TEKNIA MANUFACTURING GROUP, S.L.U.

(established and incorporated in Spain pursuant to the Capital Companies Act)

BASE INFORMATION MEMORANDUM (*DOCUMENTO BASE INFORMATIVO*) ON THE ADMISSION TO TRADING OF COMMERCIAL PAPER (*PAGARÉS*) ON THE ALTERNATIVE FIXED-INCOME MARKET (*MARF*)

"COMMERCIAL PAPER PROGRAMME TEKNIA 2024"
maximum outstanding balance of €30,000,000

TEKNIA MANUFACTURING GROUP, S.L.U. ("**Teknia**", the "**Issuer**" or the "**Company**"), a private limited company (*sociedad limitada*) incorporated under the laws of Spain with registered office at Barrio San Agustín, s/n, 48230 Elorrio (Vizcaya), registered in the Commercial Registry of Vizcaya, Volume 3,702, Page 22, Sheet BI-23069, and with Tax Identification Number B-48984090 and LEI code 9598001382GF2BG2PP33, will request the admission (*incorporación*) to trading of commercial paper notes (the "**Commercial Paper**") which will be issued under the "*Commercial Paper Programme Teknia 2024*" (the "**Commercial Paper Programme**" or the "**Programme**") in accordance with the provisions set out in this base information memorandum (the "**Information Memorandum**") on the Alternative Fixed-Income Market (*Mercado Alternativo de Renta Fija*) (the "**MARF**").

Except when the context requires or indicates otherwise, all references made in this Information Memorandum to "Teknia Group", the "Group", "we", or similar first-person plural expressions shall collectively refer to Teknia and the companies within its consolidated group (the "**Group**").

MARF is a multilateral trading facility (MTF) (*sistema multilateral de negociación*) and not a regulated market, in accordance with article 68 of Law 6/2023, of 17 March, on Securities Markets and Investment Services (the "**Securities Market Act**"). This Information Memorandum is the one required in Circular 2/2018, of 4 December, on admission and removal of securities on the MARF (*Circular 2/2018, de 4 de diciembre, sobre incorporación y exclusión de valores en el Mercado Alternativo de Renta Fija*) (the "**Circular 2/2018**").

The Commercial Paper will be represented by book entries at Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. ("**Iberclear**") which, together with its participating entities, will be responsible for its accounting record.

An Investment in the Commercial Paper involves certain risks.

Read section 1 of the Information Memorandum on Risk Factors.

MARF has not carried out any kind of verification or testing with regard to this Information Memorandum or with regard to the content of the documentation and information provided by the Issuer in compliance with the Circular 2/2018.

The Commercial Paper issued under the Programme are exclusively directed to:(i) individuals from the European Economic Area ("**EEA**") who qualify as "qualified investors" as defined in article 2(e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council, dated June 14, 2017, concerning the prospectus to be published in the case of a public offer or admission to trading on a regulated market and repealing Directive 2003/71/EC (the "**Prospectus Regulation**"); and (ii) specifically, in Spain, to "eligible counterparties" and "professional clients," as defined in Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014, on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ("**MiFID II**") and its implementing regulations (including articles 194 and 196 of the Securities Market Act).

No action has been taken in any jurisdiction to permit a public offering of the Commercial Paper or the possession or distribution of the Information Memorandum or any other offering material in any country or jurisdiction where such action is required for said purpose. This Information Memorandum must not be distributed, directly or indirectly, in any jurisdiction in which such distribution would constitute a public offering of securities. This Information Memorandum is not an offer of securities to the public or the request for an offer of securities to the public, nor is any offer of securities to be made in any jurisdiction in which such an offer or sale would be considered contrary to applicable law. In particular, this Information Memorandum does not constitute a prospectus approved and registered with the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) ("**CNMV**") and the issue of the Commercial Paper to be issued under the Programme does not constitute a public offer which requires the obligation to approve, register and publish a prospectus in accordance with article 35 of the Securities Market Act in connection with article 1(4) of the Prospectus Regulation.

LEAD ARRANGER

BANCA MARCH, S.A.

PLACEMENT ENTITIES

BANKINTER, S.A., BANCA MARCH, S.A. and PKF ATTEST CAPITAL MARKETS A.V., S.A.

PAYING AGENT

BANKINTER, S.A.

REGISTERED ADVISOR

BANCA MARCH, S.A.

The date of this Information Memorandum is 11th of March of 2024.

IMPORTANT INFORMATION

The potential investor should not base his investment decision on information other than the information contained in this Information Memorandum.

The Placement Entities do not take responsibility for the content of this Information Memorandum. The Placement Entities have entered into a collaboration agreement with the Issuer to place the Commercial Paper but neither the Placement Entities nor any other entity has accepted any undertaking of subscription of the Commercial Paper. This is without prejudice to the Placement Entities being able to acquire part of the Commercial Paper in their own name.

NO ACTION HAS BEEN TAKEN IN ANY JURISDICTION TO PERMIT A PUBLIC OFFERING OF THE COMMERCIAL PAPER OR THE POSESSION OR DISTRIBUTION OF THIS INFORMATION MEMORANDUM OR ANY OTHER OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE SUCH ACTION IS REQUIRED FOR SAID PURPOSE. THIS DOCUMENT IS NOT TO BE DISTRIBUTED, DIRECT OR INDIRECTLY, IN ANY JURISDICTION WHERE SUCH DISTRIBUTION MAY REPRESENT AN OFFERING. THIS DOCUMENT IS NOT AN OFFER FOR THE SALE OF SECURITIES NOR A REQUEST TO PURCHASE SECURITIES AND THERE IS NO OFFER OF SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER OR SALE IS CONSIDERED CONTRARY TO APPLICABLE LEGISLATION.

MiFID II

THE TARGET MARKET WILL ONLY BE ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS

Exclusively for the purposes of the product approval process to be carried out by each producer, following the assessment of the target market for the Commercial Paper, it has been concluded that: (i) the target market to which the Commercial Paper is intended to be issued is solely for "professional clients" and "eligible counterparties" as defined for each of these terms in MiFID II and their implementing legislation (including articles 194 and 196 of the Securities Market Act), and (ii) all channels of distribution of the Commercial Paper to professional clients and eligible counterparties are appropriate.

Any person who, after the initial placement of the Commercial Paper, offers, sells, places, recommends or otherwise makes available the Commercial Paper (the "**Distributor**") shall take into account the assessment of the producer's target market. However, any Distributor subject to MiFID II shall be responsible for carrying out its own assessment of the target market with respect to the Commercial Paper, either by applying the evaluation of the target market of the producer or/and to identify appropriate distribution channel.

BAN ON SALES TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA- PRIIPS REGULATION

The Commercial Paper is not intended for offer, sale or any other form of making available, nor should they be offered, sold to or made available to retail investors in the EEA. For these purposes, "retail investor" means a person who meets either or both of the following definitions: (i) a retail customer in the sense of paragraph (11) of article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that client would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II. As a result, no key information document required by Regulation (EU) No. 1286/2014 of the European Parliament and of the Council of November 26, 2014 (as amended, the "**PRIIPs Regulation**"), for offering, selling or otherwise making the Commercial Paper available to retail investors in the EEA has been prepared and therefore offering or selling the Commercial Paper or otherwise making them available to any retail investor in the EEA, otherwise such activities may be unlawful under the PRIIPs Regulation.

ALTERNATIVE PERFORMANCE MEASURE

The Information Memorandum includes figures and financial ratios such as "EBITDA," among others, which are considered Alternative Performance Measures ("**APMs**") in accordance with the Guidelines published by the European Securities and Markets Authority (ESMA) in October 2015. APMs are derived from or calculated based on the audited consolidated annual financial statements or interim condensed consolidated financial statements, typically by adding or subtracting amounts from items in these financial statements, using terminology common in business and financial contexts but not used by the General Accounting Plan in Spain as approved by Royal Decree 1514/2007 or the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) adopted by the European Union (EU-IFRS). APMs are presented to enable a better assessment of the issuer's financial results, cash flows, and financial position, as they are used by the issuer for financial, operational, or strategic decision-making within the Group. However, APMs are not audited and are not required to be presented in accordance with the General Accounting Plan in Spain as approved by Royal Decree 1514/2007 or EU-IFRS. Therefore, APMs should not be considered in isolation but as supplementary information to the audited consolidated financial information relating to the Company. The APMs used by the Company and included in the Information Memorandum may not be comparable to the same or similar APMs used by other companies.

FORWARD-LOOKING STATEMENTS

This Information Memorandum may include statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements include, but are not limited to, statements other than statements of historical facts contained in this Information Memorandum, including, but without limitation, those regarding our future financial condition, results of operations and business, our products, acquisitions, dispositions and finance strategies, our capital expenditure priorities, regulatory or technological developments in the market, subscriber growth and retention rates, potential synergies and cost savings, competitive and economic factors, the maturity of our markets, anticipated cost increases, liquidity and credit risk. These forward-looking statements can be identified by the use of terms such as "aim," "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "plan," "potential," "predict," "project," "should," and "will" and similar words used in this Information Memorandum.

By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties. Many of these assumptions, risks and uncertainties are beyond our control. Accordingly, actual results may differ materially from those expressed or implied by the forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we operate. We caution readers not to place undue reliance on the statements, which speak only as of the date of this Information Memorandum.

Except as required by law, we expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this Information Memorandum, to reflect any change in our expectations or any other change in events, conditions or circumstances on which any such statement is based.

Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. Risks and uncertainties that could cause actual results to vary materially from those anticipated in the forward-looking statements included in this Information Memorandum include those described under section 1"Risk Factors" below.

ROUNDING OF FIGURES

Certain figures in this Information Memorandum, including financial, market and certain operating information, have been rounded to make them easier to understand. Accordingly, the sum of the figures shown in a column or row of a table may not add up exactly to the total figure shown for that column or row, and the sum of some figures expressed as a percentage may not add up exactly to the total percentage shown.

INDEX

1. RISK FACTORS 7

1.1 Essential information on the main specific risks regarding the Issuer or its sector of activity 7

1.2 Essential information regarding the specific risks of the Commercial Paper 20

2. INFORMATION OF THE ISSUER.......... 22

2.1 Full name of the Issuer, including its address and identification data.......... 22

2.2. Description of the Issuer 22

3. Full name of the Commercial Paper Programme.......... 34

4. Persons responsible 34

5. Duties of the Registered Advisor of MARF 34

6. Maximum outstanding balance.......... 35

7. Description of the type and class of the Commercial Paper. Nominal value.......... 35

8. Governing Law of the Commercial Paper.......... 36

9. Representation of the Commercial Paper through book entries 36

10. Currency of the issue.......... 36

11. Order of priority 36

12. Description of the rights inherent to the Commercial Paper and the procedure to exercise such rights. Method and term for payment and delivery of the Commercial Paper.......... 36

13. Date of issue. Term of the Programme 37

14. Nominal interest rate. Indication of the yield and calculation method 37

15. Paying agent and depository entities 40

16. Redemption price and provisions regarding maturity of the Commercial Paper. Date and methods of redemption 40

17. Valid term to claim the reimbursement of the principal 41

18. Minimum and maximum issue period 41

19. Early redemption.......... 41

20. Restrictions on the free transferability of the Commercial Paper 41

21. Taxation of the Commercial Paper.......... 41

22. Publication of the Information Memorandum 51

23. Description of the placement system and, if applicable, subscription of the issue.......... 51

24. Costs for legal, financial and auditing services, and other services provided to the issuer regarding the issue/admission and where appropriate, insurance costs, regarding the issue, placement and admission.......... 51

25. Request for admission to trading of the Commercial Paper on MARF 51

26. Liquidity agreement 52

ANNEX.......... 54

BASE INFORMATION MEMORANDUM (*DOCUMENTO BASE INFORMATIVO*) ON THE ADMISSION TO TRADING OF COMMERCIAL PAPER (*PAGARÉS*) ON THE ALTERNATIVE FIXED-INCOME MARKET

1. RISK FACTORS

An investment in the Commercial Paper is subject to several risks. Potential investors should carefully assess the risks described below, together with the remaining information contained in this Information Memorandum, before investing in the Commercial Paper. If any of the risks described below actually materializes, the business, financial condition and operating results of the Issuer, as well as the ability of the Issuer to reimburse the Commercial Paper upon maturity, could be adversely affected and, accordingly, the market price of the Commercial Paper may decrease, resulting in a loss of all or part of any investment made in the Commercial Paper.

The Issuer believes that the following factors represent the main or material risks inherent to the investment in the Commercial Paper, however default in payment of the Commercial Paper at maturity may be due to other unknown or unforeseen factors. The majority of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any of such contingencies occurring.

The Issuer does not state that the factors described below are exhaustive and it is possible that the risks and uncertainties described may not be the only ones the Issuer faces. Additional risks and uncertainties currently unknown or considered immaterial alone or jointly with others (either identified in this Information Memorandum or not) may have a material adverse effect on the business, financial condition and operating results of the Issuer, as well as on the ability of the Issuer to reimburse the Commercial Paper upon maturity, resulting in a loss of all or part of any investment made in the Commercial Paper.

The order in which the risk factors presented below are listed is not necessarily an indication of the likelihood of these risks materializing, their potential significance, or the extent of potential harm to the activities, results, or financial position of the Issuer and the Group and/or the Commercial Paper.

1.1 Essential information on the main specific risks regarding the Issuer or its sector of activity

The main specific risks of the Issuer or its sector of activity are the following:

A) Risks related to the Issuer's industry and business

1. <u>Risk associated with the current economic, political, social and sanitary situation</u>

The sustainability of global economic activity and that of the Euro zone depends on a series of factors that are not under the control of the Group, such as the prevailing macroeconomic and political climate, the levels of sovereign debt and fiscal deficit, the liquidity and availability of credit, currency stability, changes in interest rates, employment growth, consumer confidence, consumer perception of economic conditions and investment in the private sector, among others. The evolution of the activities carried out by the Group is generally related to the economic cycle of the countries and regions in which the Group is present. Current areas of concern for the Group include: the war in Ukraine; conflict in the Middle East; ongoing U.S., Canada and China relations and trade issues; rising civil unrest and activism globally; and relations between the U.S. and Iran.

Highly sensitive variables to economic cycle changes such as employment levels, wages, business climate, interest rates, and access to financing, among others, can impact the provision of services offered by the Group.

The current economically unstable environment has generated a high degree of uncertainty regarding the prospects of the global economy in general, and of the Spanish economy. Inflation, economic growth, and the prices of electricity and fuels can be severely impacted, resulting in a deterioration of the overall economic situation in which the Group operates, ultimately potentially having a material adverse effect on its financial condition and cash flows.

High inflation environment

There is currently an unstable economic environment, mainly due to a significant pick-up in inflation, with high energy, fuel and certain commodity costs, which has been aggravated by the war in Ukraine which, among other effects, has exacerbated the inflationary pressures that were already affecting commodity markets.

Inflationary pressures have led central banks to adopt interest rate hike policies. The European Central Bank ("**ECB**") has raised interest rates consecutively since July 2022, when it announced the first interest rate hike in eleven years, with the current ECB rate at 4.5 % as of the date of this Base Information Document.

The current unstable economic environment has generated a high degree of uncertainty regarding the outlook for the global economy in general and the Spanish economy in particular. Inflation, economic growth, and electricity and fuel prices may be severely affected, resulting in a worsening of the overall economic situation in which the Issuer operates, which could ultimately have a material adverse effect on its financial condition and cash flows.

According to the ECB (report "*ECB staff economic projections for the euro area, December 2023*"), inflation is expected to decrease in the coming years, albeit at a slower pace than recently observed. The gradual easing of cost pressures and the effects of ECB monetary policy should facilitate a decline in overall inflation from 5.4% in 2023 to 2.7% in 2024, 2.1% in 2025, and 1.9% in 2026.

2. <u>The automotive industry is cyclical, and cyclical downturns in our business segments negatively impact our business, financial position, results of operations, and cash flows</u>

The volume of automotive production and the level of new vehicle purchases are cyclical and fluctuate, sometimes significantly year-on-year. These fluctuations are caused by several factors, such as general economic conditions, interest rates, consumer confidence, patterns of consumer spending, fuel costs, and the automobile replacement cycle. Such fluctuations give rise to changes in demand for our products and may have a significant adverse impact on our results of operations. Additionally, TIER 2 customers commit to purchasing minimum quantities from their suppliers, but since the economic crisis, their budget gaps have increased. As our business has certain fixed costs that must be met regardless of product demand, cyclical downturns can further affect the results of our operations.

The highly cyclical and fluctuating nature of the automotive industry presents a risk that is beyond our control and that cannot be accurately predicted. Moreover, several number of factors that we cannot anticipate could, and have had, cyclical effects in the past. Decreases in demand for automobiles generally, or in the demand for automobiles that use our products specifically, could materially and adversely affect our business, financial position, the results of operations, and cash flows.

In addition, the automotive industry is involved in an uncertainty stage due to Diesel regulations and the Electric Vehicle (EV) future. These factors could carry potential lower order volumes demand from customers.

3. <u>Our business is primarily contingent upon the automotive industry, which is affected by global economic conditions and geopolitical considerations</u>

A significant economic downturn could have a material adverse effect on our business. Continued concerns about the systemic impact of a potential long-term wide-spread recession, energy costs (including the recent volatility in oil prices), the availability and cost of credit, diminished business and consumer confidence, and increased persistent unemployment in Europe have contributed to a rise in market volatility and lower expectations for Western and emerging economies.

Any increased financial instability may lead to longer-term disruptions in the credit markets, which could impact our customers' ability to obtain financing for their businesses at reasonable prices and could impact their customers when seeking financing for automobile purchases. Our TIER 1 and OEMs customers typically require significant financing for their respective businesses. Our suppliers, as well as the other players that supply our customers, may face similar difficulties in obtaining financing for their businesses.

If capital is not available to our customers and suppliers, or if its cost is prohibitively high, their businesses would be negatively impacted. Any such negative impact, in turn, could have an adverse material impact on our Company, either through the loss of revenues to any of our customers so affected, or due to our inability to meet our commitments without excess expense resulting from disruptions in supply caused by the suppliers so affected. Financial difficulties experienced by any major customer could have a material adverse impact on us if such customer i) were unable to pay for the products we provide, ii) materially reduced its capital expenditure, and resulting demand for, new product lines, or iii) we otherwise experienced a loss of, or material reduction in, business from such customer.

Additionally, protectionist pressures have been rising worldwide, as signalled by policy statements and opinion polls, as well as by recent developments in multilateral, regional and bilateral trade negotiations.

The risk of a resurgence of protectionism in the aftermath of the financial crisis should not be neglected. A resurgence of trade protectionism would not only significantly impair the global recovery process by further hampering trade flows and global demand, but it would also reduce the global growth potential in the long run.

As a result of such difficulties, we could experience lost revenues, significant write-offs of accounts receivable, significant impairment charges, or additional restructurings beyond the steps taken to date.

4. <u>We operate in a very competitive business environment</u>

Despite the industry's entry barriers, there are a variety of competing actors who are reduced to local players in the presence of global suppliers. Each has its competitive advantages, and the goal is to continue to grow, pro-market in the case of emerging countries, or at the expense of competitors in more mature markets. This implies that we must maintain very high standards of quality, engineering, research and development, logistics, costs and financial solvency.

5. <u>Limited international positioning</u>

The segment of second-tier suppliers has the characteristic of operating as a link between two large sectors: commodities suppliers (as suppliers) and 'Tier 1' suppliers and OEMs as customers. These segments are also more mature and with higher level of concentration. In this competitive environment there are large multinational companies of large size and influence in the economy which have a high bargaining power over Tier 2 companies. The

Company is gradually increasing its international footprint and getting strategic position in certain markets and products. Nevertheless, sometimes the Company could be in a weak negotiation position that could negatively impact in results of operations and cash flows.

6. <u>A significant decline in business with our key customers could adversely affect our business, financial position, and the results of operations</u>

Although we supply our products to several leading automobile manufacturers, as is common in our industry we depend on certain large-value customers for a significant proportion of our revenues. For example, 2022's total annual sales - BOSCH 25%, CONTINENTAL 7%, VALEO 7%, SEG 5%, GM 5%, AUTOLIV 5%, ZF 4% and BROSE 3% - would represent 61% of the revenue. The loss of all or a substantial portion of our sales to any of our large-volume customers could have a material adverse effect on our business, financial position, or the results of operations, by reducing cash flows and limiting our ability to spread our fixed costs over a larger revenue base. We may make fewer sales to these customers for a variety of reasons, including, but not limited to:

(i) Loss of awarded business;
(ii) Reduced or delayed customer requirements;
(iii) TIER 2s sourcing business traditionally outsourced to us;
(iv) Strikes or other work stoppages affecting our customers' production;
(v) Bankruptcy or insolvency of a customer; or
(vi) Reduced demand for our final customers' products.

7. <u>We are dependent on the ability to obtain and maintain sufficient capital financing, including working capital lines and credit insurance, which impacts the liquidity and financial position of all players</u>

Our working capital requirements can vary significantly, depending in part on the level, variability and timing of our customers' worldwide vehicle production and the payment terms with our customers and suppliers.

Moreover, if our suppliers were to suspend normal trade credit terms and require payment in advance or payment on delivery. If our available cash flows from operations are not sufficient to fund our ongoing cash needs, we would be required to look to our cash balances and availability for borrowings under our credit facilities to satisfy those needs, as well as potential sources of additional capital, which may not be available on satisfactory terms and in adequate amounts, if at all.

There can be no assurance that we, our customers, and our suppliers will continue to have such ability. This may increase the risk that we will be unable to produce our products or will have to pay higher prices for our inputs. These higher prices may not be recovered in our sales prices.

Our suppliers often seek to obtain credit insurance based on the strength of the financial position of our subsidiary with the payment obligation, which may be less robust than our consolidated financial position.

Access to funding could also be adversely impacted as Central Banks around the world begin to withdraw liquidity from global markets because of the improving growth and higher inflation expectations.

If we were to experience liquidity issues, our suppliers may not be able to obtain credit insurance and, in turn, would likely not be able to offer us the payment terms we have received historically. Our failure to receive such terms from our suppliers could have a material adverse effect on our liquidity.

8. Risk of loss of key personnel

We have a management team with a substantial amount of expertise in the automotive industry. The departure of key members of management could result in the loss of valuable know-how and/or less or unsuccessful implementation of strategies.

9. Risk linked with post-merger integration and synergies of the companies acquired

We have made strategic acquisitions and divestitures and may consider or undertake further acquisitions in the future. We may also consider or undertake strategic divestitures when they are aligned with our strategy.

However, we may not be able to identify suitable acquisition candidates in the future or may not be able to close acquisitions on favorable terms. We may lack sufficient management, financial and other resources to successfully integrate future acquisitions or to ensure that such future acquisitions will perform as planned or prove to be beneficial to our operations. We may not be offered suitable terms, including price, for the divestitures we wish to make. Acquisitions and divestitures involve numerous other risks, business concerns, undisclosed risks impacting the target, and potential adverse effects on existing business relationships with current customers and suppliers. In addition, any acquisitions or divestitures could affect our financial position, cash flow or create dilution for our stockholders. In certain transactions, our acquisition analysis includes assumptions regarding the consolidation of operations and improved operating cost structures for combined operations. Such synergies or benefits may not be achieved according to the anticipated schedule or in the anticipated amount, if at all. Any future acquisitions may result in significant transaction expenses, unexpected liabilities, and risks associated with entering new markets, in addition to integration and consolidation risks.

As a result of our acquisitions or divestments, we may assume continuing obligations, deferred payments, and liabilities. Any past or future acquisitions may result in exposure to third parties for liabilities, such as liability for faulty work done by the acquired business, and liability of the acquired business or assets that may or may not be adequately covered by insurance or by indemnification, if any, from the former owners of the acquired business or assets. In connection with divestitures, we may remain exposed to the buyer for tax or environmental purposes, or other liabilities of the divested business. The occurrence of any of these liabilities could have a material adverse effect on our business and the results of operations.

10. We base our strategy on investing substantial resources in markets where we expect growth and take the time to alter this strategy in case expectations are not realized

Our future growth is dependent on us making the right investments at the right time to support product development and manufacturing capacity in areas where we can support our customer base, or we can gain market share in some of our strategic products. We have identified certain markets, including NAFTA, ASIA, Turkey, Japan and PACIFIC AREA, as key markets where we are likely to experience substantial growth, and accordingly have made, and expect to continue making, substantial investments, both directly and through participation in various partnerships and joint ventures to support anticipated growth in those regions. If we are unable to expand customer demand in these regions, we may not only fail to achieve the expected rates of return on our existing investments, but we may incur losses on such investments and be unable to redeploy the invested capital in a timely manner to take advantage of other markets, potentially resulting in lost market share. Our results will also suffer if these regions do not grow as quickly as we anticipate.

11. Other risks of doing business in foreign countries

International operations are subject to various risks that could have a material adverse effect on those operations and our business as a whole, including but not limited to:

(i) Exposure to local economic and social conditions, including logistical and communication challenges;
(ii) Exposure to local political conditions;
(iii) Exposure to local public health issues and the resulting impact on economic and political conditions;
(iv) Exposure to potentially undeveloped legal systems, which make it difficult to enforce contractual rights; and exposure to potentially adverse changes in laws and regulatory practices;
(v) Exposure to local tax requirements and obligations;
(vi) Foreign currency exchange rate fluctuations and currency controls;
(vii) Greater risk of uncontrollable accounts and longer collection cycles;
(viii) The necessity of foreign representatives and/or consultants;
(ix) The risk of government sponsored competition;
(x) The difficulty of managing and operating an enterprise spread over various countries;
(xi) Controls on the repatriation of cash, including the imposition or increase of withholding and other taxes on remittances and other payments by foreign subsidiaries; and
(xii) Export and import restrictions.

12. <u>Our success depends in part on our ability to leverage our engineering capabilities, as well as research and development initiatives to pursue new business opportunities</u>

Typically, the terms and conditions of the agreements with our customers include a commitment regarding minimum purchase volumes from us. However, such contracts routinely state that customers have the contractual right to unilaterally terminate our contracts with them with no notice or limited notice. If such contracts are terminated by our customers, our ability to obtain compensation from our customers for such termination is generally limited to the direct out-of-pocket costs that we incur for materials, works-in-progress, and in certain instances, underappreciated capital expenditures and tooling. Further, there is no guarantee that our customers will renew their purchase orders with us. We cannot assure you that the results of our operations will not be materially and adversely impacted in the future if we are unable to realize revenues from our awarded business, if our customers cancel the awarded business or if our customers fail to renew their contracts with us.

13. <u>Infringement of intellectual property license rights and the failure to protect the Group's intellectual property may adversely affect our business</u>

We believe that we either own or may validly use all of the intellectual and industrial property rights required for our business operations, and that we have taken all reasonable measures to protect our rights or obtain warranties from the owners of third party rights. However, we cannot rule out the risk that our intellectual and industrial property rights may be disputed by a third party on the grounds of pre-existing rights or for any other reason. Furthermore, for countries outside of Europe and North America, we cannot be sure of holding or obtaining intellectual and industrial property rights that offer the same level of protection as those in Europe and North America.

14. <u>We may not realize all of the sales expected from our entire order backlog</u>

Although not a common occurrence, occasionally some projects in the backlog do not end in production and sales. This may be due to different reasons: i) projected drop in vehicle sales, ii) changes in strategic production decisions, iii) faulty planning and design tools, and iv) other unforeseen circumstances. At the same time, investment in productive capacity can be made before any changes in the production schedule, resulting in poorly sized assets.

Moreover, during the industrialization process of an order (usually 6-18 months), we may realise the infeasibility of the project. In the majority of cases, this is discussed and resolved with the customer and with the appropriate joint actions. In other cases, however, we have to decide cease production on the project.

All these circumstances may cause a decline in sales compared with the provisions and the profitability of the Company.

15. Increases in labour costs, potential labour disputes and work stoppages at our facilities and the facilities of our suppliers or customers could materially adversely affect our financial performance

We have specific exposure to labour strikes at our companies, mainly in international operations. If major work disruptions involving our employees were to occur, our business could be adversely affected by a variety of factors, including a loss of revenues, increased costs and reduced profitability. We cannot assure that we will not experience a material labour disruption at one or more of our facilities in the future. We cannot guarantee that we will be able to successfully extend or renegotiate our collective bargaining agreements as they expire from time to time. If we fail to extend or renegotiate any of our collective bargaining agreements or are only able to renegotiate them on terms that are less favourable to us, we may need to incur additional costs, which could have a material adverse effect on our business, financial position, and the results of operations.

Furthermore, many of the manufacturing facilities of our customers and suppliers are unionized and are also subject to the risk of labour disruptions. A significant labour disruption could lead to a lengthy shutdown of our customers' or our suppliers' production lines, which could have a material adverse effect on our operations and profitability.

16. Our business is subject to environmental, health and safety laws and regulations, and our ongoing operations may expose us to related liabilities

The nature of our operations subjects us to various statutory compliance and litigation risks under health, safety and employment laws. Although we make continuous efforts to comply with regulations, we cannot guarantee that there will be no accidents or incidents suffered by our employees, our contractors, or other third parties on our sites. If any of these incidents occur, we could be subject to prosecution and litigation, which may lead to the imposition of fines, penalties, and other damages, and may harm our reputation. Such events could have a material adverse effect on our business, financial position, and operational results.

17. Delivery interruptions of raw materials or components, or an increase in prices could impact our manufacturing process

We depend on regular deliveries from particular suppliers of components and raw materials. The foregoing means that interruptions or stoppages in such deliveries could materially and adversely affect our operations until an alternative is found. In addition, we may not be able to find acceptable alternatives, and any such alternatives could result in increased costs and potential losses on certain contracts. Even if acceptable alternatives are found, the process of locating and securing such alternatives might be disruptive to our business and might lead to the termination of supply agreements with our customers.

If any of our suppliers fail or refuse to deliver materials to us for an extended period of time, or if we are unable to negotiate acceptable terms for the supply of materials with these or alternative suppliers, our business could suffer. We may not be able to find acceptable alternatives, and any such alternatives could result in increased costs and potential losses on certain contracts. Even if acceptable alternatives are found, the process of locating and securing such alternatives might be disruptive to our business and might lead to the termination of supply agreements with our customers.

We depend on the ability of our suppliers to provide materials and components that meet our customers' technical specifications, quality standards, and delivery schedules.

18. Our operations depend on our ability to maintain continual, uninterrupted production at our manufacturing facilities, as well as the continual, uninterrupted performance of our information technology (IT) system

Like any industrial society, the maintenance of production equipment is essential for the proper functioning of the business. This investment requires dedication and funding. However, we cannot guarantee that our efforts can prevent any event that could result in production problems.

On the other hand, the increasingly intense need for better management/production information systems is a key business element. Moreover, many customers require us to share information systems (Case EDI) with commercial, technical, and logistics areas. Teknia is investing in IT systems and implementing an adequate Enterprise Resource Planning ("**ERP**") throughout the Group to ensure the quality and easy management of the information.

If any of these key elements suffers a loss, it could cause problems in the production and shipping of parts and therefore affect profitability.

In February 2024 Teknia acquired the company Xpander, a Spanish entity dedicated to digital transformation consulting and software developments using blockchain technology. Xpander's experience will strengthen Teknia's capabilities in industrial digitalization, data analytics, cybersecurity, development of its own applications and even artificial intelligence.

19. Product liability claims and recall costs could harm profitability and damage our reputation

We face an inherent business risk of exposure to product liability claims in the event of the failure of our products to perform to specifications, or if our products are alleged to result in property damage, bodily injury or death. We are generally required under our customer contracts to indemnify our customers for product liability claims concerning our products. Accordingly, we may be materially and adversely impacted by product liability claims.

If any of our products are, or are alleged to be, defective, we may be required to participate in a recall involving those products. In addition, our customers demand that we bear the cost of the repair and replacement of defective products, which are either covered under warranty or are the subject of a recall.

Warranty provisions are established based on our best estimate of the amounts necessary to settle existing or probable claims on product defect issues. Recall costs are costs incurred when government regulators or our customers decide to recall a product due to a known or suspected performance issue and we are required to participate either voluntarily or involuntarily. Currently, under most customer agreements, we only account for existing or probable warranty claims. We have no warranty and recall data that allows us to establish accurate estimates of, or provisions for, future warranty or recall costs relating to new products, assembly programs, or technologies being brought into production. In addition, our insurance covering product recalls is limited in amount and coverage. The obligation to repair or replace such products could have a material adverse effect on our profitability and financial position.

A decrease in the actual and perceived quality of our products could damage our image and reputation, as well as the image and reputation of one or more of our brands. Defective products could result in loss of sales, loss of customers and loss of market acceptance. In turn, any major defect in one of our products could also have a material adverse effect on our reputation and market perception, which in turn could have an adverse effect on our sales and the results of our operations.

20. Increased capital expenditure requirements for our ongoing operations will consume cash from our operations and borrowings

Our ability to undertake such operational and maintenance measures largely depends on the cash flow from our operations and our access to capital. We intend to continue to fund our cash needs through cash flows from operations. However, there may be unforeseen capital expenditure needs for which we may not have adequate capital. The timing of capital expenditures may also cause fluctuations in our operational results.

21. Our inability to offset price concessions or additional costs from our customers could negatively impact our profitability

We face continual pricing pressure, in addition to pressures to absorb costs related to product design and engineering, as well as other items previously paid for directly by TIER 1, such as tooling. Typically, in line with our industry practice, our customers benefit from price reductions during the lifecycle of a contract. We expect to offset these price concessions by achieving production efficiencies; however, we cannot guarantee that we will do so. If we fail to achieve production efficiencies that fully offset price concessions or do not otherwise offset such price concessions, our profitability and the results of our operations could be adversely affected.

22. Shareholding concentration situation

The Company has an ownership structure concentrated on one partner (and founder) almost since its inception. This situation limits the ability, if necessary, to obtain funds from shareholders in a hypothetical distress situation. The Company also faces the usual risks associated with a possible succession process. Although it is not close in time, it could rush in case of an event or incident. It could distract the management, the shareholders, and impact negatively in strategic targets of the Company, and therefore, in the growth, results and cash flows generation.

23. The value of our deferred tax assets could become impaired, which may materially and adversely affect our operating results

The deferred tax assets included as of December 2022 are related with net operating loss carry forwards and non-used tax deductions that can be used to offset taxable income in future periods and reduce the income taxes payable in those future periods. Our ability to utilize our net operating loss carry forwards may be limited or delayed. We periodically determine the probability of the realization of deferred tax assets, using significant judgments and estimates with respect to, among other things, historical operating results, expectations of future earnings, and tax planning strategies. If we determine in the future that there is not sufficient evidence to support the valuation of these assets, due to the factors described above or other factors, we may be required to adjust the valuation allowance to reduce our deferred tax assets. Such a reduction could result in material non-cash expenses in the period during which the valuation allowance is adjusted and could have a material adverse effect on the results of our operations. In addition, adverse changes in the underlying profitability and financial outlook of our operations in several foreign jurisdictions could lead to changes in our valuation allowances against deferred tax assets and other tax accruals that could adversely affect our financial results.

Finally, the Company and some of its Spanish subsidiaries and holding companies form a tax group subject to the special tax consolidation regime for corporate income tax purposes. If, for whatever reason, the consolidated tax regime was forfeited or the tax group extinguished, the right to offset the tax loss carry forwards and use the tax credits of the tax group would be assigned to the companies that generated them. This could limit the ability of the companies to effectively make use of these deferred tax assets and that could adversely affect our financial results.

24. Our profitability may be adversely affected by our inability to utilize tax losses in certain jurisdictions

We have incurred losses in some countries in which we may not be able to partially offset against income we have earned therein. In some cases, we may not be able to utilize these losses at all if we cannot generate profits in those countries or if we have ceased conducting business in those countries altogether. Our inability to utilize material tax losses could materially and adversely affect our profitability. At any given time, we may face other tax exposures arising from changes in tax laws, tax reassessments or otherwise. To the extent that we cannot implement measures to offset these exposures, they may have a material adverse effect on our profitability.

This could limit the ability of the companies to effectively make use of these deferred tax assets and that could adversely affect our financial results.

25. We are subject to a complex local and international tax environment that often requires us to make subjective determinations (i.e., transfer pricing, international and local laws, regulations and criteria)

We are subject to many different forms of taxation including but not limited to income tax, value added tax, and other payroll-related taxes. Tax law and administration is complex and often requires us to make subjective determinations. The tax authorities may not agree with the determinations that we make with respect to the application of tax law. Such disagreements could result in lengthy legal disputes and, ultimately, in the payment of substantial amounts of tax, interest, and penalties, which could have a material effect on the results of our operations.

26. At certain times, we may not be adequately insured

We currently have insurance arrangements in place for products and public liability, property damage, business interruption (including for sudden and unexpected environmental damage). However, these insurance policies may not cover losses or damages resulting from the materialization of any of the risks we are subject to. Furthermore, significant increases in insurance premiums could reduce our cash flow. It is also possible that, in the future, insurance providers may no longer wish to insure businesses in our industry against certain environmental occurrences.

27. Significant changes in laws and governmental regulations could have an adverse impact in our profitability

The legal, regulatory, and industry standard environment in our principal markets is complex and dynamic, and future changes to the laws, regulations and market practices concerning, for example, CO_2 emissions and safety tests and protocols, could have an adverse effect on the products we produce and our profitability. Additionally, we could be adversely affected by changes in taxation or other laws and jurisprudence which impose additional costs on automobile manufacturers or consumers, or more stringent fuel economy and emissions requirements on manufacturers from which we derive some of our sales.

28. Natural catastrophe affecting any of our plants

The Company's plants are exposed to natural disasters. Should a natural disaster occur, the effect could damage part or all of the machinery. Consequently, the occurrence of a natural disaster could have a negative impact on the production of the affected plants for a certain period of time. In this case, the Company may have to assume the costs of repairing or substituting the affected equipment in order to restore production. Such events could have a material adverse effect on our business operations, financial position, and operational results.

The technologies used by the Company are not highly polluted. However, the Company is exposed to any new environmental requirement which could affect to its profitability.

29. Risk of Fraud

Monitoring compliance with money laundering, terrorist financing and bribery regulations can pose a financial burden to Group, as well as significant technical issues. Although the Group considers that its current policies and procedures are sufficient to comply with applicable regulations, it cannot guarantee that its anti-money laundering, anti-terrorism financing and anti-bribery policies and procedures will not be circumvented or are sufficient to completely prevent money laundering, terrorist financing or bribery. Any of these events could have serious consequences, including civil and criminal penalties, fines and significant reputational consequences, which could have an adverse effect on the business of Group, financial condition, results of operations and prospects for the evolution of Group as a whole.

30. Reputational risk

The Issuer is exposed to risks due to loss of image and reputation due to the lack of compliance or negligent compliance with contracts with public repercussions, legal requirements, material damage or damage to persons, social and labor conflicts or any other aspect relevant to the public and the markets.

Reputation damage, negative publicity or adverse public opinion, whether true or not, arising from the activities of the Group or certain agents in the sector in general, could have a material adverse effect on the activities, operating results and the financial situation of the Group.

31. We may be subject to current or future restrictions on the transfer of funds

Under the current foreign exchange regulations in certain countries in which we operate, there are restrictions on the transfer of funds to and from such countries, which may include restrictions on the disposition of funds deposited with banks and restrictions on transferring funds abroad and may require official approval to buy foreign currency. Additionally, we have trapped cash in certain jurisdictions in which we operate in relation to our joint ventures and local law. These restrictions could impact the payment of dividends to us by certain of our subsidiaries. If we were unable to repatriate funds from any such countries, we would not be able to use the cash flow from our businesses to finance our operating requirements elsewhere and satisfy our debt obligations, including the Commercial Paper.

B) Financial risk factors

Our activities are exposed to a number of financial risks: market risk (fair value risk and price risk), exchange risk, and interest rate risk on cash flows. Our Company seeks to minimize potential adverse effects on our financial performance. Risk management is controlled by our financial department in accordance with policies approved by the President of the Company and the Steering Committee.

Our Financial Department identifies, evaluates, and implements measures to reduce or match risks in close cooperation with our operating units. Our Steering Committee and the President of Teknia determine policies for the global management of risk, and for specific risk areas such as currency risk, interest rate risk, liquidity risk, non-derivative financial instruments, and the investment of cash surpluses.

1. Market risk (fair value and price risk)

We are not exposed to the risk of changes in market value of the investments held as "available for sale," which are classified under "non-current financial assets" in the consolidated statement of financial position.

The risk deriving from a possible increase in the prices of materials, including the purchase of components used in the production processes, is mitigated by the fact that we operate with our main suppliers under long-term agreements, which provide price-stability. On the other hand, we negotiate with our customers to pass on the price increases of certain materials.

The terms of the agreements with some customers have resulted in lower prices, which could reduce our margins. We nevertheless develop improvement programs and tools to offset these decreases with increases in productivity. We also negotiate with our suppliers to help them absorb these price reductions.

2. Credit risk

Our customer portfolio is diversified across the major TIER 1 and OEM groups. As a result, there is no particular concentration of credit risk (major concentration is 25%). In the past, automobile manufacturers were deemed not to have a major credit risk, all of our Top 10 customers maintain an Investment Grade from the rating agencies. We therefore consider that, in spite of the difficulties facing the automobile sector, the credit ratings of its debtors are sound and its receivables will be collectable as normal.

In the automotive components industry, the costs to transfer, duplicate or develop a new supplier are so high that TIER 2 companies like Teknia usually works with a unique mould/tooling for stamping, plastic injection, and tube manipulating technologies. It lets TIER 2 companies ensure collection of credit if necessary. We have set a policy of hedging credit risk from our customers with insurance companies to ensure that those sales are collected.

The credit risk on cash and cash equivalents, financial investments and deposits with banks and financial institutions is deemed to be immaterial, as these operations are only entered into with financial institutions with high credit ratings.

3. Risk of changes in the Issuer's credit quality

The Issuer's credit quality may be worsened as a result of an increase in indebtedness, as well as a deterioration in the financial ratios, which would represent a worsening in the Issuer's ability to meet its debt commitments.

Ethifinance Ratings, S.L. ("**Ethifinance**") has assigned to the Issuer, dated July 18th, 2023, a credit rating of "BB+" with a stable trend.

Ethifinance is a credit rating agency registered with the European Securities Markets Authority ("ESMA") in accordance with Regulation (EC) 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

However, there is no guarantee that the credit rating assigned to the Issuer will be maintained over time, as credit ratings are reviewed and updated periodically and depend on several factors, some of which are beyond our control. Accordingly, the Issuer's credit rating may be downgraded and may be suspended or withdrawn at any time by Ethifinance. In the event of a downgrade, suspension, withdrawal or non-renewal of the Issuer's credit rating, this will be communicated through the publication of other relevant information (*otra información relevante*) on MARF´s website.

Credit ratings are not a recommendation to buy, subscribe for, sell or hold securities. These ratings are only an opinion on the solvency of the Issuer based on a system of defined categories and do not obviate the need for investors to conduct their own analyses of the Issuer, the Group as a whole or the Commercial Paper to be purchased. Credit ratings may affect the cost and other terms on which the Group obtains financing. In this regard, any downgrade in the Issuer's credit rating could potentially increase the Group´s funding costs and could restrict or limit access to financial markets, which could adversely affect its liquidity and therefore have a material adverse impact on the Issuer´s business, results and/or financial condition.

4. Liquidity risk

We manage liquidity risk prudently, based on maintaining sufficient cash and equivalents and the availability of funding by means of sufficient committed credit.

Furthermore, the centralized cash pooling system we have set up allows us to manage financial resources with greater efficiency. Our Financial Department aims to keep financing flexible through its use of the Corporate Facilities.

5. Exchange risk

Significant long-term fluctuations in relative currency values, in particular a significant change in the relative values of the non-euro currencies in which we operate could have an adverse effect on our profitability and financial position, and any sustained change in such relative currency values could adversely affect our competitiveness in certain geographic regions.

Economic instability in the countries in which we operate where the euro is not the local currency, and the related decline in the value of the relevant local currency in these countries, could have a material adverse effect on our business, financial position, results of operations and cash flows.

Our Company operates primarily in ten different currencies: EUR (the Group's reference and consolidation currency), USD, BRL, PLN, MXN, CZK, TRY, RSD, RON and SEK. It is Group policy not to make any currency hedge. It has been historically proven that the automotive sector is a long-term business in which fluctuations in exchange rates will affect both positively and negatively, but their effect will be practically neutral over time.

We are subject to risk if the foreign currency in which our costs are paid appreciates against the currency in which we generate revenues, because the appreciation effectively increases our cost in that country. The financial position, results of operations, and cash flows of some of our operating entities are reported in foreign currencies and then translated into Euros at the applicable foreign exchange rate for inclusion in our consolidated financial statements. As a result, appreciation of the euro against these foreign currencies generally will have a negative impact on our reported sales and profits, while depreciation of the euro against these foreign currencies will generally have a positive effect on reported revenues and profits.

6. Interest risk

Given the nature of our business (intensive in production capital) and that we do not carry major amounts of interest-earning assets, our operating revenues and cash flows are fairly independent of the variations in market interest rates.

Our interest rate risk stems from our current and non-current floating rate borrowings and credit lines. Our variable rate borrowings expose us to interest rate risks for cash flows. As of the December 2022 reporting period, approximately 40% of borrowings were at fixed interest rates.

1.2 Essential information regarding the specific risks of the Commercial Paper

The main risks of the Commercial Paper are the following:

1. Market risk

   The Commercial Paper are fixed-income securities, and their market price is subject to potential fluctuations, mainly due to the evolution of interest rates. Therefore, the Issuer cannot ensure that the Commercial Paper will be traded at a market price that is equal to or higher than their subscription price.

2. Inflation and interest rate increase risk

   The Commercial Paper have an implied yield and will be issued at the interest rate agreed upon between the Issuer and the Placement Entities or investors, as the case may be, at the time of the corresponding issuance of Commercial Paper.

   In response to interest rate hikes to combat high inflation rates, investors demand higher returns. Consequently, the real yield for Commercial Paper investors at a time prior to inflation and, if applicable, interest rate increases, will be negatively affected, potentially even diluted in the event that the inflation rate exceeds the implied yield of the specific Commercial Paper issuance.

3. Credit risk

   The Commercial Paper is secured by the Issuer's total net worth. The credit risk arises from the potential inability of the Issuer to comply with the established obligations derived from them and consists of the possible economic loss that may be generated by the total or partial breach of those obligations.

4. Liquidity risk

   This is the risk by virtue of which investors may not be able to find a counterparty for the Commercial Paper when they want to sell them prior to their maturity date. Even though the admission of the Commercial Paper will be requested to MARF in order to mitigate this risk, an active trading on the market cannot be guaranteed.

   Moreover, the Issuer has not entered into any liquidity agreement, and, consequently, no entity has undertaken to ensure put and call prices of the Commercial Paper. Therefore, investors may not find a counterparty for the Commercial Paper.

5. The Commercial Paper is not rated

   The Commercial Paper is not rated. To the extent that any credit rating agencies assign credit ratings to the Commercial Paper, such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Commercial Paper. A rating or an absence of a rating is not a recommendation to buy, sell or hold securities.

6. Commercial Paper may not be a suitable investment for all types of investors

Each investor interested in acquiring the Commercial Paper should determine the suitability and advisability of his investment in light of his own circumstances. In particular, but without limitation, each prospective investor should:

(i) have sufficient knowledge and experience to be able to properly assess the advantages and disadvantages of investing in the Commercial Paper, including an adequate analysis of the risks and opportunities and the taxation thereof, including a detailed analysis of the information contained in this Information Memorandum, in any supplement that may be published in connection therewith, and such notices of inside information and other relevant information as the Issuer may publish from time to time during the life of the Commercial Paper;

(ii) have access to the appropriate analytical tools and the knowledge to use them correctly for the valuation of their investment in the Commercial Paper;

(iii) have sufficient financial resources and liquidity to bear all the risks arising from an investment in the Commercial Paper;

(iv) have a thorough understanding of the terms of the Commercial Paper, and be familiar with the performance of the relevant financial indices and markets; and

(v) be able to assess (either on their own or with the help of financial, legal and other advisors as each potential investor deems appropriate) the potential economic, interest rate and any other factors that may affect their investment and their ability to bear the risks involved.

(vi) Compensation and settlement of the Commercial Paper

The Commercial Paper will be represented by book entries, with Iberclear and its participating entities responsible for maintaining their accounting records. The compensation and settlement of the Commercial Paper, as well as the repayment of their principal to the Commercial Paper holders, will be carried out through Iberclear. Therefore, Commercial Paper holders will depend on the functioning of the Iberclear systems.

The Issuer is not responsible for the records related to the Commercial Paper holders made in the Central Register managed by Iberclear and in the other records maintained by the members of Iberclear, nor for the payments made to the Commercial Paper holders in accordance with them.

(vii) Enforcement risk

Enforcement of the Commercial Paper against the Issuer, and particularly court enforcement, may not secure prompt and full redemption of the Commercial Paper, in view of the statutory procedural mechanics to be followed in accordance with Spanish regulation and the potential excessive work load of the Spanish relevant court; this risk may be substantially increased in case of insolvency of the Issuer.

(viii) Order of priority and subordination risk

In accordance with the classification and order of priority of credits established in Royal Legislative Decree 1/2020, of 5 May, by virtue of which the restated text of the Insolvency Act is approved (*Texto refundido de la Ley Concursal por el Real Decreto Legislativo 1/2020, de 5 de mayo*), in its current wording ("**Insolvency Law**"), in case of insolvency of the Issuer (*concurso*), credits held by investors as a result of the Commercial Paper shall rank behind privileged credits, but ahead of subordinated credits (except if they could be classified as subordinated in accordance with article 281.1 of the Insolvency Law).

In accordance with article 281.1 of the Insolvency Law, the following are deemed to be subordinated credits, among others:

(i) Credits that, having been lodged late, are included by the insolvency administrators in the creditors list, as well as those which, not having been lodged, or having been lodged late, are included in such list subsequent communications or by the judge when deciding in relation to the contestation thereof.

(ii) Credits for charges and interest of any kind, including interest in arrears, except for credits secured by collateral up to the extent of the security interest.

(iii) Credits held by any of the persons especially related to the debtor, as referred to in Article 282, 283 and 284 of the Insolvency Law.

(ix) Risks related to MiFID and MiFIR

The new European regulatory framework derived from MiFID II and Regulation (EU) 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) 648/2012 ("**MiFIR**") has not yet been fully implemented, notwithstanding the existence of various existing regulations and delegated directives.

Although MiFID II and MiFIR regulations have been in effect since 3 January 2018, and some participants in the securities markets such as MARF and Iberclear have already adapted to these regulatory changes, other participants in the securities markets may still be in the process of adapting to them. Adapting to these regulations could result in higher transaction costs for potential investors in the Commercial Paper or changes in their trading. Additionally, in accordance with the above, potential investors in the Commercial Paper should conduct their own analysis of the risks and costs that MiFID II and MiFIR or their future technical standards may pose to an investment in Commercial Paper

2. INFORMATION OF THE ISSUER

2.1 Full name of the Issuer, including its address and identification data

The full name of the Issuer is: TEKNIA MANUFACTURING GROUP, S.L.U. Its registered office is at Barrio San Agustín, s/n, 48230 Elorrio (Vizcaya).

The Issuer is a private limited company (*sociedad limitada*) incorporated on 30 July, 1998 by means of a public deed granted before the notary public of Bilbao, Mr. Andrés Mª Urrutia Badiola, and duly registered in the Commercial Registry of Vizcaya, Volume 3,702, Page 22, Sheet BI-23069.

The Tax Identification Number of the Issuer is B-48984090.

The Legal Entity Identifier (LEI) of the Issuer is 9598001382GF2BG2PP33.

The Issuer's website: http://www.tekniagroup.com/

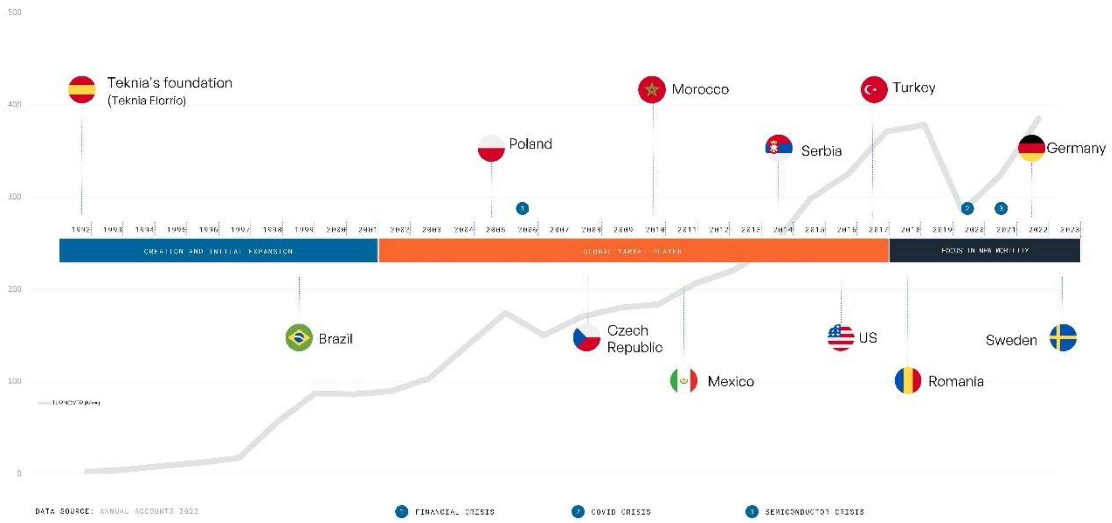
2.2. Description of the Issuer

2.2.1. Milestones of the Issuer

Teknia is engaged in the manufacture of automotive parts. Since its inception, the Company has grown significantly in terms of revenues, earnings, and global presence, becoming an international automotive parts manufacturer operating in 12 countries.

Teknia began and remains, as a family-owned company. It launched its activity through the acquisition of Industrias Elix, which became Teknia Elorrio, but it was not until 1998, after several other acquisitions on Spanish soil, that the Teknia Manufacturing Group was founded.

The main milestones achieved along the history of the Issuer are the following:



During its 32-year history, the Company's performance drivers have been:

(i) Geographical diversification: worldwide presence in the most important automotive markets, enabling the Company to cover its clients' needs in terms of quality, time and costs. Currently, Teknia has 23 production plants (in twelve countries), three commercial offices, and development centers that provide services to the whole Group. The production plants are located in Spain (9), Brazil (1), Poland (2), USA (1), Czech Republic (1), Morocco (1), Mexico (3), Romania (1), Serbia (1), Turkey (1), Germany (1) and Sweden (1).

(ii) Technological diversification: the Company specializes in the development and manufacture of automotive components, assembly, and the design of specific manufacturing processes. These services are carried out in four divisions: plastic, metallic (including tubing and stamping), machining and aluminum.

(iii) Close relationship with its major clients, which has led to the joint design of international expansion strategies, in which Teknia has accompanied its clients as a key supplier in new markets.

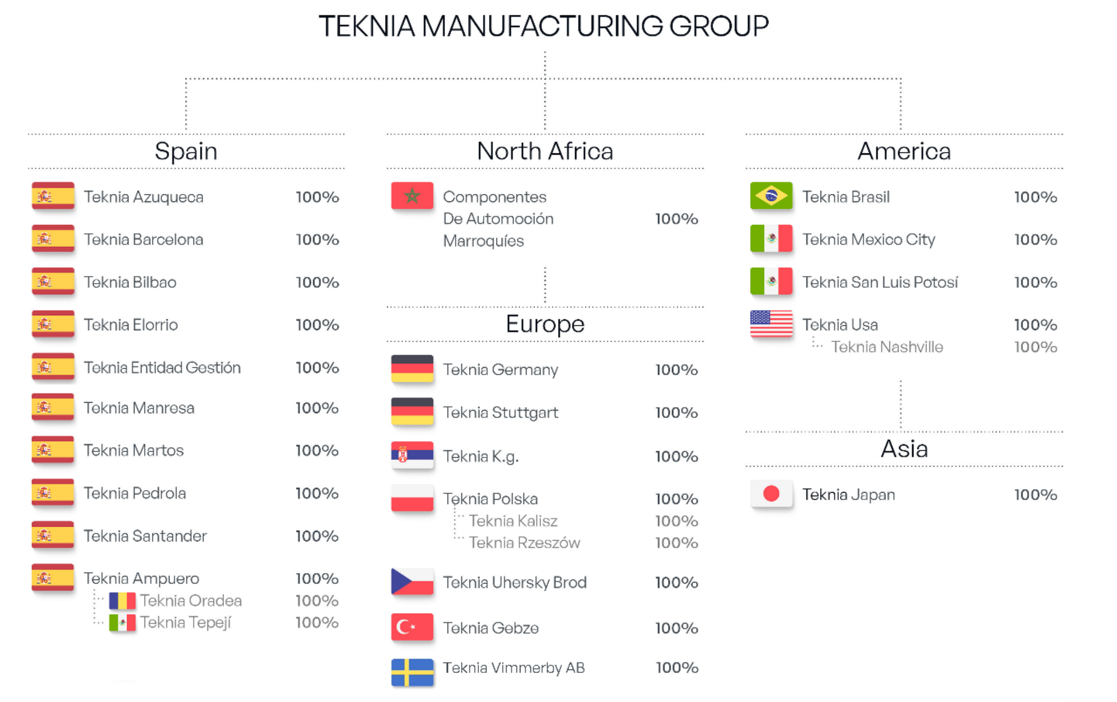
(iv) Continuous growth: the Company has made major strides in the commercial field, with the opening of international commercial offices, in USA, Germany, and Japan, with the goal of increasing sales and enhancing its visibility with regard to international expansion.

2.2.2. Main Shareholders

The sole shareholder of the Issuer is Mr. Javier Quesada Suescun, with 100% share participation in Teknia Manufacturing Group, S.L.U., through the investment vehicle Siuled, S.L.

2.2.3. Organizational Structure

As of 31 December 2023, the Group is comprised of 29 companies (parent company included):



2.2.4. Corporate purpose

In accordance with article 2 of the Issuer´s bylaws, the corporate purpose of the Company is:

"…

1. *The Company´s corporate purpose is the subscription, acquisition, holding, use and disposal, under any title, of shares, quota shares or other securities issued by corporate companies. CNAE 6420*

   The Company´s corporate purpose also consists of:

   - *Participation in the management of the subsidiaries and the provision of services of technical, economic and financial advice to them;*
   - *The granting of loans or credits, secured or unsecured, including participatory loans to these companies;*
   - *The purchase and sale, transfer, use, donation, lease and exploitation of real estate;*
   - *The ownership, acquisition, assignment, lease, transfer and use by any title of all types of patents and trademarks;*
   - *The design, trading and marketing of related to the automotive auxiliary, appliance and electrical, electronic and telecommunications products industry; and*
   - *Industrial research and industrial property exploitation resulting therefrom or acquired by any other means, as well as the lease, assignment or transfer thereof.*

   Excluded from this corporate purpose are *all those activities for which the law mandates specific requirements that cannot be met by this Company.*

   If any law requires any professional qualification, administrative authorization, registration in public records or, in general, any other requirements for the exercise of all or some of the activities mentioned above, such activities may not commence before the administrative requirements have been met and, if applicable, must be carried out by a person or persons with the required qualification.

The Company may carry on the activities comprising the corporate purpose set forth in the foregoing paragraphs, in whole or in part, directly or through the ownership of shares and/or units in companies with an identical or similar corporate purpose.

…"

2.2.5. Administrative and management bodies

Board of Directors

The management of Teknia is entrusted to a Board of Directors, which is, as of March 2024, composed of:

(i) Javier Lazpita Sarriugarte (President)

(ii) Iñigo Marco-Gardoqui Alcalá-Galiano (Independent)

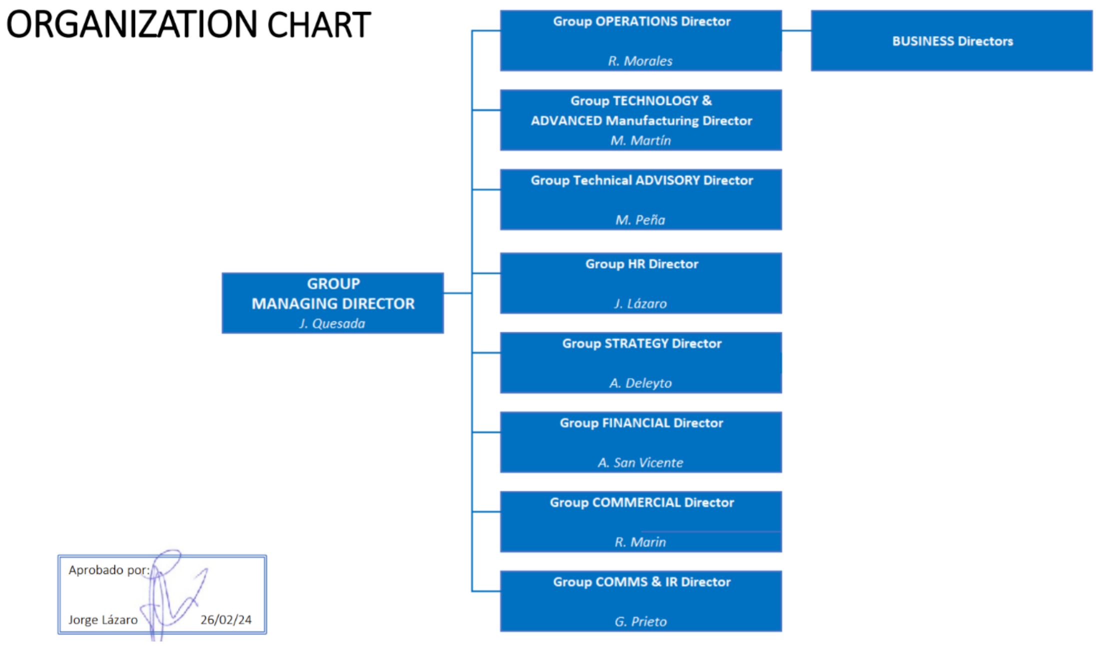
(iii) José Antonio Jainaga Gómez (Independent)

(iv) Javier Quesada de Luis (CEO and Group Manager Director)

(v) Mr. Diego Martel Muñoz-Cobos (Secretary non-Counsellor)

Senior Management

The Senior Management structure of Teknia, as of March 2024, was as follows:



CVs of Senior Managers of the Issuer are as follow:

(i) Mr. Javier Quesada de Luis, Chief Executive Officer and Group Managing Director

- Javier has a degree in Business Administration from Madrid's University Complutense and an Ex-MBA at IESE Business School.
- Javier has more than 15 years of experience working in Teknia in several positions, including managerial, focused his whole career on Business Development and Sales activities.
- His main responsibility is reporting to Teknia's Group Board of Directors about the Company performance. That's include identifying and approving industrial targets, evaluating the implementation of strategic plans, and ensuring their success, etc.
- Javier speaks Spanish, English and German.

(ii) Mr. Diego Martel, Board of Directors Non- Counsellor Secretary. Legal Manager

- Diego has a degree in Law from Madrid´s University Autónoma.
- Diego has more than 30 years (the last 13 at Teknia) of professional experience in positions of responsibility in the Legal and Human Resources departments of major Spanish companies.
- Diego prepares and reviews the Group contracts and agreements, advises on commercial and labor law, provides tax advice, and coordinates with external legal firms.
- Diego speaks Spanish and English.

(iii) Mr. Rafael Morales, Group Operations Director

- Rafael has a degree in Mechanical Industrial Engineering from Sevilla's Higher Technical School of Industrial Engineers.
- Rafael has more than 24 years of professional experience in the automotive sector, 23 of them at Teknia in several positions of responsibility such as product engineering manager, commercial manager, plant manager and purchase manager.
- He is in charge of all related with group operations. Whole Business Units depends on himself.
- Rafael speaks Spanish and English.

(iv) Mr. Michel Peña, Group Technical Advisory Director

- Michel has a degree in Technical Industrial Electronic Engineering from Bilbao's University School of Technical Industrial Engineering and completed a General Direction Program at IESE Business School.
- Michel has more than 34 years of experience as an engineer, 29 in Teknia where he has held several positions of responsibility such as commercial and purchase director, engineering director and plant and divisional manager.
- His main responsibility is the technical advisory function and support corporate areas in highly demanding situations.
- Michel speaks Spanish and English.

(v) Mr. Jorge Lázaro, Group Human Resources Director

- Jorge has a degree of Industrial Engineer by Zaragoza's Polytechnic University, a Master HR Management and a PDG (General Management Program) by Madrid's IESE Business School.
- Jorge has more than 21 years of experience working experience in multinational & matrix organizations, leaders in their markets. He has a full background in different market sectors and functions.
- Jorge leads Teknia´ People & Talent strategy.
- Jorge speaks Spanish and English.

(vi) Mrs. Ana San Vicente, Corporate Financial Director

- Ana has a degree in Business Administration from Pais Vasco's University, a Master´s degree in Finance and qualified as Chartered Accountant (Spanish CPA-ROAC) No. 23366.
- Ana has more than 18 years of professional experience. Before joining Teknia, she worked in a company included in the so-called Big 4 dealing with comprehensive services for a wide range of business entities. The last 5 years, she has been part of Teknia' s team, developing different financial positions.
- Ana is in charge of the Group's economic and financial management, defined as: the preparation and presentation of financial statements, management control, financial and insurance management, investors relationship, optimization of tax policy, among others.
- Ana speaks Spanish, French and English.

(vii) Mr. Rodrigo Marin, Group Commercial Director

- Rodrigo has a degree in Mechanical engineering from Madrid's University Carlos III.
- Rodrigo has more than 13 years of experience working in Automotive industry, most of them dedicated to Teknia in several positions, including Product engineer, Project

manager and during last 6 years focused on commercial and business development activities, from the facility to the corporate level.

- His main responsibility is for leading and coordinating the activities performed by company sales force. His team is composed by business unit managers team, responsible for pure commercial activity together with the plants and Product category leaders, responsible for new business development.
- Rodrigo speaks Spanish and English.

(viii) Mr. Alejandro Deleyto, Group Strategy and Merger & Adquisition Director

- Alejandro has a degree in engineering from Almeria's University and MBA from Industrial organization school of Madrid.
- Alejandro has recently joined Teknia as Strategy Officer in the HQ, with previous labour experience focused on Business Development activities.
- His main responsibility is to develop the strategic plan of the company and align all Teknia areas to this strategy launching strategical initiatives.
- Alejandro speaks Spanish and English.

(ix) Mr. Mario Martín, Advanced Manufacturing Director

- Mario has a degree in materials engineering from Madrid's University Rey Juan Carlos.
- Mario has newly entered Teknia as Advanced Manufacturing Officer in the HQ.
- His main responsibility is to develop new products and technologies for Teknia. Before joining Teknia, he worked in a leading company in the field of steel transformation for automotive applications in its strategy and innovation department.
- Mario speaks Spanish, English and Italian.

(x) Mr. Gonzalo Prieto, Group Communications and Institutional Relations Director

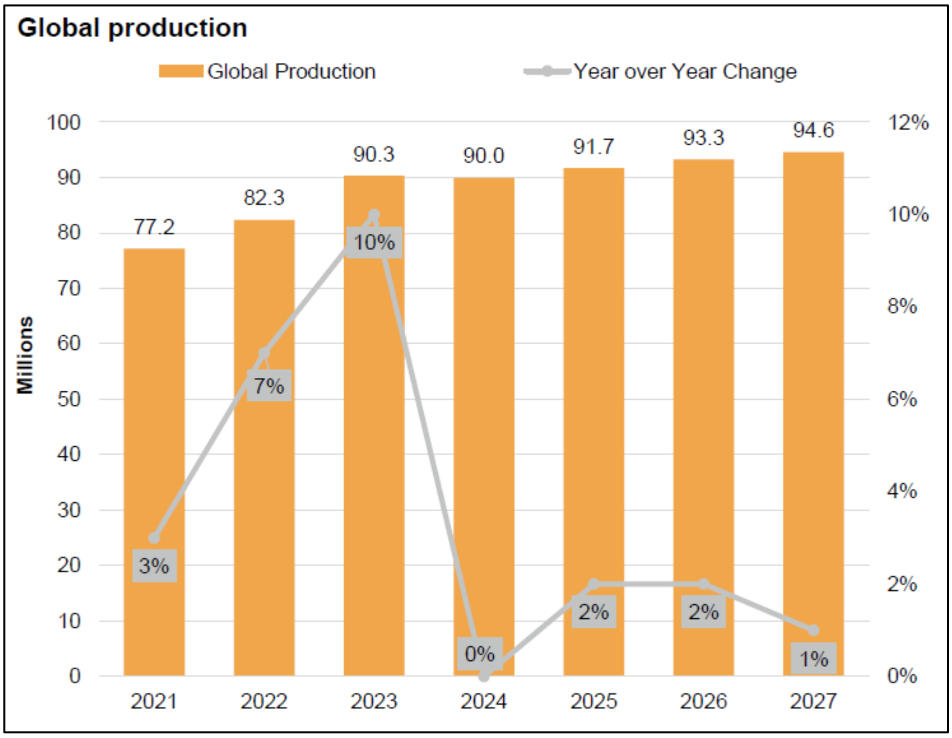
- Gonzalo holds a master's degree in political and Corporate Communication from Universidad de Navarra & Degrees both in Journalism & Humanities in Universidad de Navarra.
- Gonzalo has almost 3 years working in this position in Teknia.
- His main responsibility is the coordination of the Corporate Affairs Strategy of the company, including Communication, Institutional Relations and Sustainability to manage and increase the reputation and goodwill of Teknia among its main stakeholders.
- Gonzalo speaks Spanish, English and French.

2.2.6. Industry and activity

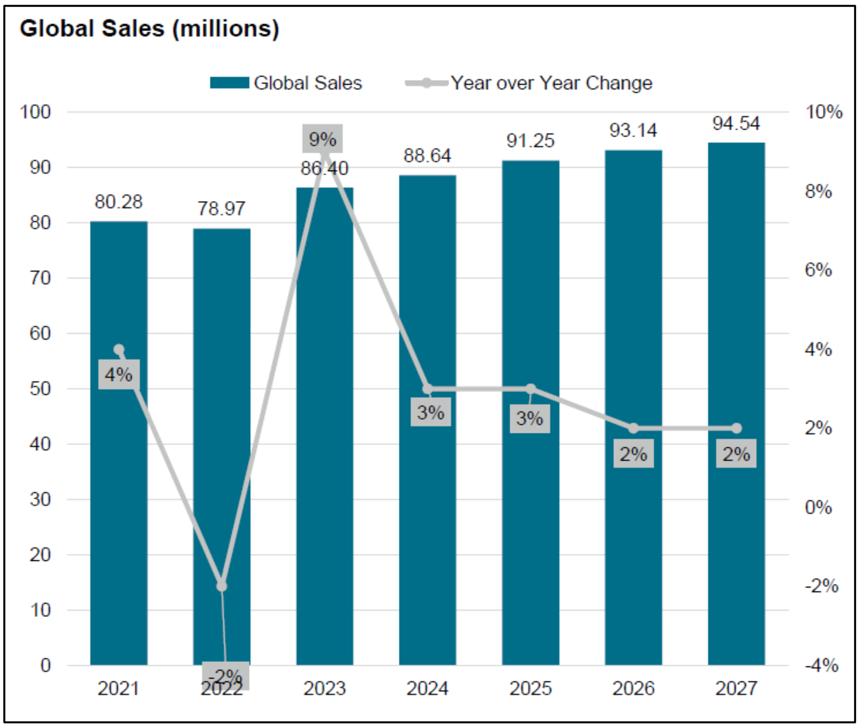
Industry introduction

The automotive manufacturing industry, which comprises the production of passenger vehicles, commercial vehicles, buses and trucks had grown every single year since the financial crisis, in 2008, till 2017 achieving a maximum pick of 97,3 Mn units, according with OICA.

Year 2018 (95,6M units) production volumes decrease as well as 2019 (91,8M units). Afterwards, 2020 was 74.6 M due the huge impact of Covid-19, 2021 was 77.2M. Decreasing trend reversed in 2022 by increasing production volume to 82,3 Mn units and continuing in 2023 achieving 90,3 Mn units (+10% YoY); 2024 outlook held effectively flat but continued variation beneath top line mainland China developments will be key; growth expected to remain positive but easing from mid-decade according to S&P Global.



Sales volumes in 2023 achieved almost 86,4 Mn units of vehicles produced expecting for 2024 an increase of 3% achieving 88,6 million units. Growth expected during till 2030 is represented by a CAGR of 2,8%, expecting to overpass 100 million of vehicles in 2033.



This growing presence in emerging countries of the OEMs is forcing the rest of the automotive industry players to become also global players, especially suppliers, which should be very close to OEM's (Tier I and Tier II) production plants. In this sense, many companies in the industry are making efforts during the last years to increase their international presence, although not too many competitors will reach it because of the strong money infusion needs and risks that it involves.

The main characteristics of TIER 2 (Parts Manufacturers) industry are summarized in these four points:

(i) **Mature, atomized and highly competitive**: due to the automotive sector's long trajectory, companies in this industry have a high degree of maturity. Moreover, the requirement for specialized products and the proximity to the client favors the existence of a high number of competitors. Due to these factors, there is a limited number of companies that have been able to gain significant size with a diversified portfolio of products and markets.

(ii) **High bargaining power agents:** TIER 2 suppliers act as a link between commodity suppliers and TIER 1 suppliers, both of which are sectors with a high level of maturity and concentration. In this competitive atmosphere, some small players must negotiate with multinational companies, which have a much higher bargaining power.

(iii) **High entry barriers:** High investment requirements for manufacturing and R&D related to processes and products, along with the difficulty associated with integrating the production process to clients, are the barriers that make entering this industry complex.

(iv) **Low threat of substitute products:** The products offered by the automotive industry are very well established in the market, almost considered a need in the current society and thus the threat of substitution is estimated to be low.

Strategy

The automotive sector is in a high fluctuation period of time, in which flexibility is essential to face short-term demands. Also new means of transport have merged around urban and interurban mobility that requires production, planning and commercial adaptation by manufacturers.

To face this situation, Teknia has developed a strategic plan based on following pillars:

- Become a partner for the main stakeholders looking for start co-developing new products with clients, with higher value supported by multi-technology capabilities.
- Increase operational capacities leverage on "advanced manufacturing" investing in technology that allows to anticipate different events with warranties.
- Work with new mobility clients and players adapting production volumes and organizational structure to the new demands.
- Become a data driven company to share information around complete company allowing take decisions in real time.
- Ensure profitability of the company to shareholders and network focusing on free cash flow and debt control to ensure an EBITDA improvement.

With this strategy Teknia aspires to grow organically more than leverage of automotive sector. And in parallel an inorganic strategy is developed on two speeds and areas:

- Traditional automotive sector, where the M&A strategy is to start searching industrial groups with more than 80M€ of sales with more than one factories and study opportunities to enter in new markets with high prevision of growth like Asia.
- New Mobility, where the strategy is to identify companies with mid mature products with high number of parts potentially produced by Teknia, and search companies with digital capabilities to be a Tier 1 partner.

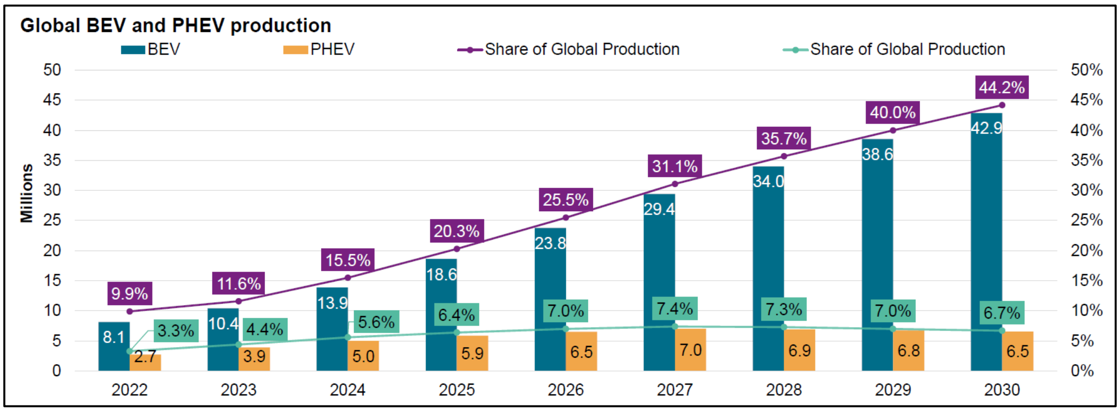
And to coordinate and ensure success of this strategy operational organisation has been modified looking for more synergies and information transmission and corporate team is dimensioning in consequence.

Trends in the industry

The automotive components industry has been experiencing a key transition period since before the outbreak of the Covid-19 pandemic, already facing different challenges, which increased with the subsequent economic crisis, and which will significantly affect industry trends.

The industry is facing the consolidation of a more sustainable mobility, which is expected to take place over the next 10 years, solidifying both the production and sales volume and ultimately the use of electric vehicles to gradually replace vehicles with internal combustion engines. This new concept is already causing major changes along the automotive value chain and is leading to different challenges for the current market players and their profit margins.

Combustion powered vehicles are decreasing gradually year after year, expecting to be almost half of production by 2030. In the meanwhile, electric vehicles are expected to grow during next years with an annual CAGR of 20% achieving 50% of global production by 2030.



In this changing and challenging environment, the automotive components industry is expected to quickly adapt given its broad range of customers, which allows them to diversify their product supply and to better cope with production downtimes. Since they have a range of products, services and technologies on offer, they are used to adapting to the different needs of their customers and the market. Multi-technology suppliers, with extensive experience and solid and proven relationships with customers, will be able to play a relevant role in this new business context. The automotive industry is in an energy transition with the firm commitment by the world's leading vehicle manufacturers to increase the production of electric vehicles.

Moreover, in the new electric and sustainable market environment, it is estimated that the industry's suppliers will gain negotiating power over OEMs, which in many cases are also their direct customers. This is due to the reduction in the number of components needed to manufacture an electric vehicle compared to internal motor vehicles, resulting in a faster and more agile manufacturing process in which there will be increasingly less suppliers involved, with a greater and more decisive role for the final vehicle.

Another trend in the components industry, derived from the above and which will increasingly increase in this new landscape, is the increase in innovation and the greater added value that suppliers will be able to bring to the supply chain and to manufacturers. From being just one supplier among many, they will become a key manufacturing partner in the process.

Current market consolidation

According to the Strategic Plan, Teknia will be focused on classify and prioritize key clients and suppliers. From the point of view of products, the strategy is to increase the presence of multi-technology and high value parts, reducing commodity and low profitability ones.

Group Consolidated Figures

The Group closed 2022 with an audited consolidated sales EUR 384.6M and EUR 40.5M EBITDA margin. In 2021 sales were EUR 323.7M and EBITDA of EUR 32.8M.

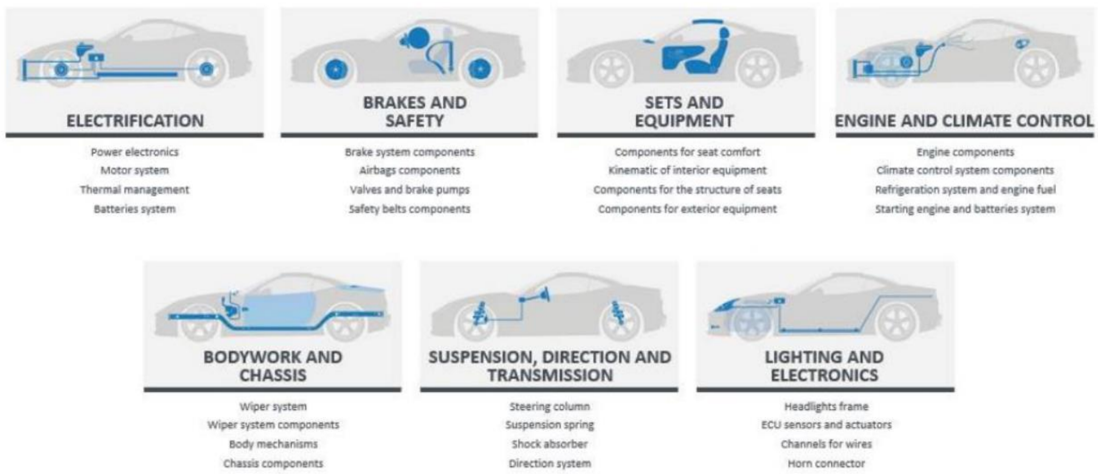
In terms of staff the Group comprises 3,481 people in 2022 and 33,237 people in 2021.

Group Technologies / Machinery / Products

Teknia Group operates in 23 production Plants, incorporating all the roles related to the production activity: Marketing, Purchase, Quality, Human Resources and Production.

Each of these 23 plants is within at least one of the following technologies and production processes:

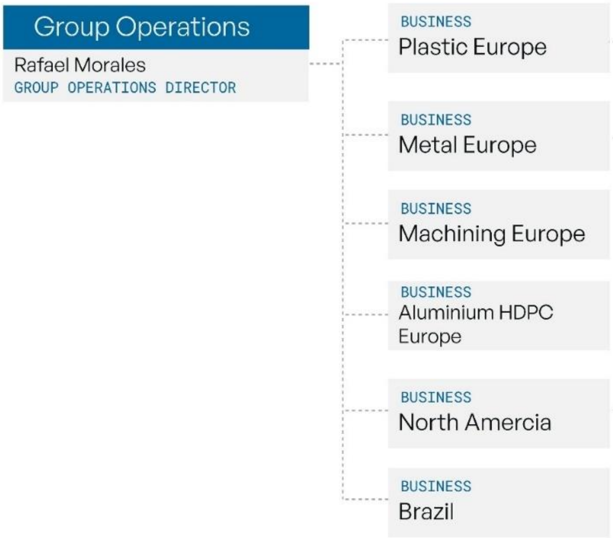
Additionally, Teknia´s product catalogue includes, but is not limited to, the following key product and part segments:

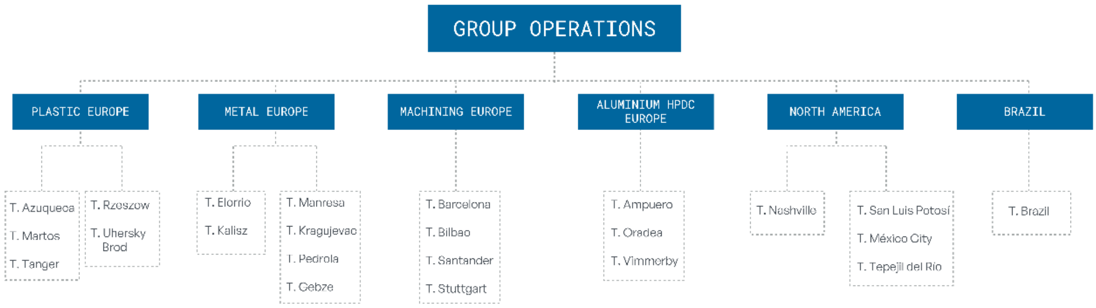


Business Units

As of February 2023, Teknia reorganised its organisational structure to align with the Group's growth. The aim of these changes was to improve operational efficiency in decision making, increase synergies between the different plants of the company and promote knowledge sharing.

The new structure implemented in 2023 has 6 organisational units called “Business”. These encompasses all our Group's operations under the following headings:





In this section information by technology is explained. The economic data reflected corresponds to audited individual annual accounts aggregated figures.

Plastic

Plastic Tech comprises (7 plants): Martos (Spain), Azuqueca (Spain), Tangier (Morocco), Rzeszow (Poland) and Uhersky Broad (Czech Republic) plants within Business Plastic Europe; San Luis Potosí (Mexico) within Business North America and plastic business from Business Brazil.

Plastic represents 33% of the total aggregated Group sales. Total sales 2022 were EUR 130.2M and EBITDA margin about EUR 8.3M. Total sales 2021 were EUR 115.1M and EBITDA margin about EUR 7.9M.

This technology contains products from categories like Safety with Airbag covers or brake fluid reservoirs, Interiors with seating or interior trim components and Electronics with lighting components, among others.

Metalic

Metallic Tech comprises (8 plants): Elorrio (Spain), Pedrola (Spain), Kalisz (Poland), Manresa (Spain), Kragujevac (Serbia) and Gebze (Turkey) plants within Business Metal Europe; Nashville (USA) within Business North America and metallic business from Business Brazil.

Metallic represents 32% of the total aggregated Group sales. Total sales 2022 were EUR 126.3M and EBITDA of EUR 6.4M. In 2021 sales were EUR 117.2M and EBITDA of EUR 9.3M.

This technology contains products from categories like Powertrain with engine cooling and fuel tubes, Exteriors with front and rear wiper system components, Safety with safety belt tube pretensioners and Interior with seating structure components, among others.

Bar turning

Bar Turning Tech comprises (5 plants): Bilbao (Spain), Barcelona (Spain), Santander (Spain) and Stuttgart (Germany) plants within Business Machining Europe; Mexico City (Mexico) within the Business North America.

Since July 2022, Teknia adds to Business Machining Europe a new plant (named Teknia Stuttgart, formerly Forschner PTM GmbH), located near Stuttgart in the Southern German province of Baden-Württemberg. The components produced by Teknia Stuttgart will be particularly relevant for autonomous vehicles. They improve the vehicles' driving comfort by minimizing its inertia. The acquired plant will add significant value through its extensive experience in complex machining, which will increase Teknia's overall capacities in machining technology.

It represents 21% of the total aggregated Group sales. Total sales 2022 were EUR 82.6M and EBITDA of EUR 7.4M. In 2021 sales were EUR 59.8M and EBITDA of EUR 5.7M.

This technology contains products from categories like Safety with primary and secondary breaking pistons, driving comfort – suspension with magnet housing and armature guide components and Powertrain with bushing closing rings, among others.

Aluminum

Aluminum Tech comprises (3 plants): Ampuero (Spain) and Oradea (Romania) plants within the Business Aluminium HDPC Europe, and Tepejí del Río (Mexico) within the Business North America.

Aluminum represents 14% of the total aggregated Group sales. Total sales 2022 were EUR 54.4M, and EBITDA of EUR 10.2M. In 2021 sales were EUR 44.1M and EBITDA of EUR 8.7M.

This technology contains products from categories like Driving comfort – Steering with steering column body jacket or steering servo housing, Powertrain with boost recovery machine (BRM) housing or New mobility with inverter housing or converter cooling plate, among others.

Since April 2023, Teknia adds to Business Aluminium HDPC Europe a new plant (named Teknia Vimmerby, formerly Svensk Tryckgjutning), located in the south of Sweden. It is dedicated to injection and machining of aluminium and magnesium products for safety and high precision parts for the steering and chassis environment. Aluminium and magnesium injection and machining technologies, due to their better characteristics compared to other materials, are increasingly relevant for the manufacture of components for electric vehicles.

2.2.7. Declaration on the absence of significant changes in the prospects of the Issuer

Since the publication of the latest audited consolidated financial information as of 31 December 2022 and until the date of this Information Memorandum, there has been no material adverse change in the outlook for the Issuer.

2.2.8. Information on significant changes in the prospects of the Issuer

As of the date of this Information Memorandum, the Issuer is not aware of any trend, uncertainty, demand, commitment, or adverse event which could reasonably have a material effect on the prospects for the financial year 2023.

<u>Consolidated financial statements of the Issuer for the financial years ended on 31 December 2021 and 31 December 2022</u>:

The Issuer's consolidated financial statements for the financial years ended on 31 December 2021 and 31 December 2022, audited and without reservations, are attached as **<u>Annex</u>** to this Information Memorandum.

3. Full name of the Commercial Paper Programme

"Commercial Paper Programme Teknia 2024".

4. Persons responsible

Mrs. Ana San Vicente Landaida, as representative, in the name and on behalf of TEKNIA MANUFACTURING GROUP, S.L.U., is responsible for the entire content of this Information Memorandum (*Documento Base Informativo de Incorporación*).

5. Duties of the Registered Advisor of MARF

BANCA MARCH, S.A. is a company incorporated on 24 June 1946, before the notary public of Madrid, Mr. Rodrigo Molina Pérez, that adapted its corporate bylaws to the current Capital Companies Act on 19 July 1990 before the notary public of Madrid, Mr. Luis Coronel de Palma, with number 3,703 of his official records, duly registered in the Commercial Registry of Baleares, Volume 20, Book 104, Page 230, Sheet 195, and in the Registry of Registered Advisors pursuant to instruction (*Instrucción Operativa*) 8/2014 and having tax identification number A-07004021 ("**Banca March**" or the "**Registered Advisor**").

Banca March has been designated as Registered Advisor of the Issuer. Accordingly, the Registered Advisor shall enable the Issuer to comply with the obligations and responsibilities to be assumed on incorporating its issues into the multilateral trading system, the Alternative Fixed-Income Market, acting as specialist liaison between both, MARF and Teknia, and as a means to facilitate the insertion and development of the same under the new securities trading regime.

Therefore, Banca March must provide MARF with any periodically information it may require and, on the other hand, MARF may require as much information as it may deem necessary regarding the actions to be carried out and its corresponding obligations, being authorized to perform as many actions as necessary, where appropriate, in order to verify the information provided.

The Issuer must have, at any time, a designated Registered Advisor registered in the "Market Registered Advisor Registry" (*Registro de Asesores Registrados del Mercado*).

Banca March has been designated as Registered Advisor of the Issuer in order to provide advisory services to Teknia (i) on the admission to trading of the securities issued, (ii) on compliance with any obligations and responsibilities applicable to the Issuer for taking part on MARF, (iii) on compiling and presenting the financial and business information required, and (iv) in order to ensure that the information complies with these regulatory requirements.

As Registered Advisor, Banca March with respect to the request for the admission to trading of the Commercial Paper on MARF:

(i) has verified that the Issuer complies with the requirements of MARF's regulations for the admission of the securities to trading;

(ii) has assisted the Issuer in the preparation of this Information Memorandum, has reviewed all the information provided by the Issuer to the Market in connection with the request for the admission to trading of the securities on MARF and has checked that the information provided complies with the requirements of applicable regulations and does not leave out any relevant information (*otra información relevante*) that could lead to confusion among potential investors.

Once the securities are admitted to trading, the Registered Advisor will:

(i) review the information that the Issuer prepares for MARF periodically or on a one-off basis, and verify that this information meets the requirements concerning content and deadlines set out in the regulations;
(ii) advise the Issuer on the events that might affect compliance with the obligations assumed when including its securities to trading on MARF, and on the best way of treating such events in order to avoid breach of said obligations;
(iii) report to MARF any events that could represent a breach by the Issuer of its obligations in case it notices any potential and relevant breach that had not been rectified following notification; and
(iv) manage, answer and deal with queries and requests for information from MARF regarding the situation of the Issuer, progress of its activity, the level of compliance with its obligations and any other data the Market may deem relevant.

Regarding the previous, the Registered Advisor shall perform the following actions:

(i) maintain regular and necessary contact with the Issuer and analyze any exceptional situations that may arise concerning the evolution of the price, trading volumes and other relevant circumstances regarding trading of the Commercial Paper;
(ii) sign any declarations which, in general, have been set out in the regulations as a consequence of the admission to trading of the securities on MARF, as well as with regard to the information required from companies with securities on the Market; and
(iii) forward to MARF, without delay, the communications received in response to queries and requests for information the latter may send.

6. Maximum outstanding balance

The maximum outstanding balance of this Commercial Paper Programme will be a nominal of thirty million EUROS (€30,000,000).

This amount is understood as the maximum nominal outstanding balance that the sum of the nominal value of Commercial Paper in circulation (i.e., issued and not matured) that are issued under the Commercial Paper Programme and admitted to MARF in accordance with the provisions of this Information Memorandum.

Whereas the Issuer is a limited liability company, the maximum nominal outstanding amount of Commercial Paper issued under the Programme, together with that of other issues of bonds, notes or other fixed income securities, may not exceed twice the amount of the Issuer's equity, unless an issue of bonds, notes or other fixed income securities is secured by mortgage, pledge of securities, public guarantee or joint and several guarantee by a credit entity, in accordance with the limit set forth in article 401.2 of the Spanish Companies Act.

7. Description of the type and class of the Commercial Paper. Nominal value

The Commercial Paper represents a debt for the Issuer, accrue interest and can be reimbursed at their nominal value on maturity. An ISIN code will be assigned to each Commercial Paper with the same maturity issued under the Programme.

Each Commercial Paper will have a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000), meaning that the maximum number of Commercial Paper in circulation at any given time shall not exceed three hundred (300).

8. Governing Law of the Commercial Paper

The legal regime applicable to the Commercial Paper will be that provided for at any given time in Spanish law and, particularly, in the Securities Market Law, the Spanish Capital Companies Act and their respective implementing or concordant regulations.

The courts and tribunals of the city of Madrid have exclusive jurisdiction to settle any disputes arising from or in connection with the Commercial Paper (including disputes regarding any non-contractual obligation arising from or in connection with the Commercial Paper).

9. Representation of the Commercial Paper through book entries

The Commercial Paper to be issued under the Programme will be represented by book entries, as set out in the mechanisms for trading on MARF pursuant to (i) the provisions of article 8.3 of the Securities Market Act; and Royal Decree 814/2023 of 8 November on financial instruments, admission to trading, registration of negotiable securities and market infrastructures.

Iberclear, with registered office in Madrid, Plaza de la Lealtad, 1, together with its participating entities, will be the responsible entity for the Commercial Paper accounting record.

10. Currency of the issue

The Commercial Paper issued under the Programme will be denominated in Euros.

11. Order of priority

The issue of Commercial Paper by Teknia will not be secured by any *in rem* guarantees (*garantías reales*) or guaranteed by any personal guarantees (*garantías personales*). The capital and the interest of the Commercial Paper will be secured by the Issuer's total net worth.

For the purposes of priority, should the Issuer file for insolvency, the investors are behind any privileged creditors that the Issuer has on that date, pursuant to the classification and order of priority of credits set out in the Insolvency Law.

12. Description of the rights inherent to the Commercial Paper and the procedure to exercise such rights. Method and term for payment and delivery of the Commercial Paper

In accordance with the applicable legislation, the Commercial Paper issued under the Programme will not represent, for the investor that acquires them, any present and/or future political rights over the Issuer.

The economic and financial rights of the investor associated to the acquisition and holding of the Commercial Paper will be those arising from the conditions of the interest rate, yields and redemption prices with which they are issued, specified in sections 13, 14 and 16 bellow.

The date of disbursement of the Commercial Paper will coincide with its date of issuance, and the effective value of the Commercial Paper will be paid to the Issuer by Bankinter, S.A. (as paying agent), into the account specified by the Issuer on the corresponding date of issuance.

In all cases the Placement Entities will issue a nominative and non-negotiable certificate of acquisition. The referred document will provisionally credit the subscription of the Commercial Paper until the appropriate book entry is practiced, which will grant its holder the right to request the relevant legitimacy certificate (*certificado de legitimación*). Furthermore, the Issuer will report the disbursement to MARF and Iberclear through the corresponding certificate.

13. Date of issue. Term of the Programme

The term of the Programme is of one (1) year from the date of incorporation of this Information Memorandum with MARF.

As the Programme is a continuous type, the Commercial Paper may be issued, subscribed and admitted to trading on MARF on any day during its term. Notwithstanding the previous, the Issuer reserves the right not to issue Commercial Paper when it deems such action appropriate, pursuant to the cash needs of the Issuer or because it has found more advantageous conditions of funding.

The supplementary certificates of each issue will establish the issue date and disbursement date of the Commercial Paper. The issue, disbursement and admission dates of the Commercial Paper will not be later than the expiry date of the Programme.

14. Nominal interest rate. Indication of the yield and calculation method

The annual nominal interest will be set in each adjudication. The Commercial Paper will be issued at the interest rate agreed by and between Bankinter, S.A., Banca March, S.A. and PKF Attest Capital Markets A.V., S.A. (individually the "**Placement Entity**" and jointly the "**Placement Entities**") and the Issuer. The yield will be implicit in the nominal value of the Commercial Paper, to be reimbursed on the maturity date.

The interest at which the Placement Entities transfer the Commercial Paper to third parties will be the rate freely agreed between the interested parties.

The Commercial Paper have an implicit rate of return, the cash amount to be paid out by the investor varies in accordance with the issue interest rate and period agreed.

Therefore, the cash amount of the Commercial Paper may be calculated by applying the following formulas:

- When the Commercial Paper is issued for a term of 365 days or less:

$$E = \frac{N}{1 + i\,\frac{d}{365}}$$

- When the Commercial Paper is issued for a term greater than 365 days:

$$E = \frac{N}{(1+i)^{\frac{d}{365}}}$$

Whereby:

N = nominal amount of the Commercial Paper.
E = cash amount of the Commercial Paper.
d = number of days of the period to maturity.
i = nominal interest rate, expressed as an integer value.

A table is included to help the investor, specifying the cash value tables for different rates of interest and redemption periods, and there is also a column showing the variation of the cash value of the Commercial Paper by increasing the period of this by 10 days.

(***Continues on the next page***)

EFFECTIVE VALUE OF € 100,000 NOTIONAL NOTE (Less than one-year term)												
	7 days			14 days			30 days			60 days		
Nominal rate	**Subscription Price**	**IRR/AER**	**+10 days**	**Subscription Price**	**IRR/AER**	**+10 days**	**Subscription Price**	**IRR/AER**	**+10 days**	**Subscription Price**	**IRR/AER**	**+10 days**
(%)	**(euros)**	**(%)**	**(euros)**	**(euros)**	**(%)**	**(euros)**	**(euros)**	**(%)**	**(euros)**	**(euros)**	**(%)**	**(euros)**
0.25	99,995.21	0.25	-6.85	99,990.41	0.25	-6.85	99,979.46	0.25	-6.85	99,958.92	0.25	-6.84
0.50	99,990.41	0.50	-13.69	99,980.83	0.50	-13.69	99,958.92	0.50	-13.69	99,917.88	0.50	-13.67
0.75	99,985.62	0.75	-20.54	99,971.24	0.75	-20.53	99,938.39	0.75	-20.52	99,876.86	0.75	-20.49
1.00	99,980.83	1.00	-27.38	99,961.66	1.00	-27.37	99,917.88	1.00	-27.34	99,835.89	1.00	-27.30
1.25	99,976.03	1.26	-34.22	99,952.08	1.26	-34.20	99,897.37	1.26	-34.16	99,794.94	1.26	-34.09
1.50	99,971.24	1.51	-41.06	99,942.50	1.51	-41.03	99,876.86	1.51	-40.98	99,754.03	1.51	-40.88
1.75	99,966.45	1.77	-47.89	99,932.92	1.76	-47.86	99,856.37	1.76	-47.78	99,713.15	1.76	-47.65
2.00	99,961.66	2.02	-54.72	99,923.35	2.02	-54.68	99,835.89	2.02	-54.58	99,672.31	2.02	-54.41
2.25	99,956.87	2.28	-61.55	99,913.77	2.27	-61.50	99,815.41	2.27	-61.38	99,631.50	2.27	-61.15
2.50	99,952.08	2.53	-68.38	99,904.20	2.53	-68.32	99,794.94	2.53	-68.17	99,590.72	2.53	-67.89
2.75	99,947.29	2.79	-75.21	99,894.63	2.79	-75.13	99,774.48	2.78	-74.95	99,549.98	2.78	-74.61
3.00	99,942.50	3.04	-82.03	99,885.06	3.04	-81.94	99,754.03	3.04	-81.72	99,509.27	3.04	-81.32
3.25	99,937.71	3.30	-88.85	99,875.50	3.30	-88.74	99,733.59	3.30	-88.49	99,468.59	3.29	-88.02
3.50	99,932.92	3.56	-95.67	99,865.93	3.56	-95.54	99,713.15	3.56	-95.25	99,427.95	3.55	-94.71
3.75	99,928.13	3.82	-102.49	99,856.37	3.82	-102.34	99,692.73	3.82	-102.00	99,387.34	3.81	-101.38
4.00	99,923.35	4.08	-109.30	99,846.81	4.08	-109.13	99,672.31	4.07	-108.75	99,346.76	4.07	-108.04
4.25	99,918.56	4.34	-116.11	99,837.25	4.34	-115.92	99,651.90	4.33	-115.50	99,306.22	4.33	-114.70
4.50	99,913.77	4.60	-122.92	99,827.69	4.60	-122.71	99,631.50	4.59	-122.23	99,265.71	4.59	-121.34
4.75	99,908.99	4.86	-129.73	99,818.14	4.86	-129.50	99,611.11	4.85	-128.96	99,225.23	4.85	-127.96
5.00	99,904.20	5.12	-136.54	99,808.59	5.12	-136.28	99,590.72	5.12	-135.68	99,184.78	5.11	-134.58
5.25	99,899.42	5.39	-143.34	99,799.03	5.38	-143.05	99,570.35	5.38	-142.40	99,144.37	5.37	-141.18
5.50	99,894.63	5.65	-150.14	99,789.49	5.65	-149.83	99,549.98	5.64	-149.11	99,103.99	5.63	-147.78
5.75	99,889.85	5.92	-156.94	99,779.94	5.91	-156.60	99,529.62	5.90	-155.81	99,063.64	5.89	-154.36
6.00	99,885.06	6.18	-163.74	99,770.39	6.18	-163.36	99,509.27	6.17	-162.51	99,023.33	6.15	-160.93
6.25	99,880.28	6.45	-170.53	99,760.85	6.44	-170.12	99,488.93	6.43	-169.20	98,983.05	6.42	-167.48
6.50	99,875.50	6.71	-177.32	99,751.30	6.71	-176.88	99,468.59	6.70	-175.88	98,942.80	6.68	-174.03

EFFECTIVE VALUE OF € 100,000 NOTIONAL NOTE (Less than one-year term)												
	90 days			180 days			365 days			730 days		
Nominal rate	Subscription Price	IRR/AER	+10 days	Subscription Price	IRR/AER	+10 days	Subscription Price	IRR/AER	+10 days	Subscription Price	IRR/AER	+10 days
(%)	(euros)	(%)	(euros)	(euros)	(%)	(euros)	(euros)	(%)	(euros)	(euros)	(%)	(euros)
0.25	99,938.39	0.25	-6.84	99,876.86	0.25	-6.83	99,750.62	0.25	-6.81	99,501.87	0.25	-6.78
0.50	99,876.86	0.50	-13.66	99,754.03	0.50	-13.63	99,502.49	0.50	-13.56	99,007.45	0.50	-13.43
0.75	99,815.41	0.75	-20.47	99,631.50	0.75	-20.39	99,255.58	0.75	-20.24	98,516.71	0.75	-19.94
1.00	99,754.03	1.00	-27.26	99,509.27	1.00	-27.12	99,009.90	1.00	-26.85	98,029.60	1.00	-26.33
1.25	99,692.73	1.26	-34.02	99,387.34	1.25	-33.82	98,765.43	1.25	-33.39	97,546.11	1.24	-32.59
1.50	99,631.50	1.51	-40.78	99,265.71	1.51	-40.48	98,522.17	1.50	-39.87	97,066.17	1.49	-38.72
1.75	99,570.35	1.76	-47.51	99,144.37	1.76	-47.11	98,280.10	1.75	-46.29	96,589.78	1.73	-44.74
2.00	99,509.27	2.02	-54.23	99,023.33	2.01	-53.70	98,039.22	2.00	-52.64	96,116.88	1.98	-50.63
2.25	99,448.27	2.27	-60.93	98,902.59	2.26	-60.26	97,799.51	2.25	-58.93	95,647.44	2.23	-56.42
2.50	99,387.34	2.52	-67.61	98,782.14	2.52	-66.79	97,560.98	2.50	-65.15	95,181.44	2.47	-62.08
2.75	99,326.48	2.78	-74.28	98,661.98	2.77	-73.29	97,323.60	2.75	-71.31	94,718.83	2.71	-67.64
3.00	99,265.71	3.03	-80.92	98,542.12	3.02	-79.75	97,087.38	3.00	-77.41	94,259.59	2.96	-73.09
3.25	99,205.00	3.29	-87.55	98,422.54	3.28	-86.18	96,852.30	3.25	-83.45	93,803.68	3.20	-78.44
3.50	99,144.37	3.55	-94.17	98,303.26	3.53	-92.58	96,618.36	3.50	-89.43	93,351.07	3.44	-83.68
3.75	99,083.81	3.80	-100.76	98,184.26	3.79	-98.94	96,385.54	3.75	-95.35	92,901.73	3.68	-88.82
4.00	99,023.33	4.06	-107.34	98,065.56	4.04	-105.28	96,153.85	4.00	-101.21	92,455.62	3.92	-93.86
4.25	98,962.92	4.32	-113.90	97,947.14	4.30	-111.58	95,923.26	4.25	-107.02	92,012.72	4.16	-98.80
4.50	98,902.59	4.58	-120.45	97,829.00	4.55	-117.85	95,693.78	4.50	-112.77	91,573.00	4.40	-103.65
4.75	98,842.33	4.84	-126.98	97,711.15	4.81	-124.09	95,465.39	4.75	-118.46	91,136.41	4.64	-108.41
5.00	98,782.14	5.09	-133.49	97,593.58	5.06	-130.30	95,238.10	5.00	-124.09	90,702.95	4.88	-113.07
5.25	98,722.02	5.35	-139.98	97,476.30	5.32	-136.48	95,011.88	5.25	-129.67	90,272.57	5.12	-117.65
5.50	98,661.98	5.62	-146.46	97,359.30	5.58	-142.62	94,786.73	5.50	-135.19	89,845.24	5.36	-122.13
5.75	98,602.01	5.88	-152.92	97,242.57	5.83	-148.74	94,562.65	5.75	-140.66	89,420.94	5.59	-126.54
6.00	98,542.12	6.14	-159.37	97,126.13	6.09	-154.82	94,339.62	6.00	-146.07	88,999.64	5.83	-130.85
6.25	98,482.29	6.40	-165.80	97,009.97	6.35	-160.88	94,117.65	6.25	-151.44	88,581.31	6.07	-135.09
6.50	98,422.54	6.66	-172.21	96,894.08	6.61	-166.90	93,896.71	6.50	-156.75	88,165.93	6.30	-139.25

Given the different types of issues that will be applied throughout the Commercial Paper Programme, we cannot predetermine the internal rate of return (IRR) for the investor. In any case, it will be determined in accordance with the formula detailed below:

$$IRR = \left[\left(\frac{N}{E} \right)^{\frac{365}{d}} - 1 \right]$$

Whereby:

IRR = effective annual interest rate, expressed as an integer value.
N = nominal amount of the Commercial Paper.
E = cash amount (effective value) at the time of subscription or acquisition.
d = number of calendar days between the date of issue (inclusive) and the date of maturity (exclusive).

15. Paying agent and depository entities

The placement entities of the Programme are:

BANKINTER, S.A.
Tax Identification Number: A-28157360.
Registered office: Paseo de la Castellana 29, 28046 Madrid.

BANCA MARCH, S.A.
Tax Identification Number: A-07004021.
Registered office: Avenida Alejandro Rosello 8, 07002 Palma de Mallorca (Baleares).

PKF ATTEST CAPITAL MARKETS A.V., S.A.
Tax Identification Number: A-86953965.
Registered office: Calle Orense nº 81, 28020 Madrid.

A placement agreement has been entered into by the Issuer and the Placement Entities for the Programme, including the possibility to sell to third parties.

Notwithstanding the above, new placement entities may be added by the Issuer in the future to the Programme, which will be communicated to MARF by publishing so on MARF´s website through other relevant information (*otra información relevante*).

Bankinter, S.A. will also act as paying agent (the "**Paying Agent**"). A change of the entity designated as a Paying Agent will be communicated to MARF by publishing so on MARF´s website through other relevant information (*otra información relevante*), in addition to the corresponding addendum to the issue document (*adenda al documento de emisión*) and supplement to the Information Memorandum (*suplemento al documento base informativo*) to be submitted to the MARF and Iberclear, as applicable.

Although Iberclear will be the entity entrusted with the book-keeping (*registro contable*) of the accounting records corresponding to the Commercial Paper, the Issuer has not designated a depository entity for the Commercial Paper. Each subscriber of the Commercial Paper shall appoint, among Iberclear's participating entities, the entity which shall act as depositary of the Commercial Paper.

16. Redemption price and provisions regarding maturity of the Commercial Paper. Date and methods of redemption

The Commercial Paper issued under the Programme will be redeemed at their nominal value on the date indicated in the document proving acquisition, applying, when appropriate, the corresponding withholding tax.

The Commercial Paper issued under the Programme may have a redemption period of between three (3) business days and seven hundred and thirty (730) calendar days (twenty-four (24) months).

Given that the Commercial Paper will be traded in MARF, their redemption will take place pursuant to the operating rules of the clearance system of the Market, being paid, on maturity date, the nominal amount of the Commercial Paper to their legitimate holder. Bankinter, S.A. as delegated paying agent does not take any liability whatsoever regarding reimbursement by the Issuer of the Commercial Paper on the maturity date.

Should the reimbursement coincide with a non-business day according to the T2[1] calendar, reimbursement will be deferred to the first subsequent business day, without this having any effect on the amount to be paid.

17. Valid term to claim the reimbursement of the principal

In accordance with article 1,964 of the Spanish Civil Code, reimbursement of the nominal value of the securities will no longer be callable after five (5) years from maturity.

18. Minimum and maximum issue period

As previously stated, during the validity of the Programme, the Commercial Paper issued may have a redemption period of between three (3) business days and seven hundred and thirty (730) calendar days (twenty-four (24) months).

For these purposes, a "business day" shall be any day of the week on which transactions may be carried out in accordance with the T2 calendar.

19. Early redemption

The Commercial Paper will not include an early redemption option for the Issuer (*call*) or for the securities' holder (*put*). Regardless of the previous, the Commercial Paper may be early redeemed given that, for any reason, they are in legitimate possession of the Issuer.

20. Restrictions on the free transferability of the Commercial Paper

In accordance with the applicable legislation, there are no specific or generic restrictions on the free transferability of the Commercial Paper to be issued.

21. Taxation of the Commercial Paper

In accordance with the provisions set out in the legislation in force, the Commercial Paper qualifies for tax purposes as fixed-income securities with implicit yield. The incomes derived therefrom are classified for tax purposes as income from movable capital derived from the assignment of own capital to third parties and are subject to personal income taxes (Personal Income Tax ("**PIT**"), Corporate Income Tax ("**CIT**") and Non-Resident Income Tax ("**NRIT**") and its system of withholdings on account, under the terms and conditions established in their respective regulatory laws and other implementing regulations.

---

[1] T2 is the Eurosystem's new real-time gross settlement (RTGS) system, which replaces the former TARGET2 system.

The applicable regulations, but not limited, will be the following:

(i) Additional Provision One of Law 10/2014 of 26 June, on the regulation, supervision, and solvency of credit institutions ("**Law 10/2014**").

(ii) Royal Decree 1065/2007 of 27 July, approving the General Regulation on tax management and inspection actions and procedures and the development of common rules on tax application procedures ("**RD 1065/2007**").

(iii) Law 35/2006 of 28 November, governing Personal Income Tax and partial amendment of the laws on Corporate Tax, Non-Resident Income Tax and Wealth Tax ("**PIT Law**") as well as articles 74 et seq. of Royal Decree 439/2007 of 30 March 2007, approving the Personal Income Tax Regulation and amending the Pension Plans and Funds Regulation, approved by Royal Decree 304/2004, of 20 February ("**PIT Regulation**").

(iv) Law 27/2014, of 27 November, of the Corporate Income Tax Law ("**CIT Law**") as well as articles 60 et seq. of the Corporate Tax Regulation approved through Royal Decree 634/2015, of 10 July ("**CIT Regulation**").

(v) Royal Legislative Decree 5/2004, of 5 March, which approves the consolidated text of the Non-Resident Income Tax Law ("**NRIT Law**") and Royal Decree 1776/2004, of 30 July, which approves the Non-Resident Income Tax ("**NRIT Regulation**").

(vi) Law 19/1991, of 6 June, on Wealth Tax ("**WT Law**").

(vii) Law 38/2022, of 27 December, for the establishment of temporary taxes on energy and on credit institutions and financial credit establishments, and for the creation of the temporary solidarity tax on large fortunes and amending certain tax rules ("**Temporary Taxes Law**").

(viii) Law 29/1987, of 18 December, on Inheritance and Gift Tax ("**IGT Law**").

(ix) Law 6/2023, of 17 March, on Securities Markets and Investment Services (Securities Market Act).

(x) Law 37/1992, of 28 December, on Value Added Tax ("**VAT Law**").

(xi) Royal Legislative Decree 1/1993, of 24 September, approving the consolidated text of Law on Transfer Tax and Stamp Duty ("**TTSD Law**").

All the above, without prejudice to the regional tax regimes that may be applicable in accordance with the provisions of the Economic Treaty and Agreement in force, respectively, in the historical territories of *Pais Vasco* and in the *Comunidad Foral de Navarra*, or those other exceptional ones that may be applicable due to the specific characteristics of the investor.

As a rule, in order to proceed with the transfer, redemption or reimbursement of fixed-income securities with implicit yield that are subject to withholding tax at the moment of their transfer, redemption or reimbursement, the prior acquisition must be proved through a notary public or through the financial institutions obliged to perform withholdings, together with the transfer, redemption or reimbursement value. The financial institutions through which the payment of interests is made, or which intervene in the transfer, redemption or reimbursement of the securities, shall be obliged to calculate the return attributable to the holder of the security and report it, both to the holder and to the Tax Administration, to which they shall also provide the data corresponding to the persons who intervene in the foregoing transaction.

Likewise, the holding of the Commercial Paper will be subject, as applicable, to the accrual date of the relevant taxes, to the Wealth Tax, the Temporary Solidarity Tax on Large Fortunes and the Inheritance and Gift Tax in accordance with the provisions of the current regulations in each case.

In any case, given that this summary is not intended to be an exhaustive description of all tax considerations, it is recommended that investors interested in acquiring the Commercial Paper to be issued consult their lawyers or tax advisors, who will be able to provide them with personalized advice based on their circumstances. Likewise, investors and potential investors should consider any future changes in the law or its interpretation criteria.

Investors that are individuals with tax residence in Spain

Personal Income Tax

Generally, income from movable capital obtained from the investment in the Commercial Paper by individuals that are tax resident in Spain is subject to withholding tax, as payment on account of the corresponding PIT to the recipient, at the current rate of 19%. The taxes withheld may be deducted against the PIT's gross tax due, giving rise, where appropriate, to the tax returns provided for in the current legislation.

Furthermore, the difference between the asset's subscription or acquisition value and its transfer, redemption, exchange or reimbursement value will be considered as an implicit income from movable capital and will be allocated to the savings taxable base in the tax period when the transfer, redemption or reimbursement takes place. The income so calculated will be subject to the tax rate resulting from the following tax scale (current tax scale in force):

Taxable base (up to euros)	Tax due (euros)	Remaining taxable base (up to euros)	Applicable rate (percentage)
0.00	0	6,000.00	19.00
6,000.00	1,140.00	44,000.00	21.00
50,000.00	10,380.00	150,000.00	23.00
200,000.00	44,880.00	100,000.00	27.00
300,000.00	71,880.00	upwards	28.00

For the purpose of determining the net income from movable capital the following expenses shall be deductible:

(i) The expenses of administration and deposit of negotiable securities, in accordance with article 26 of the PIT Law. In this regard, administrative and deposit or custody expenses are those amounts charged by investment services companies, credit entities or other financial entities that, in accordance with the Securities Market Act, are intended to remunerate the service derived from the performance on behalf of their holders of the depository service of securities represented in the form of securities or the administration of securities represented in book entries.

(ii) In the case of transfer, reimbursement or redemption of securities, the ancillary acquisition and disposal expenses, in accordance with article 25.2.b) of the PIT Law. For the purposes of calculating the withholding tax base, these ancillary expenses will not be considered, in accordance with article 93.2 of the PIT Regulation.

Likewise, according to paragraph 4 of article 25.2.b) of the PIT Law, should the PIT taxpayer obtain a negative income from movable capital from the transfer of fixed-income securities and, in addition, the taxpayer has acquired homogeneous fixed-income securities within the two months before or after such transfer, said negative income will be time allocated in the future tax periods as long as the fixed-income securities held by the taxpayer are transferred.

To carry out the transfer or reimbursement of the Commercial Paper, the prior acquisition must be certified by a notary public or by financial institutions obliged to carry out the withholding tax, together with the acquisition price at which the transaction was carried out. The issuer may not proceed with the reimbursement when the holder does not prove its status by means of the appropriate acquisition certificate.

For the purposes of withholding tax payments, the following must be considered:

(i) In the case of income obtained from the transfer of the Commercial Paper, the financial institution acting on behalf of the transferring party will be obliged to withhold the relevant withholding tax; and

(ii) In the event of income obtained from the reimbursement and redemption of the Commercial Paper, the Issuer will be subject to the witholding tax obligation, unless a financial entity has been entrusted with the execution of such transactions, in which case the latter will be subject to the witholding obligation.

In addition, to the extent that the regime contained in the First Additional Provision of Law 10/2014 applies to the Commercial Paper, the information regime provided in article 44 of Royal Decree 1065/2007 shall be applicable to the Commercial Paper issued at a discount for a term of 12 months or shorter.

In case the First Additional Provision of Law 10/2014 was not applicable or, applying, the issue of the Commercial Paper is not at discount, or its redemption period is longer than 12 months, the general obligation to provide information under the terms set out in article 42 of RD 1065/2007 shall apply.

Wealth tax

In accordance with article 9 of the PIT Law, individuals that are tax residents in Spain will be subject to Wealth Tax ("**WT**"). In this regard, in accordance with article 5.1.a) of the WT Law, they will be subject to taxation for their worldwide net wealth held as of 31 December of each calendar year, regardless of the place where the assets are located or where the rights can be exercised.

The taxable base of this tax is constituted by the value of the taxpayer´s net wealth, understood as the difference between the value of the assets and rights held by the taxpayer and the charges and levies that fall on such assets or rights. In particular, in the event of Commercial Paper, as they are securities representing the assignment to third parties of own capital, traded in organized markets, they will be computed, in accordance with article 13 of the WT Law, at their average trading value in the fourth quarter of each year.

Taxation will be required in accordance with the provisions established in the WT Law which, for these purposes, sets a minimum exemption of 700,000 euros for each taxpayer. The taxable base will be subject to the tax rate resulting from a tax scale whose rates range between 0.2% and 3.5%, all without prejudice to the specific regulations approved, as applicable, for each Autonomous Region and of the applicable reductions and/or bonuses.

Law 11/2020, of 30 December, on the General State Budget for the year 2021 ("**LPGE 2021**") repeals the second section of the sole article of Royal Decree-Law 13/2011, of 16 September, by which the

Wealth Tax was restored, on a temporary basis. This also determines the repeal of the general bonus of 100% of the full amount of the tax, with effect from 1 January 2021.

Temporary Solidarity Tax on Large Fortunes

With the approval of the Temporary Taxes Law, the Temporary Solidarity Tax on Large Fortunes (the "**TSTLF**") has been created, which would be in force, in principle, in the years 2022 and 2023. The regulations established that the Government would study, at the end of its term, whether it decides to extend the requirement of said tax or not in view of the TSTLF performance. In this regard, Fifth Additional Provision of the Royal-Decree Law 8/2023, of December 27, has established that the requirement of the TSTLF is extended indefinitely until the review of the patrimonial taxation takes place in the context of the amendment of the regional financing system.

Individuals who, on 31 December of each year, have a net wealth higher than €3,000,000 will be subject to this tax.

Individuals that are tax residents in Spain will be taxed for their worldwide assets and rights, regardless of they are located inside or outside Spain.

The taxable base of the TSTLF will be determined by the value of the taxpayer's assets and rights, calculated by application of the rules provided for in the WT Law.

The taxable base will be reduced by a minimum exemption of €700,000. The following tax scale will apply:

Taxable base (up to euros)	Tax due (euros)	Remaining taxable base (up to euros)	Applicable rate (percentage)
0.00	0	3,000,000.00	0.00
3,000,000.00	0.00	2,347,998.03	1.7
5,347,998,03	39,915.97	5,347.998,03	2.1
10,695,996.06	152.223,93	upwards	3.5

For the calculation of the TSTLF liability, the WT liability paid will be deductible.

Inheritance and Gift Tax

Transfers of Commercial Paper for profit (due to death -inheritance or legacy- or gift) in favour of individuals resident in Spain are subject to Inheritance and Gift Tax ("**IGT**") in the terms provided for in the IGT Law, being the acquirer of the securities the taxpayer, and without prejudice to the specific regulations approved, as applicable, for each Autonomous Region.

According to state regulations, the applicable tax rate on the taxable base ranges from 7.65% to 34%; the gross tax due resulting from the tax scale must be increased by certain multiplier coefficients depending on the taxpayer's pre-existing wealth and their kinship degree with the deceased or donor, which may ultimately result in an effective tax rate ranging from 0% to 81.6% of the taxable base.

Investors that are entities with tax residence on Spanish territory

Corporate Income Tax

CIT taxpayers will be taxed on the net profits obtained in the tax period. The net profits, once the relevant off-the-books adjustments have been made, will determine the taxable base subject to taxation. The applicable tax rate is, in general, 25%. However, other special tax rates may apply depending on the taxpayer's circumstances.

Income obtained by CIT taxpayers from investments in the Commercial Paper will be included in the CIT taxable base and taxed at the applicable tax rate.

Income obtained by CIT taxpayers from Commercial Paper will be tax exempt from the withholding tax obligation provided that the Commercial Paper: (i) are represented by book entries and (ii) are traded on an official secondary securities market in Spain or on MARF. If both requirements are not met, the withholding, as an account payment of CIT, will be made at the current rate of 19%. Any withholding tax withheld will be deductible from the CIT liability. Credit entities and other financial entities that enter into account agreements with their customers based on transactions involving financial assets shall be obliged to withhold regarding the income obtained by the holders of such accounts.

The procedure to introduce the exemption described in the previous paragraph will be the one set out in the Order of 22 December 1999, without prejudice to the information regime contained in article 44 of RD 1065/2007.

To carry out the transfer or reimbursement of the Commercial Paper, the prior acquisition must be certified by a notary public or by financial institutions obliged to carry out the withholding tax, together with the acquisition price at which the transaction was carried out. The issuer may not proceed with the reimbursement when the holder does not prove its status by means of the appropriate acquisition certificate.

In the event of income obtained from the transfer, the financial entity acting on behalf of the transferor will be subject to the withholding tax obligations.

In the event of income obtained from redemption or reimbursement, the entity subject to withholding tax obligations will be the issuing entity or the financial entity responsible for the transaction.

The financial entities by means of which the transfer or reimbursement is carried out will be obliged to determine the implicit yield attributable to the Commercial Paper holder and to notify such income to both the holder and the Tax Authorities.

Notwithstanding the foregoing, to the extent that the securities are subject to the regime set out in Additional Provision One of Law 10/2014, the procedure set out in article 44 of RD 1065/2007 will be applicable in accordance with the wording given through Royal Decree 1145/2011, of 29 July, for the securities issued with a reimbursement of 12 or less months.

In case the Additional Provision One of Law 10/2014 was not applicable, or applying, the reimbursement period of the Commercial Paper was higher than 12 months, the general reporting obligations would be applicable in the terms provided for in article 42 of RD 1065/2007.

Wealth Tax

Legal entities are not subject to WT.

Extraordinary Solidarity Tax

Legal entities are not subject to TSLFT.

Inheritance and Gift Tax

Legal entities do not pay IGT.

Investors that are not resident on Spanish territory

Non-Residents Income-Tax - Investors not resident in Spain with a permanent establishment

The income obtained by the holders of the Commercial Paper who have the status of taxpayers under NRIT will qualify as income obtained in Spain, with or without a permanent establishment, under the terms of article 13 of the NRIT Law.

Income from Commercial Paper obtained by a permanent establishment in Spain will be taxed in accordance with the rules of Chapter III of the NRIT Law, without prejudice to the provisions of the Double Taxation Agreement entered into by Spain and the country where the relevant investor is tax resident (the "**DTAs**").

The aforementioned income will be excluded from NRIT withholding tax in the same way as described for CIT taxpayers (legal entities resident in Spain). The procedure for making effective the exclusion of withholding or account payment of interest provided for CIT taxpayers will also be applicable to non-residents operating in Spain through a permanent establishment.

Non-Residents Income-Tax - Investors not resident in Spain without permanent establishment

Income from Commercial Paper obtained by persons or entities not resident in Spain that act, for these purposes, without a permanent establishment, will be taxed in accordance with the rules of the NRIT Law.

However, to the extent that the requirements set forth in the First Additional Provision of Law 10/2014 are met and, as applicable, the non-resident investor without a permanent establishment proves his status, the income derived will be exempt from the NRIT in the same terms as the income derived from public debt, regardless of the investor´s tax residence, in accordance with article 14.1 d) of the NRIT Law.

Otherwise, the income derived from the difference between the redemption, transfer, reimbursement, or exchange value of the securities issued under the Programme and their subscription or acquisition value, obtained by Non-resident investors will be subject to taxation at the rate of 19% and, in general, to withholding tax at the same rate, without prejudice to those resulting from the DTAs entered into by Spain or the application of domestic exemptions. For the application of the provisions of the DTAs or domestic exemptions, it will be necessary to have evidence of tax residence by means of the relevant certificate validly issued by the tax authorities of the investor´s country of tax residence in which the tax residence is expressly specified for the purposes provided for in the DTA. For securities issued at discount for a term equal to or less than 12 months, for the exemption provided for in Law 10/2014 mentioned in the previous paragraph to be applicable, it will be necessary to comply with the procedure provided for in article 44 of RD 1065/2007, as amended by Royal Decree 1145/2011, of 29 July.

In the event that the First Additional Provision of Law 10/2014 does not apply or, if applicable, the Commercial Paper are not issued at discount or have a redemption term greater than 12 months, the general reporting obligations will apply in the terms provided for in article 42 of RD 1065/2007.

When the First Additional Provision of Law 10/2014 is not applicable to the Commercial Paper, the eventual application of a tax exemption covered by Spanish domestic regulations or double taxation agreements will be subject to the non-resident investor without a permanent establishment in Spain proving such condition by presenting the relevant tax residence certificate.

Failure to provide evidence of tax residence abroad will determine that the income derived from the Commercial Paper will be subject to withholding tax at the general rate currently in force of 19%.

Wealth Tax

Without prejudice to the provisions set out in the DTAs entered into by Spain, non-resident individuals in Spain will be subject to WT on the assets and rights they hold as of 31 December of each year when they were located in Spain or could be exercised or fulfilled in Spanish territory.

Taxpayers will be entitled to apply a minimum exemption of 700,000 euros. A WT rate scale whose marginal rates range from 0.2% to 3.5% will apply for tax year 2024. Specific regulations approved by each Autonomous Region may be applicable. The taxable base in this case will be the average trading value of the fourth quarter of each year.

Notwithstanding the above, securities whose income is exempt by virtue of the NRIT Law will be exempt from the WT.

Likewise, following the judgment of the European Union Court of Justice of 3 September 2014 (case C-127/12), which led to the amendment of the Fourth Additional Provision of the WT Law with effect from 1 January 2015, non-resident taxpayers who are resident in a Member State of the European Union or the EEA will be entitled to the application of the regulations approved by the Autonomous Region where the highest value of the assets and rights of which they are the holders and for which the tax is required, because they are located, can be exercised or shall be fulfilled in Spanish territory. This Fourth Additional Provision has subsequently been amended to include in its subjective scope non-residents who have their tax residence in third countries.

The LPGE 2021 foresees a derogation of the second paragraph of the sole article of the Royal Decree-Law 13/2011, of 16 September, by which the Wealth Tax was re-established, with a temporary basis. This also determines the derogation of the general bonus of 100% of the gross tax liability, with effect from 1st January 2021.

Temporary Solidarity on Large Fortunes Tax

Non-resident individuals will be subject to taxation under TSTLF for the holding of assets and rights that are located, could be exercised or fulfilled in Spanish territory.

Similar rules to those described in section above for resident individuals in Spain will apply to non-resident individual taxpayers.

Inheritance and Gift Tax

In accordance with the IGT Law, individuals not resident in Spain who acquire the securities or rights thereto by inheritance, legacy or gift and who are resident in a country with which Spain has entered into a DTA in relation to such tax, will be subject to taxation in accordance with the provisions of the respective agreement. For the application of such provisions, it will be necessary to have the evidence of tax residence by means of the relevant certificate validly issued by the tax authorities of the investor´s residence country in which the residence is expressly specified for the purposes provided for in the agreement.

If a DTA does not apply, individuals not resident in Spain will be subject to IGT in accordance with regulations at the state level for the acquisition of assets located in Spanish territory or rights that could be exercised or fulfilled in such territory. The effective tax rate will range from 0% to 81.6%.

In general, non-residents are subject to IGT in accordance with tax regulations at state level. Notwithstanding the above, the judgment of the European Union Court of Justice of 3 September 2014 (case C-127/12) determined that the Kingdom of Spain had failed to comply with the EU laws by allowing differences in tax treatment in gifts and inheritances involving non-residents in Spain by preventing them from applying the Autonomous Regions' regulations. To eliminate cases of discrimination, the IGT Law was amended to introduce a series of rules that allow for a full equal tax treatment in the discriminatory situations indicated by the Court. Consequently, the tax benefits approved by certain Autonomous Regions are granted, where applicable, to residents in the European Union or the EEA. For these purposes:

(i) In the event of acquisitions by inheritance, the taxpayer may opt to apply the Autonomous Region regulations where (a) the highest value of the assets and rights of the relict estate are located in Spain in the event that the deceased was resident in the European Union or the EEA; or (b) the deceased was a resident.

(ii) In the event of gifts, non-resident taxpayers who are resident in a Member State of the European Union or the EEA, may opt to apply the Autonomous Region regulations where the relevant movable assets has been located for a greater number of days in the immediately preceding five-year period, counted from date to date and ending on the day before the tax is accrued.

Likewise, the Spanish Supreme Court has issued several judgments (the first of which, of 19 February 2018, appeal number 62/2017) in which it determines that individuals residing outside the European Union and the EEA can also benefit from the regional IGT bonus like any Spanish citizen or resident in the European Union and the EEA. The Court concludes that to do otherwise constitutes an infringement of the freedom of capital movement which, as the European Union Court of Justice has repeatedly stated, applies to third countries. The Tax Authority (*Dirección General de Tributos del Ministerio de Hacienda*), in binding tax rulings V3151-18 and V3193-18, has in fact admitted the possibility that this group of taxpayers may also choose to apply the regulations of the Autonomous Regions. The Central Economic-Administrative Court (*Tribunal Económico Administrativo Central*) also endorsed it in its Resolution 2652/2016 of 16 September 2019.

Currently, the aforementioned doctrine of the Spanish Supreme Court has been incorporated into the IGT Law through the amendment of the Second Additional Provision in which reference is made to the possibility for all non-resident taxpayers (regardless of whether they are resident in a state of the European Union, EEA or third country) to apply the Autonomous Regions regulations.

Reporting regime set out in article 44 of the Royal Decree 1065/2007

For the exemption contained in Law 10/2014 to apply, to the extent that the Commercial Paper are issued at discount for a term equal to or less than 12 months, the reporting obligations set out in article 44 of RD 1065/2007, which are summarized below, must be met.

In the event of securities originally registered with a securities clearing and settlement entity addressed in Spanish territory, entities that hold the securities registered in their third-party accounts, as well as entities that manage securities clearing and settlement systems based abroad that have an agreement with the aforementioned securities clearing and settlement entity addressed in Spanish territory, must provide the issuer, in each income payment, with a statement that, according to their records, contains the following information regarding the securities, in accordance with the Annex to such RD 1065/2007:

(i) Identification of the securities;
(ii) Total amount to be reimbursed;
(iii) Reimbursement date;
(iv) Amount of income corresponding to taxpayers of PIT; and
(v) Amounts to be reimbursed that must be paid in full (which will be, in principle, those corresponding to taxpayers of NRIT and CIT).

The aforementioned statement shall be filed on the business day prior to the date of each redemption of the Commercial Paper, reflecting the situation at the closing of the market on that same day. Failure to file the aforementioned statement by any of the obliged entities on the date set out above will determine the obligation for the Issuer or the Paying Agent to pay the income corresponding to that entity for the net amount resulting from the application of the general withholding tax rate (currently 19%) to all of them.

Subsequently, if the obliged entity submits the statement prior to the 10th day of the month following to the month when the redemption of the Commercial Paper takes place, the Issuer or the Paying Agent shall, as soon as it receives it, pay any excess amounts withheld.

All the foregoing shall apply without prejudice to the reporting obligations established in general in the tax regulations for issuers, as well as for entities resident in Spain that in their capacity as financial intermediaries, act as depositaries of the Commercial Paper in relation to PIT, CIT and NRIT with a permanent establishment in Spain taxpayers, who are holders of Commercial Paper in accordance with the records of such entities.

General reporting regime

In the event that the issue is not covered by the First Additional Provision of Law 10/2014, or if, being covered, the Commercial Paper are not issued at discount or are issued for a redemption period of more than 12 months, the reporting obligations contained in the PIT Regulation (article 92) and the CIT Regulation (article 63) would apply, by virtue of which, in order to proceed with the disposal or obtention of the reimbursement of financial assets with implicit yield that must be subject to withholding, the obligation to evidence the previous acquisition of them is established, as well as the price at which the transaction was carried out before the notary public or the financial entities obliged to retain (depository entities of the securities). Therefore, the financial entity acting on behalf of the depositor must issue certification of the following to the Issuer or the Paying Agent:

(i) date of the transaction and identification of the Commercial Paper;
(ii) name of the acquirer;
(iii) tax identification number of the relevant acquirer or depositor; and
(iv) acquisition price.

Three copies of the certification will be issued. Two copies of it will be delivered to the taxpayer, remaining the third one in the possession of the certifying person or entity (depositary entity). The Issuer may not proceed with the reimburse or redemption when the holder of the Commercial Paper, through its depository entity, does not prove the prior acquisition by means of the relevant certificate. Therefore, once the Issuer or the Paying Agent has transferred the funds to the depositary entities obliged to withhold, they will be obliged to calculate the yield attributable to the holder of the Commercial Paper and notify it to both the holder and the Tax Administration, as well as to carry out the relevant withholding when required in accordance with the above.

Indirect taxation in the acquisition and transfer of the Commercial Paper

The acquisition and, where applicable, the subsequent transfer of the Commercial Paper is exempt from the Transfer Tax and Stamp Duty and the Value Added Tax, in the terms set out in article 338 of the Securities Market Act and in accordance with the laws regulating the aforementioned taxes

22. Publication of the Information Memorandum

This Information Memorandum will be published on the website of MARF (www.bolsasymercados.es).

23. Description of the placement system and, if applicable, subscription of the issue

Placement by the Placement Entities

The Placement Entities may intermediate in the placement of the Commercial Paper, without prejudice to the Placement Entities being able to subscribe the Commercial Paper in their own name.

For these purposes, the Placement Entities may request the Issuer in any business day, between 10:00 and 14:00, volume quotations and interest rates for potential issues of Commercial Paper in order to carry out the corresponding book building process among eligible counterparties and professional clients.

The amount, nominal interest rate, dates of issuance and disbursement, maturity date and the remaining terms and conditions of each issuance so placed by the Placement Entities shall be determined by agreement between the Issuer and the relevant Placement Entity. The terms of such agreement will be confirmed once a document setting out the terms and conditions of the issue is sent by the relevant Placement Entity to the Issuer and, if the terms and conditions are accepted by the Issuer, the Issuer will send back to the relevant Placement Entity.

In the event that an issuance of the Commercial Paper is initially subscribed by a Placement Entity and subsequently sold to the final investors, the price may be freely agreed between the relevant Placement Entity and the interested parties and might not coincide with the issue price (i.e. with the cash amount).

Issue and subscription of the Commercial Paper directly by final investors

It is also possible that final investors having the status of “qualified investors” in accordance with the definition provided for in article 2(e) of the Prospectus Regulation, and “eligible counterparties” or “professional clients”, according to the definition attributed to each of these terms in MiFID II and its implementing regulations (including articles 194 and 196 of the Securities Market Act), may subscribe the Commercial Paper directly from the Issuer, provided these comply with all current legal requirements.

In such cases, the amount, nominal interest rate, issue and disbursement dates, maturity date, as well as the rest of the terms of each issuance so arranged shall be agreed between the Issuer and the final investors in relation to each particular issue.

24. Costs for legal, financial and auditing services, and other services provided to the issuer regarding the issue/admission and where appropriate, insurance costs, regarding the issue, placement and admission

The costs for all legal, financial and auditing services, and other services provided to the Issuer for the issue/admission to trading of the Commercial Paper sum up a total of fifty-two thousand five hundred EUROS (€ 52,500), excluding taxes, (assuming the issue of the maximum amount under the Programme) and including the fees of MARF and Iberclear.

25. Request for admission to trading of the Commercial Paper on MARF

Deadline for the admission to trading

The admission to trading of the Commercial Paper described in this Information Memorandum will be requested for the multilateral trading facility known as the Alternative Fixed-Income Market (MARF). The Issuer hereby undertakes to carry out all the necessary actions so that the Commercial Paper is listed on MARF within seven (7) days from the date of issuance of the Commercial Paper. For these purposes, as stated above, the date of issuance coincides with the date of disbursement. Under no circumstances will the deadline exceed the maturity of the Commercial Paper. In the event of breach of the aforementioned deadline, the reasons for the delay will be notified to MARF and will be made public as other relevant information (*otra información relevante*) through MARF. This is without prejudice to any possible contractual liability that may be incurred by the Issuer.

MARF has the legal structure of a multilateral trading facility (MTF) (*sistema multilateral de negociación (SMN)*), under the terms set out in the Securities Market Act, constituting an unofficial alternative market for the trading of fixed-income securities.

This Information Memorandum is the one required in Circular 2/2018.

Neither MARF, the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (CNMV), and the Placement Entities have approved or carried out any verification or testing regarding the content of the Information Memorandum, the audited financial statements and the credit rating report submitted by the Issuer. The intervention of MARF does not represent a statement or recognition of the full, comprehensible and consistent nature of the information set out in the documentation provided by the Issuer.

It is recommended that the investor fully and carefully reads this Information Memorandum prior to making any investment decision regarding the securities.

The Issuer hereby expressly declares that it is aware of the requirements and conditions necessary for the acceptance, permanence and removal of the securities on MARF, according to current legislation and the requirements of its competent body, and expressly agrees to comply with them.

The Issuer hereby expressly declares that it is aware of the requirements for registration and settlement on Iberclear. The settlement of transactions will be performed through Iberclear.

Publication of the issuances of Commercial Paper made under the Programme.

The admission of the Commercial Paper will be reported through MARF website (www.bolsasymercados.es).

26. Liquidity agreement

The Issuer has not entered into any liquidity undertaking with any entity regarding the Commercial Paper to be issued under the Programme.

In Madrid, on 11 of March of 2024.

As the person responsible for this Base Information Memorandum:

____

Mrs. Ana San Vicente Landaida
TEKNIA MANUFACTURING GROUP, S.L.U.

ISSUER

Teknia Manufacturing Group, S.L.
Barrio San Agustín, s/n
48230 Elorrio (Vizcaya)

PLACEMENT ENTITIES

Bankinter, S.A.
Paseo de la Castellana 29
28046 Madrid

Banca March, S.A.
Avenida Alejandro Rosello 8
07002 Palma de Mallorca (Baleares)

PKF Attest Capital Markets A.V, S.A.
Calle Orense 81
28020 Madrid

REGISTERED ADVISOR

Banca March, S.A.
Avenida Alejandro Rosello 8
07002 Palma de Mallorca (Baleares)

PAYING AGENT

Bankinter, S.A.
Paseo de la Castellana 29
28046 Madrid

LEGAL ADVISOR

Cuatrecasas, Gonçalves Pereira, S.L.P.
Calle Almagro 9
28010 Madrid

ANNEX

CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER FOR THE FINANCIAL YEARS ENDED ON 31 DECEMBER 2021 AND 31 DECEMBER 2022

https://www.tekniagroup.com/wp-content/uploads/2023/02/ccaaa_c_2021_tmg_en.pdf

https://www.tekniagroup.com/wp-content/uploads/2023/05/teknia-m-g--consolidated-financial-statements-2022-eng.pdf