



REPORT OF THE BOARD OF DIRECTORS OF ACERINOX, S.A. ON THE PROPOSED RESOLUTION TO REDUCE THE SHARE CAPITAL THROUGH THE REDEMPTION OF TREASURY SHARES INCLUDED UNDER ITEM EIGHT ON THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING WHICH HAS BEEN CONVENED TO BE HELD ON 22 MAY 2023 AT FIRST NOTICE AND ON 23 MAY 2023 AT SECOND NOTICE

Madrid, 12 April 2023

REPORT OF THE BOARD OF DIRECTORS OF ACERINOX, S.A. ON THE PROPOSED RESOLUTION TO REDUCE THE SHARE CAPITAL THROUGH THE REDEMPTION OF TREASURY SHARES INCLUDED UNDER ITEM EIGHT ON THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING WHICH HAS BEEN CONVENED TO BE HELD ON 22 MAY 2023 AT FIRST NOTICE AND ON 23 MAY 2023 AT SECOND NOTICE.

1. Wording of Item EIGHT of the agenda:

“Approval of a reduction of share capital through the redemption of 10,388,974 treasury shares, (from the Treasury Share Buy-back Programme approved by the Board of Directors at its meeting of 27 July 2022), excluding the right of creditors to oppose, and consequent amendment of Article 5 of the Articles of Association relating to share capital.”

2. Purpose of the Report

Based on Articles 286 and 318 of the revised text of the Spanish Capital Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July (the “**Capital Companies Act**”), the Board of Directors must prepare a report justifying the proposal submitted at the General Shareholders’ Meeting, given that a capital reduction obligatorily requires the amendment of Article 5 of the Articles of Association in which the share capital is established and its representation in shares is fixed.

3. Rationale for the proposal

Articles 144 et seq. of the Spanish Capital Companies Act regulate certain circumstances in which Spanish public limited companies may acquire, either directly or through their subsidiaries, their treasury shares, subject to the requirements set out in these standards.

The General Shareholders’ Meeting of Acerinox, S.A. (“**ACERINOX**” or the “**Company**”) held on 16 June 2022 authorised the Board of Directors, under Item Ten of the Agenda, to acquire treasury shares for a period of two years and up to a maximum of 10% of the share capital.

Based on the aforementioned resolution of the General Shareholders’ Meeting in 2022, the meeting of the Board of Directors held on 27 July 2022, approved a Share Buyback Programme (the “**Programme**”) with a maximum period running from 1 August 2022 to 30 December 2022, for the acquisition of a maximum of 10,388,974 treasury shares, representing 4% of the Company’s share capital at that time. The Board of Directors considers that the Programme is an advantageous mechanism for shareholders as it aims at redeeming the shares acquired under the Programme, thereby increasing the net asset value per share of the remaining shares as well as the earnings per share.

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This Programme was communicated to the Market by means of the publication of the corresponding Inside Information on the website of the National Securities Market Commission (registration number 1555) and on the Company's website on 28 July 2022, where it was explained that in view of the excellent results of ACERINOX during the 2022 financial year, the good prospects and the cash generation of the Group, the Board of Directors considered appropriate to make use of the aforementioned authorisation granted by the General Shareholders' Meeting to acquire the Company's treasury shares and, on this basis, it approved the Programme with the aim of reducing the share capital of ACERINOX by means of the redemption of treasury shares.

Consequently, the Board of Directors of ACERINOX S.A. proposes to the General Shareholders' Meeting to reduce the share capital of the Company through the redemption of treasury shares acquired through the Programme to contribute to increasing the shareholders' remuneration.

4. Terms and conditions of the Buyback proposal

The Programme had a maximum period of validity from 1 August 2022 to 30 December 2022. The maximum number of treasury shares to be acquired may not exceed 10,388,974, which is 4% of the current issued share capital of the Company at the time of its approval. Shares are required to be acquired at market value and subject to the conditions as to price and volume set out in Article 3 of the Delegated Regulation (EU) 2016/1052 of the European Commission of 8 March 2016. Banco de Santander, S.A. was appointed to act as agent in the share buyback transactions.

The total of 10,388,974 shares proposed for redemption began to be purchased on 1 August and were completed on 26 October 2022.

All purchases of shares under the above-mentioned Programme have been published on the website of the Spanish National Securities Market Commission and on the Company's website www.acerinox.com.

5. Proposed agreement

A) To reduce the share capital of Acerinox, S.A. ("**ACERINOX**" or the "**Company**"), by the amount of up to **€2,597,243.50** through the redemption of up to **10,388,974** of its shares held in treasury stock. These shares were previously acquired based on the authorisation by the General Shareholders' Meeting held on 16 June 2022 which authorised the Board, under Item Ten on the Agenda, within the limits laid down in Articles 144 et seq. and Article 509 of the revised text of the Spanish Capital Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July (the "**Spanish Capital Companies Act**") and within the Treasury Share Buyback Programme approved by the Board of Directors of ACERINOX held on 27 July 2022 and published as Inside Information with the

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National Securities Market Commission (CNMV) and on the ACERINOX website on 28 July 2022.

The capital reduction does not entail a return of contributions as the Company itself is the owner of the redeemed shares, and is carried out under the Voluntary Reserve and there will be an allocation of a capital reserve to be redeemed totalling **€2,597,243.50** (an amount equal to the nominal value of the redeemed shares), which can only be made available under the same requirements for capital reduction, pursuant to the provisions set forth in Article 335 c) of the Spanish Capital Companies Act. As a result, the creditors of the Company shall not have the right to object to the agreed capital reduction which is referred to in Article 334 of the Spanish Capital Companies Act. It is also noted that the consent of the syndicate bondholders of outstanding bond and debenture issues is also not required.

The purpose of the capital reduction through the redemption of treasury shares is to increase the value of the Shareholder's shares in the Company.

This capital reduction through the redemption of treasury shares will take place during a maximum period of two months from the approval of this resolution.

As a result, Article 5 of the Articles of Association shall read as follows:

Article 5. Share Capital

*“The Share Capital is established as **€62,333,842.75** and is represented by 249,335,371 ordinary shares, each with a face value of €0.25 numbered sequentially from ONE to TWO HUNDRED AND FORTY-NINE MILLION, THREE HUNDRED AND THIRTY-FIVE THOUSAND, THREE HUNDRED AND SEVENTY-ONE, inclusive.*

The shares are fully subscribed and paid up.”

B) To empower the Board of Directors so that, within one month of the approval of this resolution, it may determine those points which have not been expressly stipulated or that arise as a result of the agreement, and adopt the resolutions, perform the actions and provide the necessary or appropriate public or private documents to carry out the full implementation of this resolution, including, without limitation, the publication of notices that are legally required and carrying out the necessary requests and notifications to exclude the share price of the redeemed shares, such powers may be delegated by the Board of Directors to any other person who the Board of Directors expressly authorises for that purpose.

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Translation of the original in Spanish. In case of any discrepancy, the Spanish version prevails.

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