**REPORT PRESENTED BY THE BOARD OF DIRECTORS OF "SANTA ANA GLOBAL ENTERPRISES, S.A." REGARDING THE DELEGATION TO THE BOARD OF DIRECTORS OF THE AUTHORITY TO INCREASE THE SHARE CAPITAL IN ONE OR MORE INSTANCES, INCLUDING THE POWER TO EXCLUDE THE PREFERENTIAL SUBSCRIPTION RIGHT, AS REFERRED TO IN THE FIFTH ITEM OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING OF "SANTA ANA GLOBAL ENTERPRISES, S.A." HELD UNIVERSALLY ON OCTOBER 31, 2024**

## 1. Purpose of the Report

The Board of Directors of "SANTA ANA GLOBAL ENTERPRISES, S.A." (the "**Company**"), in compliance with the provisions of the Capital Companies Law, issues this report to justify the proposal regarding the delegation of powers to the Board of Directors of the Company to increase the share capital under the provisions of Article 297.1.b) of the Capital Companies Law, including the delegation, where applicable, to **exclude the preferential subscription** right in accordance with Article 506 of the same law, with substitution powers in the Director or Directors that the Board of Directors deems appropriate, whose approval is proposed to the General Shareholders' Meeting of the Company, to justify the proposed agreement submitted for approval by the Ordinary General Shareholders' Meeting of "SANTA ANA GLOBAL ENTERPRISES, S.A." (the "Company"), which is scheduled to be held universally on October 31, 2024, under the fifth item of its Agenda.

## 2. Justification and Rationale of the Proposal

In accordance with the provisions of Article 297.1.b) of the Capital Companies Law, the General Shareholders' Meeting, with the requirements established for the amendment of the Company's Bylaws, may delegate to the Board of Directors the authority to approve, in one or more instances, the increase of the share capital up to a certain amount, at the time and in the amount it deems appropriate, without prior consultation with the General Shareholders' Meeting. These increases may not, in any case, exceed half of the Company's share capital at the time of authorization, considered together with those that may be eventually approved, and must be carried out within a maximum period of five years from the date of the General Shareholders' Meeting agreement and necessarily through cash contributions.

The Board of Directors of the Company considers that the proposed agreement presented to the General Shareholders' Meeting is motivated by the convenience of providing the Board of Directors with an instrument authorized by current corporate law, which, at any time and without the need to convene and hold a prior General Shareholders' Meeting, allows for the approval of capital increases that, within the limits and under the terms, periods, and conditions decided by the General Shareholders' Meeting, are deemed appropriate for the Company's interests. The dynamics of any commercial company, and especially of a listed company like the Company will soon be, require that its governing and management bodies have at all times the most suitable instruments to respond quickly and efficiently to the needs that the Company may demand in each case, in light of market circumstances.

Notwithstanding the above, the present proposal for delegation to the Board of Directors submitted to the General Shareholders' Meeting of the Company is motivated by the subscription by the Company with the entity "LDA CAPITAL LIMITED" (the "Investor") of a share subscription line on September 13, 2024 (hereinafter, the "Share Subscription Line"), under which the Investor has committed to subscribe to ordinary shares in the Company, up to a limit of 20 million euros. Among the conditions and obligations of said contract, it is an essential requirement that the Company adopt at the General Shareholders' Meeting the present agreement. This is established in the preamble VI of the Share Subscription Line, with the following literal wording:

*"VI. The General Shareholders' Meeting of the Company (the "GSM") shall adopt resolutions for the purposes of (i) issuing the Ordinary Shares that may be necessary at any time under this Agreement, (ii) excluding any preferential subscription rights of the Company's shareholders so that such Ordinary Shares may be subscribed by the Investor, (...) (v) delegating to the board of directors of the Company (the "Board") the authority to approve, in one or more instances, at the time and for the amounts that the Board decides without the need to consult the GSM, an aggregate amount that reaches at least the minimum required to be authorized by the Company under this Agreement, and (vi) any additional and complementary resolutions that the Company may need to comply with the terms of this Agreement (the "GSM Resolutions"). These GSM Resolutions shall also delegate to the Board the authority to exclude the preferential subscription rights of the Company's shareholders with respect to the relevant share capital increases. (...)."*

In light of the above, it is necessary for the Company to adopt this agreement, as the Share Subscription Line is a fundamental instrument for the Company's operations and the obtaining of the necessary financing, without debt, for the development of its corporate purpose and the achievement of its business plan. Additionally, all shareholders have signed a Shareholders' Agreement in which clause 3 expressly regulates the obligation to vote in favour of any resolutions that are necessary and required in relation to the Share Subscription Line, such as the one presented to the General Shareholders' Meeting.

Furthermore, the Board of Directors highlights that, due to the very configuration of the Company, its projects, and its expansion, it is not possible to foresee in advance what the Company's needs will be in terms of capital provision. In this sense, the natural recourse to the General Shareholders' Meeting to increase the share capital, with the consequent delay and increase in costs that this inevitably entails, may hinder the Company's ability to provide quick and effective responses to market needs or the opportunities it may offer. In this regard, the recourse to the delegation provided for in Article 297.1.b) of the Capital Companies Law largely allows these difficulties to be avoided, while providing the Board of Directors with an adequate degree of flexibility to address, as circumstances require, the Company's needs, also fulfilling the obligations arising from the Share Subscription Line formalized with the Investor.

For these purposes, the proposal is submitted to the General Shareholders' Meeting to empower the Board of Directors of the Company to increase the share capital in one or more instances, and in the amount, dates, conditions, and other circumstances it deems appropriate, up to the maximum limit and period provided by law, as well as to amend the article of the Company's Bylaws relating to the share capital and carry out any necessary procedures for the new shares resulting from the capital increase or increases to be admitted to trading on national stock exchanges and multilateral trading systems and, where applicable, foreign ones, in which the Company's shares are admitted to trading, in accordance with the procedures established in each of said exchanges, with substitution powers in the Director or Directors that the Board of Directors deems appropriate.

Additionally, the delegation to the Board of Directors of the Company to increase the capital contained in the proposal to which this report refers also includes, as permitted by Article 506 of the Capital Companies Law, the attribution to the directors of the **authority to exclude, in whole or in part, the preferential subscription right of the shareholders**, when the Company's interest so requires, all within the terms of Articles 308, 504, and 506 and other related provisions of the aforementioned legal text and without, in the event that the Board of Directors of the Company uses the authority to exclude the preferential subscription right in the terms set out, the share capital increase that is approved exceeding, together with the amount of the capital increase or increases that may have been made excluding said right to meet the conversion of convertible bonds, preferred shares, warrants, and other similar securities issued under authorizations granted by this General

Shareholders' Meeting, 20% of the Company's share capital at the time of authorization. It is expressly stated that, under the Share Subscription Line, Warrants will be issued in favour of the Investor under the terms contained therein, which will be the subject of a new delegation agreement that will be proposed to the General Shareholders' Meeting within the deadlines determined by the Board of Directors based on the Company's needs.

The Board of Directors of the Company considers that this proposal is justified by the flexibility and agility with which, at times, it is necessary to act in current financial markets in order to take advantage of the conjunctural moments when market conditions are more favourable or using placement techniques and determination of the type of issuance of the new shares based on the prospecting of demand among qualified investors. Additionally, the exclusion of the preferential subscription right has, at the same time, a lesser distorting effect on the trading of shares during the issuance period, which is usually shorter than in a capital increase with recognition of preferential subscription rights and, compared to the latter case, implies a relative reduction in the financial cost and associated costs of the operation (including, especially, the commissions of the financial entities participating in the increase). To all of the above, the commitments assumed under the Share Subscription Line are added.

If, in the exercise of the aforementioned powers, the Board of Directors decides to exclude the preferential subscription right in relation to a specific capital increase that it may eventually decide to carry out under the authorization granted by the General Shareholders' Meeting, it will issue, at the time of approving the increase, a detailed report setting out the specific reasons of social interest that justify such measure, accompanied, if legally necessary or if the Board of Directors decides to obtain it voluntarily, by the independent expert report provided for in Article 308 of the Capital Companies Law, on the fair value of the shares, the theoretical value of the excluded preferential right, and the reasonableness of the data contained in the directors' report. These reports will be made available to the shareholders and communicated to the first General Shareholders' Meeting held after the capital increase agreement, in accordance with the provisions of the aforementioned Article 506 of the Capital Companies Law together with Article 504 of the same legal text. Likewise, all legal, statutory, or contractual requirements that may be applicable will be complied with.

## 3. Proposed Agreement to be Submitted to the General Shareholders' Meeting

The full text of the proposal submitted to the General Shareholders' Meeting of the Company is as follows:

*"As a result of the investment agreement signed by the Company with LDA CAPITAL LIMITED, it is unanimously agreed by the Shareholders to delegate to the Board of Directors, under the provisions of Articles 297.1.b), 504, and 506 of the Capital Companies Law, the authority to increase the share capital, without prior consultation with the General Shareholders' Meeting, within the period set for this purpose and up to the maximum limit and amount provided for in the Capital Companies Law, amending the article of the Company's Bylaws relating to the share capital, in accordance with the following conditions:*

A. <u>Capital Increases and Delegation Period</u>

*The Board of Directors is authorized, as broadly as necessary under the Law, to, in accordance with the provisions of Article 297.1.b) of the Capital Companies Law, increase the share capital, without prior consultation with the General Shareholders' Meeting, in one or more instances and at any time, within a period of five years from the date of this Ordinary General Shareholders' Meeting, in the amount corresponding to 50% of the share capital at the time of authorization (i.e., 32,437.62 euros of nominal value), through the issuance of new ordinary shares or any other type of shares in accordance with applicable legal requirements—with or without an issuance premium—with the consideration for the new shares to be issued consisting of cash contributions. For clarification purposes, the indicated percentage of share capital will be cumulative with respect to those capital increases that may be carried out, where applicable, under the previous fourth item of the agenda.*

B. <u>Scope of the Delegation</u>

*The Board of Directors may set all the terms and conditions of the capital increases and the characteristics of the shares, as well as determine the investors and markets to which the capital increases are to be directed and the placement procedure to be followed, freely offer the new shares not subscribed during the preferential subscription period, and establish, in case of incomplete subscription, that the capital increase be void or that the capital be increased only in the amount of the subscriptions made and amend the article of the Company's Bylaws relating to the share capital.*

*The Board of Directors may designate the person or persons, whether or not directors, who are to execute any of the resolutions it adopts in the exercise of this authorization and, in particular, the closing of the capital increase.*

C. <u>Rights of the New Shares, Type of Issuance, and Consideration for the Increase</u>

*The new shares issued as a result of the capital increase or increases approved under this delegation will be ordinary shares with the same rights as the existing ones (except for dividends already declared and pending payment at the time of their issuance), which will be issued at their nominal value or with the issuance premium that may be determined. The consideration for the new shares to be issued will necessarily consist of cash contributions.*

D. Exclusion of the Preferential Subscription Right

*In accordance with the provisions of Article 506 of the Capital Companies Law, the Board of Directors is expressly granted the authority to exclude, in whole or in part, the preferential subscription right with respect to all or any of the issuances it may decide to carry out under this authorization, provided that this authority will be limited to the capital increases carried out under this delegation not exceeding an amount equivalent to 20% of the Company's share capital at the date of effectiveness of this agreement (i.e., 12,975.05 euros of nominal value).*

*In accordance with applicable legislation, the Board of Directors may exercise the authority granted under the previous paragraph when the Company's interest so requires, and it will issue, at the time of approving the increase, a detailed report setting out the specific reasons of social interest that justify such measure, accompanied, if legally necessary or if the Board of Directors decides to obtain it voluntarily, by the independent expert report provided for in Article 308 of the Capital Companies Law. These reports will be made available to the shareholders and communicated to the first General Shareholders' Meeting held after the capital increase agreement, in accordance with the provisions of the aforementioned Article 506 of the Capital Companies Law and Article 504 of the same legal text.*

E. Admission to Trading of the Issued Shares

*The Board of Directors is authorized to request the admission to trading, and their exclusion, on multilateral trading systems and/or organized secondary markets, Spanish or foreign, of the shares that may be issued or, in case of modification of the nominal value of those already issued, their exclusion and new admission, complying with the rules applicable in relation to trading, permanence, and exclusion from trading.*

F. Substitution Authority

*The Board of Directors is authorized to, in turn, delegate in favour of any of the members of the Board of Directors or any other person, whether a member of this body, the delegated authorities referred to in this agreement.*

*It is noted that the corresponding directors' report justifying the proposal for delegation to increase the share capital with the exclusion of preferential subscription rights has been made available to the shareholders, which is incorporated as **<u>Annex VII</u>**.*

*For the purposes of the provisions of Article 197.bis of the Capital Companies Law, it is expressly stated that all the resolutions contained in this item have been subject to separate voting and approval."*

And for the record, this report is issued in Madrid, on October 29, 2024, by all members of the Board of Directors, for presentation to the General Shareholders' Meeting that may, where applicable, approve the agreement.