REPORT PRESENTED BY THE BOARD OF DIRECTORS OF CIE AUTOMOTIVE, S.A. IN RELATION TO THE RESOLUTION REFERRED TO IN ITEM FIVE OF THE AGENDA OF THE ANNUAL MEETING OF SHAREHOLDERS ON THE PROPOSAL FOR AUTHORIZATION OF THE DERIVATIVE ACQUISITION OF TREASURY SHARES

1. PRELIMINARY

The Board of Directors of CIE Automotive, S.A. (the "**Company**") has resolved to call an annual meeting of the Company (the "General Meeting") on May 7 and 8, 2025, at first and second call, respectively, and to submit for its consideration (as item five on the agenda)—withdrawing the authorization granted by the General Meeting on May 8, 2024—the authorization for the Board of Directors to proceed with the derivative acquisition of treasury shares, directly or through group companies, in accordance with Articles 146 and 509 of the Consolidated Text of the Companies Act approved by Royal Legislative Decree 1/2010 of July 2 (the "**Companies Act**"), including the reduction of share capital to redeem treasury shares, and delegating to the Board the necessary powers for its execution.

2. PURPOSE OF THE REPORT

For the valid adoption of the resolution to amend the bylaws, Article 286 of the Companies Act requires, among other requirements, that the Board of Directors prepare a written report with the justification, which, together with the full text of the proposed amendment, must be made available to the shareholders in the time and in the manner mentioned in said article. Article 318 of the Companies Act establishes that the reduction of share capital must be agreed by the General Meeting in accordance with the requirements of the amendment of the bylaws.

The purpose of this report is to comply with the aforementioned regulations in relation to item five of the agenda submitted for approval by the General Meeting.

3. JUSTIFICATION OF THE PROPOSAL

Articles 144 and following of the Companies Act, which regulate the regime of the business on treasury shares, allow the derivative acquisition of the shares by complying, among others, with the requirements resulting from Article 146 of the Companies Act. To this effect, the proposal is put to the General Meeting to adopt a resolution which, cancelling the resolution adopted by the General Meeting on May 8, 2024, grants the authorization with the requirements and limits set forth in the Companies Act so that the Company (either directly or through companies of its group) may acquire its own shares or, in the second case, shares issued by the parent company.

However, once the derivative acquisition of treasury shares has occurred, there are several mechanisms established in the Companies Act to reduce or eliminate the Company's treasury shares that have been acquired. Thus, it could be decided to redeem these shares or to sell them on the market. In the case of a company with securities admitted to trading on a secondary market, it is impossible to determine *a priori* the suitability of the procedure that, in the Company's interest and when the time comes, it is advisable to use for the aforementioned purpose of reducing or eliminating the treasury shares acquired. It is not possible to foresee market conditions at any given time, which could be favorable or unfavorable with regard to a single previously established procedure. For this reason, it is considered appropriate for the assessment of the circumstances at any given time to be made by the Company's Board of Directors, which will then decide on the most suitable system

If it is decided to redeem the treasury shares acquired, this results in the need to adopt a resolution to reduce the share capital. However, as the assessment of the convenience and opportunity of a financial operation of these characteristics must be adopted based on market circumstances at any given time, this requires—in the opinion of this Board of Directors—proposing to the General Meeting the adoption of a capital reduction resolution delegating the Board with the necessary powers for its execution. Such proposal includes the determination of the amount of the capital reduction and whether such amount is to be appropriated either to a restricted reserve or to a freely distributable reserve, in which case the requirements established by the Companies Act must naturally be complied with in order to guarantee creditors. In short, the purpose of this resolution to reduce share capital is to provide the Company with a suitable instrument in the interest of the Company and its shareholders.

4. FULL TEXT OF THE PROPOSED RESOLUTION TO BE SUBMITTED TO THE GENERAL MEETING OF SHAREHOLDERS

The full text of the proposed resolution submitted for approval by the General Meeting is as follows:

*"**FIVE.*** ***Cancellation of the authorization granted by the General Meeting of May 8, 2024, authorizing the Board of Directors to proceed with the derivative acquisition of treasury shares, directly or through group companies, in accordance with Articles 146 and 509 of the Companies Act, reducing the share capital to redeem treasury shares and delegating to the Board the necessary powers.***

1. *To rescind the resolution adopted by the General Meeting on May 8, 2024 to authorize the Company, directly or through any of its subsidiaries, for a*

maximum of five (5) years from the date of this General Meeting, to acquire, at any time and as many times as it deems appropriate, shares of CIE Automotive, S.A., by any means permitted by law, including against profits for the year and unrestricted reserves, all in accordance with Article 146 and related provisions of the Companies Act.

2. *To rescind the resolution adopted by the General Meeting on May 8, 2024 to the extent not executed, to authorize the Company to proceed to dispose to any third parties or to subsequently redeem any treasury shares acquired by virtue of this authorization or the authorizations made by previous General Meeting, all in accordance with Article 146 and related provisions of the Companies Act, as well as to delegate to the Board of Directors the approval and terms of the execution of the resolutions to dispose of the treasury shares held by the Company at any given time.*

3. *To approve the terms and conditions of these acquisitions, which will be as follows*:

   (a) *The par value of the shares acquired directly or indirectly, added to the par value of the shares already held by the acquiring company and its subsidiaries and, if applicable, by the parent company and its subsidiaries, must not exceed ten percent (10%) of the share capital of CIE Automotive, S.A., in compliance in all cases with the limitations established for the acquisition of treasury shares by the regulatory authorities of the markets where the shares of CIE Automotive, S.A. are admitted to trading.*

   (b) *That the acquisition, including the shares that the company, or a person acting in their own name but on behalf of the company, had previously acquired and held in a portfolio, does not have the effect that the equity is less than the share capital plus the legal or statutory reserves that are not available. For these purposes, equity will be deemed to be the amount classified as such in accordance with the criteria for the preparation of the annual accounts, less the amount of the profits directly allocated thereto, and increased by the amount of the uncalled subscribed share capital, as well as the amount of the par value and the share premiums of the subscribed capital recorded for accounting purposes as liabilities.*

   (c) *The acquisition price must not be less than the nominal price or ten percent (10%) higher than the listed price of the shares on the date of acquisition or, in the case of derivatives, on the date of the contract*

giving rise to the acquisition. Transactions for the acquisition of treasury shares must be carried out in accordance with the rules and customs of the securities markets.

d) A restricted reserve equivalent to the amount of treasury shares computed in assets should be established in equity. This reserve must be maintained until the shares disposed of.

4. *To expressly authorize the Company so that the shares acquired in use of this authorization may be used in whole or in part for delivery to the workers, employees or directors of the Company, when there is a recognized right, either directly or as a result of the exercise of option rights held by them, for the purposes laid down in the last paragraph of Article 146.1(a) of the Companies Act.*

5. *To reduce the share capital in order to redeem the treasury shares of CIE Automotive, S.A. that it may hold on its balance sheet, with a charge to profits or free reserves and for the amount that may be appropriate or necessary at any given time, up to the maximum treasury shares existing at any given time.*

6. *To delegate to the Board of Directors the execution of the foregoing resolution to reduce capital, who may carry it out one or more times and in a deadline of five (5) years from the date of this General Meeting, carrying out such formalities, procedures and authorizations as may be necessary or required by the Companies Act and other applicable provisions and, in particular, it is delegated so that, in the term and limits established for such execution, it may set the date(s) of the specific capital reduction(s) its opportunity and convenience, taking into account the market conditions, the share price, the economic and financial situation of the Company, its cash flow, reserves and outlook of the Company and any other aspect that may influence such decision; to specify the amount of the capital reduction; to determine the destination of the amount of the reduction, either to a restricted reserve or to freely distributable reserves, providing, where applicable, the guarantees and complying with the legal requirements; to adapt Article 4 of the Company Bylaws to the new figure of the share capital; to request the delisting of the redeemed securities and, in general, to adopt such resolutions as may be necessary for the purposes of such redemption and subsequent capital reduction, designating the persons who may intervene in its formalization.*

It is noted for the record that a report justifying the proposal presented here has been prepared by the directors."

5. FORMULATION AND PUBLICITY OF THE REPORT

This report has been formulated and unanimously approved by the Board of Directors at its meeting held on March 20, 2025. It will be made available to the public (and, in particular, to the Company's shareholders on the occasion of the next ordinary meeting of the General Meeting) through its publication on the Company's website, in accordance with the applicable legal, statutory and regulatory terms.

Bilbao, March 20, 2025