



**REPORT ISSUED BY THE BOARD OF DIRECTORS OF GESTAMP AUTOMOCIÓN, S.A. ON THE ITEM TWELVE OF THE AGENDA OF THE 2021 ORDINARY GENERAL SHAREHOLDERS' MEETING.**

**1. PURPOSE OF THIS REPORT**

Letter b) of section 1 of article 297 of the Capital Companies Law approved by Royal Legislative Decree 1/2010, of July 2 (“LSC”), establishes that the general shareholders’ meeting, with the requirements established for the modification of the bylaws, may delegate to the administrators the power to agree on one or more times the increase in capital stock up to a determined amount at the opportunity and in the amount that they decide, without prior consultation with the general shareholders’ meeting. Such capital increases may in no case exceed half the capital of the company at the time of authorization and must be made through monetary contributions within a maximum period of five years from the agreement of the meeting.

On another hand, article 286.1 LSC requires, for the valid adoption of the agreement to modify the bylaws, among other requirements, the issuance by the directors of a report with the justification thereof, which, together with the full text of the proposed amendment, must be made available to the shareholders, thus stating it in the corresponding announcement of the call.

Finally, article 506 LSC establishes that, in the case of listed companies, when the general shareholders’ meeting delegates to the directors the power to increase the share capital in accordance with the provisions of letter b) of section 1 of article 297 LSC, may also grant them the power to exclude the pre-emptive subscription right when the circumstances provided for in the aforementioned article occur, provided that the nominal value of the shares to be issued plus, where appropriate, the amount of the share premium, corresponds to the fair value resulting from the report of the company's auditors prepared at the request of the administrators for this purpose.

The purpose of this report is, consequently, to comply with the provisions of the aforementioned provisions of the LSC in relation to the agreement referred to in the twelfth item of the agenda that is submitted to the approval of the Ordinary General Shareholders’ Meeting of Gestamp Automoción, S.A. (the “**Company**”) convened for May 6, 2021 in first call and the following day, at the same time, in second call.



## **2. JUSTIFICATION OF THE PROPOSAL**

The directors consider convenient to have at all times the most suitable instruments to provide an adequate response to the demands that the operation of the Company itself demands in each case, among which could be to provide the Company with new resources through new capital contributions.

Given the fact of, on the one hand, not being able to foresee such needs a priori and, on the other hand, having to attend the call of a new General Shareholders' Meeting, with the costs and delay that would entail, the LSC itself allows in Article 297, section 1, letter b) that the general shareholders meeting of authorizes the board of directors, within certain limits, to adopt share capital increase agreements without the need for prior consultation with the same. Based on this, it is proposed to the General Shareholders' Meeting the authorization of the Board of Directors to increase the share capital, one or more times, up to a maximum amount of 50% of the capital, authorization that the Board may carry out during the term of five years.

In addition, article 506 of the same LSC, allows the general meeting, by granting said authorization, to also attribute to the board of directors the power to exclude the pre-emptive subscription right in relation to the issue of shares that are delegated, in the terms that have already been mentioned above. The power to exclude the pre-emptive subscription right is complementary to the power to increase capital since it provides the administrative body with the desired agility with the delegation of the power to increase share capital. Thus, and in addition to the justification of the cost savings that a capital increase excluding the pre-emptive subscription right entails compared to an increase with rights (in particular, in the commissions of the financial institutions participating in the eventual issuance), the exclusion The pre-emptive subscription right is justified by (i) a principle of prudence and anticipation of eventual short-term difficulties, (ii) planning criteria, and, mainly, (iii) by the need to reinforce the speed and flexibility of action and response of the Board of Directors on those occasions that are required by the volatility of current financial markets, allowing the Company to take advantage of times in which market condition is favourable. Likewise, the measure of the exclusion of the pre-emptive subscription right is justified by the lower distortion in the trading of the Company's shares during the issuance period, which is usually shorter than in an issuance with rights.

With the aforementioned justification, the resolution included below is proposed to the General Shareholders' Meeting.



**3. FULL TEXT OF THE PROPOSED AGREEMENT SUBMITTED FOR APPROVAL BY THE GENERAL SHAREHOLDERS' MEETING**

*“12. Authorization to the Board of Directors, with express powers of delegation, for a maximum period of five years, to increase the share capital in accordance with the provisions of Article 297.1.b) of the Capital Companies Law, up to half the share capital on the date of the authorization, and with conferral of the power to exclude the preemptive subscription right with a limit to the maximum of 20% of the share capital on the date of the authorization, in accordance with article 506 of the Capital Companies Law.*

*It is approved to revoke the authorization approved by the General Shareholders' Meeting of March 3, 2017, and to authorize the Board of Directors, to the full extent that is legally necessary, with an express power of delegation and in accordance with Article 297.1.b) of the Capital Companies Law, to adopt a resolution to increase the share capital by monetary contributions on one or more occasions and when necessary, by the issue and putting into circulation of new shares (with or without a premium) including, provided that this is legally possible, redeemable shares, or shares of any other kind permitted by the legislation applicable, according to the following terms:*

- (i) Maximum nominal amount authorized.- The total maximum nominal amount of the issue or issues of shares shall be €143,878,590 equal to fifty per cent of the Company's share capital on the date of adoption of this resolution, taking into account within such limit the capital increases made in accordance with this resolution as well as those related to the issues of notes convertible into, or entitling to the subscription of, new shares of the Company executed by the Board of Directors pursuant to the authorizations conferred by the Shareholders' Meeting in accordance with article 511 of the Capital Companies Law and article 319 of the Commercial Registry Regulations.*
- (ii) Admission to trading.- The Company, where relevant, shall request the admission to trading of the shares issued pursuant to this authorization on the regulated markets, multilateral trading facilities or other official or unofficial secondary, organized or over-the-counter markets, national or foreign, to which the existing shares are admitted to trading and the Board of Directors is authorized to carry out all steps and procedures necessary for the purposes of the admission to trading at the competent authorities of the Spanish or foreign securities markets, following compliance with the legislation applicable.*
- (iii) Scope of the authorization.- The Board of Directors may establish, in relation to all matters not provided in this resolution, the terms and conditions of the increase of share capital and determine the par value of the shares to be issued, their characteristics and the possible preferential rights which are conferred on them, the conferral of the right of redemption and its conditions, as well as the exercise thereof by the Company. The Board of Directors may also freely offer the unsubscribed shares within the period or periods for the exercise of the preemptive subscription right, when such right is not excluded and establish that, in*



*the event of an incomplete subscription, the share capital will be increased only by the amount of the subscriptions made and amend the article of the Bylaws relating to the share capital and the number of shares. Any shares which are issued pursuant to this resolution may be used to meet the conversion of convertible notes issued or to be issued by the Company or its subsidiaries.*

- (iv) Pre-emptive subscription right.- The Board of Directors is expressly authorized to exclude the pre-emptive subscription right under the terms of Article 506 of the Capital Companies Law in relation to the issues of shares that are made pursuant to this resolution, although this power shall be limited to the maximum nominal amount of €57,551,436, equal to twenty per cent of the Company's share capital on the date of adoption of this resolution.*
- (v) Power of delegation.- The Board of Directors is expressly authorized to delegate, in turn, pursuant to the provisions of Article 249 Bis of the Capital Companies Law, the powers referred to in this resolution.*
- (vi) Duration of the authorization.- The increases of capital pursuant to this authorization may be carried out during the period of five years from the date of adoption of this resolution.*

*It is hereby stated that, in accordance with articles 286 and 297 of the Capital Companies Act, a report justifying the proposal presented here has been prepared by the Board of Directors and made available to shareholders."*

**Madrid, 29 March 2021**