



REPORTS ON THE SPECIAL ISSUES TO BE SUBMITTED TO THE GENERAL MEETING THAT REQUIRED IT

In order to comply with the provisions of articles 286 and 518 of the Capital Companies Act, the following reports are approved in relation to items 5 and 11 on the agenda of the Ordinary and Extraordinary General Shareholders Meeting of Corporación Financiera Alba, S.A. (“**Corporación Financiera Alba**” or the “**Company**”) convened at this meeting:

I. REPORT OF THE BOARD OF DIRECTORS IN RELATION TO THE CAPITAL INCREASE CHARGED TO RESERVES, WHICH IS SUBMITTED AS ITEM FIVE ON THE AGENDA TO THE ORDINARY AND EXTRAORDINARY GENERAL MEETING CALLED FOR 19 AND 20 JUNE 2023.

In relation to item 5 on the Agenda of the Ordinary and Extraordinary General Meeting called for 19 and 20 June 2023, and in compliance with the provisions of articles 286 and 296 of the Capital Companies Act, the Board of Directors hereby states the following:

1.- CAPITAL INCREASE

It is proposed to approve an share capital increase charged to reserves, through the issue of new ordinary shares of the same class and series as those currently in circulation, in order to implement a "flexible dividend".

2.- PURPOSE AND JUSTIFICATION OF THE PROPOSAL

2.1. Purpose of the capital increase

The purpose of the proposed capital increase is to offer shareholders a flexible remuneration mechanism, allowing them to choose between continuing to receive a fixed amount in cash or receiving additional shares in the Company free of charge.

The idea is to remunerate shareholders along the lines of what other major Spanish listed companies have been doing recently, under a "flexible dividend" scheme. The formula, which may be interesting from a tax point of view, entails a capital increase, with a consequent dilutive effect for shareholders who choose to receive cash (through the sale, as explained below, of their free allocation rights).

2.2. Structure of the capital increase and shareholder options

The proposal, which consists of offering the Company's shareholders the option to receive, at their choice, either released shares in Corporación Financiera Alba or an equivalent amount in cash (the "Option"), is structured by means of a capital increase charged to the reserves account provided for in article 303. 1 of the Capital Companies Act, which in the Company's balance sheet is included in the account entitled "Voluntary Reserves" (the "**Capital Increase**"), which is submitted for approval by the General Shareholders Meeting under item Five of the agenda.

The total number of shares to be issued in the Capital Increase will depend on the specific number of free-allotment rights that have been exercised in accordance with the procedure agreed, if any, by the Board of Directors.

At such time as the Board of Directors (with express powers of substitution) decides to carry out the implementation of the Capital Increase:

- (a) The Company's shareholders will receive one free allotment right for each Corporación Financiera Alba share they hold at that time. These rights will be negotiable and, therefore, may be transferred under the same conditions as the shares from which they derive on the Madrid, Barcelona and Bilbao Stock Exchanges for a period of at least 14 calendar days, after which the rights will be automatically converted into newly issued shares of the Company, which will be allocated to those who, at that time, hold free allocation rights. The specific number of shares to be issued and, therefore, the number of rights required for the allotment of a new share will depend on the listed price of Corporación Financiera Alba shares at the time the Capital Increase is agreed to be implemented in accordance with the procedure described in this report (the "**Listing Price**" or "**Precot**"). In any event, as explained below, the total number of shares to be issued upon implementation of the Capital Increase will be such that the reference market value of such shares, calculated at the Listing Price, will in no event exceed the Executed Option Amount (as defined below), which may not exceed €58,060,270.52.
- (b) Corporación Financiera Alba, or an entity of its group, will assume, vis-à-vis the holders of free allotment rights (only in relation to the freeallotment rights originally assigned to them at that time, it not being possible to exercise the purchase commitment in respect of the free allotment rights that are acquired on or off the market) an irrevocable commitment to purchase the aforementioned rights at a fixed price (the "**Purchase Commitment**"). This fixed price will be calculated prior to the opening of the trading period of the free-of-charge allocation rights on the basis of the Listing Price (so that the price per right will be the result of dividing the Listing Price by the number of rights required to receive one new share). In this way, the Company guarantees all shareholders the possibility to monetise their rights, enabling them to receive cash.

Therefore, upon implementation of the Capital Increase, Corporación Financiera Alba's shareholders will have the option, at their free choice:

- (a) Not to transfer their free allotment rights. In such case, at the end of the trading period, the shareholder will receive the number of new shares corresponding to it fully paid up.
- (b) To transfer all or part of their free allotment rights to Corporación Financiera Alba under the Purchase Commitment at a guaranteed fixed price. In this way, the shareholder would opt to monetise all or part of his rights and receive cash instead of shares.
- (c) To transfer all or part of his free allotment rights on the market. In this case, the shareholder would also choose to monetise his rights, although in this case he would not receive a guaranteed fixed price, but the consideration for the rights would depend on market conditions in general, and the market price of the rights in particular.

The gross value of the consideration received by the shareholder under options (a) and (b) would be equivalent, since the Listing Price will be used both to determine the fixed price of the Purchase Commitment and to determine the number of free allotment rights required for the subscription of a new share.

On the other hand, the tax treatment of each of the alternatives is currently different (see section 3.6 below for a summary of the applicable tax regime).

2.3. Amount of Option Executed

The aggregate market value of the released shares to be issued in the Capital Increase, calculated on the basis of the Listing Price, will amount to a maximum equal to the Amount of Option Executed (as defined below).

The Amount of Option Executed will be a maximum of EUR 58,060,270.52 (which is approximately equal to the figure resulting from multiplying EUR 0.98 by the current number of shares in issue, i.e. 59,245,174 shares).

3.- MAIN TERMS AND CONDITIONS OF THE CAPITAL INCREASE

The principal terms and conditions of the Capital Increase are described below.

3.1. Amount of the Capital Increase, number of shares to be issued and number of free allotment rights required for the allotment of one new share.

The number of shares to be issued on the occasion of the implementation of the Capital Increase will be the result of dividing the Amount of the Option Executed by the value of the Company's shares at the time it is decided to implement the Capital Increase (i.e. the Listing Price). The number so calculated will be rounded off to obtain a whole number of shares and a conversion ratio of rights per share which is also whole. In addition, and for these same purposes,

any of its reference shareholders, or one of the members of the Board of Directors of Corporación Financiera Alba, will waive the corresponding free allotment rights in accordance with the provisions of section 3.2 below.

Once the number of shares to be issued in the Capital Increase has been determined, the amount of the Capital Increase will be the result of multiplying such number of new shares by the par value of the shares of Corporación Financiera Alba (EUR 1 per share). The Capital Increase will therefore be carried out at par, without share premium.

Specifically, at the time it is decided to implement the Capital Increase, the Board of Directors (with express powers of substitution) will determine the number of shares to be issued and, therefore, the amount of the Capital Increase to be implemented and the number of free allotment rights required for the allocation of one new share, applying the following formula (rounding down to the nearer integer):

$$\mathbf{NNS = TNSha / Num. Rights}$$

where,

NNS = Number of New Shares to be issued;

TNSha = Number of ALBA shares in circulation on the date when the Capital Increased is passed; and

Num. rights = Number of free allotment rights required for the allotment of a New Share, which will be the result of from the following formula, rounded up to the nearer integer:

$$\mathbf{Num. rights = TNSHa / Provisional num. shares}$$

where,

Provisional num. shares = Amount of Option Executed / PrePrice.

For these purposes:

"Amount of Option Executed ": is the total market value set as a reference for Capital Increase by the Board of Directors (with specific powers of delegation) and will be a maximum of 58,060,270.52 euros (this figure resulting from multiplying 0.98 euro by the current number of shares in circulation, i.e. 59,245,174 shares).

"ListPri" or "Listing price": the arithmetic mean of the weighted average prices of the Company shares on Spanish Stock Markets during the 5 stock market sessions prior to the date of execution of the Capital Increase, rounded to the nearest thousandth, and in the case of a half thousandth, rounded upwards.

3.2. Free allotment rights

Each Company share in circulation will grant the holder one free allotment right.

The number of free allotment rights required to receive a New Share will be automatically determined in accordance with the existing proportion between the number of new issued shares and the number of shares in circulation at the time of implementation of the Capital Increase, calculated in accordance with the formula set out in section 3.1 above.

If the number of free allotment rights required for the allotment of a share multiplied by the new shares results in a number less than the number of shares in circulation at that time, Corporación Financiera Alba, or a company in its group that holds shares in Corporación Financiera Alba, or any of its reference shareholders if it so wishes, or one of the members of the board of directors of Corporación Financiera Alba, will waive a number of free allotment rights equal to the difference between the two figures for the sole purpose of making the number of new shares a whole number and not a fraction.

The free allocation rights will be allocated to the shareholders of Corporación Financiera Alba who appear as such in the accounting records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) at 23:59 on the day of publication of the announcement of the implementation of the Capital Increase in the Official Gazette of the Commercial Registry (*Boletín Oficial del Registro Mercantil*). The free allocation rights may be traded during the period determined by the Board of Directors (with express powers of substitution), with a minimum of fourteen (14) calendar days.

3.3. Purchase Commitment of the free allotment rights

As explained above, upon implementation of the Capital Increase, Corporación Financiera Alba or a company of its Group will assume the Purchase Commitment, consisting of an irrevocable commitment to acquire the free allocation rights, such that the Company's shareholders will be guaranteed the possibility of selling their rights to Corporación Financiera Alba, or to an entity of its Group, receiving, at their option, all or part of the Option in cash.

The Purchase Commitment will be in force and may be accepted during the term, within the free allotment rights trading period, determined by the Board of Directors (with specific powers of delegation). For these purposes, Corporación Financiera Alba is authorised to acquire such free allocation rights, up to the maximum limit of the total number of rights issued, and must comply in all cases with the legal limitations applicable from time to time. The purpose of the Purchase Commitment assumed by the Company is limited exclusively to shareholders of Corporación Financiera Alba who have such status at the moment of the allotment of the free allotment rights are and only in relation to the free allotment rights originally assigned to them at that time. The Purchase Commitment may not be exercised in respect of free allotment rights that are acquired on the market or elsewhere.

The purchase price under the Purchase Commitment will be fixed and will be calculated prior to the opening of the trading period for the free allotment rights

in accordance with the following formula (in which the definitions set out in section 3.1 above will apply), rounded to the nearest thousandth of a euro (the "Purchase Price"):

$$\text{Purchase Price} = \text{ListPri} / \text{Num. Rights.}$$

The final Purchase Price so calculated will be made public at the time it is agreed to implement the Capital Increase.

It is expected that Corporación Financiera Alba will waive the new shares corresponding to the free allotment rights acquired by the Company pursuant to the Purchase Commitment. In such case, there will be an incomplete allocation of the Capital Increase, and the share capital will be increased only by the amount corresponding to the free allotment rights in respect of which no waiver has been made.

3.4. Rights of the new shares

The new shares to be issued upon implementation of the Capital Increase will be ordinary shares with a par value of one (1) euro each, of the same class and series as those currently outstanding, represented by book entries, whose accounting records will be attributed to Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) and its participating entities.

The new shares will confer on their holders the same voting and dividend rights as the ordinary shares of Corporación Financiera Alba currently outstanding, as from the date on which the Capital Increase is declared subscribed and paid up. The new shares will be delivered fully paid up and entirely free of charge.

3.5. Balance sheet and reserve against which the Capital Increase is charged

The balance sheet that will serve as the basis for the Capital Increase is that corresponding to 31 December 2022, which has been audited by KPMG Auditores, S.L., and which is submitted for the approval of the Ordinary and Extraordinary General Shareholders' Meeting under item One of its agenda.

The Capital Increase will be fully charged to the reserves account provided for in article 303.1 of the Capital Companies Act, the balance of which at 31 December 2022 amounted to 3,877 million euros.

3.6. Taxation regime

The tax regime applicable in Spain to the shareholders will generally be as follows (without prejudice to any special provisions applicable to non-resident shareholders or those subject to taxation in territories of the Basque Country or the Autonomous Region of Navarre, and any potential future changes in regulations, administrative principles or case law that could affect the applicable tax regime).

(i) Receipt of released shares

- I. Under Spanish Personal Income Tax ("**IRPF**") and Non-Resident Income Tax ("**IRNR**") without a permanent establishment in Spain, the distribution of released shares resulting from the capital increase will be considered, for tax purposes, as the distribution of released shares, and therefore does not constitute income for the shareholders for the purposes of IRPF or IRNR if they do not act through a permanent establishment in Spain, and as a result, the distribution of new shares is not subject to any withholding or interim deposit.

The acquisition value both of the new shares received as a result of the capital increase and of the shares from which they are derived, will be calculated by dividing the total cost by the applicable number of shares, both former shares and those released. The seniority of the released shares will correspond to the shares from which they are derived.

- II. Under Spanish Corporation Tax ("**IS**") and IRNR with a permanent establishment in Spain, to the extent that a complete business cycle is closed, the recipients will determine their taxable income in accordance with the applicable accounting regulations, taking into account the Decision of the ICAC¹, and in particular Article 35.4 on the treatment for stockholders of shareholder remuneration programmes that may be implemented by acquiring new fully released shares, by disposing of the free allotment rights on the market or selling them to the issuing company, application of which is mandatory for financial years beginning from 1 January 2020 onwards and, where applicable, the special regimes for the aforementioned taxes. All the foregoing without prejudice to the rules to determine the tax income under the taxes which, in each case, may be applicable.

With regard to any tax impact which could result from the ICAC Decision, for the purposes of withholdings and interim deposits, in the distribution of released shares or free allotment rights, various Spanish listed companies have submitted binding consultations to the Directorate-General for Taxation², which in its response establishes that no withholding or interim deposit is to be applied by the issuing company in the distribution of fully released shares or free allotment rights in such a context. IS and IRNR taxpayers acting through a permanent establishment in Spain are advised to consult their tax advisers as to the impact of the ICAC Decision, before reaching a decision as to the flexible dividend.

(ii) Sale of free of allotment rights on the market

In the event that the shareholders sell their free allotment rights on the

¹ Decision of 5 March 2019 of the Spanish Institute of Accounting and Accounts Auditing, developing the criteria for the presentation of financial instruments and other accounting aspects connected with the corporate regulations of companies (the "**ICAC Decision**").

² Among others, in binding consultations V1357-20, V1358-20, V2468-20 and V2469-20.

market, the amount obtained in the transfer of such rights will be subject to the tax regime set out below:

- I. Under IRPF and IRNR without a permanent establishment, the amount obtained in the transfer of the free allotment rights on the market will be considered a capital gain for the transferor, all the foregoing without prejudice to the potential application of international agreements to IRNR taxpayers without a permanent establishment, including agreements signed by Spain to avoid double taxation and prevent tax evasion with regard to Income Taxes signed by Spain, to which they might be entitled, and the exemptions established under IRNR regulations. For shareholders that are taxpayers under IRPF, such capital gains will be subject to IRPF withholding tax at the corresponding taxation rate. This withholding will be applied by the corresponding depositary entity and, in default thereof, by the financial intermediary or notary public that witnessed the transfer.
- II. Under IS and IRNR with a permanent establishment in Spain, as a complete business cycle is closed, taxes will be paid in accordance with the applicable accounting regulations (taking into account, where relevant, the ICAC Decision, and in particular the aforementioned Article 35.4, application of which is mandatory for financial years beginning from 1 January 2020 onwards) and, where applicable, the special regime for the aforementioned taxes. All the foregoing without prejudice to the rules to determine the tax income under the taxes which, in each case, may be applicable.

In any event, according to the responses to tax consultations mentioned in paragraph (i) above, no withholding or payments on account is to be applied in this context by the issuing company in the distribution of fully released shares or free allotment rights, or in the sale of free allotment rights on the market. IS and IRNR taxpayers acting through a permanent establishment in Spain are advised to consult their tax advisers as to the impact of the ICAC Decision, before reaching a decision as to the flexible dividend.

(iii) Sale of free allotment rights under the Purchase Commitment

In the event that the holders of the free allotment rights decide to avail themselves of the Purchase Commitment, the tax regime applicable to the amount obtained in the transfer of the free allotment rights to the Company, or to the corresponding entity of its Group, will be equivalent to the regime applicable to dividends distributed directly in cash, and will therefore be subject to the corresponding withholding and taxation.

It must be borne in mind that this summary does not make explicit all possible tax consequences of the different options related to the execution of the flexible dividend resolution. In particular, no details are given of the consequences that may arise in their countries of residence for those shareholders that are not resident in Spain for tax purposes. It is therefore recommended that shareholders consult with their tax advisors regarding the specific tax impact of the proposed remuneration system, taking into account the individual circumstances of each shareholder or holder of free allotment rights, and to pay attention to any changes that may occur, both in the legislation in force as of the date of this report, and its interpretation criteria.

3.7. Delegation of powers and implementation of the Capital Increase

It is proposed to delegate to the Board of Directors, with express powers of delegation, the power to set the date on which the Capital Increase resolution to be adopted by the shareholders at the General Shareholders' Meeting is to be carried into effect, as well as to set the terms and conditions of the Capital Increase in all matters not provided for by the shareholders at the General Shareholders' Meeting, all on the terms and within the period of one year provided for in article 297.1.a) of the Capital Companies Act. Notwithstanding the foregoing, if the Board of Directors (with express powers of delegation) does not consider it advisable to implement the Capital Increase by means of which the Option is instrumented within the period indicated, it may submit to the General Meeting of shareholders of Corporación Financiera Alba the possibility of partially revoking it, in which case it shall not be obliged to implement it.

On the date on which the Board of Directors or the body to which it delegates decides to execute the Option, putting the Capital Increase into effect and setting all its definitive terms for that purpose, as far as not provided for by the General Shareholders Meeting, the Company will make such terms public. In particular, prior to the commencement of the free allotment period, the Company will make available to the public a document containing information on the number and nature of the shares and the reasons for the implementation of the Capital Increase, all in accordance with the provisions of article 1.5.g) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC.

After the end of the trading period of the free allotment rights:

- (a) The new shares will be allotted to those who, in accordance with the accounting records of IBERCLEAR and its participating entities, are holders of free allotment rights in the necessary proportion.
- (b) The trading period for the free allotment rights will be declared closed and the application of the voluntary reserves account in the amount of the Capital Increase that has been agreed to be implemented will be formalised in the accounting records, and that part will be paid up with such application.

Finally, the Board of Directors (with express powers of delegation) will adopt the corresponding resolutions to amend the Articles of Association to reflect the new share capital resulting from the implementation of the Capital Increase and to apply for admission to trading of the new shares on the Madrid, Barcelona and Bilbao Stock Exchanges.

3.8. Admission to trading of the new shares

Corporación Financiera Alba will apply for admission to trading of the new shares issued as a result of the implementation of the Capital Increase on the Madrid, Barcelona and Bilbao Stock Exchanges, through the Exchange Interconnection System (Continuous Market), and will carry out the procedures and actions necessary for the admission to trading of the new shares issued.

4.- PROPOSED RESOLUTION TO BE SUBMITTED TO THE GENERAL SHAREHOLDERS' MEETING

The full text of the proposed Capital Increase to be submitted to the Ordinary General Shareholders' Meeting under item Five of the agenda is as follows:

Capital increase against reserves by issuing new ordinary shares of the same class and series as those currently in circulation (to implement a "flexible dividend").

1.- Share capital increase charged to reserves

It is agreed to increase the share capital by the amount resulting from multiplying (a) the par value of one (1) euro per share of Corporación Financiera Alba, S.A. ("ALBA" or the "Company") by (b) the number of new ALBA shares resulting from the calculation of the formula in section 2 below (the "New Shares"). The total market value set as a reference for the New Shares must not exceed a maximum total of 58,060,270.52 euros (the "Capital Increase").

The Capital Increase is performed through the issuance and release of the New Shares, which will be ordinary shares at par value of one (1) euro each, being of the same class and series as those currently in circulation, represented by book entries.

The Capital Increase is entirely charged to the reserve account indicated in Article 303.1 of the Companies Act, recorded on the balance sheet of the Company under the account "voluntary reserves", which amounts to 3,877 million euros as of 31 December 2022.

The New Shares are issued at par value of one (1) euro, with no share premium, and will be allotted free of charge to shareholders.

The Capital Increase may be executed by the Board of Directors (with specific powers of the delegation) within the following year since this resolution is passed, in accordance with the provisions of sections 9 and 10 below, on one specific

date and at its sole discretion, without the need once again to refer the matter to this General Shareholders' Meeting.

In accordance with Article 311 of the Companies Act, a provision is made for a potential not fully assigned Capital Increase.

2.- New Shares to be issued

The number of New Shares to be issued will be the result of application of the following formula, rounded down to the nearer integer:

$$\text{NNS} = \text{TNSha} / \text{Num. Rights}$$

where,

$$\text{NNS} = \text{Number of New Shares to be issued};$$

TNSha = Number of ALBA shares in circulation on the date when the Capital Increased is passed; and

Num. rights = Number of free allotment rights required for the allotment of a New Share, which will be the result of from the following formula, rounded up to the nearer integer:

$$\text{Num. rights} = \text{TNSHa} / \text{Provisional num. shares}$$

where,

$$\text{Provisional num. shares} = \text{Amount of Option Executed} / \text{PrePrice.}$$

For these purposes:

"Amount of Option Executed ": is the total market value set as a reference for Capital Increase by the Board of Directors (with specific powers of delegation) and will be a maximum of 58,060,270.52 euros (this figure resulting from multiplying 0.98 euro by the current number of shares in circulation, i.e. 59,245,174 shares).

"ListPri" or **"Listing price"**: the arithmetic mean of the weighted average prices of the Company shares on Spanish Stock Markets during the 5 stock market sessions prior to the date of execution of the Capital Increase, rounded to the nearest thousandth, and in the case of a half thousandth, rounded upwards.

3.- Free allotment rights

Each Company share in circulation will grant the holder one free allotment right. The number of free allotment rights required to receive a New Share will be automatically determined in accordance with the existing proportion between the number of New Shares and the number of shares in circulation (NTSha). Specifically, shareholders will be entitled to receive one New Share for every so

many free allotment rights held by them, as determined in accordance with the provisions of section 2 above (Num. rights).

If the number of free allotment rights required for the allotment of a share (Num. rights) multiplied by the New Shares (NNS) would result in a number less than the number of shares in circulation (NTSha), any of its key shareholders or one of the members of the Board of Directors of Alba will waive a number of free allotment rights equal to the difference between both figures, for the sole purpose of making the number of New Shares an integer and not a fraction.

The free allotment rights will be assigned to those ALBA shareholders legitimately entitled as such in the book entry records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) at 23:59 hours on the date of publication of the announcement of execution of the Capital Increase in the Official Gazette of the Commercial Register (*Boletín Oficial del Registro Mercantil*). During the period of negotiation of the free allotment rights, sufficient free allotment rights may be acquired on the market to the necessary proportion in order to subscribe New Shares. The free allotment rights may be traded on the market for the duration established by the Board of Directors (with specific powers of delegation), this period being at least fourteen calendar days from publication of the announcement of execution of the Capital Increase.

At the end of the negotiation period for the free allotment rights, the New Shares that have not been assigned will be held in deposit and available for anyone who can certify their lawful entitlement to the corresponding free allotment. After three years have elapsed since the end of said negotiation period for the free allotment rights, the New Shares that are still pending allotment may be sold at the expense and risk of any interested party, in accordance with article 117 of the Law on Capital Companies. The capital value of the aforementioned sale will be made available to those concerned in such a way as established by applicable legislation.

4.- Irrevocable commitment to acquire free allotment rights

Following on from the execution of the Capital Increase, the Company, or any company of its Group as decided, with its guarantee, will take on an irrevocable commitment to purchase free allotment rights at the price indicated below (the "**Purchase Commitment**"). The Purchase Commitment will remain effective and may be accepted within the period decided by the Board of Directors (with specific powers of delegation). Said period shall be established within the rights trading period. It is resolved for this purpose to authorise the Company, or the corresponding company within the Group, to acquire such free allotment rights (and the corresponding shares), up to the maximum limit of all rights issued, subject to the compliance of legal requirements required in all cases.

The object of the Purchase Commitment given by the Company is confined solely to those ALBA shareholders that have such status at the moment of the allotment of the free allotment rights, and solely with regard to the free allotment rights originally assigned at that moment. The acquisition commitment may not be

exercised with regard to any free allotment rights acquired on the market or elsewhere.

The acquisition by ALBA of free allotment rights as a consequence of the Purchase Commitment will be performed by being charged to the freely available reserve account designated as "voluntary reserves". The "**Purchase Price**" for each free allotment right will be the amount resulting from the following formula, rounded to the nearest thousandth of a euro, and rounded up in the case of a half thousandth of a euro:

$$\text{Purchase Price} = \text{ListPri} / \text{Num. Rights}$$

It is intended that the Company waive the free allotment rights acquired in the application of the Purchase Commitment, increasing the share capital solely by the amount corresponding to the free allotment rights that have not been waived.

5.- Balance sheet for the operation and reserve to which the increase is charged

The balance sheet serving as the basis for the transaction corresponds to the 31 December 2022, duly audited and approved by this Shareholders' Meeting.

As indicated, the Capital Increase will be performed in full by being charged to the reserve account as indicated in Article 303.1 of the Companies Act, which amounts a total of 3,877 million euros as of 31 December 2022.

6.- Representation of the New Shares

The shares to be issued will be represented by book entries, the accounting records being attributed to Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and its participating entities.

7.- Rights of the New Shares

The New Shares will vest their holders with the same voting and economic rights as the ordinary ALBA shares currently in circulation from the date when the Capital Increase is declared to be subscribed and paid up.

8.- Request for admission for trading

It is agreed to request that the New Shares issued by virtue of this share capital increase resolution be admitted for trading on the Madrid, Barcelona and Bilbao Stock Exchanges or through the Stock Exchange Interconnection System (Continuous Market), and that any necessary procedures and actions be performed, and any necessary documents be presented to the competent bodies, in order for the New Shares issued as a consequence of the agreed Capital Increase to be admitted for trading, it being explicitly placed on record that ALBA is bound by any standards that might exist or might be issued with

regard to Stock Markets, and in particular contracting, permanence and exclusion from official listing.

9.- Execution of the Capital Increase

Within a period of one year from the date of this resolution, the Board of Directors (with specific powers of delegation) may indicate the date when this Capital Increase is to be executed, and establish the conditions not provided in this resolution. Notwithstanding the above, if the Board of Directors (with specific powers of delegation) does not deem it appropriate to execute the Capital Increase, it may decide not to do so, reporting the next General Shareholders' Meeting. In particular, the Board of Directors will analyse and take into account the market environment, the circumstances of the Company itself, or any particular social or economic circumstance or event affecting the Company, and should any of such elements in its judgment may make the Capital Increase inadvisable to execute, they may refrain from doing so. The Capital Increase will likewise be deemed null and void if, within the period of one year indicated by the General Shareholders' Meeting for the execution, the Board of Directors does not exercise the delegated powers.

Upon conclusion of the period for the trading of free allotment rights:

- (i) The New Shares will be allotted to those recorded in the book entry records of Iberclear and its participating entities as the holders of free allotment rights, in accordance with the proportion indicated in subsection 3 above.
- (ii) The Board of Directors (with specific powers of delegation) will declare the period for the trading of free allotment rights to be closed, and will record the use of an amount of reserves equal to the Capital Increase, whereupon the increase will be fully paid up.

Likewise, following conclusion of the period for the trading of free allotment rights, the Board of Directors (with specific powers of delegation) will pass the corresponding resolutions to modify the Bylaws in order to reflect the new amount of the share capital and the number of New Shares resulting from the Capital Increase, and the request for the new shares to be listed for trading on Spanish Stock Exchanges.

10.- Delegation for execution

It is agreed to delegate to the Board of Directors, in accordance with the provisions of Article 297.1(a) of the Companies Act, the power to indicate the date when this Capital Increase is to be executed, and to set the conditions not established in this resolution. In particular, purely by way of example, the Board of Directors is delegated the following powers, with specific powers of delegation:

- (i) Indicate the date when the resolution herein passed to increase the share capital should be performed, in all cases within a period of one year from approval.
- (ii) Establish the precise amount of the Capital Increase, the number of New

Shares, the Amount of the Option Executed and the free allotment rights required for the allotment of New Shares, applying for this purpose the rules established by this General Meeting, with entitlement, where applicable, to waive (on one or more occasions) free allotment rights to subscribe New Shares, for the sole purpose of making the number of New Shares an integer rather than a fraction.

- (iii) Designate the company or companies that are to take on the functions of agent entity and/or financial adviser with regard to the Capital Increase, and to this end sign any contracts and documents that might be necessary.
- (iv) Establish the duration of the period for the trading of free allotment rights.
- (v) Establish the period during which the Purchase Commitment will apply, and fulfil the Purchase Commitment by paying the corresponding amounts to those who have accepted said commitment.
- (vi) Declare the Capital Increase to be finalised and executed.
- (vii) Rewrite Article 5 of the ALBA Bylaws with regard to share capital, in order to adapt it to the result of execution of the Capital Increase.
- (viii) Waive the New Shares corresponding to any free allotment rights held by the Company upon conclusion of the period for the trading of said rights.
- (ix) Perform all procedures required for the New Shares resulting from the Capital Increase to be entered in the accounting records of Iberclear and listed for trading on Spanish Stock Exchanges.
- (x) Perform all actions that might be necessary or desirable to execute and formalise the Capital Increase before any public or private Spanish or foreign entities or bodies, including acts of declaration, supplementation or rectification of any defects or omissions that might prevent or hamper the full effectiveness of the above resolutions.

The Board of Directors is explicitly authorised in order that it might delegate the powers referred to in this resolution.

II. REPORT OF THE BOARD OF DIRECTORS IN RELATION TO THE RESOLUTION TO AUTHORISE THE COMPANY TO ACQUIRE ITS OWN SHARES AND, IF APPROPRIATE, TO REDUCE THE SHARE CAPITAL, WHICH IS SUBMITTED AS ITEM TEN ON THE AGENDA TO THE ORDINARY AND EXTRAORDINARY GENERAL MEETING CALLED FOR 19 AND 20 JUNE 2023.

In relation to item 5 on the Agenda of the Ordinary and Extraordinary General Meeting called for 19 and 20 June 2023, and in compliance with the provisions of article 286 of the Capital Companies Act, the Board of Directors hereby states the following:

Articles 146 et seq. of the Capital Companies Act allow Spanish public limited companies to hold shares issued by the company itself, either directly or through subsidiaries, provided they comply with the requirements established therein.

Once the derivative acquisition of own shares has been carried out, several mechanisms can be used to reduce or eliminate such own shares. In particular, it can be decided to redeem the acquired shares or to sell the treasury shares on

the market. However, the decision to use one or the other procedure has to take account of market conditions, which may at a given moment be unfavourable to direct disposal on the market.

In view of the impossibility of establishing in advance the appropriateness of using a certain procedure, and given the lack of elements of judgement that would allow a decision to be taken at this stage concerning the method that will, in due course, be most suitable, it is considered appropriate to delegate to the Board of Directors the power to assess and decide these questions when they arise.

In the event of the redemption of treasury shares, this would require the adoption of a resolution by the General Meeting to reduce the share capital. However, since the appropriateness and timeliness of this operation will depend on changing circumstances influencing the stock market (the socio-economic context, the financial situation and the objectives and policies of the company itself), and it is therefore not possible to determine the specific conditions at this stage, the resolution to reduce capital must be conceived with broad criteria, delegating to the Board of Directors a series of powers in order to make this possible, including the determination of the amount of the reduction and whether it is to be allocated to the restricted reserve provided for in Article 335. c) of the Capital Companies Act, or to a freely distributable reserve, in which case the legal requirements must be met to guarantee creditors.

Finally, it should be noted that this resolution is intended to provide the company with a suitable instrument to operate in national and international financial markets on equal terms with other entities operating in those markets.

Consequently, the following resolution is submitted for the approval of the General Meeting:

1. For the purposes of Article 146 of the Capital Companies Act, authorise derivative acquisition of shares in the Company by sale and purchase and subject to the terms required by the provisions applicable in this case, up to the maximum limit permitted by Law in each moment. The authorisation extends to any acquisitions conducted within the stated limit by subsidiary companies of Corporación Financiera Alba, S.A., and application of shares acquired by virtue of this authorisation and authorisations prior to execution of the Plans for the Remuneration of Executive Directors, Executive Managers and Employees, comprising the handover of shares, even as alternative remuneration to monetary remuneration, or otherwise share options.
2. The acquisition price will be that corresponding to the Stock Market price on the date when it is performed or, where applicable, authorised by the stock market body.
3. This authorisation will remain in place for five years from the date when this resolution is passed.

4. Reduce the share capital for the amortisation of any treasury shares that the Company might hold on its Balance Sheet, charged to the amount of share capital for the par value of the shares amortised, and charged to profits or available reserves with regard to the remainder up to the amount paid for the acquisition thereof, for the amount that would be desirable or necessary at this time, and up to a maximum of the treasury shares in existence at this moment.
5. Delegate to the Board Directors the execution of the above capital reduction resolution, said body being entitled to perform this on one or more occasions within a maximum period of eighteen months from the date when this General Meeting is held, performing all procedures, administrative acts and authorisations that might be required or imposed by the Capital Companies Act and other applicable provisions, specifically being delegated powers, within the deadline and limits indicated for the execution thereof, to establish the date or dates of the specific capital reduction or reductions, the suitability and desirability thereof, taking into account market conditions, the share price, the economic and financial situation of the Company, its cash flow, reserves and the evolution of the enterprise, and any other aspect that might influence this decision; specify the amount of the capital reduction; establish the allocation of the amount of the reduction, either to an unavailable reserve, or otherwise to freely available reserves, with the relevant guarantees being provided, and the legally imposed requirements fulfilled; adapt Article 5 of the Corporate Bylaws to reflect the new amount of share capital; request delisting of the amortised securities, and in general pass any resolutions that might be required for the purposes of said amortisation and the corresponding capital reduction, appointing those persons entitled to act in the formalisation thereof.
6. Repeal the authorisation granted by the General Shareholders' Meeting held on 20 June 2022 for the acquisition of treasury stock within the limits and requirements established in the Capital Companies Act, and, where applicable, to reduce the share capital.

Madrid, 8 May 2023