REPORT FROM THE BOARD OF DIRECTORS OF CORPORACIÓN FINANCIERA ALBA, S.A. REGARDING THE PROPOSED SHARE CAPITAL REDUCTION THROUGH A REDEMPTION OF SHARES CONTAINED IN THE FIRST ITEM OF THE AGENDA OF THE EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING

1. PURPOSE OF THE REPORT

For the purposes of the provisions of Article 286 of the Spanish Companies Act (the "**LSC**"), the Board of Directors of Corporación Financiera Alba, S.A. ("**Alba**" or the "**Company**") is issuing this report in order to explain and justify the proposed resolution contained in item 1 of the agenda of the Extraordinary General Shareholders' Meeting, scheduled for 15 September 2025 at first call, and in the event the necessary quorum is not met, for 16 September 2025, at second call, for the reduction of the share capital through a redemption of shares with the return of contributions to shareholders and consequent amendment of Article 5 of the Articles of Association (the '**Report**').

2. APPLICABLE LAW

This Report is issued in compliance with the provisions of Article 286 of the Spanish Companies Act, according to which the directors of a public limited company (*sociedad anónima*) must draft the full text of the proposed amendment of the Articles of Association, as well as a written report justifying it.

3. JUSTIFICATION OF THE PROPOSAL

As is well known, the Company, together with Mr Carlos March Delgado and Son Daviú, S.L.U., a company wholly controlled by the latter, launched a delisting takeover bid for the shares of ALBA on the Madrid, Barcelona and Bilbao Securities Markets (the "**Takeover Bid**"). The Takeover Bid was effectively directed at 4.81% of the share capital (since shareholders holding 95.19% of the share capital froze their shares and undertook not to accept it) and was accepted by shareholders holding 4.14% of the share capital of the Company. Consequently, as of the date of this Report, there are minority shareholders with a total of 346,763 shares of the Company, representing 0.57% of its share capital.

Also, as a result of the Takeover Bid and the consequent delisting of ALBA shares from the Madrid, Barcelona and Bilbao Securities Markets, effective as of 8 May 2025, as stated in the announcements of the Governing Bodies (*Sociedades Rectoras*) of said Securities Markets in the Trading Bulletins (*Boletines de Cotización*) of 7 May 2025, the Company has ceased to be a listed company and, consequently, its shares have ceased to be traded on the aforementioned Securities Markets, meaning that the current shareholders have seen a reduction in the liquidity of their shares and the possibilities for divestment.

In this sense, it should be noted that, since the effectiveness of the aforementioned delisting, many minority shareholders have contacted the Company in order to find an alternative that allows them to make their shares liquid.

Given this situation, it is considered appropriate to offer a solution that guarantees equal treatment of both the shareholders of the Company who participated in the Takeover Bid and those who did not, as well as of the minority shareholders who remain in the Company. According to standard practice in this type of situation, in which one or more shareholders obtains a stake of close to 100% through a takeover bid and there is a delisting, the Board of Directors considers it appropriate to propose to shareholders the approval of a resolution to reduce the share capital through a redemption of shares with the return of contributions to shareholders who hold a number of shares equal to or less than 26,000 at a price of 83.24 euros gross per share.

The following has been taken into account in determining this price:

(i) The price of the delisting Takeover Bid approved by the CNMV, resulting from the valuation report on the Company prepared by Grant Thornton Advisory, S.L.P., that is, 84.20 euros per share.

(ii) The dividend paid out of reserves by the Company on 26 June 2025, pursuant to the resolution of the General Shareholders' Meeting held on the 16 June 2025, for a gross amount of 0.96 euros per share.

This amount of 83.24 euros per share is equivalent to the Takeover Bid price – 84.20 euros per share – less the gross amount paid by the Company as a dividend in 2025 – 0.96 euros per share.

For the calculation of the shares held by each shareholder for the purposes of the redemption, the reference date shall be taken as the fifth day preceding the date set for the General Meeting at which the said capital reduction resolution is adopted, in order to ensure that shareholders entitled to participate in the General Meeting and the corresponding separate vote, are those who may be affected by the capital reduction.

Likewise, the proposed resolution to reduce the share capital has a clear objective justification from a corporate interest perspective, understood as the interests of the Company. The Board of Directors considers the simplification of procedures and formalities as positive elements for the Company, as well as the elimination or reduction of costs involved in the existence of a high plurality and diversity of shareholders, in particular, the costs of having to maintain the infrastructure for holding General Meetings and the deadlines for convening and others that may be necessary depending on the nature of the resolution in question. This simplification and cost reduction will, moreover, result in greater organisational and financial efficiency for the group of companies of which ALBA is a part, while helping to ensure greater homogeneity and shared interests within the shareholder body.

The reduction resolution must be voted on and approved, as the case may be, first by all shareholders of the Company participating in the Extraordinary General Shareholders' Meeting of the Company, provided that the quorum and majority requirements necessary for the approval of the resolution are met, depending on whether the resolution is put to the vote at first call (quorum of 50% of registered share capital with voting rights attending the meeting and an absolute majority of the votes of the shareholders present or represented at the General Meeting) or at second call (quorum of 25% of registered share capital with voting rights attending the meeting and a two-thirds majority of the shareholders present or represented at the General Meeting).

In addition, the share capital reduction resolution must also be voted on and approved, in application of the provisions of Articles 293 and 329 of the Spanish Companies Act, by means of separate votes of the shareholders affected, including those whose shares are to be redeemed and those not affected (i.e. shareholders who hold more than 26,000 shares of the Company). In both cases, the general quorum and majority requirements for resolutions amending Articles of Association will apply, although in relation to the specific percentage of capital taking part in each vote.

If the aforementioned capital reduction resolution is approved with the double majority requirement, with the mandatory quorum and majority requirements being met in each case, the return of the monetary contributions to the shareholders of the Company, depending on the applicable amount in each case, in accordance with the price per share indicated, will be paid by bank transfer, following the rules of operation of IBERCLEAR, within a maximum period of thirty (30) business days from the publication of the last of the notices envisaged in Article 319 of the Spanish Companies Act.

4. JUSTIFICATION OF THE AMENDMENT OF ARTICLE 5 OF THE ARTICLES OF ASSOCIATION

For the appropriate legal purposes, it is noted that the proposed amendment of Article 5 of the Company's Articles of Association is justified by the need to adapt the text to the new share capital amount of the Company, resulting from the approval of the share capital reduction, as the case may be.

5. FULL TEXT OF THE PROPOSAL TO REDUCE SHARE CAPITAL

Reduction of the share capital through a redemption of shares with the return of contributions to shareholders and consequent amendment of Article 5 of the Articles of Association.

<u>Reduction of share capital through a redemption of shares with the return of contributions</u>

To reduce the capital of the Company, which currently amounts to sixty million, three hundred and five thousand, one hundred and eighty-six euros (€60,305,186), by the amount of three hundred and forty-six thousand, seven hundred and sixty-three euros (€346,763), through the redemption and cancellation of three hundred and forty-six thousand seven hundred and sixty-three shares, each with a face value of one euro (€1), to the new figure of fifty-nine million, nine hundred fifty-eight *thousand, four hundred and twenty-three euros (€59,958,423).*

The redemption affects the shares belonging to shareholders of the Company who own less than 26,000 shares, taking as the reference date the fifth day preceding the one indicated for this Meeting.

It is noted that the capital reduction is intended to return the value of the contributions to the shareholders holding the shares subject to redemption and cancellation, at a share price of 83.24 euros. Consequently, the total sum to be paid by the Company to the aforementioned shareholders is twenty-eight million, eight hundred sixty-four thousand, five hundred and fifty-two euros and twelve cents (€28,864,552.12).

*Likewise, to designate Banco Santander, S.A. as agent entity (the "**Agent Bank**").*

Payment will be made through entities affiliated with Sociedad de Gestión de los Sistemas de Registro Compensación y Liquidación de Valores S.A. (Sociedad Unipersonal) (IBERCLEAR), within a maximum period of 30 business days from the publication of the last of the notices envisaged in Article 319 of the Spanish Companies Act. If for any reason it is not possible to follow this general payment procedure with regard to certain shares, the redemption value will be available to the shareholders of the Company (for the legally required period) at the offices of the Agent Bank, for payment against proof of ownership of the redeemed shares.

In the event that any of the shares to be redeemed are frozen, pledged, subject to usufruct or any other charges or encumbrances, the corresponding amount will be paid to the person entitled to receive the redemption value of those shares.

In accordance with Article 335(c) of the Spanish Companies Act, to allocate a reserve from unrestricted reserves (reservas libres) for the face value of the shares to be redeemed (i.e., €346,763), which will only be drawn on when the same requirements as those stipulated for the share capital reduction are met.

As such, in accordance with that Article, the creditors of the Company will not have the right of opposition envisaged in Article 334 of the Spanish Companies Act in relation to this resolution.

Finally, so that the shareholders receive the same amount per share as the amount offered in the delisting Takeover Bid process, less the dividends paid by the Company in the period between the settlement of the Takeover Bid and the date of the reduction, and there is no difference in treatment, the Company will additionally pay shareholders an amount equivalent to the Transfer Tax and Stamp Duty (Transmisiones Patrimoniales y Actos Jurídicos Documentados) quota (levied on Corporate Transactions (Operaciones Societarias), at a rate of 1%) which the shareholder is obliged to self-assess and pay as taxable person.

<u>*Amendment of Article 5 of the Articles of Association*</u>

Taking into account all the above, to amend Article 5 of the Company's Articles of Association, which will henceforth read as follows:

> *"**Article 5.-** The share capital, without prejudice to any successive increases or reductions that may be agreed, totals FIFTY-NINE MILLION, NINE HUNDRED AND FIFTY-EIGHT THOUSAND, FOUR HUNDRED AND TWENTY-THREE*

EUROS (59,958,423 euros), represented by FIFTY-NINE MILLION, NINE HUNDRED AND FIFTY-EIGHT THOUSAND, FOUR HUNDRED AND TWENTY-THREE (59,958,423) shares, each with a face value of ONE euro, represented by book entries and all belonging to the same class."

Separate resolution

For the purposes envisaged in Articles 293 and 329 of the Spanish Companies Act, it is stated that both the shareholders affected by this share capital reduction resolution and those not affected by it must vote and, as the case may be, adopt this resolution separately for its full effectiveness.

Authorisation for the execution of the resolutions adopted at the General Meeting

To authorise the Board of Directors as fully as is necessary in law, without any kind of limitation, so that, interpreting the resolutions of this Extraordinary General Shareholders' Meeting, it adopts as many resolutions or decisions as it considers necessary or appropriate for the implementation of the above resolutions and/or execution thereof, all with the greatest extent, including the power to modify and adjust the amount of the share capital reduction according to the number of shareholders ultimately affected by the redemption of their shares, and to amend the resolutions adopted, in specific non-substantive aspects, to adapt them to the decision of the Commercial Registry, empowering to this end the Directors Mr Carlos March Delgado, Mr Juan March de la Lastra, Mr Juan March Juan and the secretary Mr José Ramon del Caño Palop, so that any of them can sign as many public and/or private documents as he deems necessary, or in his opinion appropriate, to record the resolutions of this General Meeting and, at the time in each case, in accordance with the provisions of each resolution, in accordance with the powers granted for its execution and implementation, proceed with the correction of the deeds and performance of the acts that he deems necessary or appropriate until its registration in the Commercial Registry.

In view of the foregoing, the Board of Directors of the Company endorses this Report regarding the proposed share capital reduction through a redemption of shares with the return of contributions to shareholders and consequent amendment of Article 5 of the Articles of Association.

In witness whereof, the Board of Directors of the Company issues this Report in Madrid, on 21 July 2025.