fully paid up.

As per the Capital Increase resolution, the Chairman of the Board of Directors-Chief Executive Officer shall determine, depending on market conditions at the time of execution of this resolution: (i) the nominal amount of the Capital Increase and the number of ordinary shares to be issued and (ii) the issue price of the New Shares and, in particular, the amount of the share premium for each share issued.

- (b) *Issue Price.* The issue price (including nominal value and issue premium, the "**Issue Price**") of the New Shares will correspond to the price resulting from the accelerated placement of such shares among qualified investors by the joint global coordinators and joint bookrunners of the Capital Increase (the "**Joint Global Coordinators and Joint Bookrunners**") appointed by the Company for this purpose and will be determined by the Chairman of the Board of Directors-Chief Executive Officer.

In any event, for the purposes of the provisions of sections 2 and 3 of article 504 of the Spanish Companies Act, and to ensure that the Issue Price thus determined corresponds to the fair value of the New Shares, it may not be less than the amount resulting from applying a discount rate of 10% to the closing price of the Company's shares on the Spanish Automated Quotation System – Continuous Market (*Sistema de Interconexión Bursátil*) of the Spanish Stock Exchanges during the trading session corresponding to the date of announcement of the launch of the Capital Increase, rounded up to an entire number of euros.

- (c) *Nature of the New Shares.* The New Shares will be ordinary shares, equal to those currently outstanding (of the same class and series), and will be registered and held in book-entry form as in the records maintained by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and its participating entities.
- (d) *Rights of the New Shares.* The New Shares will confer their holders the same voting and economic rights as the Company's ordinary shares currently in circulation since the time when the Capital Increase is declared executed, subscribed and paid up, and the New Shares are issued, without prejudice to their registration in the name of the subscribers in the relevant book entries managed by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and its participating entities.
- (e) *Exclusion of pre-emptive subscription rights.* Making use of the powers expressly granted by the Ordinary General Shareholders' Meeting held on 5 May 2023, in accordance with the provisions of article 506 of the Spanish Companies Act and as discussed in this explanatory report, the Company's shareholders' pre-emptive subscription rights are excluded both in view of the Company's corporate interest and to allow the placement of the New Shares among qualified Spanish and foreign investors by means of an accelerated placement.
- (f) *Subscription and payment.* The New Shares to be issued will be fully paid up by means of cash contributions.
- (g) *Incomplete subscription.* Pursuant to the delegation granted by the Ordinary General Shareholders' Meeting held on 5 May 2023, and in accordance with the provisions of article 507 of the Spanish Companies Act, in the event of an incomplete subscription, the share capital shall be increased only by the amount of the subscriptions made.
- (h) *Application for admission to trading.* Pursuant to the authorisation granted by the General Shareholders' Meeting held on 5 May 2023, the New Shares will be admitted to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, and will be included in the Spanish Automated Quotation System – Continuous Market (*Sistema de Interconexión Bursátil*) of the Spanish Stock Exchanges, as the Company's shares currently outstanding. In this regard, the Company is subject to the rules that exist or may exist in this area, especially on trading, continued listing and delisting.

4. REPORT DRAFTED BY THE BOARD OF DIRECTORS FOR THE PURPOSES OF ARTICLES 286 AND 297 OF THE SPANISH COMPANIES LAW

The Company believes that the Capital Increase is in the Company's best interests to the extent that it intends to use the funds (nominal value plus share premium) obtained from the transaction (after the related fees and expenses have been paid) to provide the Company with the financial flexibility and agility to actively pursue and swiftly execute potential inorganic growth opportunities (including bolt-on acquisitions and in-licensing opportunities) currently under consideration.

In addition, the Company expects that the Capital Increase will bring new qualified investors of the highest standing into the Company's capital, further diversifying the Company's shareholder base and increasing the market value of the portion of the share capital held by investors other than the controlling shareholder which is freely tradable on the stock exchange (*free float*), which the Company expects will, in turn, result in increased liquidity and trading of the Company's ordinary shares.

Furthermore, the Capital Increase is backed by the Gallardo family, which currently indirectly holds, through Grupo Corporativo Landon, S.L. ("**Landon**") and its wholly-owned subsidiary Grupo Plafin, S.A.U. ("**Grupo Plafin**"), shares representing 59.66% of the Company's share capital. In this regard, Grupo Plafin, by virtue of a subscription undertaking signed by both parties on this date (the "**Subscription Undertaking**"), has undertaken in favor of the Company, on a firm and irrevocable basis, to subscribe New Shares of the Company in the Capital Increase at the issue price to be determined following the completion of the bookbuilding process and in a proportion equivalent to its stake in the Company's share capital. The Company, for its part, has undertaken to issue to Grupo Plafin the relevant New Shares as part of the Capital Increase. It is hereby stated that the execution of the Subscription Undertaking by the Company and the Grupo Plafin, as a transaction between the Company and a related party, has been approved by the Board of Directors, following a favourable report from the Audit Committee, with the abstention in both bodies of the directors related to Grupo Plafin due to a conflict of interest and in accordance with the provisions of the Spanish Companies Act on the matter.

Thus, the Subscription Undertaking will allow the Company's majority shareholder to maintain its current level of shareholding in the Company's share capital after the Capital Increase, without prejudice to the possibility that such shareholder may eventually place an additional subscription order for a total volume of New Shares larger than that corresponding to its subscription undertaking. This circumstance is proof of its commitment and the alignment of interests with the Company and its desire to remain in the share capital in the long run, which the Company believes may contribute to a positive evolution of the share price in the future. The Capital Increase will also be open to the participation of major institutional investors who are already shareholders of the Company and are interested in subscribing New Shares.

In view of the information provided by the Joint Global Coordinators and Joint Bookrunners, the Company's Board of Directors considers that the most efficient way to achieve the objectives sought, while taking advantage of the current market situation and the potential interest of the international investment community in the Company's shares, is to execute the Capital Increase through an accelerated placement process among qualified investors carried out by the Joint Global Coordinators and Joint

Bookrunners. This procedure allows for the raising of the intended amount of equity in a short period of time, substantially reducing the time of exposure to the risks associated with market volatility. The Board of Directors also considers that the current market circumstances are favourable for such a transaction.

The placement process, which has already been implemented in the Spanish market by numerous listed companies in recent years, will be carried out subject to the applicable regulations (including, in particular, the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse) and to the usual practices and customs in these types of transaction.

For these purposes, once the Capital Increase resolution has been approved by the Board of Directors, and immediately prior to the submission by the Company of the inside information notice announcing the transaction, the Company will enter into a placement agreement with the Joint Global Coordinators and Joint Bookrunners whereby the Joint Global Coordinators and Joint Bookrunners will carry out an accelerated placement of the New Shares exclusively among qualified Spanish and foreign investors through a bookbuilding process. In accordance with market practices in these types of transaction, the final issue price of the New Shares and the selection and confirmation of the allotment proposals received from investors will be carried out at the conclusion of this bookbuilding process.

The bookbuilding process to be carried out by the Joint Global Coordinators and Joint Bookrunners will identify the investors interested in subscribing the New Shares and the price they are willing to pay for the New Shares in a placement such as the one proposed. In accordance with national and international financial practices, the Board of Directors understands that such price (to be set in a transparent manner and between sophisticated and knowledgeable parties) will reflect the fair value of the Company's share and, accordingly, proposes that it be taken as a reference for the purpose of setting the Issue Price, taking into account the limitations indicated above in paragraph b) of section 3 above as to the minimum price to be taken as a reference for such purposes.

The reasons why the Board of Directors considers that the Issue Price so determined will constitute a fair value for the purpose of the exclusion of pre-emptive subscription rights for such shares are further elaborated in section 5.2 below.

Once the price resulting from the bookbuilding process is fixed and, consequently, the Issue Price is decided, the New Shares will be fully subscribed and paid for by Grupo Plafín (those allocated to it under its Subscription Undertaking and any additional subscription order it may place) and BNP Paribas, as prefunding bank for the Capital Increase (acting on behalf of the Joint Global Coordinators and Joint Bookrunners which in turn will act on behalf of the investors other than Grupo Plafín among whom the New Shares have been placed for their immediate transfer to them).

Once this process has been completed, the Capital Increase shall be executed and the relevant article of the Articles of Association amended so that it reflects the exact amount by which the share capital has been increased.

To this end, to expedite the transaction, the Capital Increase resolution delegates in the Chairman of the Board of Directors-Chief Executive Officer all necessary powers to determine the precise time of execution

of the Capital Increase, depending on market conditions, as well as to determine the number of New Shares to be issued and the final issue price of the New Shares, in light of the existing demand for the placement thereof, and for the execution and closing of the Capital Increase and the execution of the documents necessary for the passing of the Capital Increase resolution, including the power to draft the final text of the relevant amendment to the Articles of Association.

It is also stated that the number of New Shares to be issued by virtue of the Capital Increase resolution may be less than initially established if the Board of Directors deems it necessary considering the fundraising objective pursued and taking into account, among other circumstances, the Issue Price resulting from the placement process of the New Shares described in this section, in which case the Capital Increase would be declared incomplete.

5. REPORT DRAFTED BY THE BOARD OF DIRECTORS FOR THE PURPOSES OF ARTICLES 308, 504 AND 506 OF THE CAPITAL COMPANIES LAW

The Capital Increase entails the exclusion of pre-emptive subscription rights of the Company's shareholders. This exclusion is necessary in order to execute the Capital Increase by means of the placement process described in section 3(a) above.

Pursuant to the provisions of articles 308, 504 and 506 of the Spanish Companies Act, the directors of a listed company who, making use of the authority delegated by the General Meeting to increase the share capital, intend to approve the total or partial exclusion of pre-emptive subscription rights, must draft a report specifying the value of the company's shares and providing a detailed justification for said proposal and the consideration to be paid for the new shares, indicating the persons to whom they are to be allocated. Each of these aspects is therefore analysed below in order to comply with the legal requirements described above.

5.1 REASONS FOR THE EXCLUSION OF PRE-EMPTIVE SUBSCRIPTION RIGHTS FROM A COMPANY INTEREST PERSPECTIVE

The Board of Directors considers that the exclusion of the pre-emptive subscription right in the Capital Increase fully complies with the substantive requirements established by applicable law and, in particular, with the requirement that the exclusion be in the Company's corporate interest. The reasons, explained in detail below, are that: (i) such exclusion makes it possible to carry out a transaction that is convenient from the point of view of the corporate interest; (ii) the process chosen is suitable for such purpose; and (iii) there is a proportional relationship between the objective sought and the means chosen.

(A) *Appropriateness of the transaction from a corporate interest perspective*

As noted above, the main purpose of the proposed Capital Increase is to use the funds raised to provide the Company with the financial flexibility and agility to actively pursue and swiftly execute potential inorganic growth opportunities (including bolt-on acquisitions and in-licensing opportunities) currently under consideration.

Indeed, the Capital Increase will improve access to the aforementioned inorganic growth opportunities by raising the necessary funds for the materialisation of such opportunities currently

under analysis by the Company, while at the same time providing access to an extremely flexible mechanism for raising equity in a short period of time. This Capital Increase will provide the Company with greater autonomy in the selection and execution of possible development opportunities, ensure in the short and medium term the availability of financing to meet these investment opportunities and, consequently, improve their actionability.

Consequently, the exclusion of pre-emptive subscription rights in the proposed Capital Increase allows for a transaction that is in the Company's best interests and which, if it were carried out in another way that does not involve the raising of equity (e.g. through external financing of an equivalent amount), might have to be carried out on less advantageous terms for the Company.

(B) *Appropriateness of the execution of the Capital Increase by means of an accelerated placement process of the New Shares excluding the pre-emptive subscription rights of existing shareholders of the Company*

The method chosen to carry out the equity funds raising transaction consists of a cash share capital increase through an accelerated placement of the New Shares to be issued by means of a process bookbuilding among qualified investors. This method is not only suitable to achieve the desired purpose, but also convenient from the perspective of the Company's corporate interest.

Indeed, according to the information received from the Joint Global Coordinators and Joint Bookrunners and market practices, this technique, which is widespread and frequently used for share capital increases with a moderate size in international capital markets, including the Spanish market, is the most appropriate in terms of maximising the issue price of the New Shares, reducing the cost of raising funds and reducing the execution risk of the transaction.

In this regard, the alternatives for raising new capital available to the Company compared to the proposed capital increase transaction excluding pre-emptive subscription rights and accelerated placement of the New Shares among qualified investors would essentially be two: either a cash capital increase with recognition of pre-emptive subscription rights, or a capital increase, also in cash, in which such rights are excluded in order to make a public subscription offer of the New Shares aimed at the market as a whole. The advantages of the proposed Capital Increase compared to these alternatives are analysed below:

- (a) *Flexibility and execution speed.* Any alternative transaction to the one proposed here would considerably delay the process of raising funds. Thus, in a capital increase with pre-emptive subscription rights, in accordance with the provisions of article 503 of the Spanish Companies Act, the period for exercising such rights cannot be less than fourteen days from the publication of the announcement of the subscription offer of the new shares in the Official Gazette of the Commercial Registry. Likewise, as detailed below, in the case of a public subscription offer of shares without pre-emptive subscription rights and with retail participation, a minimum period of close to two weeks would be required from the announcement until the issue price is set. In both cases, the transaction would be subject to the drafting and registration of a prospectus with the National Securities Market

Commission ("**CNMV**"), which is expected to take several months. These time periods and requirements are not comparable with those required to complete the subscription and disbursement of shares in an accelerated private placement such as the one proposed here, and no prior registration of a prospectus with the CNMV is required either, given that the proposed transaction is aimed solely at qualified investors and the New Shares will represent less than 20% of the volume of the Company's shares admitted to trading on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges.

Moreover, as a more flexible mechanism with a much shorter execution period, the accelerated private placement significantly increases the Company's room for maneuver and ability to react in order to take advantage of the most convenient market moment and carry out the transaction under the best possible conditions.

In short, therefore, neither an issue of shares with pre-emptive subscription rights nor a public subscription offer of shares could be carried out with the speed - almost instantaneousness - and the flexibility in terms of their launch that would allow for the accelerated placement required to ensure the raising of equity under current market conditions.

- (b) *Reduced exposure to market volatility.* It is worth remembering that equity markets have experienced significant volatility in recent months.

In this regard, according to the information provided by the Joint Global Coordinators and Joint Bookrunners, this volatility makes it inadvisable to raise equity that would leave the Company exposed over an extended period of time to a negative evolution of the share price. It should be noted that, in the event of a capital increase with pre-emptive subscription rights, the price of the new shares would have to be fixed at the beginning of the process, leaving the Company exposed to market movements during the rights trading period. In the case of a public subscription offer of shares, although the final price would be fixed at the end of the subscription period, the long duration of the process could entail a significant market risk which, depending on developments, could prevent the raising of the resources necessary to achieve the intended purpose, particularly as such transactions are not normally secured until the end of the public offer period.

Therefore, neither an issue with pre-emptive subscription rights nor a public offering excluding such rights would be advisable for the Company in view of the volatility inherent to financial markets and the execution time required to carry out either of these transactions. However, with regards to the proposed Capital Increase, the expected interest from investors, the moderate size of the issuance that targets qualified investors other than Grupo Plafin and the eminently international nature of the Company's investor base will allow for an accelerated placement and, therefore, a reduced exposure to market volatility, which is expected to minimise the discount that the Issue Price will represent to the closing price of the Company's shares on the date of announcement of the transaction.

- (c) *Cost savings.* The costs of an accelerated placement excluding pre-emptive subscription rights, are lower than those of a capital increase with pre-emptive subscription rights or a public offering basically for two reasons: (i) the reduction in the fees of the banks involved in the transaction, either because the accelerated placement is not subject to an underwriting commitment, or because, even if there is underwriting, this is cheaper as the risk assumed by the banks involved in the transaction is lower than in other transactions in which the placement and execution periods are much longer; and (ii) the reduction in advertising and marketing costs given that no prospectus for the transaction is drafted or registered and no roadshow is required to make it known to investors.
- (d) *Maximising the Issue Price.* The issue price of the new shares in an accelerated placement usually represents a smaller discount to the share price at that time, as it minimises the market risk to which it would be subject if other alternatives were used. For example, a capital increase with pre-emptive subscription rights requires a period of more than three weeks from the setting of its final terms to its closing, whereas the proposed capital increase takes only about two trading days from announcement to closing.
- (e) *Increase and consolidation of the Company's shareholder base.* The proposed Capital Increase represents an opportunity to increase the Company's shareholder base by adding new qualified investors of the highest standing to its capital, with the objective of broadening its shareholder base, as well as increasing the absolute value of the *free float*, which may improve the liquidity of the shares and increase the interest and monitoring of the Company by financial analysts. Moreover, the Grupo Plafin's subscription undertaking to subscribe a relevant part of the Capital Increase and eventually the requests that other qualified investor shareholders of the Company may make to subscribe New Shares, will strengthen the presence of existing institutional shareholders and consolidate the Company's current shareholder base.

The Board of Directors considers that these circumstances, together with a foreseeable increase in the level of liquidity of the security, are beneficial factors for shareholders in general and, therefore, for the corporate interest, insofar as they may result in greater monitoring by analysts and because they favour the size and depth of the market, contributing to the correct determination of the share price in the market and reducing its volatility, which is expected to generate value for the shareholder.

Moreover, the participation of both the Grupo Plafin and qualified investors (including possible institutional shareholders of the Company) in the transaction would showcase their faith in the Company and its business prospects. Likewise, through the accelerated private placement process, the Company will be able to participate in the share allocation process, thus facilitating the consolidation of a quality and solvent, non-speculative shareholder base, aligned with the Company's interests, and with a desire for stability and continuance in the long term.

(C) *Proportionality of the exclusion of pre-emptive subscription rights*

In the Board of Directors' opinion, the proposed measure of excluding pre-emptive subscription rights more than satisfies the proportionality that must exist between the advantages obtained by the Company from such measure and the disadvantages that could eventually be caused to those shareholders whose expectations would be diminished due to the political dilution that any increase without rights necessarily entails.

This statement is fully justified by the benefits that the Company would obtain from the proposed transaction, which are described in detail in section B above.

On the other hand, although it is true that the controlling shareholder of the Company, Landon, will not see its total shareholding (direct and indirect) in the Company diluted due to the Subscription Undertaking assumed by Grupo Plafin, the fact that this entity has uninterruptedly exercised control of the Company since its IPO in 2007 and that there is currently only one significant shareholder (an institutional investor) not linked to the Gallardo family nor represented on the Board of Directors, makes it clear that this this shareholder group holds a different position compared to the rest of the Company's shareholders and counteracts any argument that could be made by any other shareholder whereby the transaction may cause them a disproportionate sacrifice in terms of political dilution that is not offset by the undoubted advantages that the transaction provides to the Company.

It should be noted, in this regard, that any shareholder other than Grupo Plafin, and that does not participate in the Capital Increase, by purchasing the Company's shares on the secondary market after the Capital Increase by applying a volume of resources that, in a scenario of share price stability, would be similar to that which it would have had to invest in the Capital Increase if it had participated therein, may rebuild its stake and reach a percentage similar to that held prior to the transaction. In any event, as indicated above, it is the Company's intention that the Capital Increase will be open to the participation of the principal institutional investors who are already shareholders of the Company and who are interested in subscribing New Shares.

In view of the foregoing, the Board of Directors considers that the exclusion of the pre-emptive subscription right in the Capital Increase is fully justified for corporate interest reasons. Furthermore, the advantages of the accelerated placement for the Company in terms of price, structuring and result outweigh and justify the exclusion of the pre-emptive subscription right for the benefit of the aforementioned corporate interest.

5.2 ISSUANCE AT FAIR VALUE

Pursuant to Articles 504.2 and 506.4 of the Spanish Companies Act, the Issue Price of the New Shares must correspond to their fair value.

In compliance with the foregoing, it is proposed that the Issue Price of the New Shares be determined by means of a price discovery process carried out among the pool of qualified investors who will be invited to participate in the Capital Increase through a bookbuilding process to be carried out by the Joint Global Coordinators and Joint Bookrunners within the framework of the accelerated placement of the New

Shares. This method of determining the placement price of both newly issued and outstanding shares is widely used and accepted in market practice, as required by section 505 of the Spanish Companies Act. The Board of Directors considers that this price will correspond to the fair value of the Company's shares, since through the aforementioned accelerated bookbuilding process, the intensity of demand among highly professional and sophisticated domestic and foreign qualified investors (who are able to quickly assess the offer and determine the amount and price at which they are willing to acquire the shares) is measured through a competitive process and, therefore, this price adequately and faithfully reflects what the market is willing to pay for the New Shares.

Therefore, the way in which the Issue Price is set (nominal value plus issue premium) allows it to reflect the fair value of the Company's shares, as established in articles 504.2 and 506.4 of the Spanish Companies Act.

However, as an additional precaution, it has been proposed that the Issue Price be equal to or greater than the amount resulting from applying a 10% discount to the closing price of the Company's shares on the Spanish Automated Quotation System – Continuous Market (*Sistema de Interconexión Bursátil*) of the Spanish Stock Exchanges on the day on which the transaction is launched, rounded up to an entire number of euro. This way, the assumption that such price corresponds to the fair value of the Company's shares shall be applicable to the Issue Price determined according to the above, pursuant to article 504.3 of the Spanish Companies Act.

In light of the foregoing, as per paragraphs 1 and 2 of article 504 of the Spanish Companies Act, the Company will not need to seek the report of an independent expert, other than the Company's auditor, appointed by the Commercial Registry envisaged in article 308 of the Spanish Companies Act in connection with the aspects contemplated in such provision.

6. PROPOSAL FOR A RESOLUTION TO INCREASE THE CAPITAL

The full text of the Capital Increase which the Board of Directors of the Company proposes to approve is set out below:

***“FIRST.- APPROVAL OF THE SHARE CAPITAL INCREASE THROUGH THE ISSUANCE OF NEW SHARES OF THE COMPANY WITH A PAR VALUE OF TWELVE CENTS (€0.12) EACH, WHICH WILL BE FULLY SUBSCRIBED AND PAID UP BY MEANS OF CASH CONTRIBUTIONS, EXCLUDING PRE-EMPTIVE SUBSCRIPTION RIGHTS AND ALLOWING FOR INCOMPLETE SUBSCRIPTION.*”**

Pursuant to the authorisation granted by the Company's Ordinary General Shareholders' Meeting held on 5 May 2023 under item ten of the agenda, in accordance with the provisions of article 297.1.b) of the Spanish Companies Act, the Board of Directors may increase the share capital on one or several occasions and at any time within a period of 5 years from the date of the aforementioned Meeting, by issuing and putting into circulation new shares - with or without an issuance premium - against cash contributions, up to a maximum amount of 50% of the existing share capital at the time of authorisation and up to a maximum amount of 20% of the share capital in the event that the pre-emptive subscription

rights of such shares are excluded, an exclusion for which the Board was also expressly authorised, the Board of Directors of the Company unanimously resolves to carry out an increase of the Company's share capital in accordance with the following terms and conditions (the "**Capital Increase**"):

- (a) *Capital Increase.* The Capital Increase will be carried out by means of cash contributions to increase the Company's equity by an effective amount (nominal amount plus share premium) of EUR 200,000,000, by issuing and allotting new ordinary shares of the same class and series as those currently outstanding, each with a par value of twelve cents (the "**New Shares**"). Pursuant to article 506.1 of the Spanish Companies Act and the resolution passed by the Company's General Shareholders' Meeting held on 5 May 2023 authorising the Board of Directors to increase the share capital, the aggregate nominal value of the New Shares will not exceed 20% of the share capital of the Company as at the time of the passing by the General Shareholders' Meeting of such resolution. For the purposes of the provisions of article 299 of the Spanish Companies Act, it is hereby stated that the Company's shares existing prior to the Capital Increase are fully paid up.

Pursuant to paragraph (j) below, the Chairman of the Board of Directors-Chief Executive Officer shall determine, depending on market conditions at the time of execution of this resolution, with the prior consultation of the Company's Lead Independent Director: (i) the nominal amount of the Capital Increase and the number of ordinary shares to be issued and (ii) the issue price of the New Shares and, in particular, the amount of the share premium for each issued share.

- (b) *Issue Price.* The issue Price (including nominal value and issue premium, the "**Issue Price**") of the New Shares will correspond to the price resulting from the accelerated placement of such shares among qualified investors by the joint global coordinators and joint bookrunners of the Capital Increase (the "**Joint Global Coordinators and Joint Bookrunners**") appointed by the Company for this purpose and will be determined by the Chairman of the Board of Directors-Chief Executive Officer, with the prior consultation of the Company's Lead Independent Director, pursuant to paragraph (j) of this resolution.

In any event, for the purposes of the provisions of sections 2 and 3 of article 504 of the Spanish Companies Act, and to ensure that the Issue Price determined pursuant to the above corresponds to the fair value of the New Shares, it may not be less than the amount resulting from applying a discount rate of 10% to the closing price of the Company's shares on the Spanish Automated Quotation System – Continuous Market (Sistema de Interconexión Bursátil) of the Spanish Stock Exchanges during the trading session corresponding to the date of announcement of the launch of the Capital Increase, rounded up to an entire number of euros.

- (c) *Nature of the New Shares.* The New Shares will be ordinary shares, equal to those currently outstanding (of the same class and series), and will be registered and held in book-entry form as in the records maintained by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and its participating entities.
- (d) *Rights of the New Shares.* The New Shares will confer their holders the same voting and economic rights as the Company's ordinary shares currently in circulation since the time when the Capital

Increase is declared executed, subscribed and paid up, and the New Shares are issued, without prejudice to their registration in the name of the subscribers in the relevant book entries managed by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and its participating entities.

- (e) *Exclusion of pre-emptive subscription rights. Making use of the powers expressly granted by the Ordinary General Shareholders' Meeting held on 5 May 2023, in accordance with the provisions of article 506 of the Spanish Companies Act and in accordance with the explanatory report approved by the Board of Directors on the date hereof, the Company's shareholders' pre-emptive subscription rights are excluded both in view of the Company's corporate interest and to allow the placement of the New Shares among qualified Spanish and foreign investors by means of an accelerated placement.*
- (f) *Subscription and payment. The New Shares to be issued will be fully paid up by means of cash contributions.*
- (g) *Incomplete subscription. Pursuant to the delegation granted by the Ordinary General Shareholders' Meeting held on 5 May 2023, and in accordance with the provisions of article 507 of the Spanish Companies Act, in the event of an incomplete subscription, the share capital shall be increased only by the amount of the subscriptions made.*
- (h) *Application for admission to trading. Pursuant to the authorisation granted by the General Shareholders' Meeting held on 5 May 2023, the New Shares will be admitted to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, and will be included in the Spanish Automated Quotation System – Continuous Market (Sistema de Interconexión Bursátil) of the Spanish Stock Exchanges, as the Company's shares currently outstanding. In this regard, the Company is subject to the rules that exist or may exist in this area, especially on trading, continued listing and delisting.*
- (i) *Execution of the Capital Increase and amendment of the Articles of Association. Any of the persons authorised for such purpose as established in paragraph (j) below shall declare the Capital Increase subscribed and paid up, in whole or in part, and therefore executed, and shall amend the wording of the relevant article of the Articles of Association to adapt it to the new share capital amount and number of shares resulting therefrom. For the purposes of the provisions of Article 167 of the Commercial Registry Regulations, any of the attorneys designated in paragraph (j) below shall also acknowledge the amount used with regards to the limit established in the General Shareholders' Meeting' delegation to increase the share capital, as well as the amount remaining to be used.*
- (j) *Delegation of powers and powers of attorney. Without prejudice to any other existing powers of attorney, the Chairman of the Board of Directors and Chief Executive Officer, Mr. Carlos Gallardo Piqué, whose personal details are registered with the Commercial Registry, is hereby authorised in the broadest terms, as broadly as is legally necessary, so that he may, in connection with the Capital Increase:*

- (i) *decide the specific date on which the Capital Increase, as well as the accelerated placement of the New Shares to be issued thereunder, is to be executed;*
- (ii) *to set the terms and conditions of the Capital Increase in all matters not provided for in this resolution and in accordance with its terms and conditions and, in particular, with the prior consultation of the Company's Lead Independent Director, to determine the final nominal amount of the Capital Increase and its issuance premium, the number of New Shares to be issued and the Issue Price;*
- (iii) *reduce the effective amount of EUR 200,000,000 of equity to be raised by the Capital Increase if, for purely technical reasons, such reduction is advisable in order to balance the sum of the total nominal amount and the share premium which is finally determined;*
- (iv) *declare the Capital Increase executed once the New Shares have been subscribed and paid up and, in case of an incomplete subscription, determine the final amount of the Capital Increase and the number of New Shares subscribed;*
- (v) *to amend the article of the Articles of Association relating to share capital, adapting it to the new amount resulting from the New Shares subscribed, and in general to amend any other provisions of the Articles of Association that so require it, adapting them to the resulting new capital amount and the total number of shares in circulation;*
- (vi) *to cancel the Capital Increase and, accordingly, to cancel the accelerated placement process of the New Shares, upon a material change in market conditions or for any other reason he considers of relevance at any time prior to the payment of the issue price of the New Shares;*

In addition, and without prejudice to any other existing powers of attorney, the Chairman of the Board of Directors and Chief Executive Officer, Mr. Carlos Gallardo Piqué, and the Chief Financial Officer, Mr. Mike McClellan, are hereby authorised, jointly and severally, so that either of them, without distinction, may carry out any acts and execute any public and private documents that may be necessary or desirable for the execution of the Capital Increase, including, by way of illustration, any of the following actions:

- (i) *to negotiate and enter into, in the name and on behalf of the Company, one or more underwriting and/or placement agreements with the Joint Global Coordinators and Joint Bookrunners, letters of engagement and letters of indemnity in connection with such agreement, a financial agency agreement with the agent entity in connection with the Capital Increase, account opening agreements with the agent entity and such other agreements or arrangements with financial institutions or other service providers as may be necessary or desirable in connection with the Capital Increase;*
- (ii) *allocate the New Shares to their subscribers upon completion of the accelerated placement process of the New Shares;*

Moreover, and without prejudice to any other existing powers of attorney, Mr. Carlos Gallardo Piqué, Chairman of the Board of Directors-Chief Executive Officer, Mr. Daniel Ripley Soria,

Secretary Non-Director of the Board of Directors, Ms. Isabel Gomes, General Counsel, Mr. Mike McClellan, Chief Financial Officer, and Mr. Pablo Divasson del Fraile, Investor Relations Officer, are hereby authorised, jointly and severally, so that either of them, without distinction, may carry out any acts and execute any public and private documents that may be necessary or desirable for the execution of the Capital Increase, including, by way of illustration, any of the following actions:

- (i) draft and publish announcements and/or communications of inside information or other relevant information as may be necessary or desirable in connection with the Capital Increase;*
- (ii) to perform the acts, submit the applications, sign the documents and carry out the actions required for the full effectiveness and fulfilment of the Capital Increase resolution, as well as to appear before a Notary Public and execute the relevant share capital increase deed and amendment of article 5 of the Company's Articles of Association.*
- (iii) to take such actions as may be necessary or appropriate to ensure the effectiveness of the Capital Increase covered by this resolution and, therefore, to carry out such actions as may be necessary to interpret, clarify, rectify, correct, implement and enforce the resolutions passed by the Board of Directors, including the execution of such public or private documents as may be necessary, the publication of such notices as may be legally required, the registration in such registries as may be appropriate and the performance of such acts and formalities as may be necessary for such purposes; as well as, inter alia, the powers to correct, clarify, interpret, complete, specify or amend, as the case may be, the resolutions and decisions taken and, in particular, to remedy any defects, omissions or errors that may be detected, including those detected in the verbal or written assessment of the Commercial Registrar, and which may hinder their effectiveness, in such terms as may be necessary to achieve their full registration with the Commercial Registry or to request their partial registration; and*
- (iv) to carry out any action, declaration or task before the Spanish Securities Market Commission (CNMV), the Managing Entities of the Spanish Stock Exchanges, the Stock Exchange Company, Iberclear and any other person, entity or public or private registry in order to obtain the authorisation, verification and subsequent execution of the Capital Increase and the relevant admission to trading of the New Shares on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges and their inclusion into the Spanish Automated Quotation System – Continuous Market (Sistema de Interconexión Bursátil).*

Finally, the Board of Directors of the Company ratifies all actions taken by the Company prior to the passing of this resolution in connection with the Capital Increase.”

In Barcelona, this 12 June 2023.