



**Proposal of resolutions formulated by the Board of Directors of DURO FELGUERA, S.A.  
regarding the items on the agenda of the Extraordinary General Meeting of Shareholders of 12-  
13 April 2023**

**INTRODUCTION**

By virtue of the insider information communication dated 21 February 2023 (registration number 1769), Duro Felguera, S.A. (“**DF**” or the “**Company**”) reported that, within the framework of the refinancing and recapitalisation process that the Company is carrying out, Grupo Promotor de Desarrollo e Infraestructura, S.A. de C.V. (“**Grupo Prodi**”), Mota-Engil México, S.A.P.I. de C.V. (“**Mota México**” and, jointly with Grupo Prodi, the “**Industrial Partners**”) and the Company had signed, on 21 February 2023, a binding memorandum of understanding (the “**MOU**”) in order to govern the basic terms and conditions of the financial commitment of Grupo Prodi and Mota México to the Company in the amount of 90,000,000 euros (the “**Investment**”). As one of the pillars of the Investment, two loan agreements were signed on 28 February 2023 by Grupo Prodi and Mota México, as lenders, and the Company, as borrower, 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**”).

Certain transactions contemplated within the framework of the Investment must be approved at the General Meeting of Shareholders of DF in order to enable the execution of the Investment. These measures are reflected in the proposed resolutions relating to items One to Two (both inclusive) of the agenda of the Extraordinary General Meeting of Shareholders, both inclusive (collectively, the “**Investment Resolutions**”).

It is also noted that the Investment Resolutions be executed as soon as possible after the fulfilment of the following conditions, and the disbursement of the funds derived from 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 contained in item Two of the agenda:

- (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: (i) 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 (ii) 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 (jointly, the “**Disbursement Conditions**”).

The following is a summary of the main terms of the Investment, in order to contextualise the Investment Resolutions:

- (a) **Subscription of the Loan Agreement**, the Investment commitment by Grupo Prodi and Mota México involves the granting of two loans to the Company for a total amount of 90,000,000 euros under the terms and conditions indicated below, in order to avoid less satisfactory refinancing scenarios, providing the necessary cash flow to maintain the normal functioning of its operations.
- (b) **Injection of equity in the Company**, by means of a capital increase in two agreements for a cash amount (nominal plus premium) of 90,000,000 euros (plus interest accrued until the time of its execution), by means of:
  - (i) a first resolution consisting of 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) a second resolution consisting of a capital increase by offsetting the credit rights arising from the Loan Agreements entered into by Grupo Prodi and Mota México, with a maximum amount of 90,000,000 euros (plus interest accrued until the date of its execution) through full capitalisation of the Grupo Prodi Loan Agreement, and of the



interest accrued until its execution, and the capitalisation of the Mota México Loan Agreement in the amount that has not been repaid in the Capital Increase with Rights, and accrued interest until its execution (the “**Debt Capitalisation Increase**”, and together with the Capital Increase with Rights, the “**Capital Increase**”), which are proposed to the General Meeting of Shareholders as the First and Second item, respectively, on the agenda. As detailed in the respective resolution and in the corresponding directors’ report, the Debt Capitalisation Increase will be carried out only to the extent necessary to enable full compliance with the investment commitments assumed under the MOU by Grupo Prodi and Mota México, which have committed to invest a total of 90,000,000 euros between the Capital Increase with Rights and the Debt Capitalisation Increase.

In addition to the Investment Resolutions, the Third Resolution is submitted to the Extraordinary General Meeting of Shareholders. This resolution is not linked to the Investment and, therefore, is not conditioned to the approval of any other resolution.

Lastly, and even though no resolution is submitted to this General Meeting of Shareholders regarding the execution of the Loan Agreements, given that these have been executed in the context of the Investment, as mentioned above, the General Meeting of Shareholders is informed that the main terms and conditions of the Loan Agreements will be as follows:

a) Prodi loan:

- Lender: Grupo Promotor de Desarrollo e Infraestructura, S.A. de C.V.
- Capital amount: the total capital amount of the Loan Agreement will be 50 million euros.
- Purpose of the Loan: exclusively to meet the working capital needs that may arise during 2023 and to absorb temporary cash fluctuations that may occur in the execution of Duro Felguera’s projects, in accordance with the business plan established by Duro Felguera and the Industrial Partners.
- Term: six (6) months from the drawdown and disbursement of the Loan Agreement.
- Interest rate: EURIBOR (6 months) plus 2% per annum. Interest will be capitalised in the Debt Capitalisation Increase.
- Guarantees: no in rem or personal guarantees will be provided.
- Form of repayment: by means of the Debt Capitalisation Increase of the total amount of the Prodi Loan together with accrued and unpaid interest.

b) Mota México loan:

- Lender: Mota-Engil México, S.A.P.I. de C.V.
- Capital amount: the total capital amount of the Loan Agreement will be 40 million euros.
- Purpose of the Loan: exclusively to meet the working capital needs that may arise during 2023 and to absorb temporary cash fluctuations that may occur in the execution of Duro



Felguera's projects, in accordance with the business plan established by Duro Felguera and the Industrial Partners.

- Term: six (6) months from the drawdown and disbursement of the Loan Agreement.
- Interest rate: EURIBOR (6 months) plus 2% per annum. Interest will be capitalised in the Debt Capitalisation Increase, in the amount not subscribed by the shareholders in the Capital Increase with Rights.
- Guarantees: no in rem or personal guarantees will be provided.
- Form of repayment: through the Capital Increase, with the funds obtained with cash contributions from DF's current shareholders (and from those who have acquired pre-emptive subscription rights in the market) in the Capital Increase with Rights and with the Debt Capitalisation Increase.

## PROPOSED RESOLUTIONS

**ONE.** Share capital increase for a cash amount (par value plus premium) of thirty-nine million eight hundred and thirty-seven thousand two hundred euros (39,837,200 euros), by issuing and putting into circulation 52,000,000 new ordinary shares with a par value of five eurocents (0.05 euros) each, plus a share premium of 0.7161 euros, being, therefore, the issue price of 0.7661 euros per share, charged to cash contributions and recognition of the shareholders' pre-emptive subscription right, in order to repay the credit held by Mota-Engil México, S.A.P.I. de C.V. with the Company. 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.

**Proposed resolution.** To increase the share capital, through cash contributions, in order to repay the credit held by Mota-Engil México, S.A.P.I. de C.V. ("**Mota México**") against the Company, in a cash amount (nominal plus premium) of up to 39,837,200 euros, through the issuance and putting into circulation of up to 52,000,000 new ordinary shares of the same class, series and par value as those currently outstanding, i.e., 0.05 euros par value each, represented by book entries (the "**New Shares of the Capital Increase with Rights**").

### **1. Fulfilment of conditions precedent, maximum execution term and condition precedent**

Once the conditions precedent to which the Loan Agreements are subject (which are described below) have been fulfilled, 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 noted for the record that the Capital Increase with Rights is expected to be executed as soon as possible after the following conditions precedent have been met:



- (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 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.

## **2. Recipients of the Capital Increase with Rights**

The Capital Increase with Rights is intended for all shareholders of the Company who have acquired or subscribed their shares up to and including the date of publication of the announcement of the Capital Increase with Rights in the Official Gazette of the Companies Registry (Last Trading Date) and whose acquisition transactions have been settled within the 2 immediately following trading days. This is without prejudice to the fact that other investors may subscribe for New Shares of the Capital Increase with Rights through the acquisition of



pre-emptive subscription rights, whether or not they are shareholders.

### **3. Issue price**

The issue price of the New Shares of the Capital Increase with Rights will be 0.7661 euros.

The New Shares of the Capital Increase with Rights will be issued at a par value of 0.05 euros plus a share premium of 0.7161 euros, therefore, the issue price will be 0.7661 euros per share. Consequently, the amount of the total share premium corresponding to the New Shares of the Capital Increase with Rights amounts to 37,237,200 euros, and the amount of the total par value corresponding to the New Shares of the Capital Increase with Rights amounts to 2,600,000 euros, whereby the total amount of the Capital Increase with Rights is 39,837,200 euros (nominal value plus share premium).

### **4. Disbursement of the Capital Increase with Rights**

The payment of the New Shares of the Capital Increase with Rights will be made by means of cash contributions in the time and form determined by the persons authorised or empowered for this purpose pursuant to section 11 of this resolution.

For the purposes of the provisions of Article 299 of the Corporate Enterprises Act, it is hereby stated for the record that the shares of the Company previously issued are fully paid up.

### **5. Representation of the New Shares of the Capital Increase with Rights**

The New Shares of the Capital Increase with Rights will be represented by book entries, the accounting record of which is attributed to Iberclear and its Participating Entities under the terms established in the regulations in force from time to time.

### **6. Rights of the New Shares of the Capital Increase with Rights**

The New Shares of the Capital Increase with Rights will attribute to their holders, as from the date on which they are registered in their name in the corresponding accounting records, the same voting and dividend rights as the Company's shares currently outstanding. In particular, as regards dividend rights, the New Shares of the Capital Increase with Rights will entitle the holder to the dividends, whether interim or final, whose distribution is agreed as from that date.

### **7. Pre-emptive subscription right**

Pre-emptive subscription rights will be allocated to all shareholders of the Company who have acquired or subscribed their shares up to and including the date of publication of the announcement of the Capital Increase with Rights in the Official Gazette of the Companies Registry (Last Trading Date) and whose acquisition transactions have been settled within the 2 immediately following trading days.

Pursuant to Article 503 of the Corporate Enterprises Act, the period for exercising the pre-emptive subscription right will be the legal period, i.e., fourteen (14) calendar days, beginning on the day immediately following the publication of the announcement of the Capital Increase with Rights in the Official Gazette of the Companies Registry (the "**Pre-emptive Subscription**





**Period**”). In any case, the Board of Directors may establish a longer Pre-emptive Subscription Period if circumstances so require at the time of the execution of the Capital Increase with Rights. The Board of Directors may also establish a shorter Pre-emptive Subscription Period in the event of any regulatory amendment reducing such minimum period and applicable to the Capital Increase with Rights.

The exchange ratio for the exercise of the pre-emptive subscription rights will be as follows: each current share of the Company is assigned one (1) pre-emptive subscription right, requiring 24 pre-emptive subscription rights to subscribe for 13 New Shares of the Capital Increase with Rights. The number of shares with pre-emptive subscription rights giving rise to the exchange ratio will be included in the proposed resolution of the Extraordinary General Meeting of Shareholders regarding the Capital Increase with Rights prior to the publication of the notice of the Extraordinary General Meeting of Shareholders.

In accordance with the provisions of Article 306.2 of the Corporate Enterprises Act, the pre-emptive subscription rights will be transferable under the same conditions as the shares from which they derive and, consequently, will be tradable on the Madrid, Barcelona and Bilbao Stock Exchanges, through the Stock Exchange Interconnection System (SIBE). Consequently, during the Pre-emptive Subscription Period, investors other than shareholders may acquire in the market pre-emptive subscription rights to subscribe for New Shares of the Capital Increase with Rights.

In order to exercise the pre-emptive subscription rights during the Pre-emptive Subscription Period, the holders of the aforementioned rights may submit the exercise orders to the entities participating in Iberclear in whose registry the corresponding shares or rights are registered, indicating their desire to exercise the aforementioned rights and the number of additional New Shares of the Capital Increase with Rights that, if applicable, they wish to subscribe for. The orders issued in connection with the exercise of the Pre-emptive Subscription Right will be understood to be firm, irrevocable and unconditional.

The issue documentation and, in particular, the prospectus for the Capital Increase with Rights that will be filed with the CNMV will govern the terms and conditions under which the disbursement of the New Shares of the Capital Increase with Rights will take place and, if applicable, the applicable deadlines and procedures.

Pre-emptive subscription rights not exercised by the Company’s shareholders to whom they have been attributed or by those investors or shareholders who have acquired them in the market will be automatically extinguished at the end of the Pre-emptive Subscription Period.

## **8. Incomplete subscription**

In the event that at the end of the Pre-emptive Subscription Period there remain unsubscribed New Shares of the Capital Increase with Rights (the **“Surplus Shares”**), the Surplus Shares will remain unsubscribed in this first resolution of the Capital Increase.

In accordance with the provisions of Article 311 of the Corporate Enterprises Act, if for any reason the Capital Increase with Rights has not been fully subscribed after its completion, the share capital of the Company will be increased by the amount of the subscriptions made in this resolution.



## **9. Amendment of Article 5 of the Articles of Association**

As a consequence of the foregoing, it is expressly delegated to the Board of Directors so that, once the Capital Increase with Rights has been executed, it may adapt the wording of Article 5 of the Company's Articles of Association which, assuming the full subscription of the Capital Increase with Rights, would have the following wording:

*“Article 5. The share capital is set at seven million four hundred thousand euros (7,400,000 euros), represented by one hundred and forty-eight million (148,000,000) shares of five EUROCENTS (0.05 EUROS) par value each, of a single series and class. All shares are paid up at one hundred percent of their par value.”*

In any case, the Board of Directors is expressly delegated the power to adapt the wording of Article 5 of the Company's Articles of Association to the amount effectively subscribed in the Capital Increase with Rights, in the event of incomplete subscription.

## **10. Admission to trading**

It is resolved to request for admission to trading of the New Shares of the Capital Increase with Rights 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.

In addition, in accordance with the provisions of section 8 above, the pre-emptive subscription rights will be traded on the aforementioned Stock Exchanges and any other markets on which the Company's shares are listed at the time of execution of this resolution.

## **11. 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 Capital Increase with Rights 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 fixing of the term, form, conditions and procedure for subscription and payment in each of the periods, the power to propose to one or several shareholders the waiver of the number of pre-emptive subscription rights held by them, or to modify the number of shares to be





issued, all as necessary to ensure that the number of shares to be issued maintains exactly the proportion resulting from the application of the agreed exchange ratio and, in general, any other circumstances necessary for the execution of the Capital Increase with Rights and the issuance of the New Shares of the Capital Increase with Rights in consideration for the cash contributions.

- (b) Declare compliance with the conditions laid down in section 1 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 offer and admission to trading of the New Shares of the Capital Increase with Rights, 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 Capital Increase with Rights.
- (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 Capital Increase with Rights and the Capital Increase with Rights.
- (e) Draft and publish whatsoever announcements that are necessary or convenient.
- (f) 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 Capital Increase with Rights and, in particular, 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.
- (g) Declare the Capital Increase with Rights executed, issuing and putting into circulation the New Shares of the Capital Increase with Rights that have been subscribed and paid up.
- (h) Request registration of the New Shares of the Capital Increase with Rights 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).



- (i) 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 Capital Increase with Rights 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.
- (j) 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.
- (k) In general, to take such actions as may be necessary or advisable for the successful completion of the Capital Increase with Rights.

**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.**

**Proposed resolution.** 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 euros plus a share premium of 0.7161 euros, therefore, the issue price will be 0.7661 euros 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 México 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:

<b>Investor</b>	<b>Amount</b>
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

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 resolution 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 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.

#### **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.

**THREE. Ratification of the appointment as External Director of María Jesús Álvarez González.**

In accordance with the proposal of the Appointments and Remuneration Commission and the Justifying Report of the Board of Directors, it is resolved to ratify and appoint María Jesús Álvarez González, of legal age, Spanish nationality, with address for these purposes at Avda. Byron 90 (Parque Científico y Tecnológico de Gijón) in Gijón (Asturias), with the qualification of External Director for the maximum legal and statutory term of four years.

**FOUR. Delegation of powers, with express powers of substitution, for the development, public recording and registration of the foregoing resolutions in the Companies Registry.**

**Proposed resolution.** The Board of Directors proposes to empower the Chairperson and the Secretary of the Board of Directors, as broadly as required in Law, so that, without prejudice to the delegations included in the previous resolutions, either of them may, jointly and severally and indiscriminately:

- (a) Execute such private or public documents as may be necessary and to appear before the Notary Public of their choice and record in a public deed the foregoing resolutions, as well as to draw up and execute such public or private acts or documents as may be necessary to obtain the registration of the foregoing resolutions in the Companies Registry or in any others as may be appropriate.
- (b) Carry out on behalf of the Company such acts as may be pertinent before the corresponding public registries, also executing such public or private documents as may be necessary to correct



or modify errors or complement the former and, likewise, such deeds of correction or complementation as may be necessary to adapt these resolutions in view of the verbal suggestions or the written qualification of the Companies Registry -and may even proceed to request the partial registration of the registrable resolutions.

- (c) Appear before the National Securities Market Commission, the Governing Companies of the Madrid, Barcelona and Bilbao Stock Exchanges, the Stock Exchange Company, Iberclear, and any other public or private body, as well as to carry out any other legal acts that may be necessary, including the publication of legal notices, before any public or private bodies or agencies, in order to execute the foregoing resolutions and bring them to a successful conclusion.
- (d) Interpret, apply, execute and implement the approved resolutions, including the correction and fulfilment thereof, as well as to correct any error, defect or omission that may prevent the fulfilment of any requirements that may be legally required for the effectiveness of the aforementioned resolutions.

Gijón, 7 March 2023

The Board of Directors