



Report from the Board of Directors of DURO FELGUERA, S.A. of its meeting held on 7 March 2023, pertaining to the proposed resolution on the capital increase by means of offsetting of credits, and the consequent amendment of Article 5 of the Company's Articles of Association, included in item Two of the agenda of the Extraordinary General Meeting of Shareholders called for 12-13 April 2023, at first and second call, respectively

1. INTRODUCTION AND PURPOSE OF THE REPORT

1. Within the framework of the joint investment process of Grupo Promotor de Desarrollo e Infraestructura, S.A. de C.V. ("**Grupo Prodi**") and Mota-Engil México, S.A.P.I de C.V. ("**Mota México**" and, together with Grupo Prodi, the "**Industrial Partners**") in Duro Felguera, S.A. ("**Duro Felguera**" or the "**Company**"), the Board of Directors of the Company has agreed this report at its meeting of 7 March 2023, in which it called an Extraordinary General Meeting of Shareholders to be held on 12 April 2023 on first call and on 13 April 2023 on second call, and to submit to said Extraordinary General Meeting of Shareholders, under the First and Second items on the agenda, the approval of two capital increases that will entail an inflow of funds into the Company for a total amount of 90 million euros (plus interest accrued up to the date of execution on the terms set out below) structured in two resolutions:
 - (i) in a first resolution, which will be analysed in a separate report, a capital increase with cash contributions and with recognition of the pre-emptive subscription right in favour of the current shareholders of Duro Felguera for a maximum amount of 39,837,200 euros and at an issue rate of 0.7661 euros per share, the proceeds of which will be fully and specifically used to repay the Loan granted by Mota Mexico to Duro Felguera, as described below (the "**Capital Increase with Rights**"); and
 - (ii) in a second resolution, which is the one that will be analysed in this report, a capital increase of up to 90 million euros (plus interest accrued up to the date of its execution), through capitalisation by Grupo Prodi and Mota México of the credits held by Grupo Prodi and Mota México against the Company amounting to 90 million euros, arising from the two loan agreements entered into by Grupo Prodi and Mota México respectively, as lenders, and the Company, as borrower, on 28 February 2023, broken down as follows: Grupo Prodi has granted a loan in the amount of 50 million euros, and Mota México has granted another loan in the amount of 40 million euros (the "**Loan Agreements**" and, individually, the "**Loan Agreement**"). Pursuant to this agreement, Grupo Prodi will fully capitalise its Loan Agreement while Mota Mexico will capitalise the amount not repaid in the Capital Increase with Rights, all at the same issue rate as the Capital Increase with Rights (the "**Debt Capitalisation Increase**", and together with the Capital Increase with Rights, the "**Capital Increase**"). The Loan Agreements are subject to the condition of the approval of the Capital Increase by the General Meeting of Shareholders and the other conditions contained therein and described below.



2. The drawdown of the Loan Agreements entered into is subject to the prior fulfilment of a series of legal and contractual conditions precedent described in section 2.1.13 of this report. The Loan Agreements have been signed with the irrevocable commitment that they may be drawn down once the conditions precedent have been fulfilled. To this effect, although the manner in which this is to be done is not regulated in the Loan Agreements, the Industrial Partners, as lenders, have assumed the commitment to deposit the amount of the Loan Agreements in a credit institution in such a way that the drawdown becomes effective at the request of the Company once the conditions have been fulfilled, unless the lenders waive their compliance in writing. In any case, the Loan Agreements must be fully disbursed prior to the application for exemption from the takeover bid referred to in section 2.1.9 below, and will be used exclusively for the execution of the Business Plan (as this term is defined below).
3. The proposed resolution that is the subject of this report refers to the Debt Capitalisation Increase for an effective amount (nominal plus premium) of up to 90 million euros (plus interest accrued up to the date of execution) depending on the subscription of the Capital Increase with Rights and the amount in which the capital increase proceeds in the event of an incomplete subscription. The Debt Capitalisation Increase will be carried out through the issuance and putting in circulation of 65,265,631 new ordinary shares of 0.05 euro par value each (the “**Prodi Shares**”) and up to 52,212,504 new ordinary shares of 0.05 euro par value each (the “**Mota Shares**”) and an additional number of ordinary shares of 0.05 euro par value each corresponding to the capitalisation of interest accrued from the drawdown of the proceeds of the Loan Agreements until the date of execution, of the same class and series as those currently outstanding, represented by book entries (these shares, the Mota Shares and, together with the Prodi Shares, the “**New Shares of the Debt Capitalisation Increase**”).
4. The New Shares of the Debt Capitalisation Increase will be issued at a par value of 0.05 euro plus a share premium of euro 0.7161, therefore, the issue price will be 0.7661 euro per share. Consequently, and in the event that the subscription and payment of the Capital Increase with Rights remains incomplete in its entirety, the total amount of the issue premium corresponding to the New Shares of the Debt Capitalisation Increase would amount to 84,126,092.47 euros, and the amount of the total nominal value corresponding to the New Shares of the Debt Capitalisation Increase would amount to a maximum of 5,873,906.75 euros, being the total amount of the Debt Capitalisation Increase (nominal plus issue premium) of 90 million euros (plus the interest accrued on the date of execution).
5. The New Shares of the Debt Capitalisation Increase will be paid in full by offsetting the credits against the Company laid down in Section 4(a)(i) below.
6. This report is prepared by the Board of Directors of the Company in compliance with the provisions of the following articles of the Consolidated Text of the Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010, of 2 July (the “**Corporate Enterprises Act**”):
 - (i) article 286, regarding the corresponding amendment to the articles of association in connection with Article 297.1 a), referring to the delegation to the Board of Directors of the power to set the date and conditions of the Debt Capitalisation Increase already agreed upon;



- (ii) article 301, in order to describe the proposal relating to the Debt Capitalisation Increase and, specifically: (i) the nature and characteristics of the credit to be offset in the Debt Capitalisation Increase; (ii) the identity of the contributors of such credits; (iii) the number of shares to be issued; (iv) the amount of the Debt Capitalisation Increase; and (v) the express statement of agreement of the data relating to the credits with the Company's accounting records; and
- (iii) article 308 in connection with Article 504 for the purpose of providing greater protection to shareholders (as will be explained below), which require the directors to prepare a report giving detailed justification for the proposal, specifying the value of the Company's shares and the consideration to be paid for the new shares, and indicating the persons to whom they are to be attributed.

7. The following is an explanation for shareholders of the operation proposed to the Extraordinary General Meeting of Shareholders and the reasons justifying the Debt Capitalisation Increase from the point of view of the Company's corporate interest. The reports provided for in the Corporate Enterprises Act for the purposes of Article 286, in relation to Articles 297.1 a), 301 and 308, are issued jointly, although set out in different sections. Finally, the final section includes the proposed resolution for the Debt Capitalisation Increase to be submitted for approval at the aforementioned Extraordinary General Meeting of Shareholders.

2. RATIONALE FOR THE PROPOSAL

2.1. Operation in which the Capital Increase with Rights is included. Context and purpose.

1. The Debt Capitalisation Increase is part of the Industrial Partners' investment process that began with the signing of the binding memorandum of understanding, entered into by Grupo Prodi, Mota México and the Company on 21 February 2023 (the "MOU"), the purpose of which is to regulate the basic terms and conditions of the financial commitment of the Industrial Partners with the Company (the "Investment"). The Investment by Grupo Prodi and Mota Mexico was materialised on 28 February 2023 with the execution of the Loan Agreements for a total amount of 90 million euros. The signing of the MOU was made public by means of an insider information communication sent to the National Securities Market Commission ("CNMV") on 21 February 2023 under registration number 1769.
2. This Investment process will be completed following the disbursement of the proceeds of the Loan Agreements upon fulfilment of the Disbursement Conditions (as defined below), and capitalisation of the Loan Agreements with the entry of Grupo Prodi and, on the terms set out in paragraph 1.1(ii), of Mota Mexico as industrial partners and controlling shareholders of the Company on a long-term and permanent basis, acting in concert through a syndication agreement (which was communicated to the Company for the purpose of knowing the manner of decision-making in relation to the Investment and the Company), which is expected to be signed on the Capital Increase execution date. If no agreement is reached, decisions will be taken by Grupo Prodi, which will confer a high degree of confidence not only on Duro Felguera and its employees, but also on all its shareholders and public and private creditor institutions. The entry into Duro Felguera's capital of an industrial shareholder from the same sector will give the Company greater confidence in the market through the contribution of new resources, capacity and technical solvency, the participation in new projects, the signing of new contracts and the awarding of bids and contracts.



3. At present, the Company needs to reinforce its cash flow to fully carry out its business plan agreed with the banking syndicate with the presence of the main financial institutions in Spain and authorised by the Solvency Support Fund for Strategic Companies (FASEE), as a key part of the viability plan. This situation conditions the access to bids, contracts and the expansion of its financial structure of guarantees to grow in the business portfolio, with the consequent restriction in obtaining additional financing.
4. Accordingly, the entry of the new resources provided by these investors is essential for the short-, medium- and long-term viability of Duro Felguera, and for this reason, one of Duro Felguera's priorities is to restructure its balance sheet and ensure the continuity of its business. To achieve this goal, Duro Felguera and the Industrial Partners have reached an agreement to the effect that Grupo Prodi and, under the terms laid down in paragraph 1.1(ii), Mota México, will enter the share capital of Duro Felguera as reference shareholders, contributing not only the new resources to develop its activity normally and permanently overcome all the extraordinary circumstances of recent years, but also to stabilise an industrial partner that will galvanise the composition of the shareholding and generate workload for the Company and synergies for expansion and growth in international spheres.
5. Indeed, the relaunching of Duro Felguera not only requires the entry of funds and liquidity, but also the presence in its share capital of a strategic industrial partner (in this case two) which, given the conditions of the sector in which the Company operates (i) provides financial soundness and solvency and technical capacity; (ii) supports the Company's strategic plan; addressing the opportunities that the market offers in the short, medium and long term, with the generation of synergies in the development and execution of new projects; and (iii) transmits and generates the necessary confidence to the market. This goal will be achieved with the entry of Grupo Prodi and, under the terms laid down in paragraph 1.1(ii), Mota México, as industrial partners, acting in concert through a syndication agreement, capable and with long-term investment prospects in Duro Felguera, with synergies that enhance Duro Felguera's sales portfolio and that transmit solidity with respect to third parties.
6. For this purpose, the deal has been designed to ensure the long-term financial recovery of Duro Felguera by providing the necessary funds for Duro Felguera to obtain the additional liquidity needed to develop its Business Plan (as this term is defined below) and for the definitive restructuring of its balance sheet. The execution of the Business Plan will allow Duro Felguera to achieve its viability objective, for which the granting and disbursement of the Loan Agreements is essential. As a result of the capitalisation of the Loan Agreements, Grupo Prodi and Mota México will enter into the share capital of Duro Felguera and will be incorporated into the Company as industrial partners, thus complying with the agreement of the Council of Ministers.
7. The entry into the capital of Duro Felguera by Grupo Prodi and, under the terms laid down in paragraph 1.1(ii), by Mota México as a result of the capitalisation of the Loan Agreements is expected to provide the Company with stability, new contracts and bids, synergies and, in general, convey a position of strength to the market.



8. Thus designed, the deal will be of significant benefit to the Company's current shareholders insofar as it is designed to ensure long-term viability and thus prevent investors from seeing their investment reduced, which could occur in the event that the immediate contribution of the funds that Duro Felguera needs at this time is not made.
9. The capitalisation of the Loan Agreements will result in the acquisition of a controlling interest in Duro Felguera under the terms established in Article 4 of Royal Decree 1066/2007, of 27 July, on the legal regime for takeover bids, which would determine the obligation to make a takeover bid. Notwithstanding the foregoing, Grupo Prodi, individually or with Mota Mexico, as applicable, intends to submit an application to the National Securities Market Commission (CNMV) to obtain an exemption from the obligation to make a takeover bid under the terms laid down in Article 8(d) of the Royal Decree mentioned above, since, in the opinion of the Company's Board of Directors, it believes that the circumstances set forth in said regulation are met. The CNMV's refusal to grant the aforementioned request would be cause for early maturity of the financing granted, without prejudice to the possibility that the parties may extend it or establish such agreements as they deem appropriate.
10. In light of the foregoing, the Board of Directors of the Company submits to the Extraordinary General Meeting of Shareholders this proposed resolution for a Debt Capitalisation Increase that will allow the Company, together with the Capital Increase with Rights, to finance the repayment of the amounts owed to the Industrial Partners under the Loan Agreements and, correlatively, to allow Grupo Prodi and, under the terms laid down in paragraph 1.1(ii), Mota México to become shareholders of Duro Felguera. For this reason, the capital increase proposed to the General Meeting of Shareholders under this agenda item is necessary precisely to allow the capitalisation of the Loan Agreements to take place. The effective realisation of the Debt Capitalisation Increase once approved in the proposed terms and the disbursement of the proceeds of the Loan Agreements is, therefore, not only a necessary condition for the effectiveness of the Investment, but also one of the fundamental means for its implementation.
11. Accordingly, both Industrial Partners will subscribe in full all the New Shares of the Debt Capitalisation Increase derived from the capitalisation of the Loan Agreements proposed to be approved at the Extraordinary General Meeting of Shareholders, under item Two of the agenda.
12. In this way, the Board of Directors complies with the mandate granted by the General Meeting of Shareholders to promote a long-term solution for Duro Felguera in view of its history and its economic relevance for the Principality of Asturias, in order to ensure a future for the company that will allow it to be at the forefront of innovation and development, goals that have always been pursued by this Company since its foundation.
13. The Board of Directors places on record that the Debt Capitalisation Increase is expected to be executed as soon as possible after the fulfilment of the following conditions (the "**Disbursement Conditions**"), the disbursement of the proceeds of the Loan Agreements, in addition to obtaining the CNMV's exemption from the obligation to make a takeover bid as a result of the capitalisation of the Loan Agreements, as laid down in section 2.1.9 above:
 - (i) The approval by the Industrial Partners and Duro Felguera of the Company's Business Plan (the "**Business Plan**").



- (ii) The express approval of the Company's Business Plan by the Solvency Support Fund for Strategic Companies ("FASEE"), as well as the adaptation of the amortisation schedule of the financing granted by FASEE to the new Business Plan and the Management Agreement entered into with the Company, dated 31 March 2021.
 - (iii) The public recording of the Loan Agreements before the Notary Public designated for such purposes by the Company.
 - (iv) The call, by the Board of Directors of the Company, of the General Meeting of Shareholders of Duro Felguera to approve the Capital Increase.
 - (v) The approval by the Company's General Meeting of Shareholders of the Capital Increase.
 - (vi) Obtaining the authorisations of Banco Bilbao Vizcaya Argentaria, S.A., Banco Cooperativo Español, S.A.; Banco de Sabadell, S.A.; Banco Santander, S.A., Caixabank, S.A. and Unicaja Banco S.A. (the "**Financial Institutions**"), FASEE and/or Sociedad Regional de Promoción del Principado de Asturias, S.A. ("**SRP**") (as applicable) necessary to carry out the legal acts required for the execution of the provisions of the MOU, including: (a) the authorisation by the Financial Institutions, FASEE and SRP of the indebtedness that the Loan Agreements represent for the Company and the drawdown thereof, the future change of control in Duro Felguera due to the capitalisation of the Loan Agreements by the Industrial Partners and (b) the approval by FASEE of the Business Plan and the adaptation of the Company's governance rules contained in the aforementioned Management Agreement.
 - (vii) Obtaining authorisation from the Subdirector General for Foreign Investments of the Directorate General for International Trade and Investments of the Ministry of Industry, Trade and Tourism (or the authority to which it legally corresponds) for the acquisition of a controlling interest in the Company in accordance with the provisions of Article 7bis of Law 19/2003 or, if applicable, written confirmation from such body that such transaction is outside the scope of application of Law 19/2003.
 - (viii) Obtaining unconditional authorisation from the National Markets and Competition Commission (CNMC) (or the authority to which it legally corresponds) for the acquisition of a controlling interest in the Company or, if applicable, written confirmation that such authorisation is not necessary, in accordance with Law 15/2007 of 3 July, on the defence of competition.
14. The Board of Directors expressly states under Article 301.2 of the Corporate Enterprises Act, that the information herein regarding the credits to be offset is in accordance with the Company's accounting records, in which the drawdown of the credits is not recorded since the fulfilment of the Disbursement Conditions is pending so that the request for disbursement to the Industrial Partners can be made, as will be evidenced in the mandatory certificate issued by the Company's auditor. Accordingly, at the date of issuance of this report, at least 25% of the credits to be offset cannot be considered liquid, due and payable and, therefore, do not meet the conditions established in Article 301.1 of the Corporate Enterprises Act with respect to liquidity, maturity and enforceability. However, at a later date, once the funds of both Loan Agreements have been drawn down, which must occur once the Disbursement Conditions have been met, following a request for drawdown to both Industrial Partners, it is expected that the aforementioned credits will be liquid, due and payable, so that the Board of Directors considers that the requirements established in Article 301.1 of the Corporate Enterprises Act will be met at the time of execution of the proposed resolution that is the subject of this report and, therefore, on the date of execution of the public deed documenting the Debt Capitalisation Increase.



3. REPORT FOR THE PURPOSES OF ARTICLE 286 OF THE CORPORATE ENTERPRISES ACT

3.1. Amount of the Debt Capitalisation Increase

The Board of Directors proposes to carry out the Debt Capitalisation Increase for a cash amount (nominal plus premium) of 90 million euros (plus interest accrued at the time of its execution) less the amount subscribed by the Company's shareholders in the resolution of the Capital Increase with Rights, by issuing and putting into circulation the Prodi Shares and the Mota Shares, i.e., up to 117,478,135 new ordinary shares of 0.05 euro par value each, represented by book entries, and an additional number of ordinary shares of 0.05 euro par value corresponding to the capitalisation of interest accrued up to the date of execution. The amount of the share issue premium is 0.7161 per share, i.e., a total share premium of up to 84,126,092.47 euros, plus the amount corresponding to the shares to be issued for the capitalisation of interest accrued up to the date of execution.

3.2. Share issue price

1. The issue price of the New Shares of the Debt Capitalisation Increase will be 0.7661 euros (being the same issue price as the shares subscribed in the Capital Increase with Rights).
2. The New Shares of the Debt Capitalisation Increase will be paid in full by both Industrial Partners by offsetting their credits against the Company arising from the Loan Agreements (less those amounts already repaid through the Capital Increase with Rights). The New Shares of the Debt Capitalisation Increase will be issued at a par value of 0.05 euro plus a share premium of euro 0.7161, therefore, the issue price will be 0.7661 euro per share. Accordingly, the overall amount of the Debt Capitalisation Increase will be up to 90 million euros (nominal amount plus share premium) plus interest accrued until the date of execution, less the amount subscribed by the Company's shareholders in the first Capital Increase resolution.

3.3. Recipients of the Debt Capitalisation Increase

As indicated in the insider trading communication of 21 February 2023 (registration number 1769), the Industrial Partners are therefore the sole recipients of this second Capital Increase resolution.

3.4. Rights of the new shares

The New Shares of the Debt Capitalisation Increase will grant to Grupo Prodi, in the event that the Capital Increase with Rights is fully subscribed, or to the Industrial Partners, in the event that the Capital Increase with Rights is not fully subscribed, the same voting and dividend rights as the Company's common shares currently outstanding as from the date on which the Debt Capitalisation Increase is declared subscribed and paid up. In particular, as regards dividend rights, the New Shares of the Debt Capitalisation Increase will entitle the holder to the dividends, whether interim or final, whose distribution is agreed as from that date.

3.5. Date and conditions



1. Once the Disbursement Conditions have been met and the amounts of the Loan Agreements have been made available to the Company and after obtaining the exemption from the CNMV from the obligation to make a takeover bid as a result of the capitalisation of the Loan Agreements, as laid down in section 2.1.9, the Board of Directors will determine the date on which the resolution must be executed within a maximum of one year from the date of its adoption by the Extraordinary General Meeting of Shareholders, after which time the resolution will be of no value or effect whatsoever.
2. Prior to the execution, the Company's auditor will issue the required certification regarding the amount of the credits to be capitalised by offsetting and that the credits are liquid, due and payable.
3. Notwithstanding the foregoing, it is stated for the record that the Debt Capitalisation Increase is expected to be executed as soon as possible after the fulfilment of the Disbursement Conditions, the drawdown of the Loan Agreements and obtaining the CNMV's exemption from the obligation to make a takeover bid as a result of the capitalisation of the Loan Agreements, as laid down in section 2.1.9.
4. In this regard, the effectiveness of the agreement and, therefore, the execution of the Debt Capitalisation Increase, is subject to compliance with the Disbursement Conditions, the drawdown of the Loan Agreements and obtaining the CNMV's exemption from the obligation to make a takeover bid as a result of the capitalisation of the Loan Agreements, as laid down in section 2.1.9. By the same token, given the Company's wish to increase the share capital by 90 million euros through the adoption of the Capital Increase with Rights and the Debt Capitalisation Increase, it is deemed necessary to subject this resolution to the condition precedent consisting of the approval by the Extraordinary General Meeting of Shareholders of the Capital Increase with Rights.

3.6. Pre-emptive subscription right

1. As previously indicated, in accordance with the provisions of Article 304 of the Corporate Enterprises Act, in the Debt Capitalisation Increase it is not considered necessary to recognise the pre-emptive subscription right in favour of the Company's current shareholders.
2. In order to provide greater protection to shareholders (as will be explained below), the Board of Directors has prepared the report required by Articles 308 and 504 of the Corporate Enterprises Act, which provides detailed justification for the proposal, specifies the value of the Company's shares and the consideration to be paid for the new shares, and indicates the persons to whom they are to be attributed.

3.7. Admission of shares to trading

It is proposed to approve the request for admission to trading of the New Shares of the Debt Capitalisation Increase on the Madrid, Barcelona and Bilbao Stock Exchanges and any other markets on which the Company's shares are listed at the time of execution of the resolution, as well as their integration into the Spanish Stock Exchange Interconnection System (SIBE), expressly stating the Company's submission to the rules that exist or that may be issued regarding the Stock Exchange and, especially, regarding contracting, permanence and exclusion from official listing.



3.8. Subscription and disbursement

1. The New Shares of the Debt Capitalisation Increase will be subscribed and paid in full by the Industrial Partners. Grupo Prodi would subscribe 65,265,631 shares, i.e., 30.6% of the voting rights in Duro Felguera and Mota México could acquire up to a maximum of 52,212,504 shares, i.e., a maximum of 24.5% of the voting rights in Duro Felguera, depending on the subscription of the current shareholders in the Capital Increase with Rights. Both would also subscribe an additional number of shares corresponding to the capitalisation of interest accrued up to the execution date. Accordingly, Grupo Prodi and Mota México could acquire up to a maximum of approximately 55% of the voting rights of the Company after the Capital Increase, before considering the effect on the above percentages of the interest accrued since the date of drawdown of the loans.
2. The principal amount of the Loan Agreements entered into by the Industrial Partners on 28 February 2023 with the Company and which, upon drawdown thereof, will be subject to offset in the Debt Capitalisation Increase (together with accrued interest until their execution), is as follows:

Investor	Amount
Grupo Promotor de Desarrollo e Infraestructura, S.A. de C.V.	50 million euros
Mota-Engil México, S.A.P.I. de C.V.	40 million euros

3. The drawdown of the Loan Agreements will be subject to compliance with the Disbursement Conditions described in paragraph 2.1.13, which must be met in advance. At the date of issuance of this report, they have not yet been drawn down, and therefore they are not yet entered in the Company's accounting records.
4. The par value and the issue premium of the New Shares of the Debt Capitalisation Increase will be fully paid once the offsetting of the credits subject to capitalisation is executed, and such credits will be fully extinguished, in the offset amount, as a consequence of the execution of the Debt Capitalisation Increase.
5. These credits will comply, at the time of offsetting and once the conditions laid down in section 3.5 have been met, with the requirements for the capitalisation of credits established in Article 301 of the Corporate Enterprises Act, as laid down in this report prepared by the Board of Directors for such purpose.
6. Compliance with the requirements of the aforementioned Article 301 for the capitalisation of credits will be confirmed in the certification issued as a special report prior to the call of the Extraordinary General Meeting of Shareholders by the Company's auditor, Deloitte, S.L., once it is completed with an additional certification that will be issued at the time it is decided to execute the Debt Capitalisation Increase and therefore the aforementioned requirements are met.

3.9. Incomplete subscription

1. Pursuant to the provisions of Article 311 of the Corporate Enterprises Act, if for any reason the Debt Capitalisation Increase has not been fully subscribed after its completion, the capital may be increased by the amount of the subscriptions made, with the remainder remaining without effect.



2. Notwithstanding the foregoing, incomplete subscription is not expected to occur once the amount of the Debt Capitalisation Increase has been set by the Board of Directors in the exercise of the delegated powers, unless an adjustment must be made for purely technical reasons and/or beyond the Company's control. The amount of the Debt Capitalisation Increase will correspond to the amount of the Loan Agreement granted by Grupo Prodi plus accrued interest until the time of its execution and the amount of the Loan Agreement granted by Mota México that has not been repaid through the Capital Increase with Rights, plus accrued interest until the time of its execution.

3.10. Amendment to the articles of association

The proposed resolution includes the delegation to the Board of Directors, once the Debt Capitalisation Increase has been executed, of the power to adapt the wording of Article 5 of the Company's Articles of Association relating to the share capital.

3.11. Delegation of powers

1. Pursuant to the provisions of Article 297.1.a) of the Corporate Enterprises Act, it is proposed to empower the Board of Directors to set the date on which the resolution already adopted to increase the share capital must be carried into effect in the agreed amount and to set the conditions thereof in all matters not provided for in the resolution of the General Meeting of Shareholders. The term for the exercise of this delegated power may not exceed one year.

4. REPORT FOR THE PURPOSES OF ARTICLE 301 OF THE CORPORATE ENTERPRISES ACT

The credits to be offset in the Debt Capitalisation Increase are those referred to below:

(a) **Nature of the credits to be offset, identity of the subscribers, number of shares to be issued.**

(i) **Credits to be offset**

The New Shares of the Debt Capitalisation Increase issued under the Debt Capitalisation Increase will be disbursed and subscribed by offsetting the credit rights derived from the Loan Agreements held by the Industrial Partners.

These credits will comply with the requirements established for the capitalisation of credits in Article 301 of the Corporate Enterprises Act at the time of execution of the proposed resolution that is the subject of this report and, therefore, on the date of execution of the public deed documenting the Debt Capitalisation Increase.

(ii) **Identity of the creditors and number of New Shares of the Debt Capitalisation Increase to be issued**

The New Shares of the Debt Capital Increase to be issued pursuant to the Debt Capitalisation Increase will be subscribed exclusively by the Industrial Partners, i.e.:

- Grupo Promotor de Desarrollo e Infraestructura, S.A. de C.V., which will be entitled to 65,265,631 new shares.



- Mota-Engil México, S.A.P.I. de C.V., which will be entitled to a maximum of 52,212,504 new shares.

Mota México will only subscribe for the Mota Shares that have not been repaid through the Capital Increase with Rights and for the principal amount outstanding plus accrued interest to the date of execution.

(b) **Certification of the Company's accounts auditor for the purposes of Article 301 of the Corporate Enterprises Act**

Deloitte, S.L., in its capacity as auditor of the Company's accounts, has been requested to provide the mandatory certification pursuant to Article 301.3 of the Corporate Enterprises Act.

The certification, which will be made available to shareholders together with this report, confirms that:

- (i) the data provided in this report in relation to the credits eligible for offsetting are accurate, after verification of the Company's accounts and other documentation; and
- (ii) the credits specified in section 4(a)(i) above do not meet the requirements established for the capitalisation of credits in Article 301 of the Corporate Enterprises Act at the present date.

However, for the execution of the public deed documenting the execution of the Debt Capitalisation Increase, it is expected that Deloitte, S.L., as the Company's auditor, will issue a new certification certifying that the total amount of the credits to be offset is liquid, due and payable at that date, and confirming that the maturity of the remaining amount does not exceed five years. Prior to issuance of the new certification, the funds of the Loan Agreements will have been drawn down at the request of the Company, once the Disbursement Conditions have been fulfilled.

5. REPORT OF THE BOARD OF DIRECTORS FOR THE PURPOSES OF ARTICLES 308 AND 504 OF THE CORPORATE ENTERPRISES ACT

- 5.1.** As stated in section 3.6, despite the fact that in the Debt Capitalisation Increase it is not necessary to recognise, as a general rule, the pre-emptive subscription right in favour of the Company's current shareholders in accordance with the provisions of Article 304.1 of the Corporate Enterprises Act, the Board of Directors considers it justified in this case and for the greater guarantee of the current shareholders, to proceed with the preparation of the report required by Article 308 of the Corporate Enterprises Act. In this regard, and in accordance with the legal regime applicable to the exclusion of the pre-emptive subscription right in the issuance of new shares, a report is prepared by the Company's Board of Directors in which (i) the proposal is justified in detail, (ii) the value of the Company's shares and the consideration to be paid for such new shares is specified, and (iii) the persons to whom they are to be attributed are indicated.



5.2. For these purposes, compliance with the legal requirements for the execution of the Debt Capitalisation Increase is analysed below: in the first subsection, compliance with the legal obligation that the issue price of the shares corresponds to their fair value is justified, and in the second subsection, the capitalisation of the Loan Agreements and the exclusion of the pre-emptive subscription right involved are justified from the perspective of the corporate interest, as well as the identification of the persons to whom they are to be attributed.

5.3. Fair value of the Company's shares

- (a) Article 308 of the Corporate Enterprises Act requires:
 - (i) in section a) thereof, that an independent expert other than the Company's accounts auditor, appointed by the Companies Registry, prepare a report, in addition to that of the directors, under its own responsibility, on the fair value of the Company's shares, on the theoretical value of the pre-emptive right whose exercise it is proposed to suppress or limit and on the reasonableness of the data contained in the directors' report; and
 - (ii) in section c), that the par value of the new shares plus the amount of the issue premium (if any) corresponds to the value resulting from the report of the independent expert appointed by the Companies Registry.
- (b) Furthermore, Article 504.2 of the Corporate Enterprises Act adds that, in the case of listed companies, fair value will be understood as market value and that, unless otherwise justified, market value will be presumed to be that established by reference to the stock market price.
- (c) The Company's Board of Directors considers that the issue price of the New Shares of the Debt Capitalisation Increase provided for in foregoing section 3.2 (i.e., 0.7661 euros per share) complies with the requirements established in Article 504.2 of the Corporate Enterprises Act, since it corresponds to the average listed price of the Company in the three (3) months prior to the close of the market on the date of the day immediately prior to the IP published on 21 February 2023 -date on which the issue price of the Capital Increase subject to final validation by the independent expert to be appointed by the Companies Registry for the purpose of conferring the greatest possible objectivity to the procedure was set.
- (d) It is noted that the issue price of the New Shares of the Debt Capitalisation Increase is the same as the issue price of the New Shares of the Capital Increase with Rights, which allows existing shareholders to subscribe new shares for the same amount. In those cases in which pre-emptive subscription rights are granted to existing shareholders, the Company may set the issue price at its discretion. In our case, existing shareholders are allowed to participate in the Capital Increase.
- (e) In the determination of the price by the Board of Directors in accordance with the fair value, the Board of Directors was advised by Alantra Partners, S.A.
- (f) In support of this opinion of the Board of Directors, the Board of Directors considers, with the support of the report of Menéndez Auditores, S.L. as independent expert appointed by the Companies Registry for these purposes (the "**Independent Expert**"), that the issue price (nominal plus issue premium) of 0.7661 euros per share can be considered indicative of the fair value of the Company's shares.



- (g) The main arguments analysed by the Board of Directors with the support of the information received from the Independent Expert, to reach the conclusion regarding the justification for the determination of the value of the New Shares of the Debt Capitalisation Increase, are given below:
- (i) The issue price (nominal plus share issue premium) of 0.7661 euros per share can be considered indicative of the fair value of the Company's shares estimated on the basis of the information provided to the Independent Expert for the valuation.
- The issue price is higher than the consolidated equity per share shown in the Group's audited consolidated annual accounts for the year ended 31 December 2021 and is also higher than the consolidated equity per share shown in the unaudited consolidated interim financial statements as of 31 December 2022, as reported to the CNMV.
- (ii) The price per share, obtained from the simple average of the daily changes in stock market trading for the period from 21 November 2022 to 20 February 2023, both inclusive, was 0.7661 euros, while for 20 February 2023, it was 0.933 euros, as certified by the Sociedad Rectora de la Bolsa de Valores de Madrid S.A.U. (Governing Body of the Madrid Stock Exchange).
- (h) In addition, in accordance with the provisions of Articles 308 and 504.1 of the Corporate Enterprises Act, the Independent Expert will issue a report on the fair value of the shares, on the theoretical value of the pre-emptive subscription rights whose exercise is proposed to be suppressed, and on the reasonableness of the data contained in this report.
- (i) This report and the report of the Independent Expert will be made available to the Company's shareholders at the time of publication of the notice of the Extraordinary General Meeting of Shareholders.

5.4. Justification of the exclusion of the pre-emptive subscription right from the point of view of the corporate interest

- (a) The Board of Directors considers that the capital increase transaction that is the subject of this report fully complies with the substantive requirements established in the Corporate Enterprises Act, and in particular, from the perspective of the Company's corporate interest.
- (b) This conclusion is reached for the following reasons:
- (i) Convenience of the operation from the point of view of the corporate interest.

As described in section 2 of this report, Duro Felguera needs an immediate inflow of new resources to guarantee its full financial recovery in the long term.



Likewise, due to the conditions of the sector in which it carries out its activity and in accordance with the requirements established by FASEE and by the Council of Ministers, the presence of an industrial partner of reference, with prestige in the market, financial solvency and technical capacity is decisive for Duro Felguera. This would be achieved through the entry of Grupo Prodi and Mota México as industrial partners, acting in concert through a syndication agreement in which, in the event of not reaching an agreement, decisions will be taken by Grupo Prodi, capable and with a clear vocation of permanence and long-term investment prospects in the Company, with synergies that strengthen Duro Felguera's sales portfolio and that transmit solidity with regard to third parties.

Grupo Prodi is a Mexican industrial company whose main activity is the design and construction of public infrastructure, public transportation, oil and gas, energy and tourism projects, among others. Grupo Prodi has a 49% stake in the other investor, Mota México.

Meanwhile, Mota México is a Mexican industrial company, head of a business group whose ordinary activity is focused on civil works, infrastructure, concessions and engineering, energy, industry and tourism, in which the Portuguese business group Mota-Engil, SGPS, S.A. (EGL.LS) is holder of 51% of its capital, with the remaining 49% owned by the other investor, Grupo Promotor de Desarrollo e Infraestructura, S.A. DE C.V., of Mexican nationality. Mota-Engil SGPS, S.A. (EGL.LS) is a company listed on Euronext Lisbon (with a turnover of 3.45 billion euros), which is part of the main index of the Portuguese stock exchange (PSI 20), with a share capital of 306 million euros and a market capitalisation of close to 500 million euros.

Mota Mexico carries out operations focused on the construction and management of infrastructure in the engineering and construction, environment and services, transportation concessions and energy segments. In Mexico, Mota Mexico has been making permanent investments since 2007 and has built some of the most important infrastructure in the country. Since 2015 it has been present in the energy production sector through Generadora Fénix, the first private operator in this market in Mexico.

Grupo Prodi and Mota Mexico will contribute to the international strengthening of Duro Felguera, taking advantage of its already extensive international experience in markets with great attractiveness such as Mexico and its surroundings. In particular, its positioning in the US Nearshoring programme, as well as other investment projects in this geographic area. In addition, the entry of Grupo Prodi and Mota Mexico will strengthen the Group's active presence in the markets in which it operates. All of this complements and reinforces the Company's business plan, where Europe is one of its main pillars. The synergies envisaged by this agreement will also enable the Company to promote joint business opportunities, with a strong focus on energy transition and decarbonisation, clear growth vectors.



The implementation of both the Capital Increase with Rights and the Debt Capitalisation Increase will contribute decisively to strengthening the Group's equity and its capital structure, while ensuring liquidity of 90 million euros, in an investment context in which liquidity is decisive for the Company's long-term viability.

The transaction is also a great opportunity for banks to agree to grant the Company the guarantees that will allow it to participate in new projects, enter into new contracts and the award of bids and contracts, normally for very large amounts, and which imply, correlatively, the assumption of large risks by clients, suppliers and financiers. Consequently, the deal will provide a high degree of reasonableness in carrying out the Company's viability and strategic plan.

- (ii) Adequacy of the proposed structure and proportionality between the objective sought and the means chosen

As stated above, the deal has been designed to guarantee the long-term financial recovery of Duro Felguera, and will involve the entry of Grupo Prodi and, in the terms indicated in paragraph 1.1(ii), Mota México as industrial partners of reference, acting in concert through a syndication agreement in which, in the event of failure to reach an agreement, the decisions will be taken by Grupo Prodi, with a view to permanence and with the specific purpose of transforming the Company into an international benchmark, which will allow it to recover its prestige in the market and offer a long-term solution for the Company.

Indeed, as has just been indicated, the relaunching of Duro Felguera not only requires the entry of funds and liquidity and the restructuring of the balance sheet / strengthening of equity, but also the presence in its share capital of a strategic industrial partner that provides both financial soundness and support for the Company's strategic plan, addressing the opportunities that the market offers on the short-, medium- and long-term horizon, with the generation of synergies in the development and execution of new projects and that transmits and generates the necessary confidence to the market.

The investment of Grupo Prodi and Mota México is therefore essential to comply with the viability plan, both for the contribution of the resources that Duro Felguera needs and for their condition as industrial partners. At the same time, it is done in such a way as to recognise the current shareholders' pre-emptive subscription right to the maximum extent possible in order to achieve the objectives of the deal, which are none other than the continuity of the Company in the interests of the employees and related persons and the creation of significant value for the shareholders. In this way, the current shareholders can decide to increase their commitment on the same terms as the industrial partners and support Duro Felguera with the loyalty with which they have done so far or legitimately decide not to increase their risk or sell the pre-emptive subscription right they hold to third parties.



The Capital Increase is configured in a proportionate manner, taking into account the corporate interests of the Company and the interests of the current shareholders. Compliance with the viability plan will be possible thanks to the Loan Agreements, the Capital Increase and the synergies generated by the Industrial Partners. However, if the deal does not go through, current shareholders could find themselves in a scenario in which they lose the money they currently have invested.

In view of the foregoing, the Board of Directors considers that the Debt Capitalisation Increase agreed after the Capital Increase with Rights complies with the due proportionality that must exist between the advantages obtained for the Company and the disadvantages that could be caused to those shareholders whose expectations would be diminished due to the political and economic dilution that necessarily entails any issue of shares without pre-emptive subscription rights. In addition, as already reiterated throughout this report, in order to mitigate the dilutive effect on shareholders, the structure provides for a Capital Increase agreement with pre-emptive subscription rights for the Company's current shareholders, which will give them the possibility to participate, together with Grupo Prodi and Mota Mexico, in the operation designed to recover their Company.

6. TEXT OF THE PROPOSED RESOLUTION UNDER ITEM TWO OF THE AGENDA OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

By virtue of the foregoing, and in view of the fact that the amount of the Debt Capitalisation Increase will be subject to the amount assumed in the Capital Increase with Rights (and, therefore, will be determined at the time of the execution of the first Capital Increase resolution included in item one of the agenda), the following proposal is submitted to the Extraordinary General Meeting of Shareholders:

***“TWO. Share capital increase for a cash amount (par value plus premium) of up to ninety million euros (90,000,000 euros) plus, if applicable, the amount of interest accrued up to the date of execution of this capital increase, by issuing and putting into circulation up to 117,478,135 new ordinary shares, plus, if applicable, those necessary for the capitalisation of accrued and unpaid interest, of five eurocents (0.05) euros par value each, plus a share premium of 0.7161 euros, therefore, the issue price is 0.7661 euros per share. The capital increase will be carried out by offsetting receivables in order to capitalise the credit rights arising from the loan agreements entered into by the Company in the amount of 90 million euros. The loan agreement granted by Grupo Promotor de Desarrollo e Infraestructura, S.A. de C.V. and the amount of the loan agreement subscribed with Mota-Engil México, S.A.P.I. de C.V. that has not been reimbursed through the funds obtained in the first capital increase agreement included in Item One of the agenda will be fully capitalised. Delegation to the Board of Directors of the necessary powers to execute the resolution and to set the terms and conditions thereof in all matters not provided for by the Extraordinary General Meeting of Shareholders, pursuant to the provisions of Article 297.1.a) of the Corporate Enterprises Act, as well as to redraft Article 5 of the Company's Articles of Association.*”**



*It is resolved to increase share capital, through the offsetting of credits, for a cash amount (nominal plus premium) of up to 90 million euros, by means of the issuance and putting into circulation of 65,265,631 new ordinary shares with a par value of 0.05 euros each (the “**Prodi Shares**”) and up to 52,212,504 new ordinary shares with a par value of 0.05 euros each (the “**Mota Shares**” and, together with the Prodi Shares, the “**New Shares of the Debt Capitalisation Increase**”), of the same class and series as those currently outstanding, represented by book entries.*

The New Shares of the Debt Capitalisation Increase will be issued at a par value of 0.05 euro plus a share premium of euro 0.7161, therefore, the issue price will be 0.7661 euro per share. Consequently: the amount of the total share premium corresponding to (i) the Prodi Shares amounts to 46,736,718.40 euros, and the amount of the total nominal value corresponding to the Prodi Shares amounts to 3,263,281.55 euros; and (ii) the Mota Shares amounts to a maximum of 37,389,374.1 euros, and the amount of the total nominal value corresponding to the Mota Shares amounts to a maximum of 2,610,625.2 euros, with the total amount of the Debt Capitalisation Increase being up to 90 million euros (nominal plus share premium). The number of New Shares of the Debt Capitalisation Increase will be increased by the amount corresponding to the capitalisation of interest on the Loan Agreements (as defined below).

The par value and the issue premium corresponding to the New Shares of the Debt Capitalisation Increase will be paid in full by offsetting all of the credits against the Company indicated below.

*The Debt Capitalisation Increase proposed to the General Meeting under this agenda item is the amount necessary to enable the full capitalisation of the Loan Agreements (as defined below) to take place. In particular, the entry of Grupo Promotor de Desarrollo e Infraestructura, S.A. de C.V. (hereinafter, “**Grupo Prodi**”) and Mota-Engil México, S.A.P.I. de C.V. (hereinafter, “**Mota México**”) in the share capital of the Company is implemented through a capital increase structured as follows:*

- (i) in a first resolution, a capital increase with a charge to cash contributions and recognition of the pre-emptive subscription right of the current shareholders of Duro Felguera for a maximum amount of 39,837,200 million euros and at an issue rate of 0.7661 euros per share, the proceeds of which will be fully and specifically used to pay the amounts derived from the Loan Agreement granted by Mota México to the Company (the “**Capital Increase with Rights**”); and*
- (ii) in a second resolution, a capital increase of up to 90 million euros (plus interest accrued up to the date of its execution), through capitalisation by Grupo Prodi and Mota México of the credits held by Grupo Prodi and Mota México against the Company amounting to 90 million euros, arising from the loan agreements entered into by Grupo Prodi and Mota México respectively, as lenders, and the Company, as borrower, on 28 February 2023, broken down as follows: Grupo Prodi has granted a loan in the amount of 50 million euros, which is capitalised in full, and Mota México has granted another loan in the amount of 40 million euros (the “**Loan Agreements**” and, individually, the “**Loan Agreement**”). Pursuant to this agreement, Grupo Prodi will fully capitalise its Loan Agreement while Mota Mexico will capitalise the amount not repaid in the Capital Increase with Rights, all at the same issue rate as the Capital Increase with Rights (the “**Debt Capitalisation Increase**”, and together with the Capital Increase with Rights, the “**Capital Increase**”). The Loan Agreements are subject to the condition of the approval of the Capital Increase by the General Meeting of Shareholders and the other conditions contained therein and described below.*



1. Subscription and disbursement of the New Shares of the Debt Capitalisation Increase

Only Grupo Prodi and Mota México will subscribe in full all the new shares derived from the capitalisation of the Loan Agreements and, therefore, the Debt Capitalisation Increase proposed to be approved at the Extraordinary General Meeting of Shareholders, under the second resolution of the Capital Increase laid down in Item Two of the Agenda.

The loans that Grupo Prodi and Mota Mexico entered into on 28 February 2023 with the Company and that will be capitalised in the Debt Capitalisation Increase, do not appear as of the date of issuance of the directors' report recorded in the Company's accounting records since the contractually established conditions for disbursement have not been met, and the principal amount of the Loan Agreements is as follows:

Investor	Amount
<i>Grupo Promotor de Desarrollo e Infraestructura, S.A. de C.V.</i>	<i>50 million euros</i>
<i>Mota-Engil México, S.A.P.I. de C.V.</i>	<i>40 million euros</i>

The par value and the issue premium of the New Shares of the Debt Capitalisation Increase will be fully paid once the offsetting of the credits subject to capitalisation is executed, and such credits will be fully extinguished, in the offset amount, as a consequence of the execution of the Debt Capitalisation Increase.

These credits will comply, at the time of offsetting and once the conditions laid down in section 6 of this agreement have been met, with the requirements for the capitalisation of credits established in Article 301 of the Corporate Enterprises Act, as laid down in this report prepared by the Board of Directors for such purpose.

Compliance with the requirements of the aforementioned Article 301 for the capitalisation of credits will not be confirmed in the certification issued as a special report prior to the call of the Extraordinary General Meeting of Shareholders by the Company's auditor, Deloitte, S.L., and therefore it will be completed with an additional certification that will be issued at the time it is decided to execute the Debt Capitalisation Increase and therefore the aforementioned requirements are met.

2. Pre-emptive subscription right

In accordance with the provisions of Article 304 of the Corporate Enterprises Act, the Debt Capitalisation Increase does not provide for the recognition of pre-emptive subscription rights in favour of the Company's current shareholders.

For the purpose of providing greater protection to shareholders, the Board of Directors has prepared the report required by Articles 308 and 504 of the Corporate Enterprises Act, which provides detailed justification of the conformity of this resolution with the corporate interest, specifies the value of the Company's shares and the consideration to be paid for the new shares, and indicates the persons to whom they are attributed.



In accordance with the foregoing, it is resolved that it is not necessary to recognise the pre-emptive subscription right to the current shareholders as it is consistent with the corporate interest of the Company and because it complies with the provisions of the Corporate Enterprises Act in relation to capital increase agreements through the offsetting of credits.

3. Representation of the New Shares of the Debt Capitalisation Increase

The New Shares of the Debt Capitalisation Increase will be represented by book entries, the accounting record of which is attributed to Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and its participating entities under the terms established in the regulations in force from time to time.

4. Rights of the New Shares of the Debt Capitalisation Increase

The New Shares of the Debt Capitalisation Increase will grant their holders the same voting and dividend rights as the Company's common shares currently outstanding as from the date on which the Debt Capitalisation Increase is declared subscribed and paid up. In particular, as regards dividend rights, the New Shares of the Debt Capitalisation Increase will entitle the holder to the dividends, whether interim or final, whose distribution is agreed as from that date.

5. Incomplete subscription

Pursuant to the provisions of Article 311 of the Corporate Enterprises Act, if for any reason the Debt Capitalisation Increase has not been fully subscribed after its completion, the capital may be increased by the amount of the subscriptions made, with the remainder remaining without effect.

Notwithstanding the foregoing, incomplete subscription is not expected to occur, unless an adjustment must be made for purely technical reasons and/or beyond the Company's control.

6. Execution of the Debt Capitalisation Increase and conditions

Once the conditions precedent to which the Loan Agreements are subject (which are described below) have been fulfilled and the amounts of the Loan Agreements have been made available to the Company, the Board of Directors will determine the date on which the resolution must be executed within a maximum of one year from the date of its adoption by the Extraordinary General Meeting of Shareholders, after which time the resolution will be of no value or effect whatsoever.

Notwithstanding the foregoing, it is stated for the record that the Debt Capitalisation Increase is expected to be executed as soon as possible after the following conditions precedent have been met, the disbursement of the amounts of the Loan Agreements in favour of the Company, in addition to obtaining the CNMV's exemption from the obligation to make a takeover bid as a result of the capitalisation of the Loan Agreements.



- (i) *The approval by Grupo Prodi, Mota México and Duro Felguera of the Company's Business Plan (the "**Business Plan**").*
- (ii) *The express approval of the Company's Business Plan by the Solvency Support Fund for Strategic Companies ("FASEE"), as well as the adaptation of the amortisation schedule of the financing granted by FASEE to the new Business Plan and the Management Agreement entered into with the Company, dated 31 March 2021.*
- (iii) *The public recording of the Loan Agreements before the Notary Public designated for such purposes by the Company.*
- (iv) *The call, by the Board of Directors of the Company, of the General Meeting of Shareholders of Duro Felguera to approve the Capital Increase.*
- (v) *The approval by the Company's General Meeting of Shareholders of the Capital Increase.*
- (vi) *Obtaining the authorisations of Banco Bilbao Vizcaya Argentaria, S.A., Banco Cooperativo Español, S.A.; Banco de Sabadell, S.A.; Banco Santander, S.A., Caixabank S.A. and Unicaja Banco S.A. (the "Financial Institutions"), FASEE and/or the Sociedad Regional de Promoción del Principado de Asturias, S.A. ("SRP") (as applicable) necessary for the performance of the legal acts required for the execution of the provisions of the MOU and, among them: (a) the authorisation by the Financial Institutions, FASEE and SRP of the indebtedness that the Loan Agreements represent for the Company and the drawdown thereof, the future change of control in Duro Felguera due to the capitalisation of the Loan Agreements by the Industrial Partners and (b) the approval by FASEE of the Business Plan and the adaptation of the Company's governance rules contained in the aforementioned Management Agreement.*
- (vii) *Obtaining authorisation from the Subdirectorato General for Foreign Investments of the Directorate General for International Trade and Investments of the Ministry of Industry, Trade and Tourism (or the authority to which it legally corresponds) for the acquisition of a controlling interest in the Company in accordance with the provisions of Article 7bis of Law 19/2003 or, if applicable, written confirmation from such body that such transaction is outside the scope of application of Law 19/2003.*
- (viii) *Obtaining unconditional authorisation from the National Markets and Competition Commission (CNMC) (or the authority to which it legally corresponds) for the acquisition of a controlling interest in the Company or, if applicable, written confirmation that such authorisation is not necessary, in accordance with Law 15/2007 of 3 July, on the defence of competition.*

7. Amendment of Article 5 of the Articles of Association

To expressly delegate to the Board of Directors so that, once the Debt Capitalisation Increase has been executed, it may adapt the wording of Article 5 of the Company's Articles of Association relating to share capital to the final result of the Capital Increase.



8. Admission to trading

It is resolved to request for admission to trading of the New Shares of the Debt Capitalisation Increase on the Madrid, Barcelona and Bilbao Stock Exchanges and any other markets on which the Company's shares are listed at the time of execution of this resolution, as well as their integration into the Spanish Stock Exchange Interconnection System (SIBE), expressly stating the Company's submission to the rules that exist or that may be issued regarding the Stock Exchange and, especially, regarding contracting, permanence and exclusion from official listing.

9. Delegation of enforcement powers

It is resolved to delegate to the Board of Directors, in accordance with the provisions of Article 297.1.a) of the Corporate Enterprises Act, the power to set the date on which the resolution adopted must be carried into effect, within a deadline of one year from its adoption, and, to the extent necessary, to redraft Article 5 of the Company's Articles of Association, as appropriate, with regard to the new amount of share capital and the number of shares into which it is to be divided.

Likewise, it is resolved to delegate to the Board of Directors, also in accordance with the provisions of Article 297.1.a) of the Corporate Enterprises Act, the power to set the terms and conditions of the Debt Capitalisation Increase in all matters not provided for in the preceding paragraphs. In particular, by way of illustration but without any limitation or restriction whatsoever, the necessary powers are delegated for the Board of Directors to:

- (a) Expand and develop this resolution, stipulating any terms and conditions for the issue that are not laid down herein. In particular, and without limitation, this will cover the setting of the subscription and disbursement conditions, including the power to determine the capital figure and the number of shares corresponding to the outstanding amount of the Loan Agreements and their interest, as well as any other circumstances necessary for the implementation of the increase and the issuance of shares within the framework of the offsetting of credits.*
- (b) Declare compliance with the conditions laid down in section 6 above.*
- (c) Draft, sign and file, if applicable, with the CNMV or any other supervisory authorities, in the language or languages deemed appropriate and in connection with the admission to trading of the New Shares of the Debt Capitalisation Increase, a prospectus, or any other equivalent document, and such supplements thereto as may be required, assuming responsibility thereof, as well as such other documents and information as may be required pursuant to the provisions of the Securities Market Act (LMV), Regulation (EU) 2017/1129 of the Parliament and of the Council of 14 June 2017, to the extent applicable, as well as any other applicable rules in force from time to time; likewise, to carry out on behalf of the Company any action, declaration or process required before the CNMV, Iberclear, the Governing Companies of the Stock Exchanges, the Companies Registry or any other public or private body or entity or registry, whether Spanish or foreign, in order to successfully complete the issue of the shares and the capital increase, as well as the admission to trading of the New Shares of the Debt Capitalisation Increase.*



- (d) *Draft, sign and file any additional or complementary documentation or information required before the CNMV or any other public or private, Spanish or foreign body, entity or registry, in connection with the New Shares of the Debt Capitalisation Increase and the Debt Capitalisation Increase.*
- (e) *Negotiate and, if applicable, sign in the terms it deems most appropriate, as many public or private documents as may be necessary in accordance with the usual practice for this type of transaction, including the contracts that may be necessary or convenient for the successful execution of this Debt Capitalisation Increase, designating the agent entity and any other entities whose collaboration may be necessary for the successful execution of the transaction, as well as negotiating the terms of its intervention, as the case may be. Any actions carried out prior to the date of this agreement in relation to the matters indicated in this paragraph, as well as the documents or contracts subscribed to that effect are expressly ratified by this agreement.*
- (f) *Declare the Debt Capitalisation Increase executed, issuing and putting into circulation the New Shares of the Debt Capitalisation Increase that have been subscribed and paid up.*
- (g) *Request registration of the New Shares of the Debt Capitalisation Increase in the accounting records of Iberclear, as well as their admission to trading on the Madrid, Barcelona and Bilbao Stock Exchanges and any other markets on which the Company's shares are listed at the time of execution of this resolution, and their integration in the Spanish Stock Exchange Interconnection System (SIBE).*
- (h) *Execute on behalf of the Company as many public or private documents as may be necessary or convenient for the issuance of the New Shares of the Debt Capitalisation Increase and their admission to trading, which are the object of this resolution and, in general, to carry out as many formalities as may be necessary for the execution thereof, as well as to correct, clarify, interpret, specify or supplement the resolutions adopted by the Extraordinary General Meeting of Shareholders, and, in particular, any defects, omissions or errors, of substance or form, resulting from the verbal or written qualification, that may prevent access of the resolutions and their consequences to the Companies Registry, the Official Registries of the CNMV or any other registries.*
- (i) *Adopt the decision not to execute this resolution due to circumstances that make it impossible to complete the Investment, including the failure to comply with any of the conditions laid down in the MOU. In such a case, the Board of Directors must inform of the decision not to implement the capital increase by means of the corresponding publication as relevant or insider information.*
- (j) *In general, to take such actions as may be necessary or advisable for the successful completion of the Debt Capitalisation Increase.”*



In view of the foregoing, the shareholders are requested to approve the proposal.

In Gijón, 7 March 2023.