(This is a free translation of the original document in Spanish. In the event of any discrepancy between this translation and the original Spanish document, the original Spanish version will prevail.)

REPORT BY THE BOARD OF DIRECTORS OF VISCOFAN S.A. IN RELATION TO THE PROPOSAL FOR AUTHORISATION FOR THE REDUCTION OF SHARE CAPITAL THROUGH THE REDEMPTION OF TREASURY SHARES INCLUDED IN ITEM EIGHT OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING

1. Purpose of the report

This report is issued by the Board of Directors of Viscofan S.A. (the "**Company**") in accordance with the provisions of Articles 286 and 318 of the recast text of the Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010, of 2 July (the "**Corporate Enterprises Act**") to justify the proposed authorisation for the reduction of share capital through the redemption of treasury shares (the "**Capital Reduction**") which is submitted to the approval of the General Shareholders' Meeting scheduled for 17 April 2024, Wednesday, on first call, and 18 April 2024, Thursday, on second call, under item Eight of the agenda.

Under the aforementioned articles of the Corporate Enterprises Act, to the extent that the Capital Reduction entails the modification of the article of the Articles of Association that sets the share capital, the Board of Directors drafts this report that includes the purpose and justification of the proposal that is submitted to the General Shareholders' Meeting.

2. Purpose and justification of the proposal

The Board of Directors has agreed to submit to the General Shareholders' Meeting, for approval, a series of resolutions aimed at the implementation of an optional dividend system called "Viscofan Flexible Remuneration", which offers shareholders the possibility of receiving their remuneration in new fully paid-up shares or receiving their remuneration in cash. For these purposes, the Board of Directors has proposed to the General Shareholders' Meeting the approval of two increases in share capital charged to reserves (the "**Capital Increases**"), as described in the corresponding report prepared by the Board of Directors, to be executed in the context of the dividend payments planned during fiscal year 2024 (i.e. final and interim).

Following from the above, in order to compensate for the dilution that would be experienced by shareholders who choose to receive their remuneration in cash under the optional dividend system called "Viscofan Flexible Remuneration", it is proposed to authorise the Board of Directors to reduce the share capital of the Company, through the redemption of treasury shares, for a maximum nominal amount equal to the nominal amount for which the Capital Increases are actually executed.

3. Main terms and conditions of Capital Reduction

A proposal is made to authorise the Board of Directors so that, when appropriate, it may reduce the share capital of the Company through the redemption of the Company's treasury shares for a maximum nominal amount equal to the nominal amount for which the Capital Increases proposed under items Six and Seven of the agenda are actually executed.

The Capital Reduction shall be carried out through the redemption of existing treasury shares and shall be executed in two tranches on the occasion of each of the executions of the Capital Increases.

The Capital Reduction would not entail a return of contributions to the shareholders since the Company itself is the owner of the redeemed shares, and the Reduction would be carried out with a charge to freely available reserves, through the provision of a reserve for redeemed capital for an amount equal to the nominal value of the redeemed shares, which would only be available with the same requirements as those applicable to the reduction of share capital, according to the provisions of Article 335(c) of the Corporate Enterprises Act.

Therefore, for greater simplicity of execution, and in accordance with the provisions of said article, the Company's creditors would not have the right to object provided for in Article 334 of the Corporate Enterprises Act in relation to the Capital Reduction.

Given that the Capital Reduction is linked to the Capital Increases, the execution of which is proposed for delegation to the Company's Board of Directors, a proposal is also made to delegate the execution of the Capital Reduction to the Board of Directors. As a result, each execution of the Capital Increases by the Board of Directors may be accompanied by a capital reduction through the redemption of treasury shares up to the nominal amount of the applicable Capital Increase.

In particular, a proposal is made to empower the Board of Directors, with general powers of substitution, to adopt the corresponding resolutions to modify the Articles of Association in order to reflect the new figure of share capital and the number of shares resulting from the execution of the Capital Reduction, as well as to carry out the necessary proceedings and actions so that, once the Capital Reduction resolution has been executed, the redeemed shares are delisted from trading on the Spanish Stock Exchanges, and to cancel their accounting records.

4. Proposed resolution submitted to the General Shareholders' Meeting

The resolution proposal that is submitted for approval by the General Shareholders' Meeting, in relation to the share capital reduction, is the following:

Eight. - *Authorisation for the reduction of share capital through the redemption of treasury shares in the context of the paid-up capital increases proposed under items Six and Seven above.*

*The General Shareholders' Meeting resolves to authorise the Board of Directors so that, when appropriate, it may reduce the share capital of the Company through the redemption of the Company's treasury shares for a maximum nominal amount equal to the nominal amount for which the Capital Increases approved under items Six and Seven of the agenda (the "**Capital Reduction**") are actually executed.*

Further, the General Shareholders' Meeting agrees to delegate to the Board of Directors, with general powers of substitution, the necessary powers to proceed with the execution of this resolution in two tranches immediately, prior to each of the Executions of the capital increase resolutions, as approved in items Six and Seven of the agenda. The Board of Directors may determine those matters that have not been expressly established in this resolution or that are a consequence thereof. In particular, the following powers are

delegated to the Board of Directors, with general powers of substitution, which may be exercised in both executions of the Capital Reduction in accordance with the provisions above:

(a) *To declare the agreed Capital Reduction closed and executed, establishing, for these purposes, the final number of shares that must be redeemed and, therefore, the amount by which the Company's share capital must be reduced in accordance with the terms established in this resolution.*

(b) *To establish the final amount of the Capital Reduction in accordance with the provisions of this resolution and establish any other precise circumstances to carry it out, including but not limited to the establishment of the available reserves account from which the reserve for redeemed capital shall be drawn, all in accordance with the aforementioned conditions.*

(c) *To rephrase Article 5 of the Articles of Association that establishes the share capital so that it reflects the share capital figure and the number of outstanding shares resulting from the execution of the Capital Reduction.*

(d) *To carry out the necessary proceedings and actions and present the necessary documents to the competent bodies so that, once the Company's shares have been redeemed and the deed corresponding to the Capital Reduction has been executed and filed with the Commercial Registry, the redeemed shares are excluded from trading on the Stock Exchanges of Madrid, Barcelona and Bilbao, through the Spanish Stock Exchange Interconnection System (Continuous Market), and the corresponding accounting records of IBERCLEAR are cancelled.*

(e) *To carry out any appropriate or necessary actions to execute and formalise the Capital Reduction before any public or private entities and organisations, Spanish or foreign, including declaration, supplement or correction of defects or omissions that could prevent or hinder the full effectiveness of the preceding resolutions.*

Further, the Board of Directors is expressly authorised to delegate, under the provisions of Article 249 bis.l) of the Corporate Enterprises Act, the powers referred to in this resolution.

In Tajonar (Navarre), 29 February 2024