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REPORT BY BOARD OF DIRECTORS OF VISCOFAN S.A. ON ITEM ELEVEN OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING REGARDING THE AUTHORISATION TO THE BOARD OF DIRECTORS FOR THE DERIVATIVE ACQUISITION OF TREASURY SHARES AND, WHERE APPROPRIATE, REDUCTION OF THE SHARE CAPITAL FOR THE REDEMPTION OF SUCH SHARES AND THE CONSEQUENT AMENDMENT OF ARTICLE 5 OF THE ARTICLES OF ASSOCIATION

1.- PURPOSE OF THIS REPORT

This report is issued by the Board of Directors of Viscofan S.A. (the "Company") to explain the proposed resolution, as item eleven on the agenda, for delegation to the Board of Directors of the authority to the derivative acquisition of treasury shares of the Company, either directly or through Companies of the Viscofan Group, in accordance with articles 146, 509 and related provisions of the Corporate Enterprises Act and, where appropriate, reduce the share capital to redeem own shares and consequent modification of article 5 of the Articles of Association. The purpose of the resolution is to renew the authorisation granted by resolution of the General Shareholders' Meeting of 25 May 2018 for a period of five years, which therefore expires on 25 May 2023.

2.- EXPLANATION OF THE PROPOSAL

The system for the derivative acquisition of treasury shares is regulated under articles 144 to 148 and 509 of the Corporate Enterprises Act. Under this system, the derivative acquisition of treasury shares, except in unrestricted acquisitions regulated under article 144 of the Corporate Enterprises Act, must be authorised by the General Shareholders' Meeting in a resolution with the content set out in article 146.1(a) of the Corporate Enterprises Act, where such authorisation may not exceed five years. Since Viscofan, S.A. shares are listed on an official secondary market, the par value of the shares acquired plus those already held, directly or indirectly, may not exceed 10% of the share capital, under article 509 of the Corporate Enterprises Act.

It should also be noted that the acquisition and disposal of treasury shares by Viscofan S.A. is strictly regulated under stock exchange regulations in order to avoid any distortion in the correct formation of market prices.

With respect to the purposes of the treasury shares, it is expressly noted that the treasury shares acquired as a result of this authorisation, as well as those previously acquired by virtue of the previous authorisation granted on 25 May 2018, may be used either for disposal or redemption, or application of the remuneration systems referred to in the third paragraph article 146(a) of the Corporate Enterprises Act and especially be used, in whole or in part, for delivery to the beneficiaries of any remuneration plan(s) for directors, managers and employees of the Company.

In relation to this last provision, it should be noted that the long-term incentive plan for the period 2022-2024 approved by the General Shareholders' Meeting on 29 April 2022, as well as the Directors' Remuneration Policy itself, provide for the possibility of delivering shares in the Company itself to directors, executives and other employees of the Viscofan Group as a mechanism for rewarding and retaining talent tied to the achievement of strategic and long-term objectives for the benefit of the Company's interests.

In addition, following the derivative acquisition of the treasury shares, there are various mechanisms established by law to reduce or eliminate the company's treasury shares that have been acquired. The shares may be redeemed or sold on the market. In the case of a company with shares admitted to trading on a secondary market, it is not possible to determine a priori the suitability of the procedure which, in the interests of the company, should be used for the abovementioned purpose of reducing or eliminating the treasury shares acquired. For this reason, it has been deemed appropriate, as is customary, for the Company's Board of Directors to make an assessment of the circumstances prevailing at any given time and then decide on the most suitable system. In the event that it is decided to redeem the treasury shares acquired, this will result in the need to adopt a resolution to reduce the share capital and it is therefore also proposed that the General Shareholders' Meeting adopt a resolution to reduce the share capital and delegate to the Board of Directors the necessary authority for its implementation, including the determination of the amount of the capital reduction and whether this amount is to be allocated either to a restricted reserve or to an unrestricted reserve and, lastly, amend the corresponding article of the Articles of Association, naturally in compliance with the requirements established by law to provide assurance to creditors.

3.- THE ENTIRE WORDING OF THE PROPOSED RESOLUTION THAT WILL BE SUBMITTED TO THE GENERAL SHAREHOLDERS' MEETING

Eleven. - Authorization in favour of the Board of Directors for a derivative acquisition of Company shares, either directly or through Companies of the Viscofan Group, in accordance with articles 146, 509 and related provisions of the Corporate Enterprises Act and, where appropriate, reduce the share capital to redeem own shares and consequent modification of article 5 of the Articles of Association. Delegation of necessary powers to the Board of Directors so it can implement resolutions.

To authorise the Board of Directors, with general powers of substitution, in accordance with the provisions of articles 146 and 509 of the Corporate Enterprises Act, for the derivative acquisition of treasury shares of the Company under the following conditions:

- (a) Acquisitions may be made directly by the Company or by any of its subsidiaries under the same terms as this resolution.*
- (b) Acquisitions will be made in one or more times through purchase, exchange or any other transactions permitted by law.*
- (c) Acquisitions may be made at any time up to the maximum amount allowed by law.*
- (d) Acquisitions may not be made at a price lower than the share's par value*

and 15% higher than the listed price of the share in the Spanish Stock Exchange Interconnection System at the time the acquisition order is entered.

- (e) The authorisation is granted for a period of five years from the date this resolution is passed.*
- (f) As a result of the acquisition of shares, including those that the Company or the person acting in its own name but on behalf of the Company had previously acquired and had in its portfolio, the resulting equity may not be reduced below the amount of the share capital plus reserves that are legally or statutorily restricted, in accordance with the provisions of article 146.1(b) of the Corporate Enterprises Act.*

It is expressly resolved that the treasury shares acquired as a result of this authorization, as well as those previously acquired by virtue of the previous authorisation granted on 25 May 2018, may be used either for disposal or redemption, or application of the remuneration systems referred to in the third paragraph article 146(a) of the Corporate Enterprises Act and especially be used, in whole or in part, for delivery to the beneficiaries of any remuneration plan(s) for directors, managers and employees of the Company that, as the case may be, are approved.

Likewise, in order to be able to redeem any treasury shares of Viscofan S.A. held on its balance sheet, charged to profits or unrestricted reserves and for the amount that is convenient or necessary at any given time, reduce the share capital to the maximum of treasury shares at any given time, it delegates to the Board of Directors the execution of the previous capital reduction resolution. The Board may carry out such execution one or more times within a maximum period of five years, from the date of this resolution and carry out all processes, procedures and authorisations that are necessary or required by the Corporate Enterprises Act and any other provisions that are applicable. In particular, authority is delegated to the Board so that, within the period and limits indicated for such execution, it may fix the date(s) of the specific capital reduction or reductions, its timing and opportuneness, taking account of market conditions, price, the economic and financial position of the Company, its cash, reserves and performance and any other aspect that might influence such decision; specify the amount of the capital reduction; determine whether the reduction is made either from a restricted reserve, or from unrestricted reserves and provide, where appropriate, any guarantees and fulfil any legally prerequisites; adapt Article 5 of the Articles of Association to the new share capital amount; apply for the delisting of the redeemed securities and, in general, pass any resolutions necessary, for the purposes of such redemption and consequent reduction of capital and designate the persons who can intervene in such formalisation.

This resolution revokes and nullifies, in the amount not used, the authorisation granted at the General Shareholders' Meeting held on 25 May 2018 in its fifth item on the agenda.